

THIS ORDER IS NOT A
PRECEDENT OF THE
TTAB

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451
General Contact Number: 571-272-8500
General Email: TTABInfo@uspto.gov

November 29, 2021

Cancellation No. 92075486

*American Airlines, Inc. and AAdvantage
Loyalty*

v.

Hsp Epi Acquisition, LLC dba Entertainment

Michael Webster, Interlocutory Attorney:

On July 8, 2021, Hsp Epi Acquisition, LLC dba Entertainment (“Respondent”) filed a motion for summary judgment on each of the claims in the petition for cancellation in addition to American Airlines, Inc. and AAdvantage Loyalty IP Ltd.’s (“Petitioners”) entitlement to bring a cause of action (formerly “standing”). In lieu of an answer to the motion, Petitioners filed a timely motion for discovery under Fed. R. Civ. P. 56(d). The motion for discovery is fully briefed.

In support of their motion, Petitioners argue that Respondent’s failure to produce any documents at all in this proceeding or to respond substantively to Petitioners’ discovery requests is evidence that Petitioners’ motion should be granted. 11 TTABVUE 7-9. Petitioners state that Respondent filed its motion for summary judgment within days of Petitioners serving six notices of deposition on Respondent. Petitioners further argue that they are entitled to discovery regarding the non-use

and fraud claims and that Respondent's motion asserting that Petitioners have no facts supporting the fraud claim is true because "Respondent has not produced a single document, nor has it substantively responded to numerous discovery requests related to its use of the DININGADVANTAGE.COM Mark in connection with travel-related goods and services." *Id.* at 15.

In response to the motion for discovery, Respondent argues that Petitioners' Rule 56(d) motion "relating to information on travel and fraud do not seek facts to show the existence of a genuine [dispute] regarding standing and time bar." 12 TTABVue 8. In addition, Respondent argues that Petitioners' "failure to file a Rule 56(d) motion relative to standing, or a substantive response to the summary judgment motion justifies the dismissal of all 3 counts of this Petition." *Id.* at 12. Respondent further argues that the discovery requests that Petitioners seek in their motion are unfocused to the travel and fraud related issues in the summary judgment motion, *id.* at 10-12, and that Petitioners' request for evidence of non-use is "specious" because Respondent "cannot produce what does not exist." *Id.* at 14.

In its reply in support of the motion for discovery, Petitioners argue that Respondent's reliance on written discovery or documents produced in the opposition proceeding between the parties is improper because the case involves a different mark and different claims. 13 TTABVue 3. Petitioners further argue that they have satisfied the requirements for discovery under Rule 56(d) and have properly tailored the requested discovery to the claims in the motion for summary judgment.

I. Relevant Law for Discovery Under Rule 56(d)

A party that believes it cannot effectively oppose a motion for summary judgment without first taking discovery may file a motion with the Board pursuant to Fed. R. Civ. P. 56(d) for time to take the needed discovery. The motion must be supported by an affidavit or declaration showing that the nonmoving party cannot, for reasons stated therein, present facts essential to justify its opposition to the motion. *See* Fed. R. Civ. P. 56(d); TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PROCEDURE (TBMP) § 528.06 (2021).

As a general rule, the Board is liberal in its treatment of requests for discovery in response to motions for summary judgment. However, a party moving for Rule 56(d) discovery must show how additional discovery would preclude summary judgment and why it cannot immediately provide “specific facts” demonstrating a genuine dispute of material fact. *Id.* at 1475; Fed. R. Civ. P. 56(d). Thus, the party requesting Rule 56(d) discovery must identify by affidavit or declaration the specific facts that discovery would reveal, and explain why those facts would preclude summary judgment. *Keebler Co. v. Murray Bakery Prods.*, 866 F.2d 1386, 9 USPQ2d 1736, 1739 (Fed. Cir. 1989) (“the Rule requires that each request for discovery be adequately supported by a showing of need”).

II. Discussion

A. Preliminary Matters

As an initial matter, the Board notes that it has considered all of the arguments and evidence submitted in connection with the motion for discovery, but does not

repeat or discuss all of the arguments and submissions, and does not address irrelevant arguments. *Guess? IP Holder L.P. v. Knowlux LLC*, 116 USPQ2d 2018, 2019 (TTAB 2015). In particular, Respondent’s arguments regarding the merits of its motion for summary judgment are not relevant to Petitioners’ 56(d) motion.

In addition, contrary to Respondent’s argument, 12 TTABVUE 9, Petitioners’ failure to request discovery on the issue of its entitlement to bring a cause of action¹ and the “time bar” issue does not necessitate dismissing the Rule 56(d) motion and entering judgment against Petitioners for lack of entitlement. Rule 56(d) does not require a party to dissect the motion for summary judgment and file a response to one or more issues, if it is able, and a separate motion for discovery with respect to the remaining issues. Moreover, “[t]here is no requirement that actual damage be pleaded and proved in order to establish [entitlement] or to prevail in an opposition or cancellation proceeding.”² *Blackhorse v. Pro Football Inc.*, 98 USPQ2d 1633, 1638 (TTAB 2011). Thus, evidence regarding Petitioners’ entitlement, is likely in

¹ The Board’s decisions have previously analyzed the requirements of Sections 13 and 14 of the Trademark Act, 15 U.S.C. §§ 1063-64, under the rubric of “standing.” The Board now refers to this inquiry as entitlement to a statutory cause of action (“entitlement”). See *Australian Therapeutic Supplies Pty. Ltd.*, 2020 USPQ2d 10837, at *2-6 (Fed. Cir. 2020) (re-characterizing the issue of the interest required for a party to pursue an opposition or cancellation proceeding as “entitlement to bring a cause of action”); see also *Corcamore, LLC v. SFM, LLC*, 978 F.3d 1298, 2020 USPQ2d 11277, at * 6-7 (Fed. Cir. Oct. 27, 2020). Despite the change in nomenclature, the Board’s prior decisions and those of the Federal Circuit interpreting Sections 13 and 14 remain applicable. See *Spanishtown Enters., Inc. v. Transcend Res., Inc.*, 2020 USPQ2d 11388, at *2 (TTAB 2020).

² The Board notes, however, that Petitioners do not appear to have pleaded an interest in the proceeding sufficient for showing their entitlement to bring a cause of action in the petition for cancellation. While Petitioners alleged that Respondent breached an agreement, there is no information regarding the agreement and the petition does not include allegations regarding how Petitioners are damaged by the continued registration of the subject mark.

Petitioners' possession. *See, e.g., Barbara's Bakery Inc. v. Landesman*, 82 USPQ2d 1283, 1285 (TTAB 2007) (standing established by properly making pleaded registration of record and asserting non-frivolous likelihood of confusion claim).

B. Whether Discovery is Necessary to Respond to Summary Judgment

Turning to the merits of the motion for discovery, the Board notes initially that Petitioners have not stated, in the declaration of its counsel or anywhere in its brief on the motion, that it "cannot present facts essential to justify its opposition" to the summary judgment motion. Fed. R. Civ. P. 56(d). Similar to a declaration supporting a motion to compel, Petitioners' supporting affidavit merely recites the actions of the parties in discovery, including Respondent's alleged failures. "The affidavit needs to state reasons why the party cannot present by affidavit facts essential to justify its opposition to the motion for summary judgment." T. JEFFREY QUINN, TIPS FROM THE TTAB; DISCOVERY SAFEGUARDS IN MOTIONS FOR SUMMARY JUDGMENT; NO FISHING ALLOWED, 80 Trademark Rep. 413, 417 (1990); *see also* 10B CHARLES A. WRIGHT ET AL., FEDERAL PRACTICE AND PROCEDURE § 2740 (4th ed. 2021) (The Rule 56(d) affidavit or declaration is "a sworn statement explaining why these facts cannot yet be presented").

