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OPINIONS AND ORDERS

REHEARING ORDER

OPINION OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT (AUGUST 5, 2020)

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

KRIS KASZUBA, dba Hollywood Group,

Appellant,

v.

ANDREI IANCU, Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office,

Intervenor.

2019-1547

Appeal from the United States Patent and Trademark Office, Trademark Trial and Appeal Board in No. 92061976.

Before: O'MALLEY, BRYSON, and REYNA, Circuit Judges.

O'MALLEY, Circuit Judge.

This appeal stems from a cancellation proceeding before the Trademark Trial and Appeal Board ("Board"). The record reveals a proceeding peppered with unnecessary filings, ultimately concluding with sanctions in the form of default judgment. Finding no abuse of discretion or legal error in the Board's determinations, we affirm.

I. Background

Cancellation proceedings before the Board are largely governed by the Federal Rules of Civil Procedure. *See* 37 C.F.R. § 2.116(a). This cancellation proceeding presents a tangled procedural history. We discuss only those aspects relevant to our decision.

A. Pleadings

Appellant Kris Kaszuba ("Kaszuba") successfully registered his mark HOLLYWOOD BEER on the Supplemental Register on July 15, 2008, as Registration No. 4,469,935. The registration was based on the mark's purported use in commerce for beer. On August 4, 2015, Hollywood Vodka, LLC ("HVL") filed an application for cancellation of Kaszuba's mark under Section 1064 of the Lanham Act.[1] HVL alleged that: (1) the Board had refused registration of HVL's pending trademark application partly because of the registration of Kaszuba's mark; (2) Kaszuba had committed fraud on the USPTO in obtaining registration of his mark; and (3) Kaszuba had not used his mark in commerce.

Kaszuba filed an answer to the petition on September 15, 2015. He followed this filing with a motion to dismiss, which the Board refused to consider because Kaszuba filed it after filing his answer. The Board subsequently conducted a discovery conference,

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[1] Despite several notices from the court, Petitioner HVL did not file an entry of appearance in this appeal. The Director of the United States Patent and Trademark Office ("USPTO") filed a notice of intervention pursuant to 35 U.S.C. § 143.

and, upon reviewing the pleadings, determined that HVL had failed to properly plead its fraud claim. Accordingly, the Board directed HVL to file an amended petition repleading the fraud claim within fifteen days.

It is undisputed that HVL did not meet its Friday, March 25, 2016 deadline to file an amended petition. Instead, HVL filed serial amended petitions on March 28, 2016 ("Amended Petition") and March 29, 2016 ("Second Amended Petition"), respectively.[2] These amended petitions were only a few days late, and differed materially in just one respect: the Second Amended Petition corrected a typographical error, specifying that in its "Claim 1," HVL was seeking cancellation based on "fraud" not "abandonment." In response, Kaszuba filed a motion to dismiss, asserting, *inter alia*, that HVL's amended pleadings were untimely and that HVL did not have a real interest in the cancellation proceeding. HVL opposed the motion to dismiss, arguing that the Board, in its discretion, should accept the untimely filing because of excusable neglect and that it had plausibly alleged a real interest in the proceeding.

The Board construed HVL's excusable neglect arguments as a request to reopen the time to file HVL's amended petition and to accept the Second Amended Petition as the operative pleading in the matter. J.A. 366 (citing Fed. R. Civ. P 6(b)). It granted HVL's request based on excusable neglect after conducting an analysis of the factors articulated in *Pioneer Investment Services Co. v. Brunswick Associates L.P.*, 507 U.S. 380 (1993). J.A. 366-69. The Board also

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[2] The Board received paper copies of these petitions on March 31, 2016, and April 4, 2016, respectively.

concluded that HVL had (1) sufficiently pled entitlement to bring this cancellation proceeding; and (2) adequately pled its fraud claim; and (3) failed to plead the elements of an abandonment claim. J.A. 372-73.

B. Discovery

Like the pleadings stage, discovery was belabored. On January 23, 2017, in response to Kaszuba's motion to disqualify HVL's newly appointed counsel, the Board issued an order denying the motion and noting that "[p]rogress in this case has been delayed significantly based on the filings of both parties." J.A. 528. The Board required Kaszuba to obtain leave of the Board's Interlocutory Attorney before filing any future submissions in the case. It did not require HVL to do the same because HVL had retained new counsel.

