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

Proceeding	92067609
Party	Plaintiff David B. Eaves and Chicago Stagehand, LLC
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Attachments	Petitioners Response to Respondents 2nd Motion to Dismiss for 92067609 and 92067670.pdf(166100 bytes) CAVERN CITY TOURS LTD v HARD ROCK CAFE INTERNATIONAL INC.pdf(1249370 bytes) PLANT FOOD SYSTEMS INC v EARTHRENEW INC.pdf(2450896 bytes)

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

David B. Eaves and Chicago Stagehand, LLC,

Petitioners,

v.

Theatrical Stage Employees Union Local No. 2 of the International Alliance of Theatrical Stage Employees and Moving Picture Technicians, Artists and Allied Crafts of the United States and Canada,

Respondent.

Cancellation No. : 92/067,609 (Parent)
Consolidated with
Cancellation No. : 92/067,670

Mark: CHICAGO STAGEHANDS

Registration No. : 4,303,933
Registration No. : 5,331,637

**PETITIONERS' CONSOLIDATED RESPONSE TO
RESPONDENT'S MOTIONS TO DISMISS THE
AMENDED PETITIONS FOR CANCELLATION**

Petitioners, David Eaves and Chicago Stagehands, LLC (“Petitioners”), respond to the Motions to Dismiss the Amended Petitions for Cancellation filed by Respondent, Theatrical Stage Employees Union Local No. 2 of the International Alliance of Theatrical Stage Employees and Moving Picture Technicians, Artists and Allied Crafts of the United States and Canada (“Respondent” or “Local 2”) on August 13, 2018 as follows:¹

¹ The Motion to Dismiss filed by Respondent on August 13, 2018 addressing the Amended Petition for Cancellation No. 92/067,609 is hereafter referred to as “Motion ‘609” and the Motion to Dismiss filed by Respondent on August 13, 2018 addressing Petition for Cancellation No. 92/067,670 is hereafter referred to as “Motion ‘670”; collectively, Motion ‘609 and Motion ‘670 are referred to hereafter as the “Motions.” Based on the consolidation of the Petitions by the TTAB, Petitioners respond to the redundant Legal Standard and certain portions of the Fraud arguments in a consolidated manner. Petitioners respond to argument in the Motions that is specific to each Amended Petitioner separately.

The gist of Respondent's argument is that, in neither of the Amended Petitions, have Petitioners alleged either a valid basis for cancellation or adequate facts to support a valid basis for cancellation. Motion '609 p.1-2; Motion '670, p.1-2. To the contrary, Petitioners have alleged that Respondent obtained both registrations through fraud in the declarations underlying the applications and that the fraud was intentional. Amended Petition '609 ¶¶ 14-23; Amended Petition '670, ¶¶ 12-17. In Amended Petition '609, Petitioners' further basis is that Respondent does not use the words "Chicago Stagehands" as a trademark for shirts, a question of fact not resolved by the mere location of a composite logo on the breast pocket area of a few shirts or the specimen alone. Amended Petition '609 ¶¶ 13-16. In Amended Petition '670, Petitioners further two bases for cancellation are the failure of Respondent to use of the words "Chicago Stagehands" as a collective membership mark, and the primarily merely descriptive nature of the entire mark as used by a union of stagehands in the Chicagoland area. Amended Petition '670 ¶¶ 14-16, 18-20. Petitioners have alleged sufficient facts to raise a question as to the validity of the two marks in question. As set forth in the Legal Standard section below, questions of fact are not the proper subject matter for decision on a motion to dismiss.

I. PETITIONERS' PRELIMINARY STATEMENT

This is not the first contested proceeding between the parties. Respondent became aware of Petitioners' use of the mark CHICAGO STAGEHAND for their business of supplying non-union stagehands for live events in 2009. Respondent took no action between 2009 and 2012. Respondent on February 1, 2012, filed four applications to register the words "Chicago Stagehands" both alone and with other words for various goods and services: 1) IATSE 2 CHICAGO STAGEHANDS for shirts (Ser. No. 85/530,927) (now abandoned); 2) IATSE 2 CHICAGO STAGEHANDS for hats (Ser. No. 85/530,932) (now abandoned); 3) CHICAGO

STAGEHANDS for shirts (Ser. No. 85/530,942 which matured into Reg. No. 4,303,933) (“Reg. No. ‘933”); and, 4) CHICAGO STAGEHANDS for union services (Ser. No. 85/530,945) (“Ser. No. ‘945”)²(collectively, “Local 2 2012 Applications”). Mr. Buffalino of Vedder Price signed each application as counsel and declarant under oath.

On February 25, 2012, three weeks later, Respondent, filed a Petition to Cancel Respondent’s mark CHICAGO STAGEHAND (Reg. No. 3,761, 948) Canc. No. 92/055,242 (“Canc. ‘242”),

On April 1, 2014 and during the pendency of Canc. ‘242, Local 2 filed an application to register the mark CHICAGO STAGEHANDS as a collective membership mark (Ser. No. 86/238,513) which matured into Reg. No. 5,331,637 on the Supplemental Register (“Reg. No. ‘637”). [Amended Petition to Cancel Registration No. 4,303,933, p. 2, ¶ 8]. Mr. Buffalino again appears as counsel and as declarant under oath.

Thus, the Local 2 2012 Applications and Reg. No. ‘637 were and are all connected to Respondent’s efforts to cancel Petitioner’s mark (Reg. No. 3,761, 948) (“Reg. No. ‘948”). It is Petitioners’ position that Respondent did not and does not use the term “Chicago Stagehands” as a trademark for shirts (Amended Petition to Cancel Registration No. 4,303,933) or as a collective mark (Amended Petition to Cancel Registration No. 5,331,637).

As a result of Canc. ‘242, the Board cancelled Eaves’ registration for CHICAGO STAGEHAND (Reg. No. ‘948) on the Supplemental Register issuing a thirty five (35) page opinion on June 17, 2017, finding that neither party had established either exclusive use or acquired distinctiveness. [*Theatrical Stage Employees Union Local No. 2 of the International*

² Prior to 2/1/2012, Respondent had never filed an application for any mark.

Alliance of Theatrical Stage Employees and Moving Picture Technicians, Artists and Allied Crafts of the United States and Canada v. David Eaves, TTAB Decision issued June 17, 2017 (“Decision”) at p. 21-24, 32] [Cancellation No. 92055242, 117 TTABVUE]. The Board found, among other things, that Respondent had demonstrated only “sporadic and scant use of the term,” and that Respondent’s use was not exclusive even in its own market (Id. at p. 24, 32). The language of the Decision cited by Respondent that Respondent had “some technical service mark use” and “that over a long period of time, and leading to the time of trial, the expression CHICAGO STAGEHANDS has been used to describe or refer to [Respondent] and its members” (Motion ‘670 pp. 9 and 10) is not dispositive of any issue in the current two Amended Petitions. Nothing in that Decision holds or indicates that Respondent used or uses the words “Chicago Stagehands” as a trademark for shirts or as a collective membership mark.

