UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
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THIS OPINION IS NOT A PRECEDENT OF THE TTAB

Brown

Mailed: **September 26, 2008**

Cancellation No. 92047600

Cabelas.com, Inc.

v.

Dakota Industries, Inc.

Before Hohein, Rogers and Cataldo, Administrative Trademark Judges.

By the Board:

This case now comes before the Board for consideration of petitioner's motion for summary judgment. The motion is fully briefed.

By way of background, petitioner seeks cancellation of Registration No. 0941497 for the mark **DAKOTA** for "snowmobile suits, jackets, coats, coveralls, ski pants and jackets, jumpsuits and jackets" in International Class 25.[1] That registration issued from an application filed on September 15, 1970, alleging August 8, 1969 as the date of first use anywhere and August 29, 1969 as the date of first use in commerce. In its petition to cancel (see petition to cancel at paragraph #5), as well as in its now pending

[1] The registration issued on August 22, 1972; second renewal.

motion for summary judgment, petitioner has asserted that respondent has abandoned the mark due to at least three consecutive years of nonuse and as a result, is no longer entitled to maintain its registration of the **DAKOTA** mark.

Respondent has denied the salient allegations contained in the petition to cancel and has asserted the affirmative defenses of bad faith and unclean hands in its answer.

In its referenced motion for summary judgment, petitioner seeks judgment not only on its allegation of abandonment but also on an unpleaded allegation that respondent has committed fraud by claiming continued use of the mark when its Section 8 and 15 affidavits were filed in 2002 for the involved registration, despite the fact that respondent was no longer using the mark at that time. For the following reasons, we grant petitioner's motion for summary judgment, but only on the ground of abandonment.

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 summary judgment as a matter of law. *See*

Celotex Corp. v. Catrett, 477 U.S. 317 (1986). The nonmoving party must be given the benefit of all reasonable doubt as to whether genuine issues of material fact exist, and the evidentiary record on summary judgment, and all inferences to be drawn from the undisputed facts, must be viewed in the light most favorable to the nonmoving party. *See Opryland USA, Inc. v. Great American Music Show, Inc.,* 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992).

As a preliminary matter, standing is a threshold issue that must be proven by a plaintiff in every *inter partes* case. *See Ritchie v. Simpson,* 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999); and *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982). The purpose of the standing requirement, which is directed solely to the interest of the plaintiff, is to prevent litigation when there is no real interest or controversy between the parties. *Lipton Industries, Inc.*, 213 USPQ at 189. For a petition to cancel, the standing requirement of a plaintiff has its statutory basis in Section 14 of the Trademark Act which provides that "any person who believes he is or will be damaged … by the registration of a mark on the principal register …" may file a petition to cancel. To establish standing, it must be shown that the plaintiff has a "real interest" in the

outcome of the proceeding; that is, plaintiff must have a direct and personal stake in the outcome of the cancellation case. *Ritchie*, 50 USPQ2d at 1023. Insofar as standing is concerned in this case, the record establishes that there is no genuine issue of fact that petitioner is not an intermeddler, and has standing to bring this cancellation proceeding.

Here, petitioner alleges in its complaint that it "makes reference to the designation **DAKOTA** online at its cabelas.com website…" (paragraph # 1) and that registrant has asserted that such use "constitutes infringement" (paragraph # 6). While respondent denied those allegations in its answer, it stated in paragraph #9 of that answer that "[p]etitioner was served with a Summons and Complaint for violation of trademark on January 18, 2007 and has asserted the defense of abandonment and is currently in on-going litigation." On page two of its brief in response to petitioner's motion for summary judgment, respondent further states that petitioner "has been in litigation alleging the same arguments of [a]bandonment" in a "[c]ourt of competent jurisdiction…" As respondent has affirmatively stated the existence of a civil action between the parties, petitioner has demonstrated a legitimate personal interest as well as a reasonable basis

for its belief that it will be damaged by the continued existence of the involved registration.

With regard to the ground of abandonment, Trademark Act Section 45, 15 U.S.C. Section 1127, states in pertinent part that "[a] mark shall be deemed 'abandoned'… [w]hen its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for 3 consecutive years shall be prima facie evidence of abandonment." Also, merely because a party used a mark a long time ago and it could use the mark in the future is not enough to avoid abandonment. *See Silverman v. CBS Inc.*, 870 F.2d 40, 9 USPQ2d 1778, 1783 (2d Cir. 1989). Upon consideration of the record before us petitioner has satisfied its burden in order to obtain summary judgment on the issue of abandonment.

