

**This Decision is not a  
Precedent of the TTAB**

**UNITED STATES PATENT AND TRADEMARK OFFICE  
Trademark Trial and Appeal Board  
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wbc

Mailed: April 28, 2015

Cancellation No. 92059168

BLVD Supply, LLC

v.

Juan Chen

**Before Quinn, Ritchie and Masiello,  
Administrative Trademark Judges.**

**By the Board:**

This case now comes before the Board on:

1. BLVD Supply, LLC's ("BLVD") amended petition to cancel filed November 17, 2014 in response to the Board's October 20, 2014 order; and
2. Juan Chen's ("Chen") motion for summary judgment based on *res judicata*.

***Amended Pleading***

By an order of October 20, 2014, the Board allowed BLVD time to amend its petition to cancel. BLVD filed its amended petition on November 17, 2014, and Chen filed an answer thereto on December 17, 2014.<sup>1</sup> The amended petition to cancel is the operative pleading in this proceeding.

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<sup>1</sup> Chen's answer denied the salient allegations of the November 17, 2014 amended petition to cancel.

***Motion for Summary Judgment***

BLVD seeks to cancel Chen’s registration of the mark:



for “down jacket; men's and women's jackets, sports jackets; sports pants; track jackets; track pants; wind pants; wind resistant jackets; waterproof jackets and pants; denim jackets; denims; heavy jackets; jackets; jogging pants; long jackets; sleeping garments; stretch pants, sweat jackets; sweat pants; sweat shirts; t-shirts; tops; undergarments” in International Class 25 (“202 Registration”).<sup>2</sup>

In its amended petition to cancel, BLVD asserts claims of fraud and abandonment based on non-use and pleads common law rights in the mark BLVD SUPPLY COMPANY and ownership of application Serial No. 86172047 (now abandoned) for the mark



Concurrently with her answer, Chen filed a motion for summary judgment based on *res judicata* or claim preclusion. The motion has been fully briefed.

Chen asserts, *inter alia*, that a prior proceeding – Cancellation No. 92056299 (the “299 cancellation”), which resulted in a final judgment of dismissal with prejudice – involved the same parties and was based on the same claims. In support

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<sup>2</sup> Registration No. 3716202 issued November 24, 2009.

of her motion, Chen has submitted copies of the petition to cancel in the ‘299 cancellation, the recorded assignment documents for application Serial No. 85531591,<sup>3</sup> the motion to dismiss the ‘299 cancellation, and the Board’s decision dismissing the ‘299 cancellation. The petitioner in the earlier proceeding asserted claims of fraud and abandonment. Upon motion by Chen to dismiss the ‘299 cancellation pursuant to Trademark Act § 2.132(a) for that petitioner’s failure to take testimony or enter evidence, the Board dismissed the cancellation with prejudice in its February 18, 2014 decision.

In its response to the motion for summary judgment, BLVD argues, *inter alia*, that the petitioner in the ‘299 cancellation was BLVD Supply, a California partnership,<sup>4</sup> and the petitioner in the instant cancellation is a California limited liability company,<sup>5</sup> a separate legal entity that is not a privy of the prior petitioner; that the ‘299 cancellation was not a decision on the merits; and that the marks at issue in the ‘299 cancellation are different from the marks at issue in the instant cancellation. *Response* at pp. 2-4.

In general, a party may not file a motion for summary judgment until the party has made its initial disclosures. Trademark Rule 2.127(e)(1); *Qualcomm, Inc. v. FLO Corp.*, 93USPQ2d 1768, 1769-70 (TTAB 2010). However, this rule has two

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<sup>3</sup> BLVD Supply pleaded application Serial No. 85531591 as part of its pleading of standing in the ‘299 cancellation.

<sup>4</sup> Petitioner alleges that the partnership is composed of Richard J. Loughran and Ryan Usrey.

<sup>5</sup> Petitioner alleges that the limited liability company is composed of Emma Chen, James Chen, Jeremiah Camping, Dave Uecker and Loflo Holdings LLC.

exceptions: 1) a motion asserting lack of jurisdiction by the Trademark Trial and Appeal Board; or 2) a motion asserting claim or issue preclusion. Trademark Rule 2.127(e)(1); *Zoba Int'l Corp. v. DVD Format/LOGO Licensing Corp.*, 98 USPQ2d 1106, 1108 n.4 (TTAB 2011) (motion to dismiss considered as one for summary judgment where it asserts claim preclusion).