On November 27, 2017, the Board granted-in-part HVL's motion to compel discovery after Kaszuba failed to respond to interrogatories and document requests. The Board ordered Kaszuba to provide discovery but denied HVL's motion to the extent HVL requested sanctions against Kaszuba. At the same time, the Board warned Kaszuba that if he failed to respond to the discovery, HVL's "remedy may lie in a renewed motion for sanctions, including entry of judgment as appropriate." J.A. 744. The Board also required both parties to seek leave before filing any motions.

Rather than responding to the discovery, Kaszuba filed a request for permission to submit a request for reconsideration of the Board's November 27, 2017 order. After conducting a telephone conference, the Board denied this request.

Kaszuba again failed to respond to the discovery requests. Another round of a motion for sanctions (filed by HVL without leave), denial, and a motion for reconsideration (filed by Kaszuba without leave), and denial followed. In its denials of these motions, the Board remarked that Kaszuba had "deliberately sought to evade and frustrate" HVL's efforts to obtain discovery. J.A. 821. Although the Board concluded that imposing sanctions would be unduly harsh, and gave Kaszuba an extension to serve the delayed discovery, it again warned Kaszuba that if he failed to comply with the discovery order, judgment would be entered against him on motion by HVL. J.A. 822. Undeterred, Kaszuba continued to file additional "communications" with the Board, seeking reconsideration of its orders. He also filed two untimely petitions with the Director alleging unfair treatment by the Board, despite the Board granting him a third extension to serve the delayed discovery.

Kaszuba never served the requested discovery. After the time for service had passed, HVL filed a renewed motion for sanctions after obtaining leave from the Board, seeking either an entry of judgment against Kaszuba or an order precluding Kaszuba from introducing any evidence at trial. On December 13, 2018, the Board granted the motion for sanctions—this time entering judgment against Kaszuba. The Board recognized in its decision that default judgment is a harsh remedy. It found, however, that it was warranted under the circumstances because "no less drastic remedy would be effective and there is a strong showing of willful evasion." J.A. 5.

Kaszuba timely filed a notice of appeal. We have jurisdiction under 28 U.S.C. § 1295(a)(4)(B).

II. Discussion

We review the Board's legal conclusions de novo, and its factual findings for substantial evidence. *In re Pacer Tech.*, 338 F.3d 1348, 1349 (Fed. Cir. 2003) (citations omitted). On appeal, Kaszuba argues that the Board (1) impermissibly allowed HVL's "untimely" and "futile" amendments to the petition; (2) erred in denying Kaszuba's motion to dismiss for failure to plead entitlement to the cancellation proceeding and fraud; and (3) abused its discretion in imposing sanctions and entering default judgment against Kaszuba. We address each issue in turn.

A. Excusable Neglect

After analyzing HVL's claim of excusable neglect under the four factors identified in *Pioneer Investment Services Co.*, the Board accepted the Second Amended petition even though it was filed out of time. In *Pioneer*, addressing the meaning of "excusable neglect" (as used in the Federal Rules), the Supreme Court explained that the determination is:

> [A]t bottom an equitable one, taking account of all relevant circumstances surrounding the party's omission. These include . . . [1] the danger of prejudice to the [non-movant], [2] the length of the delay and its potential impact on judicial proceedings, [3] the reason for the delay, including whether it was within the reasonable control of the movant, and [4] whether the movant acted in good faith.

507 U.S. at 395. We have endorsed the Board's use of the *Pioneer* factors for determining excusable neglect in the context of its own regulations. *FirstHealth of*

Carolinas, Inc. v. CareFirst of Maryland, Inc., 479 F.3d 825, 828-29 (Fed. Cir. 2007). We review the Board's application of the factors for an abuse of discretion. *Id.*

On appeal, Kaszuba argues that the Board erred in its excusable neglect determination. Specifically, Kaszuba contends that the Board combined the first two factors and overlooked the fact that HVL filed the amended petitions seven months after the initial petition. Appellant's Br. 13. In Kaszuba's view, this negates the Board's finding that HVL's delay was "short." Kaszuba therefore asks us to reverse the Board's ruling. We see no error or abuse of discretion in the Board's analysis.

