

Case No. 20-1119

**UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT**

David Beasley,

Appellant,

v.

William Howard,

Appellee.

On Appeal From United States District Court for the District of New Jersey
The Honorable Noel L. Hillman
Case No. 1-19-cv-11058

**APPELLANT'S BRIEF & APPENDIX VOL. I
Appendix, Volume II is filed separately**

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STATEMENT OF JURISDICTION

The District Court has jurisdiction pursuant to 28 U.S.C. § 1331 and § 1338(a) because this action raises a federal question under the Lanham Act, 15 U.S.C. § 1051 *et. seq.* On January 9, 2020, the District Court dismissed the action on the ground that it was barred by the doctrine of claim preclusion in view of two decisions of the Trademark Trial and Appeal Board. Appellant Beasley filed a timely notice of appeal on January 15, 2020. This court has jurisdiction over this appeal pursuant to 28 U.S.C. § 1291.

ISSUES PRESENTED FOR REVIEW

Did The District Court Err As A Matter of Law In Treating Appellant's Unfair Competition Claims Under Section 43(a)(1) of the Lanham As The "Same Claim" As Appellant's TTAB Claims For Purposes of Claim Preclusion, Even Though Appellant Could Not Have Brought Unfair Competition Claims Before The TTAB?

STATEMENT OF RAISING AND PRESERVING ISSUES ON APPEAL

All issues on appeal were raised and preserved through Appellant's "Motion to Vacate Defendant's motion to dismiss" (sic), Dkt-10.

STATEMENT OF RELATED CASES AND PROCEEDINGS

The District Court's decision is predicated on the final, unappealed decisions of the Trademark Trial and Appeal Board in Cancellations Nos. 92057071 and 92066369. There are no other related cases or proceedings.

STATEMENT OF THE CASE

I. FORM OF ACTION AND PROCEDURAL HISTORY

In 2013, Appellant David Beasley, founder of the musical band THE EBONYs, filed a pro se¹ petition with the Trademark Trial and Appeal Board ("TTAB" or the "Board") to cancel Appellee Howard's federal registration for the trademark THE EBONYs, on the sole ground of fraud on the USPTO (that proceeding is referred to herein as "TTAB One"). APPX051-APPX083.

Neither party was represented by counsel. As the Board acknowledged in its decision, TTAB One lacked "proper briefing and evidence." APPX032, fn. 2. The Board treated a document entitled "Amended Petition To Cancel" (but referred to as a "brief" on the ESTTA cover sheet that accompanied the petition) as Beasley's final brief. APPX033. The Board noted "[m]uch of the material submitted by both

¹ The undersigned counsel appeared in the instant dispute after the filing of the Notice of Appeal. Mr. Beasley had been representing himself up until that point.

parties is not suitable for the notice of reliance”² which both parties used to submit evidence APPX035-36. However, the Board noted that because neither side objected to other side’s submissions, and because “*their consideration does not affect the outcome of our decision*,” the evidence was considered. *Id.* (emphasis added). Impliedly, the bulk of the evidence submitted to the Board in TTAB One was irrelevant to the fraud cause.

The Board’s holding in TTAB One was contained in a single sentence, namely that Beasley “has failed to submit evidence showing that Respondent made a false, material representation of fact in connection with his trademark application, and that he did so with the intent to deceive the Trademark Office.” APPX038. The decision in TTAB One was not appealed.

In 2017, Appellant Beasley filed a second pro se petition with the USPTO to cancel Howard’s registration, on grounds of fraud and likelihood of confusion (“TTAB Two”). APPX084-89. Howard, but not Beasley, was now represented by counsel. The TTAB dismissed both claims on summary judgment on the ground of claim preclusion, ruling that because the bases for the petition to cancel arose from the same core operative facts as those alleged in TTAB One (namely, that Beasley

² A notice of reliance is a procedural device in TTAB practice that allows a party to submit certain documents, like printed publications and official records, without the need for authenticating testimony. See Rule 2.122(e) and (g) of the Trademark Rules of Practice, 37 C.F.R. Sections 2.122(e) and (g).

had used his mark prior to Howard), the fraud claim had already been brought, and the likelihood of confusion claim could have and should have been brought at the time of TTAB One. APPX048-050. The decision in TTAB Two was not appealed.

In April 2019 Beasley, still acting pro se, commenced the instant civil action against Howard. Beasley's hand-written complaint alleged facts sounding in unregistered trademark infringement and unfair competition, and false advertising under Section 43(a)(1) of the Lanham Act (the "Trademark Act" or "Act"), 15 U.S.C. § 1125(a)(1). APPX025-030. Beasley sought declaratory relief as to his right to use and register the trademark THE EBONYS in connection with the musical group he founded in 1969; an award of \$500,000 for damages arising from Appellee Howard's interference with Beasley's ability to use his trademark; and an injunction preventing Howard from further interfering with Beasley's use of his mark and from making false statements as to Howard's relationship with Mr. Beasley's musical group. APPX028, Section IV and V.