II. LEGAL STANDARD FOR MOTIONS TO DISMISS

Petitioners concur with Respondent’s recitation of the legal standard for a motion to dismiss. Petitioners’ pleadings must be legally sufficient and plead more than “threadbare recitals.” *See Ashcroft v. Iqbal*, 556 U.S. 662, 663, 129 S. Ct. 1937, 1949 (2009); *see also Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 556-7, 126 S. Ct. 1955 (2007). In the present matter, Petitioners have pled specific factual allegations that state plausible grounds on which the TTAB may cancel Reg. No. ‘933 for shirts and Reg. No. ‘637 for a collective mark. In deciding a motion to dismiss, the trier of fact must accept as true all of the allegations therein in the light most favorable to Petitioner. *See Advanced Cardiovascular Sys. Inc. v. SciMed Life Sys. Inc.*, 988 F.2d 1157, 1161, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993). Petitioners seek cancellation of Reg. No. ‘933 based on the following allegations: (a) lack of use / use in commerce of the words CHICAGO STAGEHANDS as a trademark for shirts; and, (b) fraud with the requisite intent in

its application for a trademark registration based on facts that the Respondent knew were false in order to obtain an advantage in the petition to cancel that Respondent was about to file Petition for Cancellation Canc. '242. Petitioners seek cancellation of Reg. No. '637 on the basis of (a) lack of use / use in commerce of the mark Chicago Stagehands as a collective membership mark; and, (b) fraud on the USPTO in the declaration supporting the application for registration, namely that Respondent, and specifically Angelo Buffalino, is fully aware of the parameters required for proper use of a term as a collective membership mark (15 U.S.C. §1127, TMEP §1302-1304), and Respondent knew that it had no use in 1950 and no continuous use since 1950 of the term "Chicago Stagehands" as a collective mark, but claimed such use to obtain an advantage in Canc. '242; and, (c) that the words composing the entire mark claimed, "Chicago Stagehands," are primarily merely descriptive/primarily merely geographically descriptive and not capable of secondary meaning when used for Respondent's stagehand referral services in the greater Chicagoland area.³ [Amended Petition to Cancel Registration No. 5,331,637].

Most importantly, a motion to dismiss is not the appropriate forum in which to argue facts and Respondent's Motions argue facts. But, as Respondent quoted in its motion, "A motion to dismiss does not involve a determination of the merits of the case." *Libertyville Saddle Shop Inc. v. E. Jeffries & Sons, Ltd.*, 22 USPQ2d 1594, 1597 (TTAB 1992). Petitioners have met their burden to state plausible claims for cancellation. Questions of fact are not proper subject matter for decision pursuant to a Motion to Dismiss and therefore the Motions should be denied.

³ Petitioners concede at this time that they have not alleged sufficient facts for a claim of fraud based on Respondent's claim that it had exclusive use

III. FRAUD IS A VALID BASIS AND HAS BEEN PROPERLY PLEAD

Petitioners have properly alleged, with factual particularity, fraud as a basis for cancellation in each of their Amended Petitions to Cancel in accordance with the requirements of Fed. R. Civ. P. 9(b). *See In re Bose Corp.*, 580 F.3d 1240, 1243 (Fed. Cir. 2009). To meet the particularity standard, the pleading must specifically allege “the time, place and contents of the false representations, the facts misrepresented, and identification of what has been obtained.” *Saks, Inc. v. Saks & Co.*, 141 USPQ 307 (TTAB 1964). Petitioners have alleged each element and satisfy each component of this pleading standard. At the time of application, Respondent knew: (a) that it did not have use or use in commerce of the words “Chicago Stagehands” as a mark for shirts or as a collective membership mark; and (b) that it was submitting false dates of first use and commercial use, which dates it selected, not based on facts, but on an interest in selecting a date predating Petitioner's date of first use. [Amended Petition to Cancel Registration No. 4,303,933, p. 3-5, ¶¶ 14-23; Amended Petition to Cancel Registration No. 5,331,637, p. 3-4, ¶¶ 12-17].

“Fraud in procuring a trademark registration occurs when an applicant knowingly makes false, material representations of fact in connection with its application with intent to deceive the USPTO.” *Nationstar Mortg. LLC v. Mujahid Ahmad*, 112 USPQ2d 1361 (TTAB Sept. 30, 2014) (citing *In re Bose Corp.*, 580 F.3d 1240, 1245, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009); see also *Swiss Watch Int'l Inc. v. Fed'n of the Swiss Watch Indus.*, 101 USPQ2d 1731, 1745 (TTAB 2012).) To state a fraud claim, a petitioner must allege that the trademark applicant knowingly made a false, material representation “with the intent to deceive the PTO.” *In re Bose Corp.*, 580 F.3d 1240, at 1245.

It is sufficient to plead “on information and belief.” *Saks, Inc. v. Saks & Co.*, 141 USPQ 307 (TTAB 1964). “Pleading on ‘information and belief’ is permitted under Rule 9(b) when essential information lies uniquely within another party's control, but only if the pleading sets forth the specific facts upon which the belief is reasonably based.” *Exergen Corp. v. Wal-Mart Stores, Inc.*, 575 F.3d 1312, 1330 (Fed. Cir. 2009). Petitioners’ pleadings meet this standard. The Amended Petitions to Cancel state the facts on which their beliefs are based, namely the statements made and evidence presented by Respondent in its 2012 Applications, its Reg. No. ‘637 to the USPTO and in Canc. ‘242.

a. Petitioners properly plead fraud by Respondent in procuring a registration for shirts

Respondent submitted false dates of first use and first use in commerce, knowing that it was also not using words as a mark for shirts, either alone or in a logo. [Amended Petition to Cancel ¶¶ 13-23, TTABVUE ESTTA890004].

During Canc. ‘242, Respondent testified that, while the application for Reg. No. ‘933 stated a first use of 2007 and first use in commerce in 2008, it did not know of any use by Respondent during that time. While Respondent did purchase shirts in 2009 with a logo that included the words “Chicago Stagehands,” this too was not trademark use for shirts. Respondent argues that Petitioners’ allegation that Respondent ordered shirts once in 2009 is a concession that Respondent used the term “Chicago Stagehands” as a mark for shirts. [Motion ‘609 p. 9] To the contrary, it is Petitioners' position that a one-time order of 500 shirts with a particular design logo followed by limited and sporadic sales and gifts of these shirts did not amount to trademark use on shirts of the term “Chicago Stagehands.” Although the Board’s finding in the Decision was silent in regard to trademark use for shirts, after reciting the cumulative record of shirts *and*

hats, the Board stated, “On this record, [Respondent’s] technical service mark use of CHICAGO STAGEHANDS before [Petitioner] adopted the phrase CHICAGO STAGEHAND was very limited and not continuous.” [Decision at p. 11-13]. Nonetheless, Respondent declares on oath that it was using the claimed mark in commerce for shirts. Therefore, it is Petitioners’ position that Respondent was not using the claimed mark at any time, including the time of filing, and Respondent knew it was not using the mark in commerce.

Respondent’s cited case law does not support its position that Petitioners’ fraud claim is inadequate. They stand for the premise that an erroneous date of first use by itself does not necessarily constitute fraud, *as long as the mark was in use at the time an application was filed*. *O.T.H Enterprises, Inc. v. Vasquez*, 2012 Lexis 374, at p. 56 (TTAB 2012), *Standard Knitting, Ltd. v. Toyota Jidosha Kabushiki Kaisha*, 77 USPQ2d 1917 (TTAB 2006), *Colt Industries Operating Corp. v. Olivetti Controllo Numerico S.p.A*, 221 USPQ 73, 76 (TTAB 1983). As already discussed, however, it is Petitioner’s position that Respondent was not using the words “Chicago Stagehands” as a mark for shirts during the claimed use date nor at the time it filed the application. The reason for Respondent’s falsely claimed use date is to claim priority over Petitioner’s then registration for non-union services. Respondent knew it was not using the claimed mark and it knew it needed to claim a date prior to the date of first use claimed in Petitioner’s registration. This case is not a merely misstated date on an application. It is a material misrepresentation of the date of use to claim an earlier date of use with intent and for a specific purpose. Therefore, Respondent’s cited case law does not resolve the issue in this case.