With respect to the first *Pioneer* factor, the Board found that there was no evidence of prejudice to Kaszuba by reopening the time for HVL for file its amended petition. The Board did not see any "surprise" to Kaszuba or disruption to the orderly administration of the proceeding on account of the minimally delayed filing. As to the second factor, the Board determined that the delay was not significant. HVL filed an amended petition only three days out of time, and most of that period fell over a weekend. The Board determined that the third factor (reason for delay) was within HVL's reasonable control. As to the fourth factor (bad faith), the Board concluded that there was no allegation or evidence of any bad faith. Considering the four factors together, the Board found that the lack of prejudice outweighs the fact that the delay was caused by HVL's negligence. It therefore concluded that HVL had established excusable neglect.

We have previously affirmed the Board's refusal to find excusable neglect where counsel did not provide an explanation as to why other authorized individuals in the same firm could not have assumed responsibility for the case. *See FirstHealth*, 479 F.3d at 829 (finding no excusable neglect where the second and third factors weighed against such a finding). But, as the Supreme Court has explained, the excusable neglect inquiry is an equitable one, and the Board properly considered all the circumstances surrounding HVL's delay. Here, as the Board noted, the delay was short. Given these circumstances, we see no abuse of discretion in the Board's determination of excusable neglect.[3]

Having determined that there was no abuse of discretion in excusing the three-day delay in HVL's filing of its amended petition, we now turn to the remaining issues on appeal with the understanding that HVL's Second Amended Petition is the operative petition in this proceeding.

B. Motion to Dismiss

The Board's denial of a motion to dismiss pursuant to Rule 12(b)(6) is a question of law that we review de novo. *See Sunrise Jewelry Mfg. Corp. v. Fred S.A.*, 175 F.3d 1322, 1324 (Fed. Cir. 1999). On review, we accept the non-movant's allegations as true and draw all reasonable inferences in the non-movant's favor. *Id.* "Dismissal is appropriate 'if it is clear that no relief could be granted under any set of facts that

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[3] We reject Kaszuba's contention that HVL's filing was, in fact, delayed by seven months. Kaszuba either misunderstands or misrepresents the procedural posture at issue. Kaszuba answered HVL's initial petition, and the Board instituted the proceeding. It was only after a discovery conference months later that the Board directed HVL to amend its petition, which HVL did, albeit three days late.

could be proved consistent with the allegations.'" *Young v. AGB Corp.*, 152 F.3d 1377, 1379 (Fed. Cir. 1998) (quoting *Abbott Labs. v. Brennan*, 952 F.2d 1346, 1353 (Fed. Cir. 1991)). On appeal, Kaszuba challenges the Board's determination that HVL sufficiently pled entitlement to bring this cancellation proceeding and its fraud claim. We address each in turn.

1. Entitlement to Seek Cancellation

We note, as we have in other recent cases, that it is improper to discuss requirements for establishing a statutory cause of action in terms of "standing." *Lexmark Int'l, Inc. v. Static Control Components, Inc.*, 572 U.S. 118, 128 n.4 (2014); *Australian Therapeutic v. Naked TM, LLC*, No. 19-1567, Slip. Op. at 5 (Fed. Cir. July 27, 2020); *Ritchie v. Simpson*, 170 F.3d 1092, 1094 (Fed. Cir. 1999) ("'case' and 'controversy' restrictions for standing do not apply to matters before administrative agencies and boards, such as the [US]PTO."). Kaszuba and the Board both make this mistake in this cancellation proceeding, as does the Director. The requirements to bring a cancellation proceeding under 15 U.S.C. § 1064 are appropriately viewed as interpretations of a statutory cause of action. *See Empresa Cubana Del Tabaco v. General Cigar Co., Inc.*, 753 F.3d 1270, 1275 (Fed. Cir. 2014) (citing *Lexmark*, 572 U.S. at 125-28).

Section 1064 permits a petitioner to seek cancellation of a registered trademark if he believes that he is or will be damaged by the registered trademark. *Id.* The petitioner must demonstrate (1) a real interest in the proceeding and (2) a reasonable belief of damage. *Empresa Cubana*, 753 F.3d at 1275. These "element[s] of a cause of action . . . must be adequately alleged at the pleading stage in order for the case to proceed." *Lexmark*, 572 U.S. at 134 n.6 (citing *Ashcroft v. Iqbal,* 556 U.S. 662, 678-679 (2009)). For purposes of our review, we "accept as true all well-pled and material allegations of the complaint, and must construe the complaint in favor of the complaining party." *Ritchie*, 170 F.3d at 1097.

