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

Proceeding no.	92086564
Party	Defendant Revelry Vintners, LLC
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Attachments	Reply ISO Combined Motion to Consolidate and to Suspend.pdf(18730 bytes)

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

MACKAY RESTAURANT MANAGEMENT GROUP, INC., Petitioner, v. REVELRY VINTNERS, LLC, Respondent.	Cancellation No. 92086564 In the Matter of Trademark Registration Nos. 3580094 & 5970026 For the Marks: REVELRY and THE REVELER Registered on: February 24, 2009 and January 28, 2020
YELLOWHAWK RESORT WW, LLC, Petitioner, v. REVELRY VINTNERS, LLC, Respondent.	Cancellation No. 92086630 In the Matter of Trademark Registration Nos. 3580094 & 5970026 For the Marks: REVELRY and THE REVELER Registered on: February 24, 2009 and January 28, 2020

RESPONDENT'S REPLY IN SUPPORT OF MOTION TO (1) CONSOLIDATE PROCEEDINGS AND (2) SUSPEND PENDING FINAL DETERMINATION IN A CIVIL ACTION

In their joint response, Petitioners Mackay Restaurant Management Group, Inc. and Yellowhawk Resort WW, LLC (collectively, "Petitioners") confirm that they do not oppose Respondent Revelry Vintners, LLC ("Revelry") motion to consolidate Cancellation No. 92086564 and Cancellation No. 92086630, as the matters involve common questions of law and fact. *See* Canc. 92086564, 8 TTABVUE 5-6. Accordingly, Revelry's motion to consolidate should be granted as conceded.

As to Revelry's motion to suspend Board proceedings, Petitioners also effectively concede that a stay is appropriate, but assert a partial objection to the duration of the stay. Petitioners concede that the pending federal court action between the parties, *Revelry Vintners, LLC v. Mackay Restaurant Management Group, Inc., et al.*, Civil Action No. 4:21-cv-05110-RLP (E.D. Wash.) (the "Civil Action"), will have a bearing on the Board proceedings and warrants suspension. Canc. 92086564, 8 TTABVUE 6-7. Petitioners contend, however, that the Board's standard practice of suspending proceedings pending a final determination in the Civil Action is not appropriate in this case. *Id.* at 7-8. Instead, Petitioners assert that proceedings should only be suspended until the district court rules on two pending motions: (1) Revelry's motion *in limine* to preclude Petitioners from asserting their untimely and waived claims that Revelry's registrations were procured by fraud, and (2) Petitioners' motion for leave to amend their answer to add a new affirmative defense of fraudulent registration.

Petitioners' sole argument in support of a limited suspension is the conclusory claim that, should the district court rule in Revelry's favor and deny Petitioners' ability to raise their new fraud claims at trial, the Civil Action would no longer have any bearing on the Board proceedings and thus moot the need for suspension. This argument fails for multiple reasons.

First, any adverse ruling by the district court on those pending motions will be a *non-final*, interlocutory determination that will still be subject to later appeal by Petitioners once Revelry's claims, and the rights and liabilities of all parties, are fully adjudicated. Fed. R. Civ. P. 54(b). Only once no appeal is timely filed, or all appeals filed have been decided and the time for any further review has expired, will the court's determination become final. TBMP § 510.02(b).

The Board—recognizing the inefficiency of allowing claims to proceed before the Board when a relevant issue in a civil action remains subject to review on appeal—has long maintained

the practice of not directing the resumption of proceedings "until after the time for seeking such review has expired, a decision denying or granting such review has been rendered, and any further review has been completed." *Id.*; *see also Softbelly's Inc. v. Ty, Inc.*, Opp. No. 91150771, 2002 WL 1844210, at *3 (TTAB Aug. 13, 2002) (non-presidential) (as district court judgment was still subject to appeal, "[i]t would waste the Board's and the parties' time and resources to proceed to litigate this case at the Board"). Petitioners provide no reason for the Board to disregard its standard practice here.

