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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92057460
Party	Defendant ALOHA AIRLINES, INC.
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**UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

HAWAIIAN AIRLINES, INC., a Delaware corporation,

Petitioner,

v.

YUCAIPA CORPORATE INITIATIVES  
FUND I, L.P., a Delaware limited partnership,  
and

YUCAIPA CORPORATE INITIATIVES  
FUND I, L.L.C., a Delaware limited liability  
company,

Respondents.

Cancellation Nos. 92057460 (parent)<sup>1</sup> /  
Registration No. 2,303,334

Cancellation No. 92057479/  
Registration No. 2,347,989

Cancellation No. 92057493/  
Registration No. 3,071,580

Cancellation No. 92057541/  
Registration No. 3,215,210

**REPLY IN SUPPORT OF RESPONDENTS YUCAIPA CORPORATE INITIATIVES  
FUND I, L.P. AND YUCAIPA CORPORATE INITIATIVES FUND I, L.L.C.’S  
MOTION TO SUSPEND CANCELLATION PROCEEDING**

**I. INTRODUCTION**

As set forth in the Motion to Suspend Cancellation Proceeding (“Mot.” or “Motion to Suspend”) submitted by Respondents Yucaipa Corporate Initiatives Fund I, L.P. (“Yucaipa L.P.”) and Yucaipa Corporate Initiative Fund I, L.L.C. (“Yucaipa L.L.C.,” and together with Yucaipa L.P., “Respondents”), the Trademark Trial and Appeal Board (the “Board”) should suspend this cancellation proceeding (the “Cancellation”) until resolution of a pending civil action (the “District Court Action”) that involves precisely the issues before the Board in this proceeding. In its Opposition to the Motion to Suspend (“Opp.” or the “Opposition”), Petitioner articulates no reason why this case should proceed in parallel with the District Court Action.

*First*, contrary to Petitioner’s claims, the District Court Action will not be dismissed for failure to name an “indispensable party.” The District Court Action properly names Yucaipa L.P. as the only plaintiff in that case, given that Yucaipa L.P. – not Yucaipa L.L.C. – is the owner of the registrations at issue (the “Registrations”) in both the Cancellation and the District

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<sup>1</sup> Cancellation proceeding numbers 92057460, 92057479, 92057493, and 92057541 were consolidated by the Trademark Trial and Appeal Board by Order dated October 1, 2013. Pursuant to that Order, cancellation proceeding number 92057460 is the “parent” case and the record therefore only is being maintained in this case.

Court Action. Moreover, even if Yucaipa L.L.C. were an owner of the Registrations, any resulting defect under the Federal Rules of Civil Procedure would be resolved by joining Yucaipa L.L.C. as a party to the District Court Action. Thus, there are no grounds for dismissal of the District Court Action. The Board should not decline to suspend the Cancellation based on a dismissal that will never occur.

*Second*, the “primary jurisdiction” doctrine does not militate against suspending this proceeding. The Ninth Circuit has squarely rejected Petitioner’s argument that cancellation issues are more properly resolved by the Board than a federal district court, particularly in cases where trademark infringement is alleged in the district court proceeding. Indeed, the Ninth Circuit has found that staying a district court action pending resolution of a parallel proceeding before the Board constitutes abuse of discretion. Because the District Court is bound by the Ninth Circuit’s decisional law, it will not abuse its discretion by staying the District Court Action pending resolution of the Cancellation. Accordingly, the District Court Action will proceed, and for all of the reasons set forth in the Motion, this proceeding should be suspended until the District Court Action is resolved.

## **II. ARGUMENT**

### **A. The District Court Action Disposes Of The Issues In This Proceeding**

As set forth in the Motion to Suspend, the District Court Action will resolve all of the questions before the Board in this proceeding, namely whether the Registrations may be cancelled for alleged abandonment of the underlying trademarks. *See* Mot. at 2. Accordingly, suspending this proceeding until resolution of the District Court Action – the outcome of which is binding and will have direct “bearing on the issues before the Board” here – is appropriate. *See id.*; TBMP § 510.02(a) (“Where the other proceeding “may have a bearing on the issues before the Board,” the Board will “[o]rdinarily ... suspend the proceedings in the case before it[.]”); *see also, e.g., New Orleans Louisiana Saints LLC & NFL Props. LLC v. Who Dat?, Inc.*, 99 USPQ2d 1550, 1552 (TTAB 2011). Petitioner’s arguments to the contrary are unavailing.