At this stage, Petitioners do not need to prove these facts. Therefore, Respondent’s motion to dismiss the fraud claim in connection with Reg. No. ‘933 should be denied.

b. Fraud in procuring a registration for a collective mark has been properly plead.

Petitioners properly plead fraud with respect to the declaration underlying the application to register Reg. No. '637 with sufficient particularity to survive a motion to dismiss. [Amended Petition to Cancel Registration No. 5,331,637, p. 3-4, ¶¶ 11-17, 18-23, TTABVUE ESTTA890005.] Specifically, Petitioners plead that Respondent, knowingly and with intent declared that it was using “Chicago Stagehands” as a collective membership mark when it had no factual basis for its claimed dates of use and when it knew that it did not control the few items distributed in 2001. Respondent is fully aware of the proper use of a collective membership mark as is evidenced by Reg. No. 4,322,950, which does not include the words “Chicago Stagehands” but which Respondent uses on metal button pins, reproduces annually with a new year date, and distributes only to union members or individuals referred to work at live events. Respondent does not use the term “Chicago Stagehands” similarly.

In addition, as set forth above, Respondent’s cited case law does not resolve the issues in case. [See p. 8 *Supra*]. Therefore, Respondent’s motion to dismiss Petitioners’ claim of fraud in connection with Reg. No. '637 should be denied.

**IV. PETITIONERS HAVE ADEQUATELY ALLEGED
NON-USE / ORNAMENTAL USE AS A
VALID BASIS OF CANCELLATION OF THE MARK FOR SHIRTS**

Respondent has not used “Chicago Stagehands” as a trademark in connection with shirts. This is a valid ground for cancellation of Reg. No. '933. Petitioners do not merely plead, as

Respondent argues, that Respondent's specimen is deficient.⁴ It is Petitioners' position that Respondent does not use the claimed words as a trademark for shirts.

As the TTAB stated in *Plant Food Systems, Inc. v. Earthrenew, Inc.* 2012 WL 9172068 *5 (2012)

Though not worded as such, plaintiff's "token use" claim is essentially a claim of nonuse based on the allegation that defendant's predecessor did not have bona fide use in commerce when it filed its amendment to allege use. Trademark Act Section 45, 15 U.S.C. Section 1127, states in relevant part as follows:

The term 'use in commerce' means the **bona fide use of a mark in the ordinary course of trade**, and not made merely to reserve a right in a mark. ... [A] mark shall be deemed to be in use in commerce ... on goods when ... it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and ... (B) the goods are sold or transported in commerce.

(emphasis added). Use in commerce contemplates "commercial use of the type common to the particular industry in question." *Paramount Pictures Corp. v. White*, 31 USPQ2d 1768, 1774 (TTAB 1994).

But the use of a design on shirts by Respondent was a single order, limited and not repeated. Commercial use of a mark for shirts in the clothing industry requires more than a single shipment.

In addition, whether words on a clothing amount to trademark use, particularly use on shirts, is a fact intensive analysis "that defendant's mark is a mere background design that does not function as a mark..." TMBP §309.03(b); *In Re Dimitri's Inc.*, 9 USPQ2d 1666 (TTAB Nov. 14, 1988). While decorative design can function as trademarks, "usually, when viewed in context, if it is not immediately obvious that this ornamental design is being used as an

⁴ Since Petitioners' allegations are not limited to the specimen, the cases by Respondent on Examiner's error and inapposite 609 p. 5

indication of origin, then probably it is not.” McCarthy on Trademarks and Unfair Competition § 7:24 (5th edition updated June 2018). Furthermore, as McCarthy notes, “When words or designs are used on T-shirts, it is a highly fact-intensive determination of whether these symbols are solely decorative ornamentation, or in addition serve as a trademark indicating a ‘secondary source’” Id.

Respondent’s reliance on secondary source of authorization case law does not resolve the issues in this case. *In re Paramount Pictures Corp.*, 213 USPQ 1111(TTAB 1982), *In re McDonald’s Corp.*, 199 USPQ 702 (TTAB 1978), *In re Olin Corp.* 181 USPQ 182 (TTAB 1973). In *In re Lululemon Athletica Canada Inc.*, 105 USPQ2d 1684, 1691 (2013), also cited by Respondent, the TTAB states “in considering the commercial impression of marks of this nature... the registrability of each mark must be determined on a case-by-case basis.” While Respondent may believe it is as well-known as the marks McDonald’s and design, Mork & Mindy and design, or New York University and design, a factor taken into account in cases cited by Respondent, the Board in Canc. ‘242, found to the contrary. [See p. 4 *supra*] While illustrative of the issue regarding ornamentation, these cases do not resolve the factual analysis whether Respondent’s claimed use is commercial use of the mark or merely decorative for shirts. Further, each of the above cases, except for *In re Lululemon* where registration was denied, deals with a composite mark where the entire design with words is the subject matter of the application

In *In re Lululemon*, the TTAB held that the mark applied for, when used in other sizes and formats by the applicant, functioned as a trademark, in the design presented in the specimen, the same design was ornamental. The TTAB stated:

... applicant has not shown that the design in the application is inherently distinctive. In making this determination, we have considered the commercial

impression created by the mark, the relevant practice in the industry, and any distinctiveness in determining whether applicant's applied-for design would be perceived as a mark or merely as ornamentation for the goods. We also find that applicant has not shown that its prior use is of the same mark such as to show that the design in the application would be regarded by consumers as a trademark. Accordingly, without a showing of acquired distinctiveness, we find that the design in the application would be perceived by consumers as merely ornamental. *In re Lululemon*, p. 1691

The use of the same words, "Chicago Stagehands," in the same configuration on hats was rejected by the Examining Attorney in Ser. No. 85/530,932 for hats on the basis that such use was ornamental. (Office Action issued 5/11/2012 Section 2.) The mere fact that the same wording and design appear in the breast pocket of a shirt does not automatically confer trademark status on the words. In this case, the design on specimen shirts does not immediately convey trademark usage of the words "Chicago Stagehands" alone and therefore is not trademark use on shirts. Simply put, the words "Chicago Stagehands" does not function as a trademark in connection with shirts as used by Respondent.

V. PETITIONERS HAVE PROPERLY PLEAD TWO ADDITIONAL BASES ON WHICH RESPONDENT'S COLLECTIVE MARK MAY BE CANCELLED

Petitioners plead two additional grounds on which the TTAB may cancel Reg. No. '637 in addition to the aforementioned fraud claim. Petitioners allege (a) non-use of the words "Chicago Stagehands" as a collective membership mark and, (b) that the same words are primarily merely descriptive/primarily merely geographically descriptive for the collective membership, the IATSE Local 2 union. The TMEP sets forth specific standards for a collective membership mark. "A collective membership mark is a mark adopted for the purpose of indicating membership in an organized collective group, such as a union, an association or other organization. Neither the collective nor its members uses the collective membership mark to

identify and distinguish goods or services; rather, *the sole function of such a mark is to indicate that the person displaying the mark is a member of the organized collective group.*” *Aloe Creme Laboratories, Inc. v. American Society for Aesthetic Plastic Surgery, Inc.*, 192 USPQ 170, 173 (TTAB 1976) (emphasis added); *see also* TMEP §1302- 1304. As the TMEP notes, “Registration of a membership mark is based on actual use of the mark by the members of a collective organization. The owner of the mark exercises control over the use of the mark; however, because the sole purpose of a membership mark is to indicate membership, use of the mark is by members. *See In re Triangle Club of Princeton University*, 138 USPQ 332 (TTAB 1963) (collective membership mark registration denied because specimen did not show use of mark by members).” TMEP §1304.03.

