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

Proceeding	92058032
Party	Plaintiff National Institute for Social Media
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

NATIONAL INSTITUTE FOR SOCIAL MEDIA, L.L.C. Petitioner, v. PARADISE MEDIA VENTURES, LLC Registrant.	Cancellation No. 92058032 Reg. No.: 4,208,089 Mark: Certified Social Media Strategist Registered: September 11, 2012

PETITIONER'S MEMORANDUM IN OPPOSITION TO RESPONDENT'S MOTION TO SUSPEND PROCEEDINGS

I. INTRODUCTION

National Institute for Social Media, L.L.C. ("NISM") filed this petition for cancellation against the above-referenced registration owned by Paradise Media Ventures, LLC ("Respondent"). Respondent subsequently filed a motion to suspend proceedings, arguing that a district court action between Respondent and a third-party may be dispositive of the issues raised in the cancellation proceeding. *See* Respondent's Motion to Suspend Proceedings (herein "Motion") at ¶ 10. Petitioner disagrees. Since neither the issues nor the parties in the District Court Action are the same as in the cancellation action and since the District Court Action does not have a bearing on the Board proceedings, the Board should deny the Motion.

II. BACKGROUND

On October 17, 2013, NISM filed this proceeding seeking cancellation of the registration for the term CERTIFIED SOCIAL MEDIA STRATEGIST. On October 18, Respondent moved to suspend proceedings, arguing that its suit against an individual, Eric Mills (herein "Mills"), in

the Northern District of Georgia alleging violations of federal and state unfair competition laws (herein "District Court Action") may be dispositive of the issues raised in the cancellation proceeding. Respondent relies on two erroneous propositions: (1) that "for purposes of claim or issue preclusion, Mills and Petitioner are in privity"; and (2) that the civil action would be dispositive of the cancellation action.

The District Court Action involves two counts of unfair competition - one under Section 43(a) of the Lanham Act and the other under Georgia's Uniform Deceptive Trade Practices Act. Motion at Ex. A, ¶¶ 38-47. While Respondent avers that the District Court Action "involves" Reg. No.: 4,208,089, the registration is merely cited in the "Parties, Jurisdiction and Venue" section of the complaint. Motion at Ex. A, ¶ 2. A claim of infringement of Respondent's registered rights under 15 USC § 1114 is not asserted in the District Court Action. Further, Mills has not sought cancellation of Reg. No. 4,208,089 in the district court proceeding.

The action pending before the Board seeks the cancellation of Supplemental Reg. No. 4,208,089 under Section 23(a) because Respondent does not have exclusive use of the term; because the term is not distinctive of Respondent's services; because the term is incapable of service a trademark function and is incapable of acquiring distinctiveness; and because it is generic. Dkt. 1 at ¶¶ 11-20. Mills has not asserted these issues in the District Court Action. Similarly, unfair competition is not an issue in the Board proceeding. Thus, any decision in the District Court Action would not have a bearing on the Board case.

III. ARGUMENT

A. Respondent's Motion Should Be Denied Under Respondent's Standard

Respondent argues that "[f]or purposes of claim or issue preclusion, Mills and Petitioner are in privity," and therefore that "the outcome the District Court case may be dispositive of the

issues raised in the cancellation proceeding," if a different party from Petitioner were to raise those issues in the District Court Action. *See* Motion at ¶¶ 5, 10. Claim or issue preclusion only apply under the following circumstances, however:

> (1) the parties (or their privies) are identical;
> (2) there has been an earlier final judgment on the merits of a claim; and
> (3) the second claim is based on the same set of transactional facts as the first.

John W. Carson Foundation v. Toilets.com Inc., 94 USPQ2d 1942, 1946 (TTAB 2010). None of these elements are met in the present situation.

1. The Parties Are Not Identical

Mills is the President and an employee of NISM, he is not a sole proprietor, and NISM is a distinct legal entity, a limited liability company. Mills is the sole defendant in the District Court Action. The case to which Respondent cites, *John W. Carson*, 94 USPQ2d at 1947, stands for the principle that when a corporation is enjoined, and then one of the officers of the enjoined corporation sets up a new corporation, the new corporation is bound by the prior judgment. These basic principles are codified in Federal Rules of Civil Procedure 65(d)(2), relating to situations in which a judgment for injunction has issued, and stating that an injunction binds the following who receive actual notice of an injunction order by personal service or otherwise:

> (A) the parties;
> (B) the parties' officers, agents, servants, employees, and attorneys; and
> (C) other persons who are in active concert or participation with anyone described in Rule 65(d)(2)(A) or (B).