First, Petitioner’s assertion that the claims in the District Court Action are inadequately pled – and therefore that the District Court Action will be dismissed – fails. The Complaint in the District Court Action properly names Yucaipa L.P. as the Plaintiff. Indeed, Petitioner’s own submitted documents confirm that only Yucaipa L.P. – not Yucaipa L.L.C. – is the owner of the Registrations. *See* Opp. Ex. A (Trademark Assignment Abstract of Title) at 1-2 (noting that the

“Assignee” and “Receiving Party” is “Yucaipa Corporate Initiatives Fund I, L.P.”); Opp. Ex. E (Declaration of Excusable Nonuse) at 3, 5 (naming “owner” as “Yucaipa Corporate Initiatives Fund I, L.P.”); Opp. Ex. F (Declaration of Excusable Nonuse) at 3, 5 (same). Yucaipa L.L.C. is merely the general partner of Yucaipa L.P.; it is not the owner of any of the Registrations. *See* Opp. Ex. E at 4, 5 (identifying Yucaipa L.P.’s general partner as “Yucaipa Corporate Initiatives Fund I, LLC”); Opp. Ex. F at 4, 5 (same). In the face of this evidence, Petitioner’s claim that “[t]he record clearly discloses that Yucaipa L.L.C. is an owner of the Registrations” is without basis. Opp. at 7 (citing Opp. Exs. E, F). In addition, Petitioner cites no authority for the proposition that the general partner of the entity who owns the registration at issue must be named as a plaintiff in a trademark infringement action. Thus, the District Court Action will not be dismissed for failure to name Yucaipa L.L.C. as a party to the case.<sup>2</sup>

Moreover, even if Yucaipa L.L.C. were the owner of the Registrations along with Yucaipa L.P., this would not be grounds for dismissal of the District Court Action. Petitioner erroneously avers that the District Court Action could be dismissed under Federal Rule of Civil Procedure 19(a). Not so. Rule 19(a) simply provides that a person “must be joined as a party” if certain criteria are met.<sup>3</sup> However, *only* if such person “cannot be joined” will the dismissal provisions of Rule 19 be triggered. *See* Fed. R. Civ. P. 19(b) (“*If a person who is required to be joined if feasible cannot be joined, the court must determine whether, in equity and good conscience, the action should proceed among the existing parties or should be dismissed.*”) (emphasis added). Here, even if the District Court makes a determination that Yucaipa L.L.C. “must be joined” as a plaintiff in the District Court Action under Rule 19(a) (which it will not do), the Complaint simply will be amended to name Yucaipa L.L.C. as a plaintiff alongside Yucaipa L.P., resolving any Rule 19 concerns. Critically, Petitioner makes no suggestion that

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<sup>2</sup> For the same reason, proceeding in the District Court Action will not “necessitate further proceedings to finally clear the register” with respect to Yucaipa L.L.C.’s rights in the Registrations. Opp. at 7. Yucaipa L.L.C. does not claim ownership of the Registrations, and certainly has not initiated any proceedings before the Board regarding ownership of the Registrations.

<sup>3</sup> Specifically, a person must be joined as a party if “(A) in that person’s absence, the court cannot accord complete relief among existing parties; or (B) that person claims an interest relating to the subject of the action and ... disposing of the action in the person’s absence may ... impede the person’s ability to protect the interest; or [] leave an existing party subject to a substantial risk of incurring ... multiple[] or otherwise inconsistent obligations[.]” Fed. R. Civ. P. 19(a)(1).

Yucaipa L.L.C. “cannot be joined” for any reason. *Id.* For example, Petitioner offers no argument that the District Court lacks jurisdiction over Yucaipa L.L.C., or that Yucaipa L.L.C. otherwise cannot participate in the litigation. Accordingly, Rule 19(b)’s dismissal provisions do not apply, and there is no basis to dismiss the District Court Action for failure to name a required party. Because the District Court Action will not be dismissed, this proceeding should be suspended pending resolution of that action for the reasons articulated in the Motion to Suspend.

**B. The Primary Jurisdiction Doctrine Supports Suspension**

The “primary jurisdiction” doctrine does not militate against suspending this proceeding. This doctrine provides that, “when there is a basis for judicial action, independent of agency proceedings, courts may route the threshold decision as to certain issues to the agency charged with primary responsibility for governmental supervision or control of the particular industry or activity involved.” *Rhoades v. Avon Prods.*, 504 F.3d 1151, 1162 (9th Cir. 2011). Petitioner’s argument that the issues in the District Court Action should be resolved by the Board – rather than the District Court – under principles of primary jurisdiction has been squarely rejected by the courts. Among others, the Ninth Circuit has held that “the primary jurisdiction rationale *does not justify* deferral ... [of] a trademark declaratory relief action pending the completion of related TTAB proceedings.” *Id.* (citing *PHC v. Pioneer Healthcare*, 75 F.3d 75, 80-81 (1st Cir. 1996); *Goya Foods, Inc. v. Tropicana Prod., Inc.*, 846 F.2d 848, 853-54 (2d Cir. 1988)). As the Ninth Circuit explained, this is because the Board is not the “exclusive expert” with respect to issues of trademark registration and cancellation. *Id.* Rather, the district courts are properly vested with jurisdiction to decide such questions:

Allowing the district court to decline a declaratory relief action on a primary jurisdiction rationale is sensible only if the agency is better equipped to handle the action. Here, however, *Congress has not installed the PTO as the exclusive expert in the field.* As noted, parties may litigate these issues in federal court without previously exhausting their claims before the TTAB. *See, e.g.*, 15 U.S.C. § 1071(b)(1).