Appellee Howard moved to dismiss on the grounds of claim preclusion and issue preclusion, and further contended that certain grounds to cancel his registration were now time-barred. Dkt.-8. Appellant filed a paper captioned as a "motion to vacate defendant's motion to dismiss" which the District Court treated as Appellant's brief in opposition. Dkt.-10, APPX010.

The District Court granted the motion to dismiss, finding that Mr. Beasley's claims were barred under the doctrine of claim preclusion in light of the TTAB's rulings in TTAB One and Two. APPX019. The District Court did not reach the issue preclusion question. APPX014.

II. FACTUAL BACKGROUND

A. The Trademark at Issue

Appellant Beasley claims common law rights in the unregistered trademark THE EBONYS for entertainment services.

B. Howard's False Statements and Misrepresentations Concerning Appellant Beasley, His Band, and His Mark

Mr. Beasley founded the musical group The Ebonys in 1969 and began use of THE EBONYS as a trademark in connection with musical performances and musical recordings at that time. APPX006. The Ebonys' sound is that of soulful ballads, featuring a baritone lead and backing falsetto, similar to bands such as the O'Jays, and Harold Melvin and the Bluenotes. APPX057-059.

Mr. Beasley and The Ebonys have been performing under this name for fifty years. APPX006. In 1971, The Ebonys recorded their first hit on Philadelphia Records, working with Philadelphia Records' legendary duo Leon Huff and Kenny Gamble. APPX009, APPX057-059. Recordings by The EBONYS have been available for sale since 1971. APPX009.

Although THE EBONY'S stopped recording after a point, Mr. Beasley has performed with The Ebonys continuously. APPX009.

More than 25 years after he created The Ebonys, Mr. Beasley hired Mr. Howard to perform with the band. APPX006. Unbeknownst to Mr. Beasley, and without his authorization, but knowing that Beasley had created and named the group, Mr. Howard applied to register THE EBONY'S trademark with the U.S. Patent and Trademark Office, and received a federal registration in 2012. *Id.*

Mr. Howard performs with his own band under the name THE EBONY'S. APPX007. Mr. Howard has repeatedly attempted to block Mr. Beasley from using the name of the band that Mr. Beasley founded. APPX006-07, APPX028 at Section V.

Mr. Howard has falsely referred to himself as the founder of THE EBONY'S and has referred to his performing band as the original version of the band. APPX028, Section IV.

SUMMARY OF THE ARGUMENT

The District Court erroneously applied the doctrine of claim preclusion in dismissing Appellant Beasley's unfair competition causes under Section 43(a)(1) of the Lanham Act, because those claims – seeking adjudication of his right to use his trademark, and injunction and monetary relief relating to Appellee's infringement, passing off, and false advertising – are not 'identical' to his claims

before the TTAB. Because of the TTAB's limited jurisdiction, the Board could not adjudicate Beasley's right to use his mark, nor provide injunctive or monetary relief as to the registrant's bad acts. Furthermore, certain complained-of acts in the complaint have occurred subsequent to the conclusion of the TTAB proceedings. Beasley obviously could not have brought such unfair competitions claims at the time of the TTAB proceedings (even if the Board had jurisdiction over such claims), and so "everything plaintiff was entitled to ask for from defendant" was not and could not be included in the TTAB proceedings. *See, e.g., United States v. Athlone Indus., Inc.*, 746 F.2d 977, 983 (3d Cir. 1984).

The District Court did not acknowledge that the TTAB has limited subject matter jurisdiction and is empowered to deal only with the issue of *registration* of a mark. The TTAB has no authority to determine the *right to use* a trademark or to decide broader questions of infringement, unfair competition, damages, or injunctive relief. Therefore, the rulings in TTAB One and Two should be given no claim-preclusive effect and the District Court's decision should be reversed and the case remanded for further proceedings.

Additionally, for purposes of clarity upon remand, this Court should confirm that the doctrine of issue preclusion is inapplicable to Appellant's claims because material issues relating to his infringement claim, including but not limited to

ownership of a prior mark and the nature of Appellee's use of the mark, were not actually litigated in either TTAB One or TTAB Two.

ARGUMENT

I. STANDARD AND SCOPE OF REVIEW

The District Court dismissed Beasley's complaint on a motion to dismiss under Federal Rule of Civil Procedure 12(b)(6) for failure to state a claim upon which relief can be granted. In ruling on such a motion, a court must accept all well-pleaded allegations in the complaint as true and view them in the light most favorable to the plaintiff. *Evancho v. Fisher*, 423 F.3d 347, 351 (3d Cir. 2005).

The party asserting a claim preclusion argument "must carry the burden of establishing all necessary elements." *Taylor v. Sturgell*, 553 U.S. 880, 907 (2008) (quoting 18 Wright & Miller, Federal Practice and Procedure § 4405, at 83 (2d ed. 2002)). See also, *Leyse v. Bank of America National Association*, 804 F.3d 316 (3d Cir. 2015).

This Court's review of a decision dismissing a complaint is plenary. *Pearson v. Sec'y Dep't of Corr.*, 775 F.3d 598, 601 (3d Cir. 2015); *United States v. Berberena*, 694 F.3d 514, 519 n.7 (3d Cir. 2012).