Unlike in the *John W. Carson* case, in the present case, there is no injunction, and in fact, the District Court has yet to determine whether personal jurisdiction exists. Moreover, Respondent has sued a person, Mills, in his individual capacity.[1]

[1] Respondent highlights language from the *John W. Carson* case that states, "[a] person who is not a party of an action but who controls or substantially participates in the control of the

Respondent cites Mills' declaration in the District Court Action for the proposition that there is privity between the parties. *See* Motion at ¶ 4. The Mills declaration, however, states that Mills does not "personally own or use the marks that are at issue in [the District Court Action]. It is my understanding that the Complaint basis its allegations on NISM's activities." *See* Motion at Ex. B, ¶ 4. Accordingly, the only evidence to which Respondent cites cuts against a finding of privity between Mills, the defendant in the District Court Action, and NISM, the Petitioner in the cancellation proceeding. Mills is an employee of NISM, and Respondent's argument that an injunction solely against Mills would bind NISM is misguided.

2. A Final Judgment in the District Court Action Would Not Have Bearing on the Cancellation Action

The District Court Action involving Mills is at the earliest stages. Mills has contested personal jurisdiction, and the district court granted thirty days for discovery into the issue of personal jurisdiction, which concluded on October 30, 2013. Accordingly, there has been no final judgment, and even if there were, it would not bear on the issues raised in the Petition for Cancellation. There is no basis for Respondent's assertion that principles of privity and preclusion necessitate a suspension where there has been no finding of infringement, no injunction and no showing that Mills and NISM are in privity.

3. The Facts Underlying the Claims in the District Court Action and Cancellation Action Differ

As detailed above, the cancellation proceeding involves the cancellation of Supplemental Reg. No. 4,208,089 under Section 23(a) because Respondent does not have exclusive use of the

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presentation on behalf of a party is bound by the determination of issues decided as though he were a party." Motion at ¶ 5. In the present case, however, a person has been sued in his individual capacity, and it is unclear how a corporation would "control or substantially participate in the control" of a suit against an individual in the way that an officer of a corporation might control the litigation of a corporation.

term; because the term is not distinctive of Respondent's services; because the term is incapable of service a trademark function and is incapable of acquiring distinctiveness; and because it is generic. *See* Dkt. 1 at ¶¶ 11-20. The facts that support genericness are entirely different from the facts alleged in Respondent's District Court Complaint. See Motion at Ex. A, ¶¶ 38-47. Neither claim preclusion nor issue preclusion would apply.

B. The District Court Action Has No Bearing on the Cancellation Action

Trademark Rule 2.117(a) gives the Board discretion to suspend a Board proceeding pending disposition of a civil action when the civil action may have a bearing on the Board proceeding. *See* TBMP ¶ 510.02(a). As discussed above, the reasons that normally justify suspension of a Board proceeding in favor of a civil action are completely absent in the present case. There are no common legal or issues to be decided in the two proceedings. The parties are not the same. The decision of the district court will not be binding on the Board. Suspension of the Board proceeding will not promote judicial economy or avoid duplication of effort. Nor would suspension of this proceeding avoid the possibility of reaching inconsistent results in two different proceedings.

In short, the issues involved in the two proceedings are distinctly different because of the parties and issues involved, and the resolution of the District Court Action will have no bearing on the issues to be decided in the cancellation proceeding, rendering suspension unwarranted and inappropriate. As alleged in NISM's Petition, NISM believes it is being and will continue to be damaged by Registration No. 4,208,089. Accordingly, the cancellation proceeding should not be suspended and delayed for a District Court Action involving a different party, different issues, and where substantial delay is likely because it is unclear whether the district court will find that personal jurisdiction exists regarding Mills.

IV. CONCLUSION

For the foregoing reasons, NISM respectfully requests the Board to deny Respondent's motion to suspend.

Date: November 7, 2013 Respectfully submitted,

By: /Andrew J. Avsec/

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing NISM'S MEMORANDUM IN OPPOSITION TO RESPONDENT'S MOTION TO SUSPEND PROCEEDINGS was served on counsel for the Respondent by U.S. first class mail, postage prepaid, addressed as follows:

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Dated: November 7, 2013 /Andrew J. Avsec/