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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91230220
Party	Defendant B&B Hardware, Inc.
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

<p>Hargis Industries, LP.,</p> <p style="text-align: center;">Opposer,</p> <p style="text-align: center;">vs.</p> <p>B&B Hardware, Inc.,</p> <p style="text-align: center;">Applicant.</p>	<p>OPPOSITION NO. 91230220 SERIAL NO. 86/927,791</p> <p>APPLICANT B & B HARDWARE, INC'S RESPONSE TO OPPOSER'S MOTION FOR JUDGMENT AND APPLICANTS CROSS MOTION FOR JUDGMENT.</p>
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**RESPONSE TO OPPOSER'S MOTION FOR JUDGMENT,
AND APPLICANT'S CROSS MOTION FOR JUDGMENT.**

Applicant B&B Hardware, Inc., ("Applicant" or "B&B"), by and through its undersigned designated representative, hereby submits this response to Opposer's Hargis Industries, LP ("Opposer" or "Hargis") Motion for Judgment, and Applicant's Cross Motion for Judgment.

Hargis submits to the Board that because the B&B Hardware, Inc. v. Hargis Industries, Inc., Civil Action No. 4:06-CV-01654 BSM (B&B v. Hargis III) is now final, that this decision sufficiently provides Hargis with standing in the current opposition. It does not. The Eighth Circuit Appellate Court ("Eighth Circuit") affirmed the district court's decision in B&B v. Hargis III applying a fraud standard which directly conflicts with the standard of this Board and the Federal Circuit.

This decision vacated B&B's Trademark Infringement victory and wrongly applied issue preclusion to the B&B Hardware, Inc. v. Hargis Industries, Inc., May 18, 2000 Civil Action No. 4:98CV00372 JWC ("B&B v. Hargis I" or "2000 decision") However, the opposer cannot rely upon the 2000 decision in this opposition proceeding because opposer

is barred by the preclusive effect of The Boards June 13, 2003, and August 28, 2007 Orders from relying upon the 2000 decision, and is also barred from raising a descriptiveness claim against B&B's application for the (re)registration of the Sealtight trademark because the time for raising a descriptiveness claim had already tolled prior to it being raised by Hargis the first time. Even if this were not the case Opposer has no grounds to bring this opposition because it has abandoned use of the Sealtite mark.

There are no disputed facts to be resolved, and therefore B&B respectfully requests that this opposition be dismissed, that judgment be entered in its favor, pursuant to FED. R. CIV. P. 56, TBMP §§528, and 37 C.F.R. § 2.217., and that this Board grant (re)registration of the "SEALTIGHT" trademark to the principal register.

1. Background and Procedural History

A. Civil Litigation

Borrowing from the procedural summary in the Supreme Court's decision, "The twists and turns in the SEALTIGHT versus SEALTITE controversy are labyrinthine," with the issues between the parties "bounc[ing] around within the PTO for about two decades," related "infringement litigation hav[ing] been before the Eighth Circuit three times; and two separate juries hav[ing] been empaneled and return[ing] verdicts. The full story could fill a long, unhappy book." *B & B Hardware, Inc. v. Hargis Indus., Inc.*, 135 S. Ct. 1293, 1301-02, 191 L. Ed. 2d 222 (2015).

The Saga continues, following the Supreme Court's instructions, the Eighth Circuit applied preclusion to the TTAB's August 28, 2007 decision, and remanded for further proceedings. On remand from the Eighth Circuit a third trial was held. The District Court summarizing its June 24, 2016 decision states,

“Although the jury found for B&B on its trademark infringement, unfair competition, and false advertising claims, the fraud finding against B&B mandates a judgment in favor of Hargis. Even if the fraud finding does not survive appeal, there is no justification to award B&B any of Hargis’s profits.”

B&B argued in its JNOV that Hargis didn’t meet its burden of proof for fraud on the USPTO. The district court denied B&B’s JNOV motion on February 16, 2017. B&B appealed to the Eighth Circuit on August 15, 2017. On August 25, 2018 the parties were notified of oral arguments and that the previously dissenting Judge Steven Colloton was replaced on the panel by Judge Duane Benton. On December 21, 2018 the Eighth Circuit affirmed the District Court’s decision.

B&B filed a Petition for Rehearing on January 4, 2019 stating that the Eighth Circuit applied the incorrect standard of review for a Rule 59 motion, and also applied an incorrect standard of law for trademark fraud. The Eighth Circuit denied the Petition for Rehearing on February 6, 2019.

B&B Filed Petition for Writ of Certiorari with the United States Supreme Court on July 3, 2019 stating the obvious circuit split between the Eighth Circuit and the Federal Circuit standard to prove fraud on the USPTO.

The United States Supreme Court denied B&B’s Petition on October 7, 2019. The Eighth Circuit acknowledged it on October 11, 2019. B&B notified the TTAB in the current proceedings of this change of status on October 30, 2019. Hargis also filed a Notice of Status of Civil Action and Motion for Judgment on October 31, 2019.

B. TTAB Cancellation Proceedings

After the Eighth Circuit appeal of the 2000 Decision, Hargis reopened its 1997 cancellation proceeding in the TTAB. In its order dated December 6, 2001 the Board

resumed proceedings at Hargis's request. The Board at that time informed Hargis that it was required to file an amended pleading that sets forth a claim of descriptiveness in order for the 2000 Decision to be preclusive to the cancellation proceeding.

On December 19, 2001 Hargis (under the name "Sealtite Building Fasteners" or "SBF") filed its second amended complaint claiming that the district court's 2000 Decision was "res judicata between petitioner and registrant"

On January 3, 2002 B&B filed a Communication in Response to TTAB Notice providing a complete and accurate history of the case to that point.

On January 11, 2002 Petitioner (Hargis-SBF) filed a response again claiming *res judicata*. On July 1, 2002 the Board allowed Hargis to amend its petition to cancel to include a ground of descriptiveness and granted Hargis motion for summary judgment ("MSJ") on the ground that the 2000 Decision of descriptiveness was preclusive.

In August 2002 B&B filed a request for reconsideration of the TTAB decision. Arguing that Hargis' descriptiveness claim was untimely because the tolling of the five-year anniversary of the issuance of B&B's trademark SEALTIGHT had already passed prior to Hargis raising the issue for the first time, and also that Hargis didn't meet the required conditions that would justify a delay in raising a descriptiveness claim.

The June 13, 2003 Board Order granted B&B's motion for reconsideration, and ordered the reinstatement of B&B's Sealtight trademark to the PTO principal register.

C. TTAB Opposition Proceedings

The July 1, 2002 Board order in the cancellation proceeding which temporarily cancelled B&B's SEALTIGHT trademark allowed Hargis's SEALTITE application proceed to publication.

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