

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451
General Contact Number: 571-272-8500

Baxley

Mailed: July 2, 2015

Cancellation No. 92055302

District Enterprises, Inc.

v.

Independence Towing & Recovery, Inc.

Andrew P. Baxley, Interlocutory Attorney:

In this case, District Enterprises, Inc. (“Petitioner”) seeks cancellation of Respondent’s registration for the mark DR 1942-99 in the following stylized form,

DR

¹⁹⁴²⁻⁹⁹, for “vehicle towing” in International Class 39¹ on the grounds of: (1) likelihood of confusion under Trademark Act Section 2(d), 15 U.S.C. § 1052(d), based on Petitioner’s alleged prior use of the marks DR and DR 1942-99 for vehicle towing and specialty vehicle repair (paragraphs 3-17); (2) fraud based on allegedly false averments in the application declaration that it was “the owner of the mark sought to be registered” and that “no other person, firm, corporation, or association has the right to use the mark in commerce, either in the identical form thereof or in

¹ Registration No. 3840150, issued August 31, 2010, based on a use-based application filed August 19, 2009, with allegations that the mark was first used anywhere and first used in commerce on March 10, 2008.

such near resemblance thereto as to be likely, when used on or in connection with the goods/services of such other person, to cause confusion, or to cause mistake, or to deceive” (paragraphs 3-13, and 19-21); misrepresentation of source under Trademark Act Section 14(3), 15 U.S.C. § 1064(3) (paragraphs 3-13, subheading III).² See *In re Bose Corp.*, 580 F.3d 1240; 91 USPQ2d 1938, 1940-42 (Fed. Cir. 2009) (fraud); *Otto Roth & Co., Inc. v. Universal Foods Corp.*, 640 F.2d 1317, 209 USPQ 40, 43-44 (CCPA 1981) (likelihood of confusion); *King Candy Co. v. Eunice King's*

² Under subheading III of the petition to cancel, wherein Petitioner purports to plead its misrepresentation of source claim, Petitioner alleges in part that Respondent “had a greater duty to distinguish and differentiate its services from Petitioner’s services. However, [Respondent] continued to use the Mark in an identical fashion.” Paragraph 24. This allegation would support only a likelihood of confusion claim. See *McDonnell Douglas Corp. v. Nat’l Data Corp.*, 228 USPQ 45, 47 (TTAB 1985).

Elsewhere in the petition to cancel, Petitioner alleges, in paragraph 10, that Respondent’s principals stated “to Petitioner’s customers that [Respondent] was merely a suburban branch of” Petitioner’s towing subsidiary and, in paragraph 26, that “[u]pon information and belief, [Respondent] filed the Application with the intent to trade off the goodwill represented by Petitioner’s ‘DR 1942-99’ mark.” See *id.*, citing *Osterreichischer Molkerei- und Kasereiverband Registrierte GmbH v. Marks and Spencer Ltd.*, 203 USPQ 793, 794 (TTAB 1979) (“[T]he term misrepresentation of source ... refers to situations where it is deliberately misrepresented by or with the consent of the registrant that goods and/or services originate from a manufacturer or other entity when in fact those goods and/or services originate from another party.”). These allegations form a basis for alleging misrepresentation of source.

Petitioner also alleges under subheading III in paragraph 25 of the petition to cancel that “[i]n view of the identity of [Respondent’s] mark with Petitioner’s mark, and in view of the related uses thereof, it is alleged that [Respondent’s] mark consists of and comprises matter that may falsely suggest a connection with Petitioner.” However, use of similar marks on related goods/services also would support only a likelihood of confusion claim. Rather, a false suggestion claim under Trademark Act Section 2(a), 15 U.S.C. § 1052(a), requires allegations that: (1) the defendant’s mark is the same or a close approximation of plaintiff’s previously used name or identity; (ii) the mark would be recognized as such; (iii) the plaintiff is not connected with the activities performed by the defendant under the mark; and (iv) the plaintiff’s name or identity is of sufficient fame or reputation that when the defendant’s mark is used on its goods or services, a connection with the plaintiff would be presumed. See *Univ. of Notre Dame du Lac v. J.C. Gourmet Food Imports Co., Inc.*, 703 F.2d 1372, 217 USPQ 505, 509 (Fed. Cir. 1983); *Miller Brewing Co. v. Anheuser-Busch Inc.*, 27 USPQ2d 1711, 1712-13 (TTAB 1993); *Buffett v. Chi-Chi’s, Inc.*, 226 USPQ 428, 429 (TTAB 1985).