Kaszuba argues that HVL did not adequately plead "standing" to bring the cancellation proceeding because it failed to allege a reasonable belief of damage from Kaszuba's registered mark. Appellant's Br. 10. In Kaszuba's view, HVL should have addressed the other issues raised in the Board's rejection before it could allege a reasonable belief of damage from Kaszuba's mark. *Id.* at 11. Kaszuba also challenges HVL's ownership of the rejected trademark application, arguing that, without an ownership interest in the application, HVL cannot bring this cancellation proceeding. *Id.* at 9-10. Kaszuba's arguments are meritless.

A petitioner may demonstrate entitlement to seek cancellation of a registered mark if the USPTO rejects its trademark application based on a likelihood of confusion with the registered mark. *See Empresa Cubana*, 753 F.3d at 1274-75. In *Empresa Cubana*, we held that petitioner's trademark application is a "legitimate commercial interest," satisfying the real interest requirement. *Id.* And, we explained that "blocking" of a petitioner's trademark application was sufficient to demonstrate a reasonable belief of damage. *Id.* HVL's Second Amended Petition included allegations along exactly these lines.

Specifically, HVL pled a real interest in the proceeding because it stated that its predecessors-in-interest filed Trademark Application No. 86/069,833, to register the HOLLYWOOD VODKA mark. J.A. 260-61. HVL also alleged that it acquired all interest and goodwill in that application from the original applicants by virtue of an assignment. J.A. 261. And, HVL alleged that the USPTO rejected its application based on a likelihood of confusion with Kaszuba's registered HOLLYWOOD BEER mark. Thus, HVL sufficiently pled both the real interest and reasonable belief of damage elements of the cause of action under § 1064. This is hardly a case, therefore, where the petition contains general allegations of harm. *See e.g. Bank v. Al Johnson's Swedish Rest. & Butik, Inc.*, 795 F. App'x 822, 825 (Fed. Cir. 2019) (finding claimant had failed to plead a reasonable basis for his belief of damage where he alleged that the Goats on the Roof Registration was "offensive to numerous persons" including himself).

We also reject Kaszuba's arguments based on HVL's alleged lack of ownership in the HOLLYWOOD VODKA application. First, at the pleadings stage, "the facts asserted by [the petitioner] need not prove his case on the merits." *Ritchie*, 170 F.3d at 1098. Of course, HVL's allegations do not conclusively establish entitlement to bring this cancellation proceeding and it must prove its case. But, as discussed above, HVL's allegations survive a motion to dismiss. Second, we have recently held that "neither § 1064 nor our precedent require that a petitioner in a cancellation proceeding must prove that it has proprietary rights in its own mark in order to demonstrate a real interest in the proceeding and a belief of damage." *Australian Therapeutic*, Slip. Op. at 7. Accordingly, the Board did not err in concluding that HVL sufficiently pled entitlement to bring this cancellation proceeding.

2. Fraud

"Fraud in procuring a trademark registration or renewal occurs when an applicant knowingly makes false, material representations of fact in connection with his application." *In re Bose Corp.*, 580 F.3d 1240, 1243 (Fed. Cir. 2009) (internal quotations and citations omitted). Federal Rule of Civil Procedure 9 (b), applicable to Board proceedings under 37 C.F.R. § 2.116(a), requires that "[i]n alleging fraud or mistake, a party must state with particularity the circumstances constituting fraud or mistake." Fed. R. Civ. P. 9(b). But, the rule explains, "[m]alice, intent, knowledge, and other conditions of a person's mind may be averred generally." *Id.* We have construed the rule to require "identification of the specific who, what, when, where, and how of the material misrepresentation or omission committed before the [US]PTO." *Exergen Corp. v. Wal-Mart Stores, Inc.*, 575 F.3d 1312, 1328 (Fed. Cir. 2009) (construing Rule 9 in the context of pleading inequitable conduct in patent cases).

The Board concluded that HVL had sufficiently pled its claim of fraud by alleging that: (1) Kaszuba submitted fabricated specimens during prosecution of his trademark; (2) Kaszuba knew that his representation was false at the time he signed the statement of use in his application; (3) this false representation was material to the USPTO's examination of Kaszuba's application for registrability; and (4) Kaszuba intended to deceive the USPTO into issuing the registration. J.A. 371.

