Stealth Industries, Inc.

v.

GMI Holding, Inc. dba The Genie Company

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Opposition No. 96,144

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On Petition to the Commissioner
Filed: October 29, 1996[1]

Stealth Industries, Inc. ("Petitioner") has petitioned the Commissioner for review of the order dated October 4, 1996, of the Trademark Trial and Appeal Board ("Board"), issued in the above-referenced proceeding. The petition is denied. Trademark Rule 2.146(a)(3), 37 C.F.R. §2.146(a)(3).

**FACTS**

On January 6, 1995, Petitioner filed a Notice of Opposition against Application Serial No. 74-472172, filed by GMI Holding, Inc. dba The Genie Company ("Applicant), for registration of the mark STEALTH. The above-referenced opposition ("Opposition Proceeding") was instituted on March 14, 1995. On April 20, 1995, Petitioner filed a motion for summary judgment. In orders of the Board dated November 16, 1995, November 29, 1995, January 22, 1996 and February 14, 1996, Petitioner was ordered to provide Fed. R. Civ. P. 56(f) discovery.[2]

In its order dated February 14, 1996, the Board (i) ordered Petitioner not to file any further motions in this case, pending a decision on the summary judgment motion; (ii) stated that if either party had filed any motions which crossed in the mail with the order, then both parties were to assume that the motions were denied; (iii) reset Petitioner's time to provide Rule 56(f) discovery, and reset Applicant's time to file a brief in the opposition to Petitioner's motion for summary judgment; and (iv) stated that these reset due dates would be altered only upon stipulation of the parties, or a showing of extraordinary circumstances.

In spite of the Board's clear mandate, between February 21, 1996, and July 17, 1996,[3] Petitioner filed eleven additional motions, including a motion filed April 19, 1996, to suspend proceedings in the opposition pending determination of a civil suit between S Industries, Inc. and GMI Profes-

sional Access Systems, et al, in the United States District Court for the Northern District of Illinois.

### *October 4, 1996 Board Order*

In the Board order dated October 4, 1996, the Board denied Petitioner's "motion for summary judgment as a sanction for [Petitioner's] failure to comply with Board orders previously issued in the Opposition Proceeding."

The Board's denial of the Motion for Summary Judgment also rendered moot some of the eleven additional motions and requests filed by Petitioner. The remainder of the motions were denied, including Petitioner's Motion to Suspend pending the outcome of a civil suit. The Board supported the denial of this motion by stating that "the parties to this opposition proceeding are not parties to the civil suit." Also by this order, Petitioner was ordered to respond to all of Applicant's outstanding discovery requests within thirty days, and Petitioner itself was foreclosed from taking further discovery. This petition followed.

### *Points Raised on Petition*

In its petition, Petitioner seeks review of the October 4, 1996 Board order. Petitioner specifically seeks review of the following:

1. **Denial of Petitioner's Motion to Suspend, filed April 19, 1996, pending the outcome of a civil suit between S Industries, Inc. and BMI Professional Access Systems, *et. al.* -** Petitioner asserts that the parties to the Opposition Proceeding are in privity with the parties to Civil Suit No. 96 C 2232 in the U.S. District Court for the Northern District of Illinois ("Civil Suit"), and thus that the Board clearly erred in denying this motion.

2. **The Closing of Discovery for Petitioner -** Petitioner maintains that the Board's closing of Petitioner's time in which to take discovery will prevent Petitioner from presenting the merits of its case and will clearly prejudice Petitioner.

3. **The Board's order to Petitioner to respond fully and completely to all of Applicant's discovery requests within 30 days of the mailing date of the October 4, 1996 Board order -** Petitioner argues that S Industries, Inc.'s provision of discovery in the civil suit satisfies Petitioner's obligations in this Opposition Proceeding.

## DECISION

The Commissioner may invoke supervisory authority in appropriate circumstances, pursuant to 35 U.S.C. §6 and 37 C.F.R. §2.146(a)(3). However, the Commissioner will vacate an action of the Trademark Trial and Appeal Board only where the Board has committed a clear error or abuse of discretion. *In re Societe Des Produits Nestle S.A.,* 17 USPQ2d 1093 (Comm'r Pats. 1990); *Riko Enterprises, Inc. v. Lindsley,* 198 USPQ 480 (Comm'r Pats. 1977).

***The Board Did Not Err In Denying the Motion to Suspend, Filed April 19, 1996, Pending the Outcome of the Civil Suit***

Trademark Rule 2.117(a) states:

> Whenever it shall come to the attention of the Trademark Trial and Appeal Board that *parties to a pending case are engaged in a civil action* which may be dispositive of the case, proceedings before the Board may be suspended until termination of the civil action. (emphasis added)

Petitioner has indicated, in its reply brief on its motion to suspend pending the outcome of the civil suit, that S Industries, Inc. is currently the record owner of the marks pleaded by Petitioner and that Petitioner is a licensee of S Industries, Inc.[4] However, Petitioner failed to demonstrate any basis for an assertion of privity between Applicant and GMI Professional Access System, *et. al.* Therefore, the Board did not err in (i) finding that the parties to the Opposition Proceedings are not parties to the Civil Suit and (ii) denying the motion to suspend.