Petitioners sufficiently plead that Respondent does not use the term “Chicago Stagehands” to indicate membership in its union. From 1950 until today, Respondent and its members did not and do not use this mark in any format to indicate membership in Respondent’s union. [Amended Petition to Cancel Reg. No. 5,331,637, p. 4, ¶¶ 14-16.] Further, Petitioners sufficiently plead that Respondent did not exercise control. *Id.*

Second, Petitioners have alleged that the term “Chicago” and the combined words “Chicago Stagehands” are primarily merely descriptive of Respondent’s activities. Respondent has already acknowledged that the word “stagehands” is descriptive of those activities. Petitioners have a valid commercial interest in objecting to the exclusive use by Respondent of the term “Chicago” in connection with a collective membership mark used only in the Chicagoland area for referring union stagehands to live events when Petitioner and others are in the business of supplying non-union stagehands to such events in the same geographic area.

Respondent's argument that geographic descriptiveness is irrelevant because the registration is on the supplemental register is misleading. Respondent has disclaimed the word "stagehands" during examination for the claimed mark "Chicago Stagehands." The remaining word, "Chicago" cannot amount to anything more than a primarily merely geographic descriptive term incapable of functioning as a collective mark as it is used only within the Chicagoland area by Respondent. Therefore, seeking to cancel Respondent's registration on the grounds that the words are primarily merely descriptive of the collective's activities is a valid ground for cancellation.

VI. SUMMARY AND CONCLUSION

Respondent's Motions are stated to be motions to dismiss under FRCP 12(b). However, in reality they are premature motions for summary judgment based on facts which have yet to be established by evidence in the pending proceedings. To overcome a Motion to Dismiss, Petitioners merely need to show that they have pled sufficient facts to place Respondent on notice of the claims/bases.

Petitioners have plead cognizable bases to cancel each registrations. In Canc. '242, Respondent provided evidence of any and all uses of the term "Chicago Stagehands" on which the registrations that are the subject matter of the Amended Petitions are based. If there is additional evidence of use before or since June 17, 2017, Respondent will have the opportunity to present it.

In the event that the Board finds that further amendments or allegations to the Amended Petitions are required to set forth adequately any of its bases, Petitioners hereby request leave to do so. Amendment is freely and liberally allowed unless to do so would prejudice Respondent or

further pleading of a particular basis would be futile. *Grupo Marti, S.A. Grupo Marti, S.A. v. Marti's S.A.*, 2008 WL 9718104 at *2 (2008) (“The Board liberally grants leave to amend pleadings at any stage of a proceeding when justice so requires, unless entry of the proposed amendment(s) would violate settled law, would be prejudicial to the rights of the adverse party or parties, or would serve no useful purpose. Fed. R. Civ. P. 15(a). See *Polaris Industries v. DC Comics*, 59 USPQ2d 1789 (TTAB2001); *Boral Ltd. v. FMC Corp.*, 59 USPQ2d 1701 (TTAB 2000); and *Institut National des Appellations d'Origine v. Brown-Forman Corp.*, 47 USPQ2d 1875, 1896 (TTAB 1998); TBMP § 507.02 (2d ed. rev. 2004)).” See also *Cavern City Tours Ltd. v. Hard Rock Café International, Inc.*, 2009 WL 9409374 (The Board allowed an amendment to a petition to add a claim of abandonment after ruling on summary judgment and one day prior to commencement of trial.).

These current actions are at the pleading stage so there would be no prejudice to Respondent if further amendment were permitted. In the single case cited by Respondent to support its position that no further amendments to the petitions should be permitted, the TTAB specifically allowed a second amended pleading on Opposer’s claim of non-use. *Sun Hee Jung v. Magic Snow LLC* 124 USPQ 1041, 1045 (TTAB 2107)

Therefore, Petitioners respectfully request that the Motions to Dismiss should be denied in their entirety.

Dated: September 4, 2018

Respectfully Submitted by:

/ Pawel A. Fraczek /

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CERTIFICATE OF SERVICE

I, Pawel A. Fraczek, certify that a true and complete copy of the foregoing
PETITIONERS' CONSOLIDATED RESPONSE TO RESPONDENT'S MOTIONS TO
DISMISS PETITIONS FOR CANCELLATION has been served on Robert S. Rigg and John
Burke, on September 4, 2018, via electronic mail to:

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/ Pawel A. Fraczek /

Pawel A. Fraczek

2009 WL 9409374 (Trademark Tr. & App. Bd.)

THIS DISPOSITION IS NOT A PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

CAVERN CITY TOURS LTD.

v.

HARD ROCK CAFÉ INTERNATIONAL, INC.

Cancellation No. 92044795

May 26, 2009

*1 Before Walters, Rogers and Drost
Administrative Trademark Judges

By the Board:

This case now comes up for consideration of respondent's motion (filed November 14, 2008) for summary judgment on the petitioner's claims of fraud, abandonment and false suggestion of a connection under Section 2(a) of the Trademark Act.

Petitioner's Claims

Before considering the merits of respondent's motion for summary judgment, we must first address the claims pleaded by petitioner in this case. Although we determined in a previous order (mailed June 28, 2007) that petitioner's fraud, abandonment and false suggestion of a connection claims had been pleaded sufficiently to withstand respondent's second motion to dismiss (filed on September 11, 2006), in considering the subject motion and relevant briefs, we find it necessary to clarify the exact nature of petitioner's pleaded claims, and in particular, the alternative bases for petitioner's fraud claim and the nature of its abandonment claim.

Under the simplified notice pleading requirements of the Federal Rules of Civil Procedure, the allegations of a complaint are construed liberally "so as to do substantial justice." *Scotch Whisky Assoc. v. United States Distilled Products Co.*, 952 F.2d 1317, 21 USPQ2d 1145, 1147 (Fed. Cir. 1991).

Regarding, first, the fraud claim, we construe the amended petition for cancellation as alleging three distinct factual bases for fraud. First, petitioner alleges that respondent fraudulently signed the application declaration when it was "well aware that Petitioner had prior rights to the mark THE CAVERN CLUB" (see petition ¶¶15-17).

Second, petitioner essentially alleges that respondent fraudulently signed the declaration of continuing use filed under Section 8 when respondent knew or should have known that it had not used the mark on all of the goods identified in the registration and that its use on some of the goods and services was merely token use insufficient to support issuance of, or maintenance of, the registration (see petition ¶¶ 18-19, 21). See *Grand Canyon West Ranch, LLC v. Hualapai Tribe*, 78 USPQ2d 1696, 1697 (TTAB 2006). We also note that respondent has essentially recognized this second factual basis for petitioner's fraud claim, stating that "related to [the allegation that respondent abandoned its CAVERN CLUB mark

at least by 2003], is Petitioner's claim that [respondent] committed fraud on the PTO by filing a Section 8 declaration ... asserting [continued use]" (motion at 7). See *Medtronic, Inc. v. Pacesetter Systems, Inc.*, 222 USPQ 80, 82 n.5 (TTAB 1984); and *Intermed Communications v. Chaney*, 197 USPQ 501, 503 (TTAB 1977).