Kaszuba argues that, contrary to the Board's conclusion, HVL did not plead fraud with a heightened degree of particularity and did not allege any instances of willful or knowingly-made false representations during prosecution of the application. Appellant's Br. 15. Kaszuba takes issue with the fact that HVL alleged fraudulent representations "on information and belief." *Id.* He also contends that HVL's fraud allegations are premised on allegations that Kaszuba "knew or should have known" that his statements were false. *Id.* Such allegations, according to Kaszuba, allege mere negligence, not fraud or intent to deceive. *Id.* at 16. We are not convinced.

As the Director points out, Kaszuba misunderstands Rule 12(b)(6) and the Board's orders. Director's Br. 41-43. For one, Kaszuba points to cases that discuss the requirements of proving allegations of fraud and intent to deceive. But on a motion to dismiss pursuant to Rule 12(b)(6), we are not concerned with whether HVL can prove its allegations of fraud and intent to deceive on the merits. Instead, we look to whether HVL has pled its fraud claim with particularity. We conclude that it has.

In its Second Amended Petition, HVL alleged that, pursuant to applicable federal regulations, Kaszuba was required to register his beer label on the Certificate of Label Approval ("COLA") registry before selling beer in commerce. J.A. 262. HVL alleged that no such label was registered on the COLA registry, even though Kaszuba represented to the USPTO during prosecution of his trademark registration application that he was selling beer in commerce. HVL also alleged that Kaszuba knowingly made false material statements to the USPTO by stating that the HOLLYWOOD BEER mark was in use on goods as of the date of the application. J.A. 264. And, HVL alleged that Kaszuba submitted false specimens of labels to fraudulently induce the USPTO to issue his use-based trademark registration. *Id.* HVL alleged that Kaszuba knew that the HOLLYWOOD BEER mark was not in use in commerce on beer as of the filing date of his application. J.A. 265. Finally, HVL alleged that Kaszuba similarly misrepresented to the USPTO that the HOLLYWOOD BEER mark was in use on goods as of the date of filing his Section 8 Affidavit in order to maintain his registration of the mark. J.A. 266.

These allegations, taken together, provide the "specific who, what, when, where, and how of the material misrepresentation or omission committed before the [US]PTO." *Exergen Corp.*, 575 F.3d at 1328.[4] Accordingly, we hold that the Board did not err in concluding that HVL sufficiently pled its fraud claim.

C. Default Judgment

In cases of "repeated failure to comply with reasonable orders of the . . . Board, when it is apparent that a lesser sanction would not be effective[,]" the Board may order appropriate sanctions as defined in Trademark Rule 2.120(g)(1) and Fed. R. Civ. P. 37(b)(2), including entry of judgment. *Benedict v. Super Bakery, Inc.*, 665 F.3d 1263, 1268-69 (Fed. Cir. 2011). We review decisions concerning discovery sanctions for abuse of discretion. *Carolina Exports Int'l, Inc. v. Bulgari, S.p.A.*, 108 F.3d 1394 (Fed. Cir. 1997).

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[4] Kaszuba also argues that the "late-filed" Amended Petition pled "abandonment," not fraud. Appellant's Br. 15. We reject this argument because it focuses on a typographical error in HVL's Amended Petition that was corrected by HVL in the operative Second Amended Petition.

Kaszuba argues that the cancellation of his mark as a sanction was unjust and based on "erroneous and inadequate findings." Appellant's Br. 21. He laments being unable to have his day in court and being denied his right to be heard on the merits. But, Kaszuba does not offer any explanation for his refusal to comply with the Board's orders compelling discovery, despite the multiple extensions afforded to him. Nor does he provide any basis for us to conclude that the Board abused its discretion in imposing the sanction of default judgment. Instead, Kaszuba contends that it was unjust to cancel his mark given the "confusion" regarding the operative pleading, the contention regarding which of the attorneys represented HVL, and the fact that the discovery was outside the scope of the undismissed claim at issue. Appellant's Br. 21. We do not agree.

The record supports the conclusion that the Board did not abuse its discretion in imposing the sanction of default judgment, harsh as it may be. The Board found that no less drastic remedy would be effective and that there was a strong showing of willful evasion by Kaszuba. *See* J.A. 5 ("We believe [such a] situation exists here."). In entering default judgment, the Board concluded that, rather than complying with its orders, Kaszuba "repeatedly and willfully acted in a manner to evade" the discovery requests.

