

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

CME

Mailed: July 30, 2014

Cancellation No. 92058899

Strategic Marks LLC

v.

Macy's West Stores, Inc.

Christen M. English, Interlocutory Attorney:

This case now comes up for consideration of Respondent's motion, filed April 11, 2014, to suspend this proceeding in favor of a pending federal court action (*Macy's, Inc., et al. v. Strategic Marks, LLC*, Case No. 3:11-cv-06198-SC, pending in the U.S. District Court for the Northern District of California) (the "Federal Case"). The motion is fully briefed.¹

By way of background, Petitioner has filed a petition for cancellation of Registration No. 4364626 for the mark LAZARUS, in standard characters, for "Tote bags" in International Class 18 and "T-shirts" in International Class 25.² In its petition for cancellation, Petitioner alleges that the involved mark is ornamental and does not function as a trademark and that Respondent has

¹ Petitioner's change of correspondence address, filed June 23, 2014, is noted and the Board's records have been updated accordingly.

² Filed on November 16, 2012 and issued on July 9, 2013, claiming first use in commerce in International Class 18 on November 8, 2011 and first use in commerce in International Class 25 on April 27, 2011.

not made a *bona fide* commercial use of the involved mark. In lieu of filing an answer, Respondent filed the instant motion to suspend.

Respondent is a wholly-owned subsidiary of Macy's Inc., *see* Motion, n.1, who is one of the plaintiffs in the Federal Case and Petitioner is the defendant in the Federal Case. In the Federal Case, Respondent's parent company alleges priority in the marks ABRAHAM & STRAUS, A&S, THE BROADWAY, JORDAN MARSH, BULLOCK'S, ROBINSONS-MAY, FILENE'S and THE BON MARCHÉ (the "Heritage Marks") for retail store services, clothing and related products and that Petitioner's use of these marks constitutes trademark infringement, dilution, false designation of origin and unfair competition under the Lanham Act. *See* Motion, Exhibit A, Federal Complaint, ¶¶ 1-2 and ¶¶ 17-24. In its first amended answer and counterclaims and supplemental counterclaim,³ Petitioner in the Federal Case (1) "denies that Macy's makes bona fide or authorized use of the [Heritage Marks] in commerce in the United States or within its Macys.com website," Motion, Exhibit B, First Amended Answer and Counterclaims in the Federal Case, ¶ 19 of Answer; (2) "denies that Macy's made continuous bona fide use of the "Heritage Marks" in commerce after first making use of

³ Petitioner attached to its response brief an unsigned document dated October 3, 2012 and titled "Defendant's First Amended Answer and Counterclaims." There is no indication, however, that this unsigned document was filed in the Federal Case. Respondent, on the other hand, attached to its motion a copy of a document titled "First Amended Answer and Counterclaims and Supplemental Counterclaim," which bears a filing date of November 2, 2012 and is reflected in the docket for the Federal Case as docket entry number 50. *See* Motion, Exhibit C, p. 9, Docket # 50. It is this document that the Board has considered in deciding Respondent's motion.

such marks,” *id.* at ¶ 52; and (3) alleges that Macy’s has abandoned and has no rights in the Heritage Marks, *see id.* at Tenth Affirmative Defense and ¶ 13 of Counterclaims.

The Board has considered the parties’ submissions and presumes the parties’ familiarity with the factual bases for the motion, and does not recount the facts or arguments here, except as necessary to explain the decision.

It is the Board’s well-settled policy to suspend proceedings when the parties are involved in a civil action which *may have a bearing on* the Board case. Trademark Rule 2.117(a) (emphasis added); TBMP § 510.02(a) (2014); *General Motors Corp. v. Cadillac Club Fashions Inc.*, 22 USPQ2d 1933, 1937 (TTAB 1992); *see also New Orleans Louisiana Saints LLC v. Who Dat?*, 99 USPQ2d 1550, 1552 (TTAB 2011) (“[T]he civil action does not have to be dispositive of the Board proceeding to warrant suspension, it need only have a bearing on the issues before the Board.”); *Zachary Infrastructure LLC v. American Infrastructure Inc.*, 101 USPQ2d 1249, 1254-1255 (TTAB 2011) (finding in civil action alleging claims of infringement and unfair competition, where defendant raised affirmative defenses that marks at issue were generic or descriptive, issues in Board proceeding were narrowed by District Court decision).

Both Petitioner and Respondent’s parent company are parties to the Federal Case, but the mark involved here is not one of the Heritage Marks

involved in the Federal Case. Nevertheless, the issues in this proceeding are related to those in the Federal Case. In the Federal Case, the parties are litigating part of a larger dispute that concerns approximately nineteen (19) marks, including the Heritage Marks and the mark involved here. *See* Petition at ¶¶ 7-11. Petitioner's theory of the case here is the same as its defense in the Federal Case, namely, that Respondent has abandoned the involved mark and is not making *bona fide* commercial use of the mark. *See* Petition at ¶¶ 7 and 22 and Motion, Exhibit B, First Amended Answer and Counterclaims in the Federal Case, ¶¶ 19 and 52 of the Answer, Tenth Affirmative Defense, and ¶ 13 of the Counterclaims. Accordingly, the decision in the Federal Case will be instructive here. Moreover, in the petition for cancellation, Petitioner references the Federal Case and specifically alleges that Respondent's use of the former department store nameplates, which is at issue in the Federal Case, is relevant here:

[Respondent] operates a classic 'trademark warehouse' program and [Respondent's] use of the [involved mark] is not *bona fide commercial use* which would entitle [Respondent] to register the Mark under the Lanham Act. Petitioner is informed and believes that [Respondent's] primary motivation for creating its website and submitting its trademark applications for the former department store service marks was to create the impression that [Respondent] makes *bona fide* commercial use of the former department store nameplates in order to reserve [Respondent's] rights in the marks prior to Petitioner and thereby preclude Petitioner from registering these marks and using these abandoned marks in its business. ***The circumstances surrounding [Respondent's] 'use' of the former***

department store nameplates supports Petitioner's [lack of bona fide use] claim."

Petition at n.1 and ¶ 22.

For these reasons, the Federal Case "may have a bearing" on this one. Proceeding here prior to final termination of the Federal Case would be inefficient and pose a risk of inconsistent judgments. In view of the foregoing, Respondent's motion to suspend is **GRANTED** and proceedings herein are suspended pending final disposition of the Federal Case. Within **TWENTY DAYS** after the final determination of the Federal Case, the parties shall so notify the Board, including copies of the court's final order, and call this case up for any appropriate action. During the suspension period the Board shall be notified of any address changes for the parties or their attorneys.