II. THE DOCTRINE OF CLAIM PRECLUSION

Claim preclusion is a judicially-created doctrine intended to conserve judicial and party resources by preventing the re-litigation of claims that have already been decided and related claims that could have been decided.

Because claim preclusion may bar potentially meritorious claims from judicial scrutiny, the circumstances for preclusion “must be certain to every intent.” *Mayer/Berkshire Corp. v. Berkshire Fashions, Inc.*, 424 F.3d 1229, 1234 (Fed. Cir. 2005), quoting *Russell v. Place*, 94 U.S. (4 Otto) 606, 610, 24 L. Ed. 214 (1876). Protecting the consuming public from confusion warrants caution in the application of claim preclusion in a trademark context. *Mayer/Berkshire Corp.*, at 1234.

Claim preclusion requires a defendant to demonstrate that there has been (1) a final judgment on the merits in a prior suit involving (2) the same parties or their privies and (3) a subsequent suit based on the same cause of action. *United States v. Athlone Indus., Inc.*, 746 F.2d 977, 983 (3d Cir. 1984).

Only the third element of the test is disputed in this case: whether the claims at the TTAB are the same causes of action as the claims raised in the Complaint. In *Athlone*, this Court noted that the term “‘cause of action’ cannot be precisely defined, nor can a simple test be cited for use in determining what constitutes a cause of action for res judicata purposes.” *Id.* (quoting *Donegal Steel Foundry Co.*

v. Accurate Prods. Co., 516 F.2d 583, 588 n. 10 (3d Cir. 1975)). The court looks toward the “essential similarity of the underlying events giving rise to the various legal claims.” *Davis v. United States Steel Supply*, 688 F.2d 166, 171 (3d Cir. 1982) (in banc), cert. denied, 460 U.S. 1014, 103 S. Ct. 1256, 75 L. Ed. 2d 484 (1983). The court considers “whether the acts complained of were the same, whether the material facts alleged in each suit were the same, and whether the witnesses and documentation required to prove such allegations were the same.” *Athlone*, 746 F.2d at 984.

As explained below, the District Court erroneously concluded that claim preclusion should apply in this case. Therefore, the District Court’s decision should be reversed and remanded.

III. THE JURISDICTION OF THE TRADEMARK TRIAL AND APPEAL BOARD IS STRICTLY LIMITED TO ADJUDICATING THE RIGHT TO REGISTER

The Trademark Trial and Appeal Board is an administrative tribunal of the United States Patent and Trademark Office. “The Board is empowered to determine only the right to register.” Trademark Board Manual of Procedure, § 102.01 (2019). See Trademark Act § 17, § 18, § 20, § 24.

It is well recognized that the TTAB has no authority to determine the right to use, nor broader questions of infringement, unfair competition, damages or injunctive relief. *General Mills, Inc. v. Fage Dairy Processing Indus. SA*, 100

U.S.P.Q.2 1584 (TTAB 2011); *Person's Co., Ltd. v. Christman*, 900 F.2d 1565 (Fed. Cir. 1990); *Andersen Corp. v. Therm-O-Shield International, Inc.*, 226 USPQ 431, 432 n.5 (TTAB 1985) (TTAB may not entertain any claim based on Trademark Act § 43(a)); *Electronic Water Conditioners, Inc. v. Turbomag Corp.*, 221 USPQ 162, 163-64 (TTAB 1984) (unfair competition and Trademark Act § 43(a) claims are outside the Board's jurisdiction). "The Board is not authorized to determine the right to use, nor may it decide broader questions of infringement or unfair competition." *Trademark Board Manual of Procedure*, § 102.01 (2019) (and cases cited therein at note 3).

IV. APPELLANT'S UNFAIR COMPETITION CLAIMS UNDER SECTION 43(a)(1) ARE BROADER THAN THE FRAUD AND SECTION 2(d) CLAIMS BROUGHT BY APPELLANT BEFORE THE TTAB

A. The District Court Decision Conflated All Facts and All Claims In All Proceedings

The District Court in dismissing Beasley's Complaint asserted that:

"These facts and legal theories were all actually litigated in the Second Action [TTAB Two]. There is no discernable difference between what Beasley alleges in the present case and what he alleged in the Second Action..."

APPX017.

While it may be said that neither side has litigated these matters with precision, there are in fact discernable differences as to facts alleged, and discernable differences between the legal bases underpinning the theories of

recovery, and remedies sought, between TTAB One and Two, on the one hand, and the Section 43(a)(1) claims in the present case, on the other hand. Mr. Beasley may have taken a broad brush approach in his TTAB pleadings, summarizing the fifty year history of The Ebonys, but even if various of his assertions understandably overlapped in all the proceedings, such overlap does not support a finding that there was an “identity of facts” between the TTAB proceedings and the District Court complaint. Many of the overlapping assertions made by Mr. Beasley were irrelevant to the prior, limited claims before the TTAB relating to Howard’s right to register.³ Mr. Beasley set out the history of his band in each proceeding, and recounted bad acts of Mr. Howard in each proceeding, but that does not mean the every assertion he made was relevant to the claims. *U.S. v. Athlone*, 746 F.2d 977, 986 (3d Cir. 1984); (Given the tendency of litigants to ‘blitzkrieg’ a court with documents, an overlap of irrelevant facts “constitutes nothing more than surplusage” and does not establish an identity of causes of action for purposes of claim preclusion). It is not surprising that Mr. Beasley, as a