We see no abuse of discretion here. The November 27, 2017 Order compelling discovery warned Kaszuba that he was risking default judgment by not responding to the discovery. In subsequent orders and communications, the Board repeatedly reminded Kaszuba to comply with the November 27, 2017 Order. It also denied HVL's initial motions for sanctions, and gave

Kaszuba multiple extensions to comply with the November 27, 2017 Order. Rather than complying with the discovery order, Kaszuba chose to file untimely petitions with the Director requesting review of the Board's orders and alleging unfair treatment by the Board. Kaszuba never served the discovery responses. Like the trademark owner in *Benedict*, Kaszuba "continually failed to comply with Board orders, and . . . hampered reasonable procedures appropriate to resolution of this trademark conflict [and] . . . offered no explanation of why no discovery responses had been made." *Benedict*, 665 F.3d at 1269. Accordingly, we conclude that the Board did not abuse its discretion in entering default judgment against Kaszuba.

CONCLUSION

We have considered Kaszuba's remaining arguments and find them unpersuasive. For the foregoing reasons, the decision of the Board is affirmed.

AFFIRMED

COSTS

The parties shall bear their own costs.

ORDER OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT DENYING MOTIONS TO RECONSIDER (NOVEMBER 18, 2019)

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

KRIS KASZUBA, dba Hollywood Group,

Appellant,

v.

ANDREI IANCU,
Director, U.S. Patent and Trademark Office,

Intervenor.

2019-1547

Appeal from the United States Patent and Trademark Office, Trademark Trial and Appeal Board in No. 92061976.

PER CURIAM.

The court construes Kris Kaszuba's submissions received October 29, 2019 and November 4, 2019 (ECF Nos. 26 and 29) as motions to reconsider the court's August 30, 2019 order (ECF No. 21) adding the Director of the United States Patent and Trademark Office as Intervenor in this appeal.

Upon consideration thereof,

IT IS ORDERED THAT:

The motions are denied.

FOR THE COURT

/s/ Peter R. Marksteiner
Clerk of Court

Date: November 18, 2019

DECISION OF THE TRADEMARK TRIAL AND APPEAL BOARD OF THE UNITED STATES (DECEMBER 13, 2018)

UNITED STATES PATENT AND TRADEMARK OFFICE
TRADEMARK TRIAL AND APPEAL BOARD
P.O. Box 1451
Alexandria, VA 22313-1451
General Contact Number: 571-272-8500
General Email: TTABInfo@uspto.gov

HOLLYWOOD VODKA LLC

v.

HOLLYWOOD GROUP

Cancellation No. 92061976

Before: BERGSMAN, WELLINGTON and HIGHTOWER, Administrative Trademark Judges.

By the Board:

This case now comes up for consideration of Petitioner's renewed motion (filed July 6, 2018) for entry of judgment as a "terminating sanction[ ]" under Trademark Rule 2.120(h)(1) for Respondent's failure to comply with the Board's November 27, 2017 order relating to discovery, 58 TTABVUE, in connection with discovery requests that Petitioner served on May 16, 2017.[1] Respondent, who is appearing *pro se*, filed a brief in opposition thereto.

In the November 27, 2017 order, the Board granted Petitioner's motion to compel discovery, 53 TTABVUE, and allowed Respondent until December 12, 2017 to serve responses without objection to Petitioner's discovery requests. After Respondent failed to serve responses in compliance therewith, Petitioner, on December 14, 2017, filed a motion for entry of judgment as a sanction for failure to comply with the November 27, 2017 order, 61 TTABVUE. In a March 12, 2018 order, 67 TTABVUE, the Board denied that motion and allowed Respondent until April 11, 2018 to comply with the November 27, 2017 order.[2] After

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1 Trademark Board Manual of Procedure (TBMP) Chapter 500, which discusses motion practice in Board *inter partes* proceedings, does not refer to "terminating sanctions." However, Petitioner's motion is clearly one for entry of judgment as a sanction under Trademark Rule 2.120(h)(1) for failure to comply with a Board discovery order. *See* TBMP § 527.01(a) (2018).