***The Board Did Not Err By Closing Discovery for Petitioner Only***

The Board noted Petitioner's repeated failure to comply with the Board's orders that Petitioner provide Applicant with F.R.C.P. 56(f) discovery. Petitioner was given ample opportunity to provide the 56(f) discovery but failed to do so. Moreover, the Board ordered Petitioner to cease filing further motions pending a decision on the Motion for Summary Judgment, but Petitioner subsequently filed eleven additional motions.

In addition, more than one month elapsed between March 14, 1995, when the Board mailed the notice of instruction of this proceeding, and April 20, 1995, when Petitioner filed its motion for summary judgment. During this period, Petitioner could have served discovery requests. However, Petitioner failed to do so.

Furthermore, by filing the motion for summary judgment, Petitioner was, in essence, stating that the evidence of record was complete, that further evidence was not needed to determine the merits of the Opposition Proceeding, that there was no genuine issue as to any material fact and that Petitioner was entitled to judgment as a matter of law. In other words, by filing the motion for summary judgment, Petitioner was stating that it needed no discovery. The Board's sanction in the form of closing discovery for Petitioner was not administered in error.[5]

***The Board Did Not Err In Ordering Petitioner To Respond Fully And Completely To All Of Applicant's Discovery Requests Within 30 Days Of The Board Order's Mailing Date***

While S Industries, Inc. may be providing discovery in the civil suit, that discovery is independent of the discovery that is required for this proceeding. Petitioner must provide discovery for this proceeding.

Petitioner may file another motion to suspend pending the outcome of the civil suit, provided it explains therein how the parties to this proceeding are in privity with the parties to the civil action.[6]

The petition is denied. The Opposition file will be forwarded to the Board for resumption of the opposition proceeding.

Philip G. Hampton, II
Assistant Commissioner for Trademarks

PGH:SLC:EKM

Date:

Petitioner

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[1] The Petition on review is the last of three petitions to the Commissioner filed with respect to this Opposition Proceeding. Earlier, on February 21, 1996 and May 28, 1996, Petitioner filed petitions to the Commissioner. The February 21, 1996 petition requested review of the Trademark Trial and Appeal Board's ("Board") decision granting Applicant's motion for discovery under Rule 56(f). The May 28, 1996 petition requested that the Commissioner stay proceedings in the opposition, pending determination of its February 21, 1996 petition.

In a Board order dated October 4, 1996, the Board denied Petitioner's motion for summary judgment, thus rendering moot Petitioner's February 21, 1996 and May 28, 1996 petitions to the Commissioner.

The petition to the Commissioner filed October 29, 1996, for which this decision is being rendered, requests review of an order of the Board issued October 4, 1996, wherein the Board, *inter alia*, denied Petitioner's April 19, 1996 motion to suspend pending the outcome of a civil suit in the U.S. District Court for the Northern District of Illinois.

[2] Rule 56(f) of the Federal Rules of Civil Procedure states:

> **When Affidavits are Unavailable.** Should it appear from the affidavits of a party opposing the motion that the party cannot for reasons stated present by affidavit facts essential to justify the party's opposition, the court may refuse the application for judgment or may order a continuance to permit affidavits to be obtained or depositions to be taken or discovery to be had or may make such other order as is just.

[3] See Board order dated October 4, 1996, for a list of each of the motions filed and the date on which each was filed.

[4] Furthermore, Petitioner asserts that the Board held in another opposition proceedings that Petitioner and S Industries, Inc. were in privity. However, Petitioner will note that each application must be complete in itself. Trademark Rule 1.4(b), 37 C.F.R. §1.4(b). Trademark Rule 1.4(b) states:

> Since each application file should be complete in itself, a separate copy of every paper to be filed in an application should be furnished for each application to which the paper pertains, even though the contents of the papers filed in two or more applications may be identical.
>
> The same is true of each opposition. The Board order to which Petitioner refers is unrelated to this Opposition Proceeding.

[5] *Trademark Trial and Appeal Board Manual of Procedure* §412.01 states, in pertinent part:

> The Board expects parties (and their attorneys or other authorized representatives) to cooperate with one another in the discovery process, and looks with extreme disfavor upon those who do not. Each party and its attorney or other authorized representative has a duty not only to make a good faith effort to satisfy the discovery needs of its adversary, but also to make a good faith effort to seek only such discovery as is proper and relevant to the issues in the case.

[6] If it is still the case that S Industries, Inc. is the record owner of the marks pleaded by Petitioner, and that Petitioner is a licensee of S Industries, Inc. with respect to these marks, Petitioner should so state in any renewed motion to suspend.