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

Proceeding	92049784
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DJW/bh

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF KANSAS

AMERICAN PLASTIC EQUIPMENT, INC.,

Plaintiff,

Civil Action

v.

No. 07-2253-DJW

TOYTRACKERZ, LLC, et al.,

Defendants.

MEMORANDUM AND ORDER

Pending before the Court is Defendants' Motion to Dismiss Counts II-IX for Failure to State a Claim (doc. 20). For the reasons set forth below, the Court will grant the motion and dismiss Counts II-IX with prejudice.

I. Nature of the Matter Before the Court

Plaintiff American Plastic Equipment, Inc. ("American") brings this action against Defendants Toytrackerz, LLC ("Toytrackerz") and Noah Coop, who Plaintiff alleges is a managing member of Toytrackerz. Plaintiff asserts the following claims against Defendants:

Count I - Copyright Infringement in violation of 17 U.S.C. § 501

Count II - Trademark Infringement in violation of 15 U.S.C. § 1501

Count III - Federal Dilution in violation of 15 U.S.C. § 1125(d)

Count IV - Trade Dress Infringement in violation of 15 U.S.C. § 1125(a)

Count V - Federal Cybersquatting in violation of 15 U.S.C. § 1125(d)

Count VI - Unfair Competition

Count VII¹ - Request for an order compelling the Commissioner of Trademarks to cancel Toytrackerz’ registration of certain trademarks and restore American’s registration in them.

Count VIII - Request for an order compelling the Commissioner of Trademarks to refuse registration of Toytrackerz’ pending applications to register trademarks

Count IX - Trademark Infringement of “Fort Apache” trademark.

Defendants move to dismiss Counts II-VI on the basis that they are compulsory counter-claims that American voluntarily dismissed without prejudice in a prior Kansas state court action between the parties and cannot be reasserted in this action. Defendants also move to dismiss those same claims, along with Counts VII-IX, on the basis that the doctrine of collateral estoppel bars them from being relitigated in this action because the issue of who has a protected and actionable interest in the disputed trademarks was resolved against American in the prior state action. Finally, Defendants move to dismiss Counts II-IX on the basis that the doctrine of res judicata bars their reassertion in this action because those same claims were litigated through to a final judgment in the state action.

II. Standard for Ruling on a Motion to Dismiss Pursuant to Rule 12(b)(6)

A dismissal for failure to state a claim under Federal Rule of Civil Procedure 12(b)(6) is appropriate only when it is apparent that a plaintiff can prove no set of facts that would entitle it relief.² Consistent with the well-established standard for evaluating a Rule 12(b)(6) motion to

¹Plaintiff’s Complaint contains two counts labeled “Count VII.” The first is entitled “Cancellation of Registered Trademarks,” and the second is entitled “Restoration of Previously Canceled Mark.” For clarity’s sake, the Court has combined them into one count that will be referred to as “Count VII.”

²*Conley v. Gibson*, 355 U.S. 41, 45-46 (1957); *Ledbetter v. City of Topeka*, 318 F.3d 1183, 1187 (10th Cir. 2003).

dismiss, the court accepts as true all well-pleaded factual allegations in the plaintiff's complaint.³ A court's function in ruling on a Rule 12(b)(6) motion is not to weigh potential evidence that the parties might present at trial or whether the plaintiff will prevail, but whether the plaintiff is entitled to offer evidence to support its claims.⁴

Ordinarily, consideration of material outside of the pleadings requires the court to convert the motion to one for summary judgment and afford the parties notice and an opportunity to present relevant evidence.⁵ Facts subject to judicial notice may, however, be considered in a Rule 12(b)(6) motion without converting the motion to dismiss into one for summary judgment.⁶ This allows the court to take judicial notice of its own files, records, and pleadings, as well as facts which are a matter of public record.⁷ Thus, in resolving the motion, the Court will consider the other pleadings filed in this action, a related action also filed in this Court and the United States District Court for the Western District of Missouri, and an action filed in the District Court of Bourbon County,

³*Moya v. Schollenbarger*, 465 F.3d 444, 455 (10th Cir. 2006) (quoting *Maher v. Durango Metals, Inc.*, 144 F.3d 1302, 1304 (10th Cir. 1998)).

⁴*Scheuer v. Rhodes*, 416 U.S. 232, 236 (1974), *overruled on other grounds by Harlow v. Fitzgerald*, 457 U.S. 800 (1982)).

⁵*Tal v. Hogan*, 453 F.3d 1244, 1264, n.24 (10th Cir. 2006) (quoting *Sutton v. Utah State Sch. for the Deaf & Blind*, 173 F.3d 1226, 1236 (10th Cir. 1999)).

⁶*Id.* (citing *Grynberg v. Koch Gateway Pipeline Co.*, 390 F.3d 1276, 1278 n. 1 (10th Cir. 2004)).

⁷*Id.* (citing *Van Woudenberg ex rel. Foor v. Gibson*, 211 F.3d 560, 568 (10th Cir. 2000), *abrogated on other grounds by McGregor v. Gibson*, 248 F.3d 946, 955 (10th Cir. 2001)).

Kansas.⁸ The Court's consideration of those pleadings, however, will be limited to their contents, and they will not be relied upon to prove the truth of any matters asserted therein.⁹

III. Background Information

The first lawsuit involving American and Toytrackerz was a declaratory judgment action that Toytrackerz filed against American in the District Court of Bourbon County, Kansas ("State Court Action") on January 6, 2006.¹⁰ In that action, Toytrackerz filed a "Petition for Declaratory Judgment of State and Common Law Non-Infringement of Trademarks," in which it asserted that it sells certain products in commerce under the trademarks "Circle X Ranch," "Apache Fighters," "Best of the West," "Johnny West Adventure," "Johnny West," and "Marxman" or "Marxman Bros."¹¹ The Petition also asserted that Toytrackerz sells products using Internet domain designations "www.circlexranch.com" and "www.markmanbros.com."¹² In addition, the Petition stated that by way of a December 3, 2005 "cease and desist" letter, American had accused Toytrackerz of trademark infringement and had threatened legal action, including criminal prosecution, against Toytrackerz.¹³

⁸*See Raab Sales, Inc. v. Domino Amjet, Inc.*, 530 F. Supp. 2d 1192, 1194, n.1 (D. Kan. 2008) (considering contents of pleadings from an Illinois state court action in ruling on Rule 12(b)(6) motion to dismiss).

⁹*Id.* (quoting *Oxford Asset Mgmt., Ltd. v. Jarvais*, 297 F.3d 1182, 1188 (11th Cir. 2002) (public documents of which the court takes judicial notice "may only be considered to show their contents, not to prove the truth of matters asserted therein.")).

¹⁰*See* Pet. for Declaratory J., Case No. 06 CV 0004, attached as Ex. E. to Defs.' Br. in Supp. of Mot. to Dismiss (doc. 21).

¹¹*See generally id.*

¹²*Id.* at ¶¶ 8 & 10.

¹³*Id.*, ¶ 11.

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