³ As discussed below, Appellant acknowledges that any claim relating to cancellation that he brought or could have brought before TTAB One, and any subsequent cancellation claims that accrued prior to filing TTAB Two are precluded. However, Beasley is not precluded from bringing cancellation claims before the TTAB or in a civil court that may have arisen subsequent to TTAB Two (for example, if Howard has now abandoned use of the mark).

pro se petitioner who believes he has been deeply wronged, poured forth more information in telling his story than might be strictly necessary to his legal claims.

B. Appellant's Unfair Competition Complaint Contains Allegations Supporting Trademark Infringement, Passing Off, and False Advertising Causes, Which Claims Could Not Be Brought Before the TTAB

Beasley's factual allegations in the present action support three theories of recovery under Section 43(a)(1) of the Trademark Act that were not and could not be considered in TTAB One and Two.

In commencing this action, Beasley filled out a form complaint by hand. APPX025-029, Dkt.-1. In response to the pre-printed prompt: "What federal Constitutional, statutory or treaty right is at issue?" Beasley responded: "Lanham Act False and Misleading Statement of Facts and Protection of an unregistered Trademark First Use in Commerce over 50 years continual use." (sic). *Id.*

In response to the prompt in section IV of the complaint form, under injuries, Appellant wrote in part:

"My Group The Ebonys are being hindered from making a living after 50 years of having my group and New members. [Howard] attempted to forged (sic) Royalty ownership of my music. He was unsuccessful. USA and abroad knows my group the Ebonys and *he is now lying to audiences that he is the founder of the original Ebonys*. He was from Memphis Tennessee. I created the Ebonys in Camden, N.J. 1969."

Id. (emphasis added).

In contrast, in the petition to cancel in TTAB One, the only claim Beasley asserted was fraud on the USPTO. Two of the elements of fraud that a petitioner must allege and prove are the following: (1) that the registrant knowingly made materially false statements in its application, (2) with the intent of deceiving the PTO in order to obtain a registration to which it was otherwise not entitled. *See In re Bose*, 580 F.3d 1240, 1243 (Fed. Cir. 2009). Again, the only possible remedy available in the TTAB proceeding would have been cancellation of Howard's registration, which would have no effect on his or Beasley's right to use the mark, since only a court can decide the issue of right to use.⁴

Furthermore, in TTAB Two, Beasley again sought to cancel Howard's registration, asserting fraud on the PTO (again), and likelihood of confusion under Section 2(d), which bars registration of a mark that:

“ . . . [c]onsists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive;”

15 U.S.C. § 1052(d). As discussed above, both claims were dismissed by the Board on the ground of claim preclusion. APPX039-050.

⁴ For example, a prior common law user of a mark has rights in his market territory that can prevent a registrant from using the mark in that territory. *See J. Thomas McCarthy, Trademarks and Unfair Competition*, Section 16:18.50 (4th Ed.).

The instant Complaint, in contrast to the pleadings in TTAB One and Two, contains factual allegations sufficient to support several causes of action under Section 43(a)(1), specifically infringement of an unregistered mark, passing off, and false advertising. Section 43(a)(1) (15 U.S.C. § 1125(a)(1)).⁵

Two of Beasley's asserted unfair competition claims fall under the false association prong of the section, Section 43(1)(A) . He alleges that he owns a prior unregistered trademark THE EBONY'S and, impliedly, that Howard infringes Beasley's rights in that unregistered mark. The Complaint identifies instances in which Howard interfered with his use of his trademark, resulting in lost opportunities for his band and obstacles to his use mark on the internet. APPX026, II.B., APPX028, IV., V.

⁵ Section 43(a)(1) (15 U.S.C. § 1125(a)(1)) reads in relevant part:

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

The other false association claim supported by allegations in the Complaint is passing off, which differs from infringement and from a Section 2(d) likelihood-of-confusion claim in that passing off under Section 43(a) “proscribes not only acts that would technically qualify as trademark infringement, but also unfair competitive practices involving actual or potential deception.” *SK&F, Co. v. Premo Pharm. Labs, Inc.*, 625 F.2d 1055, 1065 (3d Cir. 1980). See also *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 28-29 (2003) (“While much of the Lanham Act addresses the registration, use, and infringement of trademarks and related marks, § 43(a) . . . goes beyond trademark protection.”).

In fact, a plaintiff need not own a trademark to pursue a passing off claim. See, e.g., *Blinded Veterans Ass’n v. Blinded Am. Veterans Found.*, 872 F.2d 1035, 1043 (D.C. Cir. 1989) (a plaintiff whose mark has become generic – and therefore not protectable – may plead an unfair competition claim against a competitor that uses that generic name and “fail[s] adequately to identify itself as distinct from the first organization” such that the name causes “confusion or a likelihood of confusion.”); see also *Kellogg Co. v. Nat’l Biscuit Co.*, 305 U.S. 111, 118-19 (1938) (requiring the defendant to “use reasonable care to inform the public of the source of its product” even though the plaintiff’s “shredded wheat” mark was generic and therefore unprotectable); *Singer Mfg. Co. v. June Mfg. Co.*, 163 U.S. 169, 203-04 (1896) (same, for “Singer” sewing machines).

