

This Decision is a
Precedent of the TTAB

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

Pologeorgis

Mailed: March 15, 2010

Opposition No. 91183362

Opposition No. 91186156

American Express Marketing &
Development Corp.

v.

Gilad Development Corporation

**Before Bucher, Mermelstein, and Bergsman,
Administrative Trademark Judges.**

By the Board:

These consolidated proceedings now come before the Board for consideration of (1) applicant's motion for leave to amend its answers to assert "noncommercial use" as an affirmative defense to opposer's claims under the Trademark Dilution Revision Act of 2006 ("the TDRA"), (2) applicant's motion for summary judgment based on the affirmative defense of "noncommercial use," and (3) opposer's cross-motion for summary judgment on its claims of likelihood of confusion and dilution.

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Applicant filed two applications for registration; one for the mark GRAND AMERICAN EXPRESS¹ in standard character format and the other for the mark GRAND AMERICAN EXPRESS RAILROAD CLEVELAND AND COLUMBUS and design,² as illustrated below. The services identified in both applications are "transportation services, namely, transporting passengers by means of a 19th century replica train" in International Class 39.



On April 3, 2008, and September 3, 2008, respectively, opposer filed notices of opposition to registration of applicant's marks. These opposition proceedings were consolidated by Board order dated October 29, 2008. As grounds for each of the oppositions, opposer alleges ownership of a family of famous AMERICAN EXPRESS marks, and alleges: (1) priority of use and likelihood of confusion and (2) dilution.

¹Application Serial No. 77200844, filed on June 7, 2007, based on an allegation of a *bona fide* intent to use the mark in commerce under Trademark Act Section 1(b), 15 U.S.C. Section 1051(b).

²Application Serial No. 77439287, filed on April 3, 2008, based on an allegation of a *bona fide* intent to use the mark in commerce under Trademark Act Section 1(b), 15 U.S.C. § 1051(b).

Applicant, in its answers, denied the salient allegations of the notices of opposition. Additionally, applicant asserted the affirmative defenses: (1) that opposer failed to state a claim upon which relief can be granted and (2) that the use and registration by third parties of marks incorporating or consisting of the terms AMERICAN and EXPRESS preclude opposer from claiming the exclusive right to the use of those terms.

Initially, we note that applicant filed its motion for leave to amend its answers to include the affirmative defense of "noncommercial use" subsequent to its motion for summary judgment being fully briefed and only after opposer, in opposition to applicant's motion for summary judgment, noted that a party may not file a motion for summary judgment on an unpleaded claim or defense.

We recognize that a defendant may not obtain summary judgment on an unasserted defense. Fed. R. Civ. P. 56(a) and 56(b); see also *Giant Food, Inc. v. Standard Terry Mills, Inc.*, 229 USPQ 955, 961 (TTAB 1986). Indeed, the Board has long recognized that summary judgment is not appropriate on an unpleaded issue. See TBMP § 528.07 (2nd ed. rev. 2004). A party, however, is permitted to file a motion for summary judgment on an unpleaded issue concurrently with a motion to amend its pleading to include the unpleaded issue. *Societe des Produits Marnier*

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Lapostolle v. Distillerie Moccia S.R.L., 10 USPQ2d 1241, 1242 n.4 (TTAB 1989) (motion to amend to add new ground, filed simultaneously with motion for summary judgment, granted and allegations in new ground deemed denied).

But, in instances where, as here, a party has filed a motion for summary judgment on an unpleaded issue and subsequently files a motion to amend its pleading to add the unpleaded issue only after the non-moving party has responded by noting that a party may not obtain summary judgment on an unpleaded claim or defense, the Board has found that an acceptable cure for the procedural defect would be to withdraw the motion for summary judgment and re-file it on a date subsequent to the filing of the moving party's motion to amend its pleading. *See Karsten Manufacturing Corp. v. Editoy AG*, 79 USPQ2d 1783, 1785-86 (TTAB 2006). Applicant herein, however, did not follow the accepted procedure in *Karsten* nor did it argue that its failure to follow the *Karsten* approach should be excused. Nonetheless, while the Board could summarily deny applicant's motion for summary judgment on the ground it is based on an unpleaded issue and then consider on the merits only applicant's subsequently-filed motion to amend, such a course of action would be inefficient, as it could potentially lead to the approval of applicant's amended pleadings followed by the re-filing of applicant's motion

for summary judgment. Accordingly, in the interest of judicial economy and given the need for a slight clarification of procedure in this area, we will, in this case, first entertain applicant's motion for leave to amend its answers despite the fact that the motion for leave to amend was filed subsequent to applicant's motion for summary judgment.

We note that the *Karsten* decision stated, in regard to the timing of the motion to amend, "Here, opposer has corrected the problem of seeking summary judgment on an unpleaded ground by moving to amend its pleading prior to the Board acting on the initial motion for summary judgment." *Karsten*, 79 USPQ2d at 1786. This statement may be read to suggest that, so long as a party that has moved for summary judgment on an unpleaded issue moves to amend its pleading prior to the Board's consideration of the motion for summary judgment, the motion to amend would correct the problem presented by the summary judgment motion. Therefore, in this case, we have considered both applicant's motion to amend and its motion for summary judgment. However, in future cases, the Board will not hesitate to deny any motion for summary judgment on an unpleaded claim or defense unless the motion for summary judgment is accompanied by an appropriate motion to amend or is withdrawn and refiled with such a motion to amend.

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