*2 Third, petitioner alleges that respondent fraudulently signed its Section 15 declaration because it knew or should have known that it was involved in litigation, *i.e.*, the instant cancellation proceeding (see petition ¶20).

Additionally, we construe petitioner's claim of abandonment as a claim of non-use of the mark in commerce under Section 1 of the Trademark Act, specifically, that respondent is alleged never to have undertaken any use of the mark in connection with some of the goods identified in the registration² and is alleged never to have undertaken more than token use of the mark in connection with other of the goods and services identified in the registration (see petition ¶18³). See *Grand Canyon West Ranch, supra*. Petitioner's allegations are essentially inconsistent with a claim of abandonment, which implies by its very nature that respondent properly used its alleged mark in commerce in connection with the identified goods and services and then subsequently ceased such use with no intention to resume use. See Trademark Action Section 45, 15 U.S.C. § 1127. In view of the foregoing, we will consider petitioner's claim of abandonment as one of non-use, in part, and token use, in part, so that, if petitioner's allegations are proven at trial, the registration was void *ab initio* and should neither have issued nor been maintained by respondent's post registration filing. See 5 J. McCarthy, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 31:72 (4th ed. 2009). We note that respondent denies that it "does not make trademark use of the trademark for CAVERN CLUB" (see amended answer, p. 1).

Thus, we construe the petition as asserting fraud claims and a claim of non-use as stated above. If petitioner believes it has grounds for asserting a valid claim of abandonment, it must submit an amended petition asserting such a claim within twenty days of the date of this order.

Respondent's Motion for Summary Judgment

Summary judgment is an appropriate method of disposing of cases in which there are no genuine issues of material fact in dispute, thus leaving the case to be resolved as a matter of law. See Fed. R. Civ. P. 56(c). A party moving for summary judgment has the burden of demonstrating the absence of any genuine issue of material fact, and that it is entitled to judgment as a matter of law. See *Celotex Corp. v. Catrett*, 477 U.S. 317, 106 S. Ct. 2548 (1986). Additionally, the evidence 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. See *Opryland USA, Inc. v. Great American Music Show, Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1993). Further, the Board may only ascertain whether issues of material fact are present, and may not resolve factual issues. *Lloyd's Food Products Inc. v. Eli's Inc.*, 987 F.2d 766, 25 USPQ2d 2027 (Fed. Cir. 1993); and *Opryland USA, supra*.

*3 Based on our review of the evidence and arguments submitted by the parties, and drawing all inferences in favor of petitioner as the non-movant, we find that respondent, as the party moving for summary judgment, has not met its burden of establishing that no genuine issues of material fact exist as to petitioner's claims and that it is entitled to judgment as a matter of law, such that petitioner should not even have the opportunity to go to trial on its claims. At a minimum, as to the fraud claim related to the filing of the application that matured into the involved registration, there exists a genuine issue of material fact as to whether petitioner's foreign use of the CAVERN CLUB mark beginning in 1991 is sufficiently famous in the United States such that petitioner may be deemed to have legal rights in the CAVERN CLUB mark that are superior to those of respondent.⁴ See *ITC Ltd. v. Punchgini Inc.*, 482 F.3d 135, 82 USPQ2d 1414, 1433 (2d Cir. 2007), *cert. denied*, 128 S.Ct. 288 (2007). Cf. *Bayer Consumer Care AG v. Belmora LLC*, USPQ2d , 2009 WL 962814 (TTAB April 6, 2009) (dismissing petitioner's fraud claim because petitioner alleged no use of its

mark in commerce and asserted the famous foreign mark exception not in conjunction with its fraud claim but only in conjunction with its claim under Article 6bis of the Paris Convention).

Petitioner is also advised that it must submit evidence of fame as a mark for specified services that inures to petitioner, which most likely was acquired since its alleged date of first use of the CAVERN CLUB mark in 1991; and the Board will not consider evidence of fame acquired by the prior owner(s) of the CAVERN CLUB mark in Liverpool, England. In other words, the mere fact that The Beatles first performed in a club called the Cavern Club, which became famous for that reason, is insufficient. As the parties acknowledge, that club ceased to exist and, thus, any present fame residing in the designation 'Cavern Club' because of that historical fact, rather than as a trademark adopted by petitioner, is irrelevant to petitioner's claims. Petitioner is not the successor in interest to either the original club or the mark by assignment and there has been a significant period of time since the original Cavern Club was in existence. *See General Motors Corp. v. Aristide & Co., Antiquaire de Marques*, 87 USPQ2d 1179, 1183 (TTAB 2008) (the Board declined to find residual good will in the mark LASALLE for automobiles after sixty-five years of non-use of the mark).

Similarly, in connection with petitioner's false suggestion of a connection claim, there exists a genuine issue of material fact as to whether the wording CAVERN CLUB points uniquely and unmistakably to petitioner and whether petitioner's identity is of sufficient reputation in the United States that when respondent allegedly uses the CAVERN CLUB mark in connection with its services, a connection with petitioner would be presumed. *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); and *Buffett v. Chi-Chi's, Inc.*, 226 USPQ 428 (TTAB 1985).

*4 Accordingly, respondent's motion for summary judgment with respect to the grounds of fraud, abandonment and false suggestion of a connection is denied.⁵

In view thereof, this proceeding is **resumed**. Petitioner is allowed until **TWENTY DAYS** from the mailing date of this order to file an amended petition for cancellation to assert a valid claim of abandonment as discussed. If such an amended petition is filed, respondent is allowed until **TEN DAYS** from the filing date of an amended petition to file an amended answer.

We note that respondent filed its motion for summary judgment one day prior to the commencement of petitioner's trial period. In view of the foregoing, trial dates are reset as follows:

DISCOVERY PERIOD TO CLOSE:	CLOSED
Thirty-day testimony period for party in position of plaintiff to close:	August 31, 2009
Thirty-day testimony period for party in position of defendant to close:	October 30, 2009
Fifteen-day rebuttal testimony period to close:	December 14, 2009

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. *See Trademark Rule 2.125, 37 C.F.R. § 2.125.*

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b), 37 C.F.R. §§ 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129, 37 C.F.R. § 2.129.

Footnotes

- 1 The Board has reviewed respondent's corrected motion for summary judgment filed on February 10, 2009.
- 2 The involved CAVERN CLUB mark is registered in connection with "clothing, namely T shirts, sweatshirts, polo shirts, sport shirts, jackets, hats, caps, bolo ties, belts, and sun visors" and with "restaurant, bar and prepared take out food services."
- 3 Petitioner alleges, *inter alia*, that "the CAVERN CLUB mark is associated solely with Registrant's Boston location. In addition, on page 2 of its amended petition, petitioner alleges that "Registrant does not make trademark use of the trademark CAVERN CLUB.
- 4 In an earlier decision, we noted that it will also be part of petitioner's burden in this case to establish that the law allows for a petitioner to show a superior proprietary right in a mark through reliance on what has been termed the "famous foreign mark" exception to the requirement that superior rights typically must be established through use in commerce. We have not, and do not now, determine that such an exception exists and merely allow petitioner to argue that the law allows for the exception, or should be extended to allow for it.
- 5 Although we have mentioned only two genuine issues of material fact in this decision, that is not to say that there are not other factual issues that may be disputed; nor that these are the only issues on which the parties should focus at trial. Certainly, petitioner bears the burden of proof as to all elements necessary for its pleaded claims.
The parties should also note that evidence submitted in support of or in opposition to a motion for summary judgment is of record only for consideration of that motion. Any such evidence to be considered at final hearing must be properly introduced in evidence during the appropriate trial period. *See, e.g., Levi Strauss & Co. v. R. Joseph Sportswear Inc.*, 28 USPQ2d 1464 (TTAB 1993).