Beasley asserts that he founded THE EBONYS and has performed under that name for 50 years. APPX006. His allegation that Howard deceptively refers to himself as the founder, and refers to the band as “original,” supports a claim that Howard is misrepresenting himself as the creator of THE EBONYS, and misrepresenting his band as the one that consumers associate with THE EBONYS recordings and prior performances.

The False Advertising prong of the Act, Section 43(a)(1)(B), also covers the allegations in the Complaint that identify Howard’s misrepresentations that he is the ‘founder’ of the ‘original’ THE EBONYS.⁶ In a false advertising claim brought under the Lanham Act, a plaintiff is claiming that the defendant has made false or misleading statements as to his own or another’s product or service. *U.S.*

Healthcare, Inc. v. Blue Cross of Greater Phila., 898 F.2d 914, 922 (3d Cir. 1990).

Additionally, Howard’s communications to venues that would employ Beasley and his band, likely contain false representations that Beasley does not have the right to refer to his band as THE EBONYS. To the extent that these statements may be motivated in part out of competition with Beasley, these statements may be

⁶ Misrepresentations as to provenance and source may straddle the unfair competition/false advertising divide, and may support either claims. *See, e.g., Twentieth Century Fox Film Corp. v. Marvel Enterprises*, 277 F.3d 253 (2d Cir. 2002) (false statements suggesting relationship between X-Men movie produced by plaintiff, and X-Men TV series produced by defendant, may sound in both false association and false advertising).

actionable under the false advertising prong of Section 43(a)(1) as well. Beasley's false advertising claim is independent of the trademark infringement claim – Beasley can prevail on the former claim if he can prove that Howard is not the founder of THE EBONY'S, and that Howard's band is not the original band.

As stated above, none of these Section 43(a) claims was nor could have been adjudicated by the TTAB. Furthermore, as discussed in detail below, the District Court, when identifying factual overlaps in the narratives between the TTAB proceedings and the instant proceeding, over-weighted the 'chaff' that was irrelevant to the TTAB proceedings, and underweighted the significance of other facts that were relevant only to the Section 43(a) claims in Mr. Beasley's complaint.

V. THE PRESENT UNFAIR COMPETITION CLAIMS ARE NOT THE "SAME CLAIM" AS, AND ARE NOT PRECLUDED BY, THE TTAB CLAIMS BECAUSE THEY COULD NOT HAVE BEEN BROUGHT BEFORE THE TTAB

This appeal centers on the District Court's determination that, for purposes of claim preclusion, the unfair competition claims in the civil action constitute "the same claim" as those that were brought in the two earlier TTAB proceedings. While the definition of "same claim" has been expanded to include claims that could have been brought in a first proceeding, it is not so broad (nor so unfair) as to include claims that a litigant could not have brought due to legal or practical limitations.

A. In Interpreting “Same Claim,” The Third Circuit Considers Subject Matter And Other Limitations On a Litigant’s Ability To Bring A Claim

The decision below does not cite, nor is the Appellant aware of, decisions in the Third Circuit or in other circuits holding that cancellation proceedings before the TTAB comprise the same claim as civil infringement and/or unfair competition claims, for purposes of claim preclusion.⁷ In fact, the Restatement (Second) of Judgments Section 26(1)(c) articulates an exception to the general rule of claim preclusion, when the limitations of subject matter jurisdiction prevent a plaintiff from seeking and obtaining a certain remedy or form of relief. As discussed below, the Third Circuit implicitly recognizes this limited subject matter jurisdiction exception to claim preclusion.

The general approach to interpreting “same claim” or “same cause of action,” in this and other circuit courts, recognizes that the phrase need not be

⁷ The District Court cites the recent Supreme Court case, *B&B Hardware, Inc. v. Hargis Indus., Inc.*, 575 U.S. 138, 148 (2015) for the general proposition that TTAB decisions can be accorded preclusive effect. APPX016. However, *B&B Hardware* is an issue preclusion case. Appellant doesn’t dispute the general proposition that certain issues before the TTAB could overlap civil Lanham Act claims, and, if actually litigated and necessary to the TTAB determination, might be accorded preclusive effect. (See discussion at Section V). However, it is noteworthy that neither *B&B Hardware* nor *Jean Alexander Cosmetics, Inc. v. L’Oreal USA*, 458 F. 3d 244 (3d Cir. 2006), a Third Circuit issue preclusion case involving the TTAB, even discuss claim preclusion, let alone accord claim preclusive effect to a TTAB decision.

interpreted literally.⁸ Rather, “same claim” is understood to embrace all claims that *could have been brought and should have been brought* in the earlier proceeding, arising from the operative facts. *See, e.g., In re Mullarkey*, 546 F. 3d 215, 225 (3d Cir. 2008) (emphasis added).