Entry of summary judgment is appropriate only where there are no genuine disputes as to any material facts, thus allowing the case to be resolved as a matter of law. Fed. R. Civ. P. 56(a). A factual dispute is genuine if, on the evidence of record, a reasonable fact finder could resolve the matter in favor of the non-moving party. *See Opryland USA Inc. v. Great Am. Music Show Inc.*, 970 F.2d 847, 23 USPQ2d 1471, 1472 (Fed. Cir. 1992); *Olde Tyme Foods, Inc. v. Roundy's, Inc.*, 961 F.2d 200, 22 USPQ2d 1542, 1544 (Fed. Cir. 1992). Evidence on summary judgment must be viewed in a light favorable to the non-movant, and all justifiable inferences are to be drawn in the non-movant's favor. *Lloyd's Food Prods., Inc. v. Eli's, Inc.*, 987 F.2d 766, 25 USPQ2d 2027, 2029 (Fed. Cir. 1993); *Opryland USA*, 23 USPQ2d at 1472. The Board may not resolve genuine disputes as to material facts on summary judgment; it may only ascertain whether genuine disputes as to material facts exist. *See Lloyd's Food Prods.*, 25 USPQ2d at 2029; *Olde Tyme Foods*, 22 USPQ2d at 1542.

### ***Claim Preclusion***

Under the doctrine of claim preclusion, “a judgment on the merits in a prior suit bars a second suit involving the same parties or their privies based on the same

cause of action.” *Jet Inc. v. Sewage Aeration Sys.*, 55 USPQ2d 1854, 1856 (Fed. Cir. 2000) (quoting *Parklane Hosiery Co. v. Shore*, 439 U.S. 322, 326 n.5 (1979)).

For claim preclusion to apply, therefore, there must be:

- (1) identity of parties (or their privies);
- (2) an earlier final judgment on the merits of a claim; and
- (3) a second claim based on the same set of transactional facts as the first.

*Id.*

### **First Factor – Identity of Parties**

The ‘299 cancellation was brought by BLVD Supply, and the present proceeding was filed by BLVD Supply, LLC. During the pendency of the ‘299 cancellation, BLVD Supply filed an assignment which purports to assign its entire right, title and interest in application Serial No. 85531591 and the mark BLVD SUPPLY to Thomas B. Fore (recorded with the Office on October 23, 2012, executed on October 18, 2012). Thereafter, Thomas B. Fore assigned his entire right, title and interest in, *inter alia*, the mark, BLVD SUPPLY, and application Serial No. 85531591 to BLVD Supply, LLC<sup>6</sup> (recorded with the Office on August 6, 2013, executed on July 15, 2013). Accordingly, during the pendency of the ‘299 cancellation,<sup>7</sup> BLVD Supply, LLC became the owner of all relevant trademark asserted by the petitioner in that proceeding, namely, ownership of the mark BLVD SUPPLY and application Serial

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<sup>6</sup> As indicated in the assignment record, the address for BLVD Supply, LLC is 15736 E. Valley Blvd., City of Industry, CA 91745.

<sup>7</sup> The ‘299 cancellation was filed October 6, 2012 and the Board’s decision issued February 18, 2014.

No. 85531591, and was the owner of such rights at the time the Board issued its order dismissing the '299 cancellation, which BLVD does not dispute.

If the mark relied upon in a proceeding before the Board has been assigned and the assignee has not been joined or substituted in the proceeding, the proceeding may be continued in the name of the assignor. TBMP § 512.01. Further, if the mark relied upon by a party to a proceeding before the Board is transferred during the pendency of that proceeding, the decision of the Board will be binding upon the assignee. *See Hamilton Burr Publishing Co. v. E. W. Communications, Inc.*, 216 USPQ 802, 804 n.1 (TTAB 1982) (decision will be binding upon the assignee). Therefore, while the '299 cancellation remained in the name of BLVD Supply, because BLVD Supply, LLC was the owner of the mark BLVD SUPPLY and the petitioner's pleaded application Serial No. 85531591 at the time the Board issued its order, the order was binding on BLVD Supply, LLC.

We find that BLVD Supply and BLVD are in privity for purposes of claim preclusion. BLVD Supply is made up of the individuals Richard J. Loughran and Ryan Usrey. *July 11, 2014 Response*,<sup>8</sup> *Loughran Declaration*. p. 1. Richard J. Loughran, as asserted in his declaration, is the Chief Executive Officer of BLVD and Ryan Usrey was a minority shareholder of BLVD prior to leaving in January 2014. Inasmuch as Mr. Loughran was a partner of BLVD Supply and is now the Chief Executive Officer of BLVD and Mr. Usrey was a partner of BLVD Supply and

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<sup>8</sup> The Richard J. Loughran declaration was submitted with BLVD's July 11, 2014 response to Chen's June 6, 2014 motion for summary judgment.

a one-time shareholder of BLVD, we find that BLVD Supply and BLVD are in privity for purposes of claim preclusion. *See John W. Carson Found v. Toilets.com Inc*, 94 USPQ2d 1942, 1947 (TTAB 2010) (*citing Kraeger v. General Electric Co.*, 497 F.2d 468, 472 (2d. Cir. 1974) (The president and sole shareholder of a corporation was bound by the corporation's defeat in an action that he effectively controlled); *Vitronics Corp. v. Conceptronic, Inc.*, 27 USPQ2d 1046, 1049 (D.N.H. 1992) (founder and CEO of corporation in privity with corporation)).