Kitchen, Inc., 496 F.2d 1400, 182 USPQ 108 (CCPA 1974); *Otto Int'l Inc. v. Otto Kern GmbH*, 83 USPQ2d 1861, 1863-64 (TTAB 2007) (misrepresentation of source).

Respondent, in its answer, denied the salient allegations of the petition to cancel.

The discovery period closed in this case on November 12, 2013, and the last testimony period closed in this case on May 26, 2014. *See also* January 6, 2015 order at 3. After Petitioner and Respondent filed their main briefs on the case, Petitioner, on March 13, 2015, filed a motion to introduce new evidence and to reopen discovery for the limited purpose of taking a discovery deposition of a newly discovered witness. The motion is fully briefed.

Through its motion, Petitioner seeks to introduce testimony of Keith Becht (“Becht”), who worked for Petitioner between 2000 and 2008 and returned to Petitioner earlier this year, after having worked for Respondent from May 2010 to December 31, 2014.³ Petitioner seeks to introduce evidence regarding uniform shirts worn by him when he was employed by Petitioner that Respondent’s principal allegedly confiscated shortly after he commenced work for Respondent. Petitioner also seeks to introduce testimony of Joseph Mozdierz (“Mozdierz”) regarding a uniform shirt that Robert Janik (“Janik”), who died suddenly on January 22, 2015, wore during Janik’s employment was employed as a tow truck driver by Petitioner from October 2, 2006 to January 3, 2007. Petitioner contends in the brief in support of the motion that the proposed testimony is “not simply for the purpose of

³ Following Becht’s departure from Respondent, Respondent sought to prevent his return to Petitioner through a civil action styled *Independence Towing and Recovery, Inc. v. District Recovery, Inc. and Becht*, Case No. 2015-CH-00793, filed January 20, 2015 in the Circuit Court of Cook County, Illinois. The civil action, wherein Respondent alleged breach of a noncompetition agreement, dismissed without prejudice in a January 28, 2015 order.

establishing a date of first use,” but rather is evidence that Respondent’s principals, Dan and Dennis Radwanski, “were not the only ones wearing” DR logo shirts while they were employed by Petitioner. Petitioner further contends that Becht’s testimony “would be indicative of [Respondent’s] withholding of evidence in this case and failure to disclose witnesses having relevant information to the dispute.” Petitioner also contends in its reply brief that Becht’s proposed testimony is relevant to its pleaded fraud claim.

For the Board to grant a motion to reopen its testimony period to introduce newly discovered evidence, the movant must show not only that the proposed evidence has been newly discovered, but also that the evidence could not have been discovered earlier through the exercise of reasonable diligence. *Harjo v. Pro-Football, Inc.*, 45 USPQ2d 1789, 1790 (TTAB 1998); *Lutz Superdyne, Inc. v. Arthur Brown & Bro., Inc.*, 221 USPQ 354, 360-61 & n.11 (TTAB 1984); TBMP § 509.01(b)(2) (2014). However, even if a sufficient showing of due diligence has been made, the Board will not automatically reopen a party’s testimony period for introduction of the new evidence. In deciding the motion, the Board will consider, among other things: (1) the nature and purpose of the evidence sought to be added, (2) the stage of the proceeding, (3) the adverse party's right to a speedy and inexpensive determination of the proceeding, and (4) the need for closure once the trial period has been completed. See *Canadian Tire Corp. v. Cooper Tire & Rubber Co.*, 40 USPQ2d 1537, 1539 (Comm'r 1996).

To prevail on its pleaded Section 2(d) claim, Petitioner must establish its alleged proprietary rights in its DR and DR 1942-99 marks, whether by ownership of a registration, prior use of a technical “trademark,” prior use in advertising, prior use as a trade name, or whatever other type of use may have developed a trade identity that precede any date upon which Respondent can properly rely in support of its registration. *See Otto Roth & Co., Inc.*, 209 USPQ at 43; *King Candy Co.*, 182 USPQ at 110. To prevail on its fraud claim, Petitioner must establish that Respondent knowingly made specific false, material representations of fact in connection with its application to register the involved mark with the intent of obtaining a registration to which it is otherwise not entitled.⁴ *See In re Bose Corp., supra.* To prevail on its pleaded misrepresentation of source claim, Petitioner must establish that Respondent blatantly misused the involved mark “in a manner calculated to trade on the goodwill and reputation of [P]etitioner.” *McDonnell Douglas Corp.*, 228 USPQ at 47.