However, as observed by this Court in *U.S. v. Athlone*, 746 F.2d 977, 983 (3d Cir. 1984) “the term [c]ause of action” cannot be precisely defined, nor can a simple test be applied to determine what constitutes a cause of action for res judicata purposes. [citing *Donegal Steel Foundry Co. v. Accurate Products*, 516 F.2d 583, 588 (3d Cir. 1975) As we more recently noted in [*Davis v. U.S. Steel Supply*, 688 F.2d, 166, 171-72 (3d Cir 1982)], the term has been given varied treatment depending upon the facts in each case and the inquiry is often fraught with conceptual difficulties.”

Since there is no “magic formula” for determining what constitutes the “same claim,” this Circuit tends to apply a multi-factor test, such as the five-factor test found in *Athlone* (referred to herein as the “Five *Athlone* Factors”), targeted at a determining whether:

⁸ Appellant acknowledges that two of the three factors of claim preclusion, identity of parties and finality of judgment, are not in dispute. Furthermore, Appellant acknowledges that claims directed at Howard’s registration are precluded by TTAB One and Two to the extent that the grounds were available as of the time of filing of the petition to cancel in TTAB Two.

- the litigant *could have* brought the claim in the first forum, in the sense that the claim had accrued at that time; and whether
- the litigant *could have* brought the claim in the first forum in the sense that the forum had subject matter jurisdiction.

If these questions are both answered yes, then the court typically concludes that the litigant *should have* brought the claim in the first forum, and it applies the doctrine to bar the subsequent claims.

The Supreme Court has noted that claim preclusion generally does not apply where “[t]he plaintiff was unable to rely on a certain theory of the case or to seek a certain remedy because of the limitations on the subject matter jurisdiction of the courts ...” *Marrese v. Am. Academy of Orthopedic Surgeons*, 470 U.S. 373, 382 (1985), citing the Restatement (Second) of Judgments § 26(c)(1982).

Even while observing that then-evolving civil practice called for a broader interpretation of “same cause of action,” this Court in 1950 in *Williamson v. Columbia Gas & Electric Corp.*, 186 F.2d 464 (3d Cir. 1950) noted that the rule was still in effect that if plaintiff had no opportunity to litigate a theory of recovery in a prior action, then the plaintiff was not barred by res judicata. *Williamson* at 470, citing the *First* Restatement of Judgments, 65(2)).

The *Williamson* court specified factors it would evaluate when applying this broader definition of cause of action, including the witnesses, the relevant facts,

and ‘whether plaintiff had asked for everything he was entitled to from defendant.’
Id.

The *Williamson* factor relating to whether plaintiff had sought all ‘entitled’ relief in the prior proceeding is cited with approval by Third Circuit cases such as *Davis v. U.S. Steel Supply Division*, 688 F.2d at 17 and *U.S. v. Athlone* at 983.

The definition of claims “that could have been brought” has encompassed the concept of claim accrual. For example, in *In re Mullarkey*, plaintiff was not precluded from pursuing a fraud claim against a creditor in a bankruptcy proceeding because the claim had not accrued at the time of an earlier proceeding. 546 F.3d 215, 226 (3d Cir. 2008).

In *Athlone*, the Consumer Product Safety Commission brought two civil actions against a distributor – an imminent hazard action seeking declaratory and injunctive relief relating to the distribution of defective products, and later, an action seeking civil penalties arising from the distributor’s failure failed to report the defect to the Commission. *Athlone* at 279. The District Court, applying claim preclusion, had taken the view that both actions arose from essentially the same underlying event – the distribution of defective products. *Id.* at 283.

However, the Third Circuit concluded that there were essentially two causes of action – one in the first action targeted at stopping the distribution of the defective product, and one in the subsequent action targeted at the distributor’s

actions or inaction in failing to report a substantially hazardous product to the Commission. *Id.*

As to whether the Commission could have or should have brought the subsequent civil penalty action at the same time as the earlier imminent harm case, the Court considered the urgency of the imminent harm cause of action, by nature an emergency proceeding, as compared to that of the later civil penalty action, which required investigation and more preparation. *Id.* at 986. Thus the *Athlone* decision demonstrates the flexibility with which courts analyze the “same action” question in determining whether the application of claim preclusion is appropriate.

B. Courts in Other Circuits Have Held That Civil Lanham Act Claims and TTAB Claims Are Not the “Same Claim”

1. The Ninth Circuit in *V.V.V. v Meenakshi* reversed a District Court claim preclusion ruling erroneously based on a “same claim” theory

As noted above, the instant decision does not cite a case in which the Third Circuit has determined whether civil unfair competition claims are the same claim as TTAB claims, for purposes of claim preclusion. However, the Ninth Circuit in *V.V.V. v Meenakshi*, recently declined to apply claim preclusion in a civil action because of the limited subject matter jurisdiction of the TTAB, citing the Restatement’s exception. *V.V.V. & Sons Edible Oils Limited v. Meenakshi Overseas, LLC*, 946 F.3d 542, 2019 U.S.P.Q.2d 494448 (9th Cir. 2019).