In view thereof, the petitioner in the instant cancellation was a privy of the petitioner in the ‘299 cancellation – BLVD Supply. *See Renaissance Rialto Inc. v. Boyd*, 107 USPQ2d 1083, 1085 (TTAB 2013); *John W. Carson Found*, 94 USPQ2d at 1947; TBMP § 206.02 (“[T]he concept of privity generally includes, *inter alia*, the relationship of successive ownership of a mark (e.g., assignor, assignee) ...”).

Further, there can be no argument that Chen is the same party as the respondent in the ‘299 cancellation.

### **Second Factor – An Earlier Final Judgment on the Merits of a Claim**

In its dismissal of the ‘299 cancellation, the Board granted Chen’s motion to dismiss for failure to prosecute under Trademark Rule 2.132(a) as conceded.

Whether the judgment in a prior proceeding was the result of a dismissal with prejudice or even default, claim preclusion may still apply. *See, e.g., Orouba Agrifoods Processing Co. v. United Food Import*, 97 USPQ2d 1310 (TTAB 2010) (granting summary judgment to registrant on claim preclusion where petitioner’s opposition had been dismissed with prejudice); *La Fara Importing Co. v. F. Lli de*

*Cecco di Filippo Fara S. Martino S.p.a.*, 8 USPQ2d 1143, 1146 (TTAB 1988) (“Issue preclusion operates only as to issues actually litigated, whereas claim preclusion may operate between the parties simply by virtue of the final judgment.”); *Flowers Indus. Inc. v. Interstate Brands Corp.*, 5 USPQ2d 1580, 1583 (TTAB 1987) (claim preclusion applies “even when the prior judgment resulted from default, consent, or dismissal with prejudice”); *USOC v. Bata Shoe Co.*, 225 USPQ 340, 342 (TTAB 1984) (“default judgments generally operate as res judicata”). “[D]efault judgments for failure to answer, or dismissals for failure to prosecute, where there has been no decision ‘on the merits,’ can act as a bar under the doctrine of claim preclusion.” *Orouba Agrifoods Processing Co.*, 97 USPQ2d at 1313 (citing *International Nutrition Co. v. Horphag Research, Ltd.*, 220 F.2d 1325, 55 USPQ2d 1492, 1492 (Fed. Cir. 2000)).

In view thereof, the Board’s dismissal with prejudice for failure to prosecute the ‘299 cancellation was a final judgment which may give rise to claim preclusion.

**Third Factor – A Second Claim Based on the Same Set of Transactional Facts as the First**

This case implicates the defensive doctrine of “bar,” wherein the Board must analyze whether the plaintiff can bring a subsequent case against a defendant. *See Jet Inc.*, 55 USPQ2d at 1856 (stating that the doctrine of claim preclusion “has come to incorporate common law concepts of merger and bar, and will thus also bar a second suit raising claims based on the same set of transactional facts”) (citing *Migra v. Warren City School Dist. Bd. of Educ.*, 465 U.S. 75, 77 n.1 (1984)). RESTATEMENT (SECOND) OF JUDGMENTS § 19 (1982) provides that “a valid and final



personal judgment rendered in favor of the defendant bars another action by the plaintiff on the same claim.” This bar extends to relitigation of “claims that were raised *or could have been raised*” in an earlier action. *Allen v. McCurry*, 449 U.S. 90, 94 (1980) (emphasis added); *Migra*, 465 U.S. at 77 n.1. Thus, under claim preclusion, a plaintiff is barred from a “subsequent assertion of the same transactional facts in the form of a different cause of action or theory of relief.” *Vitaline Corp. v. General Mills Inc.*, 891 F.2d 273, 13 USPQ2d 1172, 1173 (Fed. Cir. 1989).

When, as here, the Board analyzes the defensive doctrine of bar, we must determine whether the proceedings arise from the same transactional facts. *See, e.g., Sharp Kabushiki Kaisha*, 79 USPQ2d at 1378-79; *Chromalloy American Corp.*, 222 USPQ at 189-90. Therefore, we must analyze whether BLVD’s new claims arise out of the same set of transactional facts and thus could and should have been brought in the previous litigation.