The Board is not satisfied that the newly discovered evidence from Becht could not have been discovered through reasonable diligence. In particular, Becht is alleged to have been an employee of Petitioner between 2000 and 2008, when Respondent’s principals left Petitioner and started their own towing business, and has worked in Chicago area since that time for both Respondent and a third-party

⁴ There is no fraud if a false misrepresentation is occasioned by an honest misunderstanding or inadvertence without a willful intent to deceive. *Smith Int’l, Inc. v. Olin Corp.*, 209 USPQ 1033, 1044 (TTAB 1981). Unless a party alleging fraud can point to clear and convincing evidence that supports drawing an inference of deceptive intent, it will not be entitled to judgment on a fraud claim. *In re Bose Corp.*, 91 USPQ2d at 1942. Any doubt must be resolved against the party making a claim of fraud. *Id.* at 1939.

towing company. Even if the Board assumes that Becht was not in contact with Petitioner's principals during his nearly seven-year absence from Petitioner, Petitioner would have been aware of him as a result of his eight-year employment therewith and, with reasonable diligence, could have located him through, for example, an online search so that he could have been deposed, if necessary by subpoena, during the discovery period regarding his knowledge of information pertaining to this case and provided witness testimony during Petitioner's testimony period. *See* Fed. R. Civ. 30(a) and 45; Trademark Rule 2.120(b); TBMP § 404.03(a)(2). Although Petitioner contends that Becht was unable to provide testimony because he was involved in litigation with Respondent concerning alleged violation of a noncompetition covenant following his departure from Respondent, the record indicates that such litigation only commenced on January 20, 2015, nearly eight months after the close of the last testimony period herein. Accordingly, that litigation could not have affected his ability to testify during Petitioner's testimony periods.

Moreover, in responses to Respondent's interrogatory nos. 3 and 4 that Petitioner served on February 1, 2013, Petitioner set forth "a non-exhaustive list of" eleven tow truck drivers (including Mozdzierz and Janik, but not including Becht) who have clothing with the DR and DR 1942-99 marks embroidered thereon. In addition, Mozdzierz, in his declaration in support of Petitioner's motion avers that, except for a four-month period in 2006, he has worked as a full-time truck driver for Petitioner since June 3, 2005. Thus, Petitioner's assertion in its brief in support of

its motion that Becht “would be the first driver in this case that was available to testify about the uniform designs that were instituted by [Respondent’s principal] Dan Radwanski while he worked for [Petitioner]” is unpersuasive. At a minimum, Mozdierz would appear to have been able to provide testimony concerning use of the pleaded marks by Petitioner’s employees prior to Respondent’s principals’ departure from Petitioner.⁵

Although Petitioner contends in its reply brief that Becht’s proposed testimony is relevant to its pleaded fraud claim, the involved use-based application was filed August 19, 2009 and includes a specimen that shows the involved DR 1942-99 mark on what appears to be a uniform shirt sleeve in a manner that essentially matches the presentation of that mark as allegedly used by Petitioner in the one of the exhibits to the petition to cancel. Becht’s proposed testimony regarding Respondent’s principal Dennis Radwanski allegedly confiscation of uniform shirts that Becht wore while he was employed by Petitioner in spring of 2011 would be with regard to events in spring of 2011, nearly two years after the filing date of Respondent’s application for the involved registration. However, the fraud allegations herein are concerned with Respondent’s knowledge and intent at the time the application for the involved registration was filed in August 2009. *See Nationstar Mortg. LLC v. Ahmad*, 112 USPQ2d 1361, 1365 (TTAB 2014).

Although Petitioner contends that Becht’s testimony “would be indicative of [Respondent’s] withholding of evidence in this case and failure to disclose witnesses

⁵ Petitioner need only establish prior use of its pleaded marks to prevail on its Section 2(d) claim; it need not establish the exact date of first use thereof. *See* Trademark Act Section 2(d); *King Candy, Inc., supra*.