Plaintiff V.V.V. had opposed defendant Meenakshi's trademark application in 2009 (the "first mark"). *Id.* at 544. When V.V.V. abandoned its opposition, the proceeding was dismissed with prejudice. *Id.* V.V.V. filed a petition to cancel the subsequently issued registration for the first mark, as well as the registrations for two other marks. *Id.* Simultaneously, V.V.V. filed a civil suit in the Eastern District of California seeking damages and injunctive relief for unfair competition, trademark dilution, and trademark infringement as to all three of Meenakshi's marks. *Id.* The TTAB suspended its proceedings pending resolution of the civil suit. *Id.* The District Court dismissed all claims concerning the first mark, on the ground of claim preclusion, finding an identity of claims because "V.V.V. relied on facts and theories in its Complaint that were also alleged in its Opposition or were otherwise available at the time of the TTAB Proceedings" *Id.*

On appeal, the Ninth Circuit reversed the dismissal of V.V.V.'s claims. The Court assumed without deciding that the District Court had correctly applied the elements of claim preclusion, but it concluded that the District Court had failed to apply a crucial exception to claim preclusion, namely:

"Under the Restatement (Second) of Judgments, an exception to claim preclusion exists if the plaintiff was unable to rely on a certain theory of the case or to seek a certain remedy or form of relief in the first action because of the limitations on the subject matter jurisdiction of the courts" and "the plaintiff desires in the second action to rely on that theory or to seek that remedy or form of relief." Restatement (Second) of Judgments Section 26(1(c))."

Id. at 544-45. The Ninth Circuit noted that this exception had been recognized in prior Ninth Circuit cases, as well as by the Supreme Court. *See Marrese v. Am.*

Academy of Orthopedic Surgeons, 470 U.S. 373, 382 (1985). *Id.* at 545. The Ninth Circuit continued:

“...An interparty proceeding before the TTAB is a limited proceeding involving registration of a trademark. 15 U.S.C. Section 1067(a) ...Indeed, ‘[t]he Board is not authorized to determine the right to use, nor may it decide broader questions of infringement or unfair competition.’ Citing the TTAB Manual of Procedure, TBMP Section 102.01 (2019). . . This means the TTAB had no power to decide VVV’s claims of infringement, dilution, and unfair competition or to ‘granteither injunctive [relief] or damages.’ *Rhoads v Avon Products., Inc.*, 504 F.3d 1151, 1158 (9th Cir. 2007).

Id. at 546. The Ninth Circuit concluded that as a result, “it would be unfair to preclude V.V.V. from litigating these claims and seeking relief when barriers existed that prevented it from doing so in the first action. Restatement (Second) of Judgments Section 26(c).” *Id.*

2. **The Federal Circuit in *Jet Inc. v. Sewage* Reversed a TTAB Claim Preclusion Ruling Based on an Erroneous “Same Claim” Conclusion.**

Another example of a federal court of appeals finding that civil trademark claims were not the same as TTAB cancellation claims is *Jet, Inc. v. Sewage Aeration Systems*, 223 F.3d 1360 (Fed. Cir. 2000). The Federal Circuit (CAFC) reversed the dismissal of a TTAB proceeding commenced after the parties had

litigated an infringement proceeding (the reverse order of the present dispute). The CAFC determined that the elements of a claim for cancellation and those of an infringement claim were simply too divergent to permit the claims to be deemed as arising from the same ‘transaction.’ Citing the Restatement, the CAFC noted that the determination as to whether there is a “‘common set of transactional facts’ is to be undertaken ‘pragmatically.’ Restatement (Second) of Judgments § 24(2).” *Jet, Inc.*, 223 F.3d at 1363. It further noted that “courts have defined ‘transaction’ in terms of a ‘core of operative facts,’ the ‘same operative facts,’ or the ‘same nucleus of operative facts,’ and ‘based on the same, or nearly the same, factual allegations.’ . . . Thus, we must determine whether, for purposes of claim preclusion, a claim for trademark infringement is based on the same set of factual allegations as a petition to cancel the defendant’s federally registered mark.” *Id.* at (citations omitted). The court then exhaustively compared the elements of a cancellation claim to those of an infringement claim and concluded that the “overall transactional facts were simply too distinct to allow claim preclusion from an infringement action to apply to a subsequent cancellation claim. *Accord Chromalloy Am. Corp. v. Kenneth Gordon (New Orleans), Ltd.*, 736 F.2d 694, 697-98 (Fed. Cir. 1984) (holding that infringement litigation involving different marks did not claim preclude later opposition to registration).”

In summary, there are two available paths when analyzing whether a litigant should be precluded from pursuing a claim it could not have brought in a prior proceeding – one path invokes the Restatement’s exception and treats a limitation as to subject matter jurisdiction in the first proceeding as dispositive. The other path, taken by this Circuit, reviews the totality of differences in the Five *Athlone* Factors to determine if the subsequent claim is too distinct from the first claim. Here, both paths lead to the same place: reversal of the District Court decision.

