

UNITED STATES DEPARTMENT OF COMMERCE
Patent and Trademark Office
Trademark Trial and Appeal Board
2900 Crystal Drive
Arlington, Virginia 22202-3513

THIS DISPOSITION IS NOT
CITABLE AS PRECEDENT OF THE TTAB CBG FEB. 1, 00

Cancellation No. 21,834

David Ervin d/b/a
Daiquiri Factory, Ltd.

v.

Daiquiri Factory, Inc.

Before Cissel, Bucher and Rogers, Administrative Trademark Judges.

By the Board:

David Ervin d/b/a Daiquiri Factory, Ltd. has filed a petition to cancel U.S. Registration No. 1,617,222 for the mark DAIQUIRI FACTORY for cocktail lounge and bar services.¹ As the ground for cancellation, petitioner alleges that respondent's mark, as used in connection with respondent's services, so resembles petitioner's previously used and

¹ Issued October 9, 1990 to The Daiquiri Factory, Inc., from an application filed December 27, 1989. The claimed date of first use and first use in commerce is September 1985; however, in the deposition of respondent's principal, Dale Peters, the relevant portion of which was submitted with petitioner's summary judgment motion, the parties stipulated to August 1984 as respondent's date of first use and first use in commerce. Section 8 and 15 affidavits were filed March 11, 1996, and the Section 8 affidavit was accepted October 2, 1996.

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registered mark, THE DAIQUIRI FACTORY, LTD.² for drive-up restaurant and cocktail lounge services, as to be likely to cause confusion. Petitioner also alleges that he filed two applications on August 10, 1992, for the marks DAIQUIRI FACTORY LTD. ONE CAN'T BUT TOUCAN and ONE CAN'T BUT TOUCAN DAIQUIRI FACTORY, which applications have been refused registration based on likelihood of confusion with respondent's mark, DAIQUIRI FACTORY.³

In its answer, respondent denied the salient allegations of the petition to cancel, and affirmatively asserted (1) that petitioner had not continuously used his mark in interstate commerce since respondent began to use its mark, and (2) that petitioner had abandoned his mark some time after November 1981.⁴

² Registration No. 1,619,200, issued October 23, 1990 to petitioner, from an application filed February 9, 1990. The claimed date of first use and first use in commerce is November 1981. Petitioner previously owned cancelled U.S. Registration No. 1,246,040, issued July 19, 1983, for the same mark and same services.

³ 74/302,869 and 74/302,870, respectively. In the affidavit submitted in support of his summary judgment motion, petitioner references a third application, 75/170,606, that also was refused registration for the same reason. This third application is for THE DAIQUIRI FACTORY LTD. for "non-alcoholic drink mixes."

⁴ In the absence of a counterclaim, we will not consider respondent's collateral attacks on petitioner's pleaded registration. In contrast, respondent may be able to assert an affirmative defense of abandonment, without bringing a counterclaim, if respondent is arguing that petitioner abandoned his mark prior to respondent's first use, so that petitioner cannot rely on a claim of actual use prior to respondent's first use. For the purpose of considering petitioner's summary judgment motion, we have assumed this to be the thrust of respondent's affirmative defenses.

This case now comes up on petitioner's motion for summary judgment on his claims of priority and likelihood of confusion.

We note that petitioner filed his motion after his original testimony period had opened.⁵ The motion, therefore, is untimely. The Board generally will consider motions for summary judgment filed after the first trial period commences only if they involve claim preclusion, issue preclusion, are submitted by the parties' agreement before any testimony has been taken, or are not opposed by the nonmoving party, at least on the basis of untimeliness. *See, e.g., Bausch & Lomb Inc. v. Leupold & Stevens Inc.*, 1 USPQ2d 1497 (TTAB 1986); *Buffett v. Chi-Chi's, Inc.*, 226 USPQ 428 (TTAB 1985); and TBMP §528.02. The decision to consider such a motion, or to deny it as untimely, is solely within our discretion. *See* Trademark Rule 2.127(e)(1). In this instance, respondent did not object to the summary judgment motion on timeliness grounds, and we have decided to exercise our discretion to consider the motion.

In support of his motion, petitioner claims prior and continuous use of a mark virtually identical to respondent's mark, for virtually identical services. As evidence thereof, and to contravene respondent's affirmative defense,

⁵ In fact, at least twice, petitioner's testimony period had expired without presentation of evidence, only to be reset by agreement of the parties.

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petitioner submitted a portion of the Peters deposition, and petitioner's own affidavit. In the deposition, Mr. Peters references a conversation with petitioner in the spring of 1993 in which petitioner allegedly told him that petitioner had changed the location of his business. According to Mr. Peters, this conversation led him to believe that petitioner had abandoned his mark. However, in petitioner's affidavit, petitioner attests to continuous use since November 1981 and states that "[h]e never abandoned the use of the mark 'THE DAIQUIRI FACTORY, LTD.'" and never made statements to the effect that he had abandoned the use of said mark."

Respondent has submitted no contravening evidence to show that there is a genuine factual dispute for trial. Respondent instead relies exclusively on that portion of the Peters deposition pertaining to the 1993 conversation between Peters and petitioner, discussed above, and argues that material issues exist with regard to whether closing one location of a business and reopening elsewhere constitutes abandonment, and, therefore, whether petitioner abandoned his mark.

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 dispute as to a material fact issue is genuine only if a reasonable fact

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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 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), and *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, if unopposed, to indicate that there is no genuine issue 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 which must be resolved at trial. The nonmoving party may not rest on the mere allegations of its pleadings and assertions of counsel, but must designate specific portions of the record or produce additional affidavit evidence showing the existence of a genuine issue of material fact for trial. If the nonmoving party does not

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so respond, summary judgment, if appropriate, shall be entered in the moving party's favor. Fed. R. Civ. P. 56(c).

We find that petitioner has met his burden by demonstrating that he is the prior user of a mark that is substantially identical to respondent's mark, for virtually the same services, facts which respondent does not dispute. We also find that, contrary to respondent's claim, there is no evidence that petitioner abandoned his mark. Petitioner therefore is entitled to judgment as a matter of law on his claims of priority and likelihood of confusion.

In view of the foregoing, the petition to cancel is granted, and U.S. Registration No. 1,617,222 will be cancelled in due course.

R. F. Cissel

D. E. Bucher

G. F. Rogers
Administrative Trademark
Judges, Trademark Trial and
Appeal Board