2009 WL 9409374 (Trademark Tr. & App. Bd.)

2012 WL 9172068 (Trademark Tr. & App. Bd.)

This decision is not a precedent of the Trademark Trial and Appeal Board.

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

PLANT FOOD SYSTEMS, INC.

v.

EARTHRENEW, INC.

Opposition No. 91194313

Cancellation No. 92051934

Cancellation No. 92052821

January 6, 2012

*1 Before Mermelstein, Lykos, and Kuczma
Administrative Trademark Judges

By the Board:

EarthRenew, Inc. (“defendant”) filed an intent-to-use application to register the mark LAWNRENEW in standard character form for “[f]ertilizer and soil amendments for agricultural, domestic and reclamation use” in International Class 1. Defendant also owns the following registrations: (1) a registration for the mark RENEW in standard character form for “[s]oil amendments [and f]ertilizers” in International Class 1² and a registration for the mark EARTHRENEW in standard character form for “[f]ertilizer and soil amendments for agricultural, domestic and reclamation use” in International Class 1.³

In the amended notice of opposition in Opposition No. 91194313, Plant Food Systems, Inc. (“plaintiff”) opposes registration of defendant’s LAWNRENEW mark on the ground of likelihood of confusion with plaintiff’s previously used mark RENEW for “fertilizer” and “fertilizer products.” In the amended petition to cancel in Cancellation No. 92051934 and the petition to cancel in Cancellation No. 92052821, plaintiff seeks cancellation of defendant’s registrations for the RENEW and EARTHRENEW marks on grounds of fraud, “token use,” abandonment, and likelihood of confusion with plaintiff’s previously used mark RENEW for “fertilizers.”

On July 28, 2010, plaintiff filed a motion for summary judgment on its pleaded priority/likelihood of confusion claim in Opposition No. 91194313. On September 7, 2010, plaintiff filed a motion for summary judgment in Cancellation No. 92051934 on its pleaded claim that, because any use of the RENEW mark was token at best, Registration No. 3548840 is void *ab initio* and therefore should be cancelled.

On August 26, 2010, prior to the due date for defendant’s brief in response to the motion for summary judgment in Opposition No. 91194313 and prior to the filing of the motion for summary judgment in Cancellation No. 92051934, defendant filed a motion to suspend Opposition No. 91194313 pending final disposition of Cancellation No. 92051934. In a September 20, 2010, order, the Board denied defendant’s motion to suspend, consolidated the above-captioned proceedings, and reset time for remaining briefing on plaintiff’s motions for summary judgment.

*2 On October 19, 2010, defendant filed a motion to extend its time in which to respond to the motions for summary judgment, which the Board granted in an October 27, 2010, order. On October 29, 2010, defendant filed a notice of bankruptcy for its parent company in Canada, which resulted in the Board's suspension of the above-captioned proceedings pending final determination of the Canadian Receivership Proceeding in which defendant's parent company is involved. Following disposition of the Canadian Receivership Proceeding, in which defendant's assets were alleged to have been assigned to 0890241 B.C. Ltd. ("0890241"), the Board, in a June 9, 2011, order, joined 0890241 as a party defendant and reset time for remaining briefing on the motions for summary judgment. The motion for summary judgment in Cancellation No. 92051934 has been fully briefed.

As an initial matter, defendant, on September 29, 2011, filed a copy of a notice of assets which were excluded from the assignment to 0890241. Because the excluded assets include defendant's intellectual property assets, we conclude that defendant remains the owner of the involved application and registrations, and 0890241 is hereby dropped as a party defendant in these consolidated proceedings. See Fed. R. Civ. P. 21; Patent and Trademark Rule 3.73(b); TBMP Section 512.01 (3d ed. 2011).

Pursuant to the June 9, 2011, order, defendant was allowed sixty days, i.e., until August 8, 2011, to file a brief in response to plaintiff's motions for summary judgment. As such, the brief in response that defendant filed on August 9, 2011, was untimely.

However, we find that such untimely filing was the result of excusable neglect since there is no prejudice to plaintiff; the impact of the one-day delay upon these proceedings is negligible; and there is no indication that the late filing was made in bad faith. See *Pioneer Investment Services Co. v. Brunswick Associates L.P.*, 507 U.S. 380 (1993); *Pumpkin, Ltd. v. The Seed Corps*, 43 USPQ2d 1582 (TTAB 1997); Fed. R. Civ. P. 6(b)(1)(B); TBMP Section 509.01(b) (3d ed. 2011). Accordingly, we have considered defendant's brief in response.

In that brief in response, defendant indicates that it opposes the motion for summary judgment in Cancellation No. 92051934 only. Accordingly, the motion for summary judgment in Opposition No. 91194313 is granted as conceded. See Trademark Rule 2.127(a). Judgment is hereby entered against defendant in Opposition No. 91194313, that opposition is sustained, and registration to defendant of the LAWNRENEW mark in involved application Serial No. 77793902 is refused.

*3 With regard to the motion for summary judgment in Cancellation No. 92051934, plaintiff contends that any use of the RENEW mark by defendant or its predecessor-in-interest is token in nature, and cannot satisfy the requirements of the Trademark Law Revision Act of 1988 for use in commerce. In particular, plaintiff contends that, on November 26, 2007, defendant's predecessor-in-interest, "Earthrenew Organics [sic] Ltd.," filed an amendment to allege use in support of the application for Registration No. 3548840, alleging that it first used the mark in commerce on November 16, 2007, and included a specimen showing the marks EARTHRENEW ORGANIC MATTER PLUS NUTRIENTS and RENEW on a ten-pound container of "[f]ertilizer [p]roduct" with a label indicating that such container was addressed for shipment to L.A. Drew Environmental in Rathdrum, Idaho;⁴ that the laws of the State of Idaho require registration of any fertilizer product before that product can be distributed within the State of Idaho; that documents plaintiff received through a public records request from the State of Idaho Department of Agriculture indicated defendant did not file an application to register its product until September 26, 2009, nine months after involved trademark Registration No. 3548840 was issued; and that such application was denied. Plaintiff further contends that, as a result of defendant's failure to timely respond to plaintiff's requests for admission, defendant has admitted that neither defendant nor its predecessor have "commercially sold" any product under the involved mark after the alleged date of first use in commerce,

November 16, 2007, and that defendant does not possess any state license or permit necessary for the manufacture or distribution of fertilizer product. Based on the foregoing, plaintiff asks the Board enter summary judgment in its favor in Cancellation No. 92051934.