Second, Petitioners do little to address—let alone refute—Revelry's additional arguments for why a final determination in the Civil Action could still have a bearing on the Board proceedings even if Petitioners are not permitted to pursue their fraud claims at trial. For example, Petitioners do not dispute that factual issues to be resolved during the Civil Action trial include the questions of when Revelry first had actual knowledge of Mackay's alleged use of "Revelers Club" for "hospitality and restaurant services" and whether such use was infringing. *See* Canc. No. 92086564, 6 TTABVUE 10-12. Because Petitioners' claim for cancellation of Revelry's Registration No. 5970026 for THE REVELER relies on an allegation that Revelry knew that Mackay had lawful prior use of "Revelers Club" at the time Revelry filed THE REVELER application in 2017, a finding in the Civil Action that Revelry either lacked actual knowledge of Mackay's use until after 2007 and/or that such use was infringing would effectively defeat Petitioners' claim for cancellation. *Id.*

Nor do Petitioners fully address the impact the Civil Action will have on Board proceedings if Petitioners are found liable for infringement and enjoined from use of REVELERS CLUB. Petitioners acknowledge that, as held in *Nasalok Coating Corp. v. Nylok Corp.*, 522 F.3d 1320, 1326, 1329, 86 USOQ 1369, 1374, 1376 (Fed. Cir. 2008), a claim or

defense asserted in a second action will be barred if it (1) was a compulsory counterclaim that the defendant failed to assert in the first action or (2) represents what is essentially a collateral attack on the first judgment. Petitioners, however, then embark on an extensive discussion of *Nasalok*'s holding that a counterclaim for cancellation of a registration on fraud grounds is not a compulsory counterclaim—while dismissing *Nasalok*'s alternate holding that such a claim *would* constitute a collateral attack on the judgment if the infringement claim resulted in an injunction on use as a "hypothetical" question, since the issue has not yet been tried in the Civil Action. *See* Canc. No. 92086564, 8 TTABVUE 9-10. But the Board's test for suspension looks only to whether a final determination in the civil action "*may* have a bearing on" the matters before the Board, not to whether a decision impacting proceedings has already occurred. Indeed, the entire purpose of suspension is to allow for all contingencies in the civil action to be fully and finally resolved, so their impact, if any, can be considered upon resumption.

Finally, Petitioners appear to argue that if the district court bars them from presenting their fraud claims at trial, Petitioners should be allowed to pursue their claims before the Board no matter what outcome results from the Civil Action. *See* Canc. 92086564, 8 TTABVUE 9 (quoting *Sharp Kabushiki Kaisha v. Thinksharp, Inc.*, 448 F.3d 1368, 79 USPQ2d 1376 (Fed. Cir. 2006)). But in the context of claim preclusion, whether a party had an "opportunity to litigate" turns on whether the prior judgment was rendered in accordance with due process, not on whether the claim was actually litigated at trial. *See Pactiv Corp. v. Dow Chemical Co*., 449 F.3d 1227, 1233, 78 USPQ2d 1939, 1943 (Fed. Cir. 2006) ("*Kremer* only requires that the prior judgment be denied preclusive effect when there has been a due process violation. . . . We hold, therefore, that as long as a prior federal court judgment is procured in a manner that satisfies due process concerns, the requisite 'full and fair opportunity' existed."). A disposition of Petitioners'

fraud claims "on the merits"—whether by default, waiver, or dismissal with prejudice—qualifies as an "opportunity to litigate" and would bar their attempts to relitigate them before the Board. *See, e.g.*, *Chromalloy Am. Corp. v. Kenneth Gordon, Ltd.*, 736 F.2d 694, 697, 222 USPQ 187, 189 (Fed. Cir. 1984) (unlike issue preclusion, which requires that an issue be actually litigated, claim preclusion applies "even though a judgment results by default, consent, or dismissal with prejudice"). Accordingly, Petitioners' arguments for why the stay should be limited fail.

CONCLUSION

For the reasons set forth above, Revelry Vintners, LLC, respectfully asks that the Board enter an order (1) directing that Cancellation No. 92086564 and Cancellation No. 92086630 be consolidated and (2) suspending pending final determinations in the Civil Action.

DATED this 6th day of January, 2025.

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CERTIFICATE OF SERVICE

I hereby certify that a true and complete copy of the foregoing RESPONDENT'S REPLY IN SUPPORT OF MOTION TO (1) CONSOLIDATE PROCEEDINGS AND (2) SUSPEND PENDING FINAL DETERMINATION IN A CIVIL ACTION has been served, via electronic mail, on the 6th day of January, 2025, upon the following.

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