having relevant information to the dispute,” Petitioner has the burden of proof herein. *See Cerveceria Centroamericana, S.A. v. Cerveceria India.*, 892 F.2d 1021, 1023, 13 USPQ2d 1307, 1309 (Fed.Cir. 1989). Respondent was only obligated to the disclose persons, documents and witnesses required by its initial and pretrial disclosure obligations (*see* Fed. R. Civ. P. 26(a)(1)(A)(i) and (ii), 26(a)(2), and 26(a)(3); TBMP §§ 401.02, 401.03, and 702.01), to respond appropriately to written discovery requests (*see* Fed. R. Civ. P. 33, 34, and 36; Trademark Rules 2.119(c) and 2.120(a)(3); TBMP §§ 403 and 405-407), and to appear for any properly noticed discovery depositions (Fed. R. Civ. P. 30; Trademark Rule 2.120(b); TBMP § 404) prior to trial. To the extent that Petitioner is alleging that Respondent served insufficient initial disclosures or failed properly requested information and/or documents in discovery, Petitioner’s remedy was to timely file a motion to compel. *See* Trademark Rule 2.120(e)(1); TBMP § 523. To the extent that Petitioner is alleging that any pretrial witness disclosure was inadequate, Petitioner’s remedy was to file a motion to strike the testimony of any undisclosed or inadequately disclosed trial witness. *See* Trademark Rule 2.123(e)(3); TBMP § 533. Because Petitioner did not exercise any of these remedies, its assertion that Respondent was somehow improperly withholding documents or witnesses is unpersuasive.

Petitioner also seeks to take testimony of Mozdzierz regarding a uniform shirt that Janik, who died suddenly on January 22, 2015, wore while he was employed as a tow truck driver by Petitioner from October 2, 2006 to January 3, 2007, which is alleged to have been discovered among Janik’s possessions after he died. The Board

notes, however, that, in a February 1, 2013 response to Respondent's interrogatory nos. 3 and 4, Petitioner both Mozdierz and Janik among eleven tow truck drivers who wore uniform shirts bearing the pleaded DR and DR 1942-99 marks and that Mozdierz avers in his declaration to having worked as a tow truck driver for Petitioner since June 3, 2005, except for a four-month period in 2006. Petitioner has failed to note anything unique about Janik's uniform shirt beyond its recent discovery among Janik's possessions and has failed to persuade the Board that it could not have with reasonable diligence presented witness testimony during its testimony period from other tow truck drivers concerning use of the pleaded marks by persons other than Respondent's principals that precedes Respondent's principals' departure from Petitioner in February 2008.

Rather, in Becht's declaration, he avers that "[i]f I had testified in the case earlier, my testimony would have been that DR-containing shirts were in use at [Petitioner] by drivers such as myself throughout the early 2000's and certainly before [Respondent] started." Becht declaration, paragraph 18. Mozdierz makes an identical averment in paragraph 7 of his declaration. These averments indicate that Petitioner may be attempting to use Becht's recent litigation with Respondent and Janik's recent passing as subterfuges to take testimony from Becht and Mozdierz regarding prior use of the involved mark and use of the involved mark by persons other than Respondent's principals prior to their departure from Petitioner, long after the close of testimony periods herein.

More importantly, this case is near completion inasmuch as both parties have filed their briefs on the case. To reopen discovery, even for the limited purposes of taking discovery depositions of Becht and/or Mozdzierz, would require a reopening of all testimony periods and all briefing on the case, which, under a standard Board schedule, could result in the briefing of this case on the merits not being completed for nearly a year. *See* Trademark Rule 2.121(a) and 2.128(a)(1). Such a delay of this case would severely prejudice Respondent's right to a speedy and inexpensive determination of the proceeding. This case has been pending for three years, and the parties have already had ample time in which to take discovery and present trial evidence.

Petitioner brought this case and, in so doing, took responsibility for moving forward on the established schedule. *See Atlanta-Fulton County Zoo Inc. v. DePalma*, 45 USPQ2d 1858, 1860 (TTAB 1998). As plaintiff herein, Petitioner should have been aware of what evidence it would need to establish its claims and how it would obtain that evidence long ago. *See Great Seats Inc. v. Great Seats Ltd.*, 100 USPQ2d 1323, 1328 (TTAB 2011). While the Board favors deciding cases on the merits, the Board is justified in enforcing procedural deadlines. *See Hewlett-Packard Co. v. Olympus Corp.*, 931 F.2d 1551, 1554, 18 USPQ2d 1710, 1713 (Fed. Cir. 1991).

In view thereof, Petitioner's motion to reopen is denied. Petitioner is allowed until fifteen days from the mailing date set forth in this order to file its reply brief

Cancellation No. 92055302

on the case. An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.