2 In the March 12, 2018 order, the Board stated in relevant part as follows:

> [T]he record herein convinces us that Respondent has not made a good faith effort to satisfy petitioner's discovery needs but rather has deliberately sought to evade and frustrate Petitioner's attempts to secure discovery. Respondent's conduct tries the Board's patience and has delayed this proceeding unnecessarily. The Board's November 27, 2017 order unequivocally directed Respondent to respond to Petitioner's discovery requests without objection and to produce documents by December 12, 2017. Proceedings herein were not suspended following the issuance of that order. As such, it was incumbent upon Respondent to comply fully with that order,

Respondent filed a series of submissions, 68, 70, 71, 73, and 75-76 TTABVUE, the Board, in an April 23, 2018 order, allowed Respondent until May 11, 2018 to comply with the November 27, 2017 order.[3] After Respondent failed to serve any discovery, Petitioner sought—and the Board convened—a telephone conference to seek leave to file a renewed motion for entry of sanctions.[4] After a May 24, 2018 conference, the Board granted such leave in a May 29, 2018 order. 78 TTABVUE. The present motion followed.

> notwithstanding that Petitioner sent a settlement offer on December 7, 2017.

67 TTABVUE 4.

3 In the April 23, 2018 order, the Board stated in relevant part as follows:

> Any further pretrial submissions from Respondent must include an affirmative statement made under oath that it has complied fully with the Board's November 27, 2017 order, *i.e.*, that it has responded fully and without objection to Petitioner's interrogatories and document requests and that it has served all responsive documents.

74 TTABVUE 9.

4 Previously, the Board, in a March 10, 2016 order, required each party to contact the Board when it filed an unconsented motion to extend or suspend proceedings so that such motion could be resolved by telephone conference. 18 TTABVUE 11. In that order, the Board also required the parties, prior to filing a motion to compel discovery, to contact the assigned interlocutory attorney to convene a telephone conference to discuss whether the movant had made the requisite good faith effort to resolve the parties' discovery dispute. 18 TTABVUE 10 n. 8. In addition, in a January 23, 2017 decision denying Respondent's petition to disqualify Petitioner's attorney, Respondent was "required to obtain leave of the assigned Interlocutory Attorney in order to file any future submissions in this case." 45 TTABVUE 5.

In response to Petitioner's motion, Respondent contends that the motion for sanctions is not properly before the Board. In particular, Respondent asserts that the email in which Petitioner served that motion (1) contained "no reference to it being a Proof of Service and no reference to what the subject was;" (2) was unsigned, and (3) was also sent to Antonia Bebar, a non-party, at her email address. 83 TTABVUE 3. Ms. Bebar signed certificates of service of various filings of Respondent's in this case, but her title or role has not been identified. *See, e.g.*, 73 TTABVUE 5, 83 TTABVUE 7, and 84 TTABVUE 2.

We note initially that a determination of sufficiency of service is generally based on the statements in the certificate of service and not on the content of the service email. *See* Trademark Rule 2.119. Respondent has not alleged any deficiencies in the certificate of service of the motion for sanctions itself and has not alleged nonreceipt of that motion. The certificate of service of that motion, 79 TTABVUE 12, states the date, manner of service, and email addresses to which the motion was served. The certificate of service therefore complies fully with Trademark Rules 2.119(a) and (b). Moreover, the July 6, 2018 email at issue, 83 TTABVUE 8, directs Respondent to "the attached document filed today with the" Board and includes a block of identifying information for the sender of that email, Petitioner's attorney Douglas Lipstone. Thus, that email contained clear indicia of the nature and sender of the document at issue and that the email was sent to Respondent at his email addresses of record.[5] Ultimately, Petitioner's service on Ms. Bebar appears to be merely a courtesy copy on a person who was signing certificates of service on behalf of Respondent. Petitioner's service of the renewed motion for sanctions was proper. Respondent's request that the Board to strike any reference to Ms. Bebar from the certificate of service of Petitioner's motion is denied.

Respondent further contends that Petitioner's attorneys committed "perjury" by stating that they "lack any information" concerning Respondent's efforts to hire an attorney in this case.[6] 83 TTABVUE 4. Even if we assume that Respondent sought to retain an attorney at various points in this case, this would not excuse Respondent's continued noncompliance with the November 27, 2017 order. Respondent was advised at least twice in this case to seek counsel, 1 TTABVUE 5 and 18 TTABVUE 2 n.3, and its principal expressed interest in hiring an attorney during a December 7, 2017 telephone conference discussed in the Board's December 12, 2017 order. 60 TTABVUE 3. Notwithstanding that Respondent has appeared

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[5] Because the Board granted Petitioner leave to file a renewed motion for sanctions, 78 TTABVUE, Respondent should have reasonably expected to be served a renewed motion for sanctions.