It is not sufficient that a nonmoving party simply state in an affidavit supporting its motion under Fed. R. Civ. P. 56(d) that it needs discovery in order to respond to the motion for summary judgment; rather, the party must state therein the reasons why it is unable, without discovery, to present facts sufficient to show the existence of a genuine dispute of material fact for trial.

TBMP § 528.06 (2021); *cf.*, *Orion Group Inc. v. Orion Ins. Co.*, 12 USPQ2d 1923, 1924-25 (TTAB 1989) (Rule 56[d] declaration sufficient; opposer set forth specific issues of fact on which it asserts it needs information).

Here, Petitioners merely assert that they need discovery “so that they may respond to HSP’s Motion.” 11 TTABVUE 12. *See, e.g., Sweats Fashions Inc. v. Pannill Knitting Co.*, 833 F.2d 1560, 4 USPQ2d 1793, 1799 (Fed. Cir. 1987) (mere assertion in brief of need for discovery insufficient). The motion does not provide specific reasons why it cannot present facts, without certain discovery responses, essential to justify its opposition to the motion.

In addition, Petitioners, in their motion, argue that the “self-serving affidavits” submitted with Respondent’s motion for summary judgment are “not sufficient to show that there is no dispute of material fact as to HSP’s non-use” and “fail to support HSP’s arguments as to non-use.”³ 11 TTABVUE 10-11. Petitioners further argue that the attachments to the affidavits do not show any use of the mark in conjunction with any travel-related goods or services and that Respondent’s “Motion for Summary Judgment provides no concrete support of [discount travel services], nor has HSP provided any documents or discovery responses demonstrating this to date.” *Id.* at 11-12. By arguing that Respondent has not carried its burden in the summary judgment motion, Petitioners demonstrate that they are not unable to oppose the

³ Petitioners repeatedly erroneously refer to Count I of the petition as the “non-use” claim. The ESTTA cover page of the petition identifies the claim as “abandonment,” 1 TTABVUE 2, and the Board construes the claim as such despite Petitioners’ failure to cite any section of the Trademark Act. *See* Trademark Act Section 45, 15 U.S.C. § 1127. A “non-use” claim is a separate claim under Trademark Act Section 1051(a), 15 U.S.C. § 1051(a), and is not available to Petitioners in this proceeding.

motion for summary judgment related to the abandonment claim without specific discovery. *See, e.g., Bad Boys Bail Bonds, Inc. v. Yowell*, 115 USPQ2d 1925, 1930 (TTAB 2015) (Fed. R. Civ. P. 56(d) motion denied as moot because party filed substantive response to summary judgment motion); *Dyneer Corp. v. Automotive Prods. plc*, 37 USPQ2d 1251, 1253 (TTAB 1995) (motion for Rule 56(f) discovery denied where applicant also filed a response to the summary judgment motion on the merits).

However, the Board finds that Respondent has failed to cooperate and participate in good faith in the discovery process. The record indicates that Respondent, on March 22, 2021, responded to Petitioners' document requests stating that it "is producing responsive [] documents ... in a shared folder," but Respondent failed to produce any responsive documents in this proceeding as of the date of Petitioners' motion. 11 TTABVUE 24, 86-94. Generally, a party may not mislead its adversary by stating that it will produce documents then fail to do so. *Cf. Pioneer Kabushiki Kaisha v. Hitachi High Tech. Am., Inc.*, 74 USPQ2d 1672, 1679 (TTAB 2005). Respondent now states that it is relying on discovery exchanged between the parties in another Board proceeding without a stipulation between the parties approved by the Board. *See Hanscomb Consulting, Inc. v. Hanscomb Ltd.*, 2020 USPQ2d 10085, *2 (TTAB 2020); *see also* TBMP § 705 (2021). In addition, Respondent improperly attempted to assert priority of discovery by promising to supplement its responses within 10 days of receiving supplemental responses from Petitioners. 11 TTABVUE 340.⁴ Board

