Commissioner of Patents and Trademarks
Patent and Trademark Office (P.T.O.)

HUFFY CORPORATION AND THE DERBY CYCLE CORPORATION
v.
GEOFFREY, INC.
90-27
December 17, 1990

Opposition No. 76,388, on petition to the Commissioner, filed: March 23, 1990.

Attorney for Petitioner

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Attorney for Opposer

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Assistant Commissioner for Trademarks

Decision

Geoffrey, Inc. (Geoffrey) has petitioned the Commissioner for review of the interlocutory decision rendered by the Trademark Trial and Appeal Board denying petitioner's request for reconsideration of the Board's order permitting opposer Huffy Corporation (Huffy) to file an amended notice of opposition and to add The Derby Cycle Corporation (Derby) as a party plaintiff.

Facts

Huffy, who has licensed use of the mark RALEIGH from Raleigh Industries Limited, filed a timely notice of opposition against registration of Application Serial No. 73/644,352 owned by Geoffrey for the mark RALLYE used on "bicycles."D' Proceedings with respect to the opposition were suspended pending disposition of a civil action involving applicant's parent company, Toys "R"D' Us, Inc. and opposer's licensor, Raleigh Industries Limited. [FN1] On February 21, 1989, applicant notified the Board that the civil action which occasioned the

suspension of the opposition proceeding was decided in favor of Toys "R"D' Us, Inc., and that the time for appeal of this decision had expired. Applicant requested that the Board enter judgment in the instant proceeding in favor of applicant inasmuch as the decision rendered in the civil action found that there was no likelihood of confusion between RALEIGH and RALLYE, as used on bicycles.

On February 21, 1989, opposer filed a motion to substitute Derby as opposer and to amend the notice of opposition to include, as a basis for opposition, Derby's ownership of the mark RALLY. Petitioner stated that "The Derby Cycle Corporation acquired all rights of the presently named opposer Huffy Corporation in the mark RALEIGH. Additionally, The Derby Cycle Corporation acquired rights in the mark RALLY for use on bicycles, use which had gone back to 1984."DD'

Applicant filed its brief in opposition to opposer's motion to substitute parties and motion to amend on May 30, 1989. [FN2] In its brief, applicant argued that it had already answered the original opposition and filed discovery, and that to permit opposer to substitute parties and supplement its opposition will further delay the proceedings because new issues will be raised and new discovery will be required.

After consideration of declarations attesting to the fact that Derby is the U.S. licensee of the mark, on September 18, 1989, the Board granted opposer's motion to substitute parties, to the extent that Derby was joined as a party plaintiff in the proceeding. The Board also granted opposer's motion to amend because the "proposed amendment will eliminate the need for an additional proceeding and thereby effect judicial economy. Moreover, we do not believe that Geoffrey will be unduly prejudiced by the proposed amendment since the opposition is in the pre-trial stage."D' The Board also entered summary judgment in favor of applicant on the issue of likelihood of confusion between RALEIGH and RALLYE in light of the District Court's finding that there is no likelihood of confusion between these marks.

***2** Opposer filed its amended opposition on October 11, 1989. On October 20, 1989, (under certificate of mailing, dated October 16, 1989), applicant filed a request for reconsideration of the Board's September 18, 1989 order. In its request, applicant contends that Fed.R.Civ.P. 15(c) requires that any asserted new claim of likelihood of confusion must relate back to the original pleading; that in this case it does not; and that even if it did, the claim would be barred by res judicata. In addition, petitioner argues that the Board's order effectively permits third parties to file a notice of opposition after expiration of the statutory period and that the Board does not have authority to permit this. [FN3]

The Board denied petitioner's request for reconsideration on February 21, 1990, by maintaining that Fed.R.Civ.P. 15(a), rather than Fed.R.Civ.P. 15(c) governs this situation.

As stated in our decision, it is the Board's practice to allow amendment to pleadings with great liberality at any stage of the proceeding where entry of the amendment would serve to further the end of justice, unless the amendment would violate settled law or be prejudicial to the rights of the opposing party. This includes amendments to add a new claim or cause of action to the pleadings....

This does not amount to allowing Derby to file an untimely notice of opposition. Rather, Derby, as the transferee, stands in the shoes of Huffy, the transferor.

Applicant was given until March 16, 1990 to file an answer to the amended notice of opposition. On March 15, 1990, petitioner requested an extension of time until two weeks after the Commissioner's decision on petition to file its answer to the amended notice of opposition. [FN4] The Board suspended proceedings with respect to the opposition pending disposition of the petition.

Petitioner maintains that the Board abused its discretion by failing to consider Rule 15(c) of the Federal Rules of Civil Procedure when it granted opposer's motion to amend its notice of opposition; that the amended notice of opposition was untimely; that the amended notice of opposition contains facts which do not relate back to the original notice of opposition, and therefore, the original notice of opposition gave no notice of facts pleaded in the amended notice of opposition.