First, in the pending state court action, respondent's Chief Executive and President, Mr. Donald B. Mackintosh (hereinafter "Mr. Mackintosh"), was called for a discovery deposition. By rule, only trial testimony from another proceeding between the parties or their privies may be used, on motion granted by the Board, as evidence in connection with a motion for summary judgment, or as evidence at trial. *See* Trademark Rule 2.122(f). While petitioner did not submit a formal motion to use Mr.

Mackintosh's discovery deposition as part of its motion for summary judgment, we note that respondent did not object to its introduction and that respondent has even cited some of Mr. Mackintosh's statements in that deposition as a basis to deny the motion for summary judgment. Since the parties have discussed Mr. Mackintosh's discovery deposition at length without objection, the Board finds that the parties have stipulated to its consideration.

In that regard, respondent admitted via Mr. Mackintosh's deposition that it has neither made nor sold any goods identified in the involved registration since 1997 under the **DAKOTA** mark. Likewise, on page 9 of its response to the motion for summary, respondent stipulated to the following statements of "uncontested material facts," characterizing those statements as "correct and uncontested":

- The registrant has stipulated that it has *not* made or sold any goods in the registration bearing the **DAKOTA** mark since 1997. (Emphasis added).

- The registrant has stipulated that it has *not* licensed or collected any royalties related to the licensing of **DAKOTA** since 2001. (Emphasis added).

By virtue of these admissions and stipulations, petitioner has put forth a prima facie showing of

abandonment in that it is clear that there has been a period of at least three consecutive years of nonuse of the mark **DAKOTA** for the goods identified in the registration prior to the filing of the petition to cancel. Given this showing, the burden shifts to respondent both as to the motion for summary judgment and as to the abandonment ground on which summary judgment is sought. Specifically, respondent must counter the prima facie showing by petitioner and establish that there is at least a genuine issue for trial, by showing either evidence to disprove or cast doubt on the underlying facts triggering the presumption of abandonment from three years nonuse, or evidence of an intent to resume use to disprove or cast doubt on the presumed fact of no intent to resume use. *See Imperial Tobacco Ltd. v. Philip Morris Inc.*, 899 F.2d 1575, 14 USPQ2d 1390, 1393 (Fed. Cir. 1990). In an effort to rebut the showing that it had not used or licensed the **DAKOTA** mark in the three year period prior to the filing of the petition to cancel, respondent argues that there is still a genuine of issue of material fact since it "has licensees that continue to sell" as well as "use the word mark **DAKOTA**" and that for tax purposes, royalty payments from some of its licensees were "put through" another

entity instead of the listed owner of the registration, "Dakota Industries, Inc."

It is well-settled that licensing activity may indicate that a trademark owner has not abandoned its mark because it intends to resume use. *See Sands, Taylor & Wood Co. v. The Quaker Oats Co.*, 978 F.2d 947, 24 USPQ2d 1001, 1009 (7th Cir. 1992). Nonetheless, as the nonmoving party on a motion for summary judgment, respondent may not rest on its mere denials or conclusory assertions, and instead, must put forth countering evidence showing that there is a genuine factual dispute for trial. Thus, by itself, mere express disagreement with the facts shown by the nonmoving party is insufficient to meet that burden. *See Octocom Systems, Inc. v. Houston Computer Services, Inc.*, 918 F.2d 937, 16 USPQ2d 1783 (Fed. Cir. 1990).

In this case, respondent has not put forth any evidence to show that there is a genuine issue on the question of abandonment for trial. In fact, in response to petitioner's document production requests as well as the motion for summary judgment, respondent has failed to offer any document, such as a copy of a single licensing agreement or at least one affidavit from an individual knowledgeable of a specific licensing agreement, to support

the existence of any written or oral licensing arrangements with any of its purported licensees.