Plaintiff's evidence in support of its motion for summary judgment includes: (1) a declaration of plaintiff's attorney which introduces, among other things: (a) a copy of the requests for admission that it served by e-mail on July 26, 2010; (b) a copy of Idaho statute 22-605 requiring registration of "fertilizer product;" (c) documents obtained from the State of Idaho Department of Agriculture pertaining to "fertilizer product" offered for sale, and any attempted registration or attempted licensing pertaining to defendant, Earthrenew Organic Matter, and Earthrenew Organic Matter Fertilizer, which indicate that defendant's September 26, 2009, application to register EARTHRENEW ORGANIC MATTER FERTILIZER for distribution in Idaho was denied on October 14, 2009; (d) a copy of plaintiff's application Serial No. 77814890 from the USPTO's Trademark Electronic Search System (TESS); and (e) a copy of an Office action in which plaintiff's application was refused registration under Trademark Act Section 2(d), 15 U.S.C. Section 1052(d), based on defendant's involved Registration No. 3548840; and (2) a declaration of plaintiff's president Carl Fabry, which introduces: (a) advertisements for plaintiff's fertilizers sold under the RENEW mark; (b) a product label for containers of plaintiff's RENEW fertilizer; and (c) two invoices showing sales of plaintiff's RENEW fertilizer in 2007 and 2010.

*4 In response, defendant contends that its initial (and only) interstate shipment was to a distributor for evaluation for marketing purposes, which the Board has held "to be legitimate;" that defendant's goods can be characterized as a soil amendment for which registration is not required under the Idaho statute upon which plaintiff relies; and that its lack of current use of the mark constitutes excusable nonuse under Trademark Rule 2.161(f)(2). Defendant did not submit any evidence in opposition to the motion for summary judgment.

In reply, plaintiff contends that, as a result of defendant's failure to respond to requests for admission, defendant has admitted there were no shipments following the November 16, 2007, date of first use in commerce set forth in the amendment to allege use; that defendant's assertion that its goods are soil amendments which do not require registration under Idaho law is not credible; and that defendant has submitted no evidence to support its assertion that its admitted nonuse of the mark since November 16, 2007, is excusable.

Summary judgment is an appropriate method of disposing of a case in which there are no genuine disputes as to any material fact, thus leaving the case to be resolved as a matter of law. *See* Fed. R. Civ. P. 56(c). A dispute as to a material fact is genuine only if a reasonable fact finder viewing the entire record could resolve the dispute in favor of the nonmoving party. *See Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542, 1544 (Fed. Cir. 1992). In deciding a motion for summary judgment, the Board must view the evidence in the light most favorable to the nonmovant, and must draw all reasonable inferences from underlying facts in favor of the nonmovant. *Id.*

A party moving for summary judgment has the burden of demonstrating the absence of any genuine dispute of material fact, and that it is entitled to summary judgment as a matter of law. *See Celotex Corp. v. Catrett*, 477 U.S. 317 (1986); *Sweats Fashions Inc. v. Pannill Knitting Co. Inc.*, 833 F.2d 1560, 4 USPQ2d 1793 (Fed. Cir. 1987). When the moving party's motion is supported by evidence sufficient to indicate that there is no genuine dispute of material fact, and that the moving party is entitled to judgment, the burden shifts to the nonmoving party to demonstrate the existence of specific genuinely disputed facts that must be resolved at trial. The nonmoving party may not rest on the mere allegations of its pleadings and arguments in response to the motion, but must designate specific portions of the record or produce additional evidence showing the existence of a genuine dispute of material fact for trial. In general, to establish the existence of disputed facts requiring trial, the nonmoving party "must point to an evidentiary conflict created on the record at least by a counterstatement of facts set forth in detail in an affidavit by a knowledgeable affiant." *Octocom*

Systems Inc. v. Houston Computers Services Inc., 918 F.2d 937, 16 USPQ2d 1783, 1786 (Fed. Cir. 1990), citing *Barmag Barmer Maschinenfabrik AG v. Murata Machinery, Ltd.*, 731 F.2d 831, 221 USPQ 561, 564 (Fed. Cir. 1984).

*5 For the Board to grant summary judgment, plaintiff must establish that there is no genuine dispute as to its standing and as to the ground on which it seeks entry of summary judgment. See Fed. R. Civ. P. 56(a); *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 945, 55 USPQ2d 1842, 1844 (Fed. Cir. 2000). There is no genuine dispute that plaintiff has standing to maintain this proceeding. Plaintiff's standing is established by its submission, as an exhibit to its brief in support of the motion for summary judgment, of a copy of the application file of plaintiff's pleaded application Serial No. 77174429 for the mark RENEW in standard character form for "fertilizers for citrus and fruit trees" in International Class 1. The Office action in that file shows that such application was refused registration under Trademark Act Section 2(d), 15 U.S.C. Section 1052(d), based on defendant's involved registration.⁵ See *Weatherford/Lamb Inc. v. C&J Energy Services Inc.*, 96 USPQ2d 1834 (TTAB 2010).

Though not worded as such, plaintiff's "token use" claim is essentially a claim of nonuse based on the allegation that defendant's predecessor did not have bona fide use in commerce when it filed its amendment to allege use. Trademark Act Section 45, 15 U.S.C. Section 1127, states in relevant part as follows:

The term 'use in commerce' means the **bona fide use of a mark in the ordinary course of trade**, and not made merely to reserve a right in a mark. ... [A] mark shall be deemed to be in use in commerce ... on goods when ... it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and ... (B) the goods are sold or transported in commerce.

(emphasis added). Use in commerce contemplates "commercial use of the type common to the particular industry in question." *Paramount Pictures Corp. v. White*, 31 USPQ2d 1768, 1774 (TTAB 1994). Additionally, the legislative history of the Trademark Law Revision Act of 1988, Public Law 100-667, states that 'the definition [of 'use in commerce'] should be interpreted with flexibility so as to encompass various genuine, but less traditional, trademark uses, such as those made in test markets, infrequent sales of large or expensive items, or ongoing shipments of a new drug to clinical investigators by a company awaiting FDA approval, and to preserve ownership rights in a mark if, absent an intent to abandon, use of a mark is interrupted due to special circumstances.'

*6 *Automedx Inc. v. Artivent Corp.*, 95 USPQ2d 1976, 1981 (TTAB 2010) (quoting S. Rep. No. 100-515, p. 44-45 (September 15, 1988)). However, the practice of token use, i.e., reserving a mark through making a single shipment, was eliminated as a basis for registration by the Trademark Law Revision Act of 1988:

The legislative history of The Trademark Law Revision Act reveals that the purpose of the amendment [to the definition of "use in commerce"] was to eliminate "token use" as a basis for registration, and that the new, stricter standard contemplates instead commercial use of the type common to the particular industry in question.

Paramount Pictures Corp. v. White, *supra* at 1774.

Plaintiff has met its initial burden of establishing that there is no genuine dispute that defendant has not used the mark except for a single shipment more than four years ago. Defendant did not respond to plaintiff's requests for admission

and has therefore admitted that defendant “has not commercially sold any product using the RENEW mark since” November 17, 2007, (request for admissions nos. 2-4); that defendant “lacks the production facilities to commercially manufacture a fertilizer product for sale under the RENEW mark” (request for admission no. 6); and that defendant “has no contracts for third party manufacture of a fertilizer product for sale under the RENEW mark” (request for admission no. 7).⁶ See Fed. R. Civ. P. 36(a)(3); TBMP Section 407.03(a) (3d ed. 2011).