Analysis and Decision

With respect to non-final rulings of the Trademark Trial and Appeal Board, the Commissioner will exercise supervisory authority under Trademark Rule 2.146(a)(3) only where there is a clear error or abuse of discretion. Palisades Pageants, Inc. v. Miss America Pageant, 169 USPQ 790 (Comm'r Pats.1971); W.R. Grace & Co. v. Arizona Feeds, 195 USPQ 670 (Comm'r Pats.1977).

Fed.R.Civ.P. 15(a) allows a party to amend its pleadings by leave of court or by written consent of the adverse party. "[L]eave shall be freely given when justice so requires."D' Petitioner contends that Fed.R.Civ.P. 15(c) governs:

***3** 15(c) Relation Back of Amendments. Whenever the claim or defense asserted in the amended pleading arose out of the conduct, transaction, or occurrence set forth or attempted to be set forth in the original pleading, the amendment relates back to the date of the original pleading. An amendment changing the party against whom a claim is asserted relates back if the foregoing provision is satisfied and, within the period provided by law for commencing the action against the party to be brought in by amendment that party (1) has received such notice of the institution of the action that the party will not be prejudiced in maintaining his defense on the merits, and (2) knew or should have known that, but for a mistake concerning the identity of the proper party, the action would have been brought against the party.

Specifically, petitioner argues that the amended claim did not "[arise] out of the conduct, transaction, or occurrence set forth . . .in the original pleading"D' because:

The original opposition was based upon likelihood of confusion between the mark RALEIGH and RALLYE. The conduct complained of by Opposer's licensee Huffy related entirely to the registered mark RALEIGH.

Moreover, Opposer Huffy could not have initially asserted any rights based upon the mark RALLY, because neither Huffy nor its Licensor had any rights relative to that mark....

It was not until October 1988, that Derby acquired the rights in the RALLY mark, well outside the thirty (30) day Statute of Limitations [for filing a notice of opposition or a request for an extension of time to oppose]. Because this new claim states an entirely new cause of action, wholly unrelated to the original transaction and occurrence based on [the] mark RALEIGH, Opposer Derby's new claim cannot relate back to the original Notice of Opposition. Thus, the new claim is barred.

The threshold question is whether the Board abused its discretion by determining that the "relation back"D' provision of Rule 15(c) does not apply in this case. "Relation back is intimately connected with the policy of the statute of limitations."D' [FN5] However, the time period for filing a notice of opposition is not a true statute of limitation. [FN6] "[Time bars], such as short periods of time for taking appeals, reflect the need for prompt termination of the uncertainty in legal relationships caused by the pendency of litigation."D' Allen v. United States, 542 F.2d 176 (3d Cir.1976). Had the opposer's motion been denied by the Board, opposer still had the option, upon issuance of the registration, to file a petition to cancel the mark under Section 14 of the Trademark Act, 15 U.S.C. § 1064. Therefore, Rule 15(c) is not applicable in this case because no true statute of limitations exists when the opposer can seek the same result through another proceeding. The Board's reliance on Rule 15(a) was correct.

***4** The next question is whether the Board committed clear error or abused its discretion under Rule 15(a). As the Board reasoned in its order of September 18, 1989:

It is well settled that amendment to pleadings should be allowed with great liberality at any stage of the proceeding where entry of the amendment would serve to further the end of justice, unless the amendment would violate settled law or be prejudicial to the rights of the opposing party. See Anheuser-Busch, Incorporated v. Martinez, 185 USPQ 434 (TTAB1975). In this case, while we have carefully considered Geoffrey's objection, we nonetheless believe that the motion for leave to amend the opposition should be granted. The proposed amendment will eliminate the need for an additional proceeding and thereby effect judicial economy. Moreover, we do not believe that Geoffrey will be unduly prejudiced by the proposed amendment since the opposition is in the pre-trial stage.

The petition is denied. The Board did not commit clear error or abuse its discretion but merely acted in the interest of judicial economy by permitting amendment of the pleadings, thereby avoiding the institution of a cancellation proceeding once the mark in question issued. The opposition file is forwarded to the Trademark Trial and Appeal Board for resumption of the opposition proceedings.

FN1. Raleigh Industries Limited pleaded ownership of Registration No. 1,010,107 for the trademark RALEIGH, registered on May 5, 1975, for, among other things, "'bicycles."DD'

FN2. The Board approved applicant's uncontested motion to extend time until May 30, 1989.

FN3. On October 23, 1989 opposer filed a brief in opposition to the request for reconsideration, and on November 3, 1989 petitioner filed a reply brief.

FN4. On April 4, 1990, opposer filed a response to petitioner's petition to the Commissioner.

FN5. See 1966 Amendment, Fed.R.Civ.P. 15(c).

FN6. See Stimson, David C., Statutes of Limitation in Trademark Actions, 71 TMR 605, 606 (1981).

18 U.S.P.Q.2d 1240

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