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UNITED STATES PATENT AND TRADEMARK OFFICE  
Trademark Trial and Appeal Board  
P.O. Box 1451  
Alexandria, Virginia 22313-1451

PTH

Mailed: July 17, 2008

Cancellation No. 92046543

HBP, Inc.

v.

Becker Designs, Inc.

Before Hairston, Bucher and Walsh, Administrative Trademark Judges.

Opinion by Hairston, Administrative Trademark Judge:

HBP, Inc. ("HBP") seeks to cancel a registration owned by Becker Designs, Inc. ("Becker") for the mark DAYTONA THUNDERWEAR in standard character form for "clothing, namely, women's blouses and shorts" in International Class 25.<sup>1</sup>

As grounds for cancellation, HBP alleges that it is a wholly owned subsidiary of International Speedway Corporation ("ISC"); that it is the exclusive licensee of ISC's family of marks comprised in whole or in part of the term DAYTONA; that HBP has used the DAYTONA family of marks by granting sublicenses to these marks; that since at least as early as 1953, HBP and its predecessors-in-interest have

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<sup>1</sup> Registration No. 3105440 issued June 20, 2006. The word DAYTONA is disclaimed apart from the mark as shown.

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used the DAYTONA family of marks in connection with the promotion and hosting of motorcycle and other motor sports related events; that HBP has also used the DAYTONA family of marks on numerous goods and services, including, but not limited to clothing, sunglasses, toys, games, smokers' articles, and household utensils; and that Becker's DAYTONA THUNDERWEAR mark, when applied to Becker's goods, so resembles HBP's previously used DAYTONA family of marks, as to be likely to cause confusion under Section 2(d) of the Trademark Act.

Becker, in its answer, denied the essential allegations of the petition to cancel. As affirmative defenses, Becker asserts, inter alia, that the petition is barred by the doctrines of res judicata and collateral estoppel in view of the Board's decision in Opposition No. 91154068 involving the same parties; that "the word 'Daytona' is primarily geographically descriptive as applied to respondent's mark DAYTONA THUNDERWEAR;" and that "the word 'Daytona' is in such widespread use as a prefix for business names in the Daytona area, as to afford no distinctiveness to any party when 'Daytona' is used alone." (Answer, Affirmative Defenses 3, 4 and 6).

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This case now comes up for consideration of

- (1) Becker's motion for summary judgment on the grounds that
  - (a) "the word 'Daytona' is primarily a geographic descriptor, and as such [HBP] has no basis to maintain this action" (Motion at p. 10), and
  - (b) the petition is barred by res judicata in view of Opposition No. 91154068; and
- (2) HBP's motion to reopen the summary judgment period to introduce additional evidence. The motions have been fully briefed.

We first turn to Becker's motion for summary judgment on the ground that the petition is barred by res judicata in view of Opposition No. 91154068. In that opposition proceeding, HBP (who was in the position of opposer in that case) challenged Becker's underlying application under Section 2(d) of the Trademark Act. HBP alleged that it was a wholly owned subsidiary of ISC; that it was the exclusive licensee of ISC's family of marks comprised in whole or in part of the term DAYTONA; that since at least as early as 1953 HBP and its predecessors-in-interest had used the DAYTONA family of marks in connection with the promotion and hosting of motorcycle and other motor sports related events; that HBP had also used the DAYTONA family of marks on numerous goods and services, including, but not limited to clothing, sunglasses, toys, games, smokers' articles, and household utensils, video games, computer game programs,

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novelty items, and educational materials; that because of HBP's and its predecessors-in-interest long and extensive use of the DAYTONA family of marks, the marks had become famous; and that Becker's mark DAYTONA THUNDERWEAR, when applied to Becker's goods, so resembled HBP's previously used DAYTONA family of marks, as to be likely to cause confusion. HBP also listed over twenty-five registrations and applications for DAYTONA marks and alleged that it was the exclusive licensee of the marks in such registrations and applications.