[6] Respondent's stated efforts that it sought counsel are vague. Respondent stated generally its brief in response to Petitioner's motion to compel, 55 TTABVUE 9 and 83 TTABVUE 10, and in a December 7, 2017 telephone conference, 60 TTABVUE 3, that its principal has been seeking counsel to assist in this case.

The record also indicates that Respondent sent brief inquiry emails to two attorneys on December 12 and 26, 2017, but does not indicate Respondent's contact with either attorney went any further. 62 TTABVUE 7 and 83 TTABVUE 9 and 11.

pro se throughout this case, the Board expects all parties appearing before it, regardless of whether they are represented by counsel, to comply with applicable rules and Board orders. *See McDermott v. San Francisco Women's Motorcycle Contingent*, 81 USPQ2d 1212, 1212 n.2 (TTAB 2006).

Respondent also alleges that Petitioner's attorney Shanen Prout falsely stated that he is "counsel of record," when he is only Petitioner's co-counsel. 83 TTABVUE 5. Mr. Prout is one of Petitioner's attorneys of record. Whether he is counsel or co-counsel is a matter of labor division between those attorneys and is irrelevant to this case.

Although default judgment is a harsh remedy, it is justified where no less drastic remedy would be effective and there is a strong showing of willful evasion. *See Patagonia, Inc. v. Azzolini*, 109 USPQ2d 1859, 1862 (TTAB 2014); *Unicut Corp. v. Unicut, Inc.*, 222 USPQ 341, 344 (TTAB 1984). We believe that situation exists here.

Petitioner brought this action more than three years ago. Respondent was required in the November 27, 2017 order to serve responses without objection to Petitioner's discovery requests by not later than December 12, 2017, and received two extensions of time to comply with that order. 67 TTABVUE 4-5 and 74 TTABVUE 9-10. However, in response to the renewed motion for sanctions, Respondent did not dispute that it has failed to serve any discovery responses in this case and instead raised meritless arguments in an apparent attempt to divert the Board's attention from this failure. Respondent was clearly warned of the consequences of failing to comply with the November 27, 2017 order. 58 TTABVUE 6 and 67 TTABVUE 4-5.

By papering the record of this case with dubious filings instead of complying with that order, Respondent has repeatedly and willfully acted in a manner to evade Petitioner's properly attempted discovery requests and compliance with the November 27, 2017 order. Respondent's willful failure to comply with that order of the Board after having been advised repeatedly of the possible consequences warrants entry of judgment.

For the aforementioned reasons, <u>Petitioner's renewed motion for sanctions is granted</u>, judgment is hereby entered against Respondent, the petition for cancellation is granted, and <u>Registration No. 3469935 will be cancelled in due course</u>.

ORDER OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT DENYING PETITION FOR REHEARING EN BANC (OCTOBER 23, 2020)

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

KRIS KASZUBA, dba Hollywood Group,

Appellant,

v.

ANDREI IANCU, Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office,

Intervenor.

2019-1547

Appeal from the United States Patent and Trademark Office, Trademark Trial and Appeal Board in No. 92061976.

Before: PROST, Chief Judge, NEWMAN, LOURIE, BRYSON*, DYK, MOORE, O'MALLEY, REYNA, WALLACH, TARANTO, CHEN, HUGHES, and STOLL, Circuit Judges.

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* Circuit Judge Bryson participated only in the decision on the petition for panel rehearing.

PER CURIAM.

Appellant Kris Kaszuba filed a petition for rehearing en banc. The petition was first referred as a petition for rehearing to the panel that heard the appeal, and thereafter the petition for rehearing en banc was referred to the circuit judges who are in regular active service.

Upon consideration thereof,

IT IS ORDERED THAT:

The petition for panel rehearing is denied.

The petition for rehearing en banc is denied.

The mandate of the court will issue on October 30, 2020.

FOR THE COURT

/s/ Peter R. Marksteiner
Clerk of Court

Date: October 23, 2020