⁴ Again, Respondent failed to produce any documents despite Petitioners' production.

proceedings are not governed by the concept of priority of discovery and each party has a duty to make a good faith effort to meet the discovery needs of its adversary. *Miss Am. Pageant v. Petite Prods., Inc.*, 17 USPQ2d 1067, 1070 (TTAB 1990) (citing Fed. R. Civ. P. 26(d)) and *Giant Food, Inc. v. Standard Terry Mills, Inc.*, 231 USPQ 626 (TTAB 1986). *See also* TBMP § 408.01 (2021).

Finally, Respondent's arguments regarding the need for discovery related to the fraud claim are without merit. Respondent presumes the Board will grant its motion with respect to the abandonment claim. However, in the event the Board finds that Respondent has failed to carry its burden on summary judgment of showing that there is no genuine dispute of material fact regarding Respondent's use of the subject mark in connection with "travel-related discounts," the Board may still dismiss the fraud claim if Petitioners are unable to raise a genuine dispute of material fact regarding Respondent's intent to deceive the USPTO.

III. Decision

Despite the deficiencies in Petitioners' motion under Fed. R. Civ. P. 56(d), upon careful consideration of all the facts and circumstances in connection with the motion for discovery, including Respondent's failure to produce any documents in this proceeding or to fully cooperate in the discovery process, and the Board's liberal treatment of requests for discovery under Rule 56(d), *see* QUINN, 80 Trademark Rep. at 420, the Board finds that discovery is necessary for Petitioners to oppose the

motion for summary judgment regarding the fraud claim. Accordingly, Petitioners' motion is **granted**, in part, and **denied**, in part, to the extent set forth below.⁵

The Rule 56(d) motion is **granted** to the extent that Respondent must respond fully and without objection to Petitioners' Interrogatory No. 12 within **20 DAYS** of the date of this order. Inasmuch as the Board finds the Interrogatory clear and relevant, Respondent's objections to the interrogatory are overruled. Respondent is also directed to produce non-privileged responsive documents to Document Request No. 4 within the same **20 DAYS** of the date of this order. If Respondent has no responsive documents within its possession, custody or control which are related to the services identified in the request, Respondent must so state affirmatively in a supplemental written response to the request.

In addition, Petitioners are allowed to take the deposition of Respondent's Fed. R. Civ. P. 30(b)(6) witness. The deposition must be limited to the issues in the motion for summary judgment. The deposition may be noticed and taken between 10 and 30 days after Respondent serves it responsive documents to Petitioners' discovery or at any other time agreed to by the parties. Petitioners are allowed **90 DAYS** from the date of this order to file their opposition to Respondent's motion for summary judgment.

Because the Board does not find the remaining interrogatories and document requests relevant or necessary for responding to the motion for summary judgment,

⁵ Petitioners, in their motion, note that Respondent's argument that "no conduct has been identified indicating sufficient culpability to require a finding of intent to deceive" is the result of Respondent's failure to produce any documents. 11 TTABVUE 15.

Petitioners' motion is **denied** with respect to the additional discovery requests.⁶ In addition, Petitioners have provided no reasons for their request for six depositions prior to responding to the motion for summary judgment.

Proceedings otherwise remain **suspended** pending the disposition of Respondent's motion for summary judgment.

⁶ In particular, Document Requests Nos. 1 and 13 and Interrogatory No. 5 are irrelevant to the claims in the petition regarding Respondent's use or abandonment of the mark. Document Request No. 3 and Interrogatory No. 8 are overly broad requests that are not specific to the issues in the summary judgment motion. In addition, Interrogatory No. 8 is improper because it requires Respondent to provide all facts that support every denial of the allegations in the petition for cancellation and the petition itself is not a discovery tool. *Cf. Hewlett Packard Enters. Dev. LP v. Arroware Indus., Inc.*, 2019 USPQ2d 158663, *6-8 (TTAB 2019).