Moreover, the documents that respondent has produced during discovery in this case, including Federal Income Tax Returns from 2001-2006, fail to establish that registrant has derived any revenue from the sale of any of the goods contained in its registration or through the collection of any royalties for the licensing of its **DAKOTA** mark since 2001. Furthermore, according to Mr. Mackintosh, the alleged "oral licenses not requiring the payment of royalties" and the sale of certain items listed in the registration under the **DAKOTA** mark for "the payment of only $1.00," all occurred before 2000. Thus, regarding any licensing arrangements or sales by other third parties of respondent's goods, respondent is left solely to rely upon the deposition of Mr. Mackintosh to withstand the prima facie case made by petitioner on the motion for summary judgment. As discussed below, however, respondent cannot carry its burden as Mr. Mackintosh's uncorroborated account of certain issues in his deposition is plagued by significant doubt as well as uncertainty.

For example, with respect to the identities of the licensees it used after 2001, Mr. Mackintosh was unable to identify *any* licensees. Indeed, when asked to identify

those entities licensed by respondent under the **DAKOTA** mark since 2001, Mr. Mackintosh stated that they were "not [known] at this time." Further, when asked about any actual royalty payments respondent received from its licensees since 2001 and who monitored their receipt for respondent, Mr. Mackintosh testified in lines 22-25 on page sixty (60) and lines 1-2 on page sixty-one (61) of the deposition as follows:

> Q: Is there anyone – is there anyone that keeps track of whether persons that have been licensed continue to either use the mark or even continue to exist? Is there someone responsible for that?
>
> A: I would be responsible. I am not going to waste any time or efforts on it.

In addition, Mr. Mackintosh stated that he was unsure whether some of his purported licensees were even in existence after 2001 and when asked about royalty payments from California Studio Design, he testified in lines 13-23 on page 82 (eighty-two) as follows:

> Q: Can you explain why it is that you have not received any royalty payments from California Studio Design?
>
> A: Because he made lump sum payments stretched over a year.

Q: And when was that, sometime before 2001; is that right?

A: Yes. And that never went through the books -— the tax books of Dakota Industries.

Q: Okay. Whose books did it go through?

A: It went through some debtors.

Similarly, while Mr. Mackintosh testified that on behalf of respondent he has "recently viewed garments bearing **DAKOTA** for sale by Jake Freddie in Sioux Falls, South Dakota," he also testified that those goods were "manufactured eons ago." From the record, there is no evidence that Jake Freddie, identified as a "liquidator" in South Dakota, ever had a licensing agreement with respondent or is still in business. Indeed, respondent, who is also located in South Dakota, never identified Jake Freddie as one of its licensees in its written answers to petitioner's document production requests nor in the deposition of Mr. Mackintosh.

Moreover, as petitioner also points out, even if we could presume from Mr. Mackintosh's deposition that there could have been use of the **DAKOTA** mark on some of the goods listed in the registration in the United States, there is little, if any, actual information about the nature or number of items bearing the mark that have been made or

sold since 2001. Thus, we have no basis to assume that, even if there was actual use, it was anything more than token use or sales. *See Westrex Corp. v. New Sensor Corp.*, 83 USPQ2d 1215, 1219 (TTAB 2007) ("[A] mere token sale or shipment of the goods does not constitute 'use' under the Trademark Act"). In view of the foregoing, we find that petitioner has met its burden of demonstrating that there are no genuine issues of material fact with respect to respondent's abandonment of the mark which is the subject of Registration No. 0941497 and that petitioner is accordingly entitled to judgment in its favor as a matter of law on such ground. *See* Fed.R.Civ.P. 56(c) and (e).

Lastly, petitioner has also sought to obtain summary judgment on the ground of fraud, yet the record is clear that fraud was neither pleaded in the petition to cancel nor raised in this case until the instant motion for summary judgment was filed. Since a party may not obtain summary judgment on an issue that has not been pleaded, the Board will not consider petitioner's fraud claim. *See S. Industries Inc. v. Lamb-Weston, Inc.*, 45 USPQ2d 1293, 1297 9TTAB 1997); *Commodore Electronics Ltd. v. CBM Kabushiki Kaisha*, 26 USPQ22d 1503, 1505 (TTAB 1993).

Nevertheless, petitioner's motion for summary judgment is hereby granted on the basis of abandonment, the petition

to cancel is granted and Registration No. 0941497 will be cancelled in due course.