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

Proceeding	92065261
Party	Defendant Crown Industrial Services, Inc.
Correspondence Address	BRADLEY L SMITH ENDURANCE LAW GROUP PLC 180 W MICHIGAN AVE, SUITE 801 JACKSON, MI 49201 UNITED STATES bsmith@endurancelaw.com
Submission	Motion to Suspend for Civil Action
Filer's Name	Bradley L. Smith
Filer's e-mail	bsmith@endurancelaw.com
Signature	/Bradley L. Smith/
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Attachments	20170515Crown_motion_to_suspend_small.pdf(80272 bytes) ExAremovalandstatecomplaint2.pdf(662321 bytes) Ex.BPetitionerAnswerCounterclaim.pdf(148277 bytes) ExCSchedulingorder.pdf(29578 bytes) ExDMidbrookCancellationpetition.pdf(337182 bytes)

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

MIDBROOK, LLC,

Petitioner,

v.

Cancellation No.: 92065261
Registration No.: 4,439,794
Mark: MIDBROOK
Registration Date: November 26, 2013

CROWN INDUSTRIAL SERVICES, INC.

Registrant.

ANGELA L. JACKSON (P53930) CHRISTOPHER M. TAYLOR (P63780) HOOPER HATHAWAY, P.C. Attorneys for Midbrook 126 South Main Street Ann Arbor, MI 48104 734-662-4426	BRADLEY L. SMITH (P48138) ENDURANCE LAW GROUP PLC Attorneys for Registrant 180 West Michigan Avenue, Suite 801 Jackson, MI 49201 517-879-0253 bsmith@endurancelaw.com
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REGISTRANT CROWN'S MOTION TO SUSPEND

Registrant Crown Industrial Services, Inc. (Crown) moves to suspend these proceedings pursuant to 37 CFR §2.117 because the parties are actively engaged in a civil action pending in U.S. District Court which will effectively resolve the instant petition. In support, Crown relies on the following brief and its attachments.

BRIEF IN SUPPORT

FACTS

1. In late 2015, Crown purchased most of the business assets of Midbrook Industrial Washers, Inc. out of judicial receivership, paying over \$400,000 for the intangible assets owned by Midbrook Industrial Washers, Inc. Crown continues to do business as “Midbrook Industrial Washers, Inc.” as well as “MIWI” (U.S. Reg. No. 4,447,088).

2. In August 2016, Registrant Crown commenced an action against Petitioner Midbrook, LLC in the Washtenaw County (Michigan) Circuit Court, case no. 16-752-CB. Crown's suit alleged that Midbrook LLC was infringing Crown's registered trademark MIDBROOK under section 32 of the Lanham Act, as well as common law trademark infringement of the MIDBROOK mark, misappropriation of trade secrets, tortious interference, and unfair competition.
3. In September 2016, Petitioner Midbrook LLC removed the Washtenaw County action to U.S. Federal Court for the Eastern District of Michigan, case no. 16-cv-13200 (the "MIED case"). The Washtenaw County case and notice of removal are attached as Exhibit A.
4. On September 27, 2016, Midbrook LLC filed its answer and counterclaims against Crown. (Exhibit B). In its counterclaims, Midbrook LLC accused Crown of common law trademark infringement, false designation of origin under section 43 of the Lanham Act, and unfair competition arising, inter alia, from Crown's use of the MIDBROOK mark.
5. At the crux of this dispute, both Registrant Crown and Midbrook LLC assert ownership of the MIDBROOK mark. See Crown Complaint ¶ 24 (Ex. A, asserting ownership); Midbrook LLC Counterclaim ¶ 30, page ID 159 (Ex. B, asserting ownership).
6. On November 21, 2016, the U.S. District Judge entered a scheduling order (Ex. C). Among other deadlines, the court ordered that discovery be completed by May 22, 2017. Id. ¶1.
7. On January 16, 2017, Midbrook LLC petitioned the TTAB to cancel Crown's registration of the MIDBROOK mark, asserting that it owned the mark. Petition ¶ 10 (Ex. D).

8. On May 2, 2016, Petitioner moved in the MIED case to adjourn all dates until the TTAB issued its decision in this cancellation proceeding. The Court has not yet heard or decided that motion.

ARGUMENT

This case should be resolved in federal court in Michigan. This motion is governed by 37 CFR § 2.117:

Suspension of proceedings:

- (a) Whenever it shall come to the attention of the Trademark Trial and Appeal Board that a party or parties to a pending case are engaged in a civil action or another Board proceeding which may have a bearing on the case, proceedings before the Board may be suspended until termination of the civil action or the other Board proceeding.

The Board should suspend this proceeding for at least six reasons.

First, the issue at the center of the federal case pending in Michigan is exactly the same as the issue requiring resolution in this venue: which party owns the MIDBROOK mark?

Second, the MIED case is much further advanced than this case. Discovery is well underway, for example, on the ownership issue in the EDMI case (indeed, the discovery cutoff is currently May 22, 2016). Trial in the MIED case is set for December 2017. Scheduling Order ¶ 7, Ex. C. In contrast, in this case the Board has entered a scheduling order that briefing will not be completed until late July 2018. See 24 January 2016 TTAB Notice of Institution and Scheduling Order. In other words, the MIED case will in all likelihood be resolved many months before this proceeding.

Second, Registrant Crown believes it is very unlikely the MIED court will ignore the many persuasive authorities against staying federal district cases in deference to parallel proceedings at the TTAB. In its opposition to Midbrook LLC's motion to stay proceedings, for example, Crown intends to cite American Bakeries Co. v. Pan-O-Gold Baking Co., 650 F. Supp.

563 (D. Minn. 1986), in which the court held that TTAB jurisdiction should not be invoked where, inter alia, a stay of the district court action is more likely to prolong the dispute than lead to its economical disposition, and where the district court action includes claims which cannot be raised before the Board.

Third, the TTAB cannot adjudicate other important issues between the parties, including competing claims of misappropriation of trade secrets, unfair competition, and common law trademark infringement. Nor can the TTAB issue preliminary injunctive relief on any of the parties' claims. Judicial economy dictates that these related issues be resolved in the same venue.

Fourth, if the MIED court does not stay its proceedings and the TTAB does not suspend, there is a chance of conflicting resolutions, necessarily leading to further litigation and complications.

Finally, and perhaps most compelling, there is no reason for the Board to depart from its usual policy of suspending in these circumstances.

Most commonly, a request to suspend pending the outcome of another proceeding seeks suspension because of a civil action pending between the parties in a federal district court. Although the Supreme Court held that issue preclusion can be based on a decision by the Board in a case in which the ordinary elements of issue preclusion are met, *the Board's policy to suspend in favor of a civil action has not changed*. A civil action may involve other matters outside Board jurisdiction and may consider broader issues beyond right to registration and, therefore, judicial economy is usually served by suspension.

...

Unless there are unusual circumstances, the Board will suspend proceedings in the case before it if the final determination of the other proceeding may have a bearing on the issues before the Board.

Trademark Trial and Appeal Board Manual of Procedure (TBMP) §510.02(a) (emphasis added).

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