

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

Baxley

Mailed: June 29, 2012

Cancellation No. 92055302

District Enterprises, Inc.

v.

Independence Towing &
Recovery, Inc.

Andrew P. Baxley, Interlocutory Attorney:

District Enterprises, Inc. ("petitioner") seeks to cancel Independence Towing & Recovery, Inc.'s registration

DR

for the mark DR 1942-99 in the following form, ¹⁹⁴²⁻⁹⁹, for "vehicle towing" in International Class 39¹ on grounds of likelihood of confusion with its previously used, identical mark under Trademark Act Section 2(d), 15 U.S.C. Section 1052(d); fraud in the declaration for the application for the involved registration under Trademark Act Section 14, 15 U.S.C. Section 1064; and misrepresentation of source under Trademark Act Section 14(3), 15 U.S.C. Section 1064(3).

¹ Registration No. 3840150, issued August 31, 2011, and alleging March 10, 2008 as the date of first use anywhere and date of first use in commerce. The registration includes the following description: "The mark consists of a capitalized letter 'D,' followed by a capitalized letter 'R,' which letter 'R' is placed one-half the length of the preceding 'D' lower than such 'D;'

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

Concurrently with respondent's answer, respondent filed a motion to strike paragraph 9 of the petition to cancel. Petitioner filed a brief in response thereto.

Petitioner, in paragraph 9 of the petition to cancel, alleges as follows:

[Respondent's principals] have sued Petitioner on several occasions. One civil lawsuit was filed in DuPage County Circuit Court and was assigned number 08 CH 2122. In that lawsuit[, respondent's principals] claimed that [petitioner's] assets should be transferred away from [petitioner]. After more than 2 ½ years in litigation, summary judgment was entered on behalf of petitioner, denying the [respondents] the sought interest in the corporation.

In support of the motion to strike, respondent contends that paragraph 9 of the petition to cancel is impertinent, immaterial and irrelevant to this proceeding; and that such paragraph refers to prior litigation between respondent's principals and petitioner which does not relate to respondent's registered mark and has no bearing upon respondent's registration for that mark.

In response, petitioner contends that paragraph 9 is highly relevant to its pleaded fraud claim; that, in the prior litigation, respondent's principals sought to gain control of petitioner, including its trademarks and other

under the aforementioned capitalized letters 'D' and 'R' are the numbers '1942-99.'"

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assets; and that petitioner's superior rights in the involved mark were established in the prior litigation.

Upon motion, or upon its own initiative, the Board may strike an impermissible or insufficient claim or portion of a claim from a pleading. See Fed. R. Civ. P. 12(f); TBMP Section 506.01 (3d ed. rev. 2012). Motions to strike are not favored, and matter will not be stricken unless it clearly has no bearing upon the issues in the case. *Ohio State University v. Ohio University*, 51 USPQ2d 1289, 1293 (TTAB 1999).

Although petitioner has not alleged that the DuPage County Circuit Court's decision in Case No. 08 CH 2122 has any preclusive effect with regard to any issues herein, the Board finds that the allegations in paragraph 9 may have a bearing upon the issues in this case.² Accordingly, the Board, keeping in mind its general reluctance to strike matter from pleadings, finds that striking that paragraph is unwarranted, and the motion to strike is denied.

² "The doctrine of issue preclusion (or collateral estoppel) operates to preclude the relitigation, by the same parties or their privies, of issues actually litigated, and necessarily determined (by a court of competent jurisdiction), in a prior proceeding, whether or not the prior proceeding involved the same claim as the subsequent proceeding." *Flowers Industries Inc. v. Interstate Brands Corp.*, 5 USPQ2d 1580, 1583 (TTAB 1987). If petitioner wants to allege that such decision gives rise to issue preclusion or collateral estoppel, it petitioner should file a motion for leave to file an amended petition to cancel. See Fed. R. Civ. P. 15(a); TBMP Section 507.02.

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The Board reviewed the pleadings in preparing this order. As part of petitioner's misrepresentation of source claim, petitioner alleges in paragraph 25 that respondent's "mark consists of and comprises matter that may falsely suggest a connection with [p]etitioner." False suggestion of a connection under Trademark Act Section 2(a), 15 U.S.C. Section 1052(a), and misrepresentation of source under Trademark Act Section 14(3), 15 U.S.C. Section 1064(3), are separate claims.³ The Board will treat petitioner's false suggestion wording in paragraph 25 merely as part of its misrepresentation of source claim.⁴

Proceedings herein are resumed. Dates are reset as follows.

Answer Due

7/25/2012

³ A pleading of false suggestion of a connection is based on the right to privacy and requires allegation of facts from which it may be inferred that respondent's mark points uniquely to petitioner, as an entity, i.e., that respondent's mark is petitioner's identity or "persona," and that purchasers would assume that services rendered under respondent's mark are connected with petitioner. See *The University of Notre Dame du Lac v. J.C. Gourmet Food Imports Co., Inc.*, 703 F.2d 1372, 217 USPQ 505 (Fed. Cir. 1983). A claim of false suggestion of a connection also requires an allegation of petitioner's prior use of respondent's mark, or the equivalent thereof, as a designation of its identity or "persona", or an association of the same with petitioner prior in time to respondent's use. See *Miller Brewing Co. v. Anheuser-Busch Inc.*, 27 USPQ2d 1711 (TTAB 1993).

A pleading of misrepresentation of source, on the other hand requires allegations of blatant misuse of the mark by respondent in a manner calculated to trade on the goodwill and reputation of petitioner. See *Otto International Inc. v. Otto Kern GmbH*, 83 USPQ2d 1861 (TTAB 2007).

⁴ If petitioner wants to plead a false suggestion of a connection claim, petitioner should file a motion for leave to file an amended petition to cancel. See Fed. R. Civ. P. 15(a); TBMP Section 507.02.

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Deadline for Discovery Conference	8/24/2012
Discovery Opens	8/24/2012
Initial Disclosures Due	9/23/2012
Expert Disclosures Due	1/21/2013
Discovery Closes	2/20/2013
Plaintiff's Pretrial Disclosures	4/6/2013
Plaintiff's 30-day Trial Period Ends	5/21/2013
Defendant's Pretrial Disclosures	6/5/2013
Defendant's 30-day Trial Period Ends	7/20/2013
Plaintiff's Rebuttal Disclosures	8/4/2013
Plaintiff's 15-day Rebuttal Period Ends	9/3/2013

In each instance, a copy of the transcript of testimony, together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.

If either of the parties or their attorneys should have a change of address, the Board should be so informed promptly.