*Id.* (emphasis added); *see also* 15 U.S.C. § 1119 (“in any action involving a registered mark *the court may determine* the right to registration, order the cancelation of registrations ... restore canceled registrations, and *otherwise rectify the register* with respect to the registrations[.]”) (emphasis added). Because the federal courts are competent to resolve questions of cancellation and registration, the primary jurisdiction doctrine does not undermine the propriety of suspending a Board proceeding pending the resolution of a parallel district court action.

In addition, the primary jurisdiction doctrine is inapplicable here because the District Court Action concerns issues of trademark infringement – not simply abandonment and cancellation. Indeed, the Complaint expressly asserts causes of action for infringement of the marks underlying the Registrations. *See* Mot. Ex. A (District Court Action Complaint) at ¶¶ 40-54, 69-76 (asserting claims for statutory and common law trademark infringement). To resolve those questions – which are not before the Board – the District Court Action necessarily must address whether the asserted Registrations are valid, or must be cancelled, and whether the underlying trademarks have been abandoned as Petitioner alleges. Thus, it would “waste everyone’s time not to settle the registration issue ... in district court,” rather than in this Board proceeding, and a stay of the District Court Action would be improper. *Rhoades*, 504 F.3d at 1165 (“where, as here, there is a potential infringement lawsuit, federal courts are particularly well-suited to handle the claims”). To the contrary, to stay the District Court Action pending the outcome of this proceeding would be an abuse of discretion as a matter of binding Ninth Circuit law.<sup>4</sup> *Id.* (district court “abused its discretion” in staying action for declaratory judgment of no cancellation and infringement of registrations pending resolution of Board cancellation proceeding). Because the District Court will not commit such an abuse, Petitioner’s idle threat to seek a stay of the District Court Action does not militate against suspension of this proceeding.

Given Petitioner’s failure to articulate a reason why the Cancellation should proceed in parallel with the District Court Action, the Cancellation should be suspended. As set forth in the Motion, the District Court Action not only will have “bearing on the issues before the Board,” but will dispose of such issues entirely. 37 C.F.R. § 2.117(a), (c); *see also* Mot. at 1. Moreover, suspension is appropriate to avoid wasting time, effort and resources in connection with the

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<sup>4</sup> The District Court Action is pending before the United States District Court for the Central District of California. *See* Mot. Ex. A (District Court Action Complaint) at 1. Accordingly, Ninth Circuit law governs in that proceeding.

Petitioner relies entirely on one unpublished Central District of California opinion in support of its claim that the District Court Action should be stayed under the primary jurisdiction doctrine. *See Citicasters Co. v. Country Club Commc’ns*, No. 97-0678 RJK, 1997 U.S. Dist. LEXIS 17238 (C.D. Cal. July 21, 1997). However, the Ninth Circuit has declined to follow *Citicasters*, noting that it “lack[s] precedential value” and “does not explain whether the federal court proceedings there involved a claim for declaratory relief” or “involved an infringement action.” *Rhoades*, 504 F.3d at 1164 n.13. Because the Ninth Circuit has rejected *Citicasters* on facts analogous to those before the District Court here, Petitioner’s reliance on that case is misplaced, and it will not support a stay of the District Court Action.

Cancellation, when the very issues before the Board will be resolved in the District Court Action. *See Mot. at 2; Farah v. Topiclear Beauty Prods., Inc.*, Opp. No. 151,334, 2003 TTAB Lexis 405, at \*17-18 (TTAB Aug. 21, 2003) (suspending Board proceeding in order to “minimize waste of both the parties’ and the Board’s resources”). Accordingly, this proceeding should be suspended pending resolution of the District Court Action.

**III. CONCLUSION**

For the foregoing reasons, Respondents respectfully request that this Cancellation proceeding be suspended until resolution of the District Court Action.

Dated: January 8, 2013

LATHAM & WATKINS LLP

By: 

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the above document has been served on Hawaiian Airlines, Inc. on January 8, 2013 via email, per the agreement of the parties, to:

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