Defendant's arguments in its brief in response do not rebut plaintiff's initial showing. Rather, there is no dispute that defendant's RENEW-branded goods are not now, nor have they ever been, available in the market, or that defendant's claim that it has made *bona fide* use of its mark on the identified goods is based on a single shipment in late 2007 of one ten-pound container of the goods to a distributor for marketing evaluation. No sale or transportation of the goods in commerce is alleged before or since.

As noted, the legislative history of the Trademark Law Revision Act cautions that we must consider the *bona fides* of the alleged use in the context of what is common in the relevant industry. In that regard, we note that there has been no allegation (and it does not appear to us) that, for instance, defendant's goods are of rare or unusual use or expense, such that they might be sold only infrequently, or that they require or have been involved in prolonged testing. Indeed, defendant does not allege any fact or circumstance that would tend to establish that the noncommercial shipment of a single ten-pound container in four years is common in the soil amendment or fertilizer industries. In short, defendant's response raises no factual dispute for trial on this issue. Based on the undisputed facts of record, we find that defendant's single shipment in commerce was clearly a token use of its mark. As such, there is no genuine dispute that such shipment was insufficient to constitute *bona fide* use of the RENEW mark in the ordinary course of trade at the time defendant filed its amendment to allege use (or at any time after).

*7 *Automedx Inc. v. Artivent Corp.*, *supra*, cited by defendant in passing, is inapposite. In that case, *Automedx* had made actual arms-length sales to the military on two occasions of multiple prototype units of its medical ventilator, albeit for non-human use and prior to FDA approval of the device. After extensive testing by the military, these initial sales were followed by FDA approval and further commercial activity.

Unlike *Automedx*, in the case at bar, defendant alleges only one non-commercial shipment of a small quantity of product to a distributor for evaluation, followed by four years of commercial inactivity. While test marketing can under some circumstances satisfy the requirement for *bona fide* use in commerce, simply asserting after the fact that a shipment was “for marketing purposes” does not suffice. Defendant here has provided no further facts regarding this shipment, including whether it was ever evaluated, tested, or marketed, nor does defendant allege that any actual marketing took place in the succeeding years. While the precise boundaries of “use in commerce” following the Trademark Law Revision Act may not always be crystal clear, there is no doubt that the amendment to the Trademark Act was intended to eliminate the practice of token use, which often involved the shipment of small quantities of goods in commercially insignificant transactions, as a means of securing trademark rights. Based on the undisputed facts of record, we can see no other characterization for defendant's use in this case.

In defendant's answer in Cancellation No. 92051934 and its brief in response to the motion for summary judgment, defendant relies upon Trademark Rule 2.161(f)(2) as a basis for asserting that its lack of current use constitutes excusable nonuse.⁷ Answer, paragraphs 9, 21, 22, 31, and 45; brief in response at pp. 2-3. Such reliance is misplaced. Rule 2.161(f)(2) refers to a showing of excusable nonuse in an affidavit or declaration under Trademark Act Section 8, 15 U.S.C. Section 1058. That rule does not provide a means of obtaining a registration based on use in commerce without making *bona fide* use of the mark in the ordinary course of trade.⁸ See Trademark Act Section 45.

Based on the foregoing, there is no genuine dispute that defendant did not have bona fide use of the RENEW mark in the ordinary course of trade and therefore did not have use of the mark in commerce when it filed its amendment to allege use. Accordingly, plaintiff's motion for summary judgment on the claim that defendant did not have bona fide use in commerce when it filed the amendment to allege use is granted.

Decision

*8 Summary judgment in Opposition No. 91194313 is granted as conceded. Judgment is entered accordingly, and registration to defendant of application Serial No. 77793902 for the LAWNRENEW mark is refused.

Summary judgment is granted on the nonuse claim in Cancellation No. 92051934.⁹ Judgment is entered on the nonuse claim, and Registration No. 3548840 for the RENEW mark will remain cancelled.⁰

Proceedings in Cancellation No. 92052821 are resumed. Dates in that proceeding are reset as follows.

Deadline for Discovery Conference	2/5/12
Discovery Opens	2/5/12
Initial Disclosures Due	3/6/12
Expert Disclosures Due	7/4/12
Discovery Closes	8/3/12
Plaintiff's Pretrial Disclosures	9/17/12
Plaintiff's 30-day Trial Period Ends	11/1/12
Defendant's Pretrial Disclosures	11/16/12
Defendant's 30-day Trial Period Ends	12/31/12
Plaintiff's Rebuttal Disclosures	1/15/13
Plaintiff's 15-day Rebuttal Period Ends	2/14/13

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.

Footnotes

¹ Application Serial No. 77793902, filed July 30, 2009. This application is the subject of Opposition No. 91194313.

- 2 Registration No. 3548840, issued December 23, 2008, and alleging November 16, 2007, as the date of first use anywhere and
the date of first use in commerce. This registration is the subject of Cancellation No. 92051934. The registration was cancelled
as a result of default judgment that was entered in that proceeding on March 31, 2010. Although the default judgment was
vacated in a June 24, 2010, order, Registration No. 3548840 has not been reinstated.
- 3 Registration No. 3411052, issued April 8, 2008, and alleging May 9, 2007, as the date of first use anywhere and November 16,
2007, as the date of first use in commerce. This registration is the subject of Cancellation No. 92052821.
- 4 On December 4, 2007, the application was assigned from “Earthrenew Organics Ltd. to defendant. On January 31, 2008,
prior to the December 23, 2008, issuance of the involved registration, a document reflecting that assignment was recorded
with the USPTO’s Assignment Branch at Reel 3708, Frame 0357. Because “Earthrenew Organics Ltd. and “Earthrenew
Organics Ltd. have the same address, the Board presumes that references to “Earthrenew Organics Ltd. in the application
and amendment to allege use are typographical errors.
- 5 The text of the Office action states that the Section 2(d) refusal was based on Registration No. 3261770. However, the analysis
in that Office action is based on the mark and the goods identified in involved Registration No. 3548840, and the Office Action
includes a copy of Registration No. 3548840 and not Registration No. 3261770. Thus, the Section 2(d) refusal is clearly based
on Registration No. 3548840.
- 6 Defendant did not file a motion to withdraw or amend its admissions. See Fed. R. Civ. P. 36(b); TBMP Section 525 (3d ed.
2011).
- 7 Any references in the parties’ briefs to Trademark Rule 2.16(f)(2) are typographical errors.
- 8 Moreover, a party asserting excusable nonuse under Rule 2.161(f)(2) in a Section 8 affidavit or declaration must “set forth the
date when use of the mark in commerce stopped and the approximate date when use is expected to resume; and recite facts to
show that nonuse as to those goods or services is due to special circumstances that excuse the nonuse. Defendant has recited
no facts and provided no evidence upon which to base an assertion of excusable nonuse.
- 9 Accordingly, we need not decide the remaining claims in Cancellation No. 92051934.
- 10 The decisions in Opposition No. 91194313 and Cancellation No. 92051934 are final, and may be appealed to the Court of
Appeals for the Federal Circuit or to a United States District Court with appropriate jurisdiction. *See* Trademark Act Section
21(a)(1), 21(b)(1); Trademark Rule 2.145; TBMP Section 901.01 (3d ed. 2011).
Likewise, this consolidated proceeding is severed, and any further papers filed with respect to any of the proceedings should
be filed in that proceeding only, and should be individually captioned.

2012 WL 9172068 (Trademark Tr. & App. Bd.)