The Board, in a decision issued December 16, 2005, dismissed the opposition, finding that HBP had failed to establish its standing and priority of use. Specifically, the Board noted that HBP did not introduce at trial status and title copies of the pleaded registrations. Rather, HBP attempted to rely on statements in Becker's answer to make the registrations of record. The Board found, however, that Becker's assertions in its answer did not constitute admissions by Becker sufficient to make the pleaded registrations of record in the opposition or to establish HBP's standing. Further, although the Board found that Becker's listing and discussion of the pleaded registrations in its brief constituted an admission that the registrations were valid and subsisting and, thus, of record, this did not constitute an admission that HBP was the owner of the

registrations or that HBP was otherwise entitled to rely on such registrations. After dismissal of the opposition, the opposed application then matured into the registration that is the subject of this proceeding.

In its summary judgment motion, Becker argues that the requisite elements of the doctrine of *res judicata* have been satisfied insofar as the parties in the prior opposition and this proceeding are the same; the claims in both proceedings are the same, namely, that Becker's DAYTONA THUNDERWEAR mark, when applied to "clothing, namely, women's blouses and shorts" is likely to cause confusion with HBP's DAYTONA family of marks; and the Board's decision in the opposition constitutes a final judgment on the merits.

HBP does not dispute that the parties and the claims in both proceedings are the same. Rather, HBP contends that "[b]ecause the prior opposition was dismissed on procedural grounds and not the merits, the second element of the doctrine of res judicata is not met." (Brief at 10) (emphasis in original). Further, HBP argues that it should not be penalized in this case for its failure to properly make the pleaded registrations of record in the opposition.

Under the doctrine of *res judicata*, the entry of a final judgment "on the merits" of a claim in a proceeding serves to preclude the relitigation of the same claim in a

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subsequent proceeding between the parties or their privies, even where the prior judgment was the result of a default or consent. See *Lawlor v. National Screen Service Corp.*, 349 U.S. 322, 75 S.Ct. 865, 99 L.Ed. 1122 (1955); *Chromalloy American Corp. v. Kenneth G. Gordon Ltd.*, 736 F.2d 699, 222 USPQ 187 (Fed. Cir. 1984); and *Flowers Industries Inc. v. Interstate Brands Corp.*, 5 USPQ2d 1580 (TTAB 1987). A second suit is barred by res judicata or claim preclusion if: (1) the parties (or their privies) are identical; (2) there has been an earlier final judgment on the merits of a claim; and (3) the second claim is based on the same set of transactional facts as the first and should have been litigated in the prior case. *Jet, Inc. v. Sewage Aeration Systems*, 223 F.3d 1360, 55 USPQ2d 1854 (Fed. Cir. 2000).

Upon review of the notice of opposition in Opposition No. 91154068 and the petition to cancel herein, we conclude that the doctrine of res judicata is applicable in this proceeding. There is no dispute that the same parties have been involved in the respective proceedings and the likelihood of confusion claims are essentially identical in each case. Further, a final judgment on the merits was issued in the opposition proceeding in the December 16, 2005 decision dismissing the opposition.

HBP's contention that the final determination issued in the opposition proceeding does not constitute a judgment on

the merits is not well taken. As noted, inter alia, courts have long held that even default judgments give rise to res judicata. See *International Nutrition Co. v. Horphag Research Ltd.*, 55 USPQ2d 1492 (Fed. Cir. 2000) and cases cited therein. See generally Wright, Miller & Cooper, 18 A Federal Practice and Procedure Civil 2d § 4440 (1999). As explained above, the Board found that HBP failed to prove its standing and priority of use, a finding which constituted a decision on the merits of the case.

Finally, HBP's contention that it should not be penalized in this case for its failure to properly make the pleaded registrations of record in the opposition is without merit. HBP was represented by counsel in the opposition and counsel should have known of the consequences of the failure of HBP to prove its standing and priority of use.

In view of the foregoing, Becker's motion for summary judgment on the ground that the petition is barred by res judicata is hereby granted.<sup>2</sup>

**Decision:** The petition is hereby dismissed.

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<sup>2</sup> Under the circumstances, HBP's motion to reopen the summary judgment period is moot.