The Court of Appeals for the Federal Circuit has stated that it is guided by the analysis set forth in the Restatement of Judgments in determining whether a plaintiff’s claim in a particular case is barred by claim preclusion. *See Jet Inc.*, 55 USPQ2d at 1856; *Chromalloy American Corp. v. Kenneth Gordon (New Orleans), Ltd.*, 736 F.2d 694, 222 USPQ 187, 189-90 (Fed. Cir. 1984). Section 24 of the Restatement, which addresses splitting claims, provides that:

- (1) When a valid and final judgment rendered in an action extinguishes the plaintiff’s claim pursuant to the rules of merger or bar . . . the claim extinguished includes all rights of the plaintiff to remedies against the

defendant with respect to all or any part of the transaction, or series of connected transactions, out of which the action arose.

(2) What factual grouping constitutes a “transaction”, and what grouping constitutes a “series”, are to be determined pragmatically, giving weight to such considerations as whether the facts are related in time, space, origin or motivation, whether they form a convenient trial unit, and whether their treatment as a unit conforms to the parties' expectations or business understanding or usage.

Furthermore, Section 25 of the Restatement provides that the rule of Section 24 applies to extinguish a claim by the plaintiff against the defendant even though the plaintiff is prepared in the second action:

- (1) To present evidence or grounds or theories of the case not presented in the first action, or
- (2) To seek remedies or forms of relief not demanded in the first action.

To assess whether the claims are based on the same set of transactional facts, comment b to Section 24 of the Restatement considers whether there is a common nucleus of operative facts. As noted, relevant factors include whether the facts are so woven together as to constitute a single claim in their relatedness in time, space, origin, or motivation, and whether, taken together, they form a convenient unit for trial purposes. *Id.* The same comment notes that:

Though no single factor is determinative, the relevance of trial convenience makes it appropriate to ask how far the witnesses or proofs in the second action would tend to overlap the witnesses or proofs relevant to the first. If there is a substantial overlap, the second action should ordinarily be held precluded. But the opposite does not hold true; even when there is not a substantial overlap, the second action may be precluded if it stems from the same transaction or series.

*Id.* Courts have defined “transaction” in terms of a “core of operative facts,” the “same operative facts,” or the “same nucleus of operative facts,” and “based on the same, or nearly the same, factual allegations.” *Jet Inc.*, 55 USPQ2d at 1856 (*quoting*

*Herrmann v. Cencom Cable Assoc., Inc.*, 999 F.2d 223, 226 (7th Cir. 1993)); *see also United States v. Haytian Rep.*, 154 U.S. 118, 125 (1894) (“One of the tests laid down for the purpose of determining whether or not the causes of action should have been joined in one suit is whether the evidence necessary to prove one cause of action would establish the other.”).

Applying this analysis, we note the body of the complaint<sup>9</sup> in the ‘299 cancellation seeks to cancel the ‘202 Registration alleging, *inter alia*, that:

1. Chen committed fraud because she did not use the mark in connection with any goods and services in the United States; and
2. Chen abandoned the mark because she “has never, or in the alternative, no longer uses and shows no intent to resume use of, the mark in commerce, in the United States.”

*‘299 Petition to Cancel*, ¶¶ 1-2.

The cancellation proceeding now before us seeks to cancel the ‘202 Registration alleging, *inter alia*, that:

1. Chen committed fraud because she “was not using and had never used the [mark in the ‘202 Registration] in commerce on goods covered in the ‘202 Registration” and her specimen of use “has not be (sic) sold, offered for sale or distributed in the United States”; and
2. To the extent that Chen may have used her mark, she “abandoned the mark through non-use for at least three consecutive years ... with no intention to resume use.”

*November 17, 2014 Petition to Cancel*, ¶¶ 10-11, 13.

Considering the pleadings in each cancellation, it is clear that BLVD’s claims of fraud and abandonment are based on the same set of transactional facts; in short,

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<sup>9</sup> The ESTTA coversheet also indicates a claim of deceptiveness under Section 2(a) as a ground for cancellation. However, the body of the complaint does not specifically address this ground.

whether Chen committed fraud in her procurement of the '202 Registration or abandoned the mark in the '202 Registration based on lack of use in commerce in the United States. *See Jet Inc.*, 55 USPQ2d at 1856-57; *Haytian Rep.*, 154 U.S. at 125.

***Decision***

Based on the record before us, we find that there is no genuine dispute as to the facts underlying the allegation of claim preclusion in this case in light of the Board's February 18, 2014 decision rendered in the '299 cancellation. Chen's motion for summary judgment is **granted**. Judgment is entered against BLVD, and the petition for cancellation is **dismissed with prejudice**.