C. The District Court Did Not Consider The Factors Regarding Recovery and Relief

Turning to the District Court’s approach in the instant dispute, the District Court did acknowledge and list the Five *Athlone* Factors to be applied in assessing the “same claim” element of the three-prong claim preclusion inquiry:

- The acts complained of;
- The facts alleged;
- The relief being sought;
- The theory of recovery; and
- The evidence necessary for trial.

APPX016-17⁹.

As noted above, Mr. Beasley's Complaint identifies claims that could not be brought before the TTAB, invokes theories of recovery and remedies not available from the TTAB, and requires evidence to prove those theories that would be irrelevant to the TTAB proceedings.

Superficially, there is a single event that set the entire narrative of this dispute in motion: Howard's decision to claim ownership of THE EBONYS trademark despite Beasley's creation and long-term use of the mark. However, the fact that this event is the seed out of which of each proceeding grew does not make all resulting claims a single "claim" for purposes of claim preclusion.

The District Court concluded:

"These facts and legal theories were all actually litigated in the Second Action. There is no discernable difference between what Beasley alleges in the present case and what he alleged in the Second Action..."

APPX017.

The District Court's decision does not address the elements of Mr. Beasley's potential claims under Section 43(a)(1), nor explore the implications thereof. The court's findings with regard to each *Athlone* factors are not discussed in detail,

⁹ The District Court attributes the Five *Athlone* Factors to *Davis v. Wells Fargo*, 824 F.3d 333, 342 (3d Cir. 2016), which is a claim preclusion case, but that case does not list the five factors. The Court may have intended to refer to *Davis v. U.S. Steel*, which also discusses the five factors. 688 F.2d 166 at 171.

with the exception that, in response to Appellant's assertion that he was now seeking \$500,000 in monetary damages, the Court replied:

“All of the elements of claim preclusion are still met here even if the remedy sought is new: there was a final judgment on the merits that involved ‘an essential similarity of the underlying events’ and the same parties. *See United States v. Athlone Indus., Inc.*, 746 F.2d 977, 984 (3d Cir. 1984) “

APPX017, fn. 4.

This is error. Appellant Beasley filed his complaint to achieve something that the TTAB could not give him - recognition of his ownership of protectable trademark rights and enforcement of the various rights that flow from that ownership – most importantly, his right to use the name of the band he founded, without interference. While the District Court was correct in noting that Appellant is precluded from duplicating any claims that could have been adjudicated by the TTAB – specifically, cancellation of Appellee's registration on grounds that were available as of the time of filing of the petition to cancel in TTAB Two – the District Court does not acknowledge that the theories of recovery and remedies under Section 43(a)(1) were unavailable to Beasley at the TTAB.

To the extent that the Complaint sought, among several forms of relief, cancellation of Appellee's registration, and to the extent factual allegations are made to support claims of priority and likelihood of confusion, there is an overlap of allegations between the TTAB proceedings and the instant action. However, the

factual allegations and the claims in Beasley's complaint are broader than and not subsumed by the TTAB causes. All of the findings by the District Court are in error to the extent that the Court did not recognize that Appellant Beasley did not and could not seek recovery relating to his own right to use his mark, or injunctive or monetary relief.

1. The Complained-Of Acts Are Not Identical

The District Court did not discern that there are different wrongs embodied within the larger Beasley narrative. The single complained-of act in TTAB One and Two is that Howard obtained a registration without authorization from Appellant. The complained-of acts in this civil action include Howard's interference with Beasley's right to use his mark, as well as Howard's misrepresentation of his role in the Band.

Similarly, in *Athlone*, although, the District Court had found but a single wrong – defendant's distribution of defective products – the Third Circuit held that there were two wrongs. "There [in the first action], the wrong for which redress was sought was the manufacture and distribution of an imminently hazardous product. Here [in the second action], the alleged wrong is the defendant's failure to report a substantially hazardous product to the Commission." *Athlone* at 985.

Here, furthermore, there is nothing in the Complaint that allowed the District Court to conclude that any of these complained-of acts (apart from Howard's filing

of the application for registration) occurred prior to any potential cut-off date.¹⁰

Beasley obviously could not have brought claims at the time of the TTAB proceedings if they had not yet accrued. *See In re Mullarkey* at 230.

2. The Relevant Facts Are Not Identical

Here, the District Court erred by not considering the relevancy or irrelevancy of the facts presented to the TTAB, while ignoring new material facts alleged in the Complaint. As stated above, the Complaint sets out allegations not material to any claim that could have been adjudicated by the TTAB, namely, allegations relating to interference to Appellant's use and the damages caused thereby, as well as allegations relating to Appellee's misrepresentations.

In *Athlone*, this Court noted that the facts relevant to establishing that the involved products were defective, were (with some exceptions) distinct from the facts in the second action that focused on defendant's alleged failure to notify the Commission of the hazardous situation.

¹⁰ There are two theoretical cut-off dates with regard to claims Beasley could have brought before the TTAB. The filing of TTAB One in 2013 would cut-off re-litigation of any cancellation claims Beasley may have had up to that point. Filing TTAB Two in 2017 cut-off any newly-accrued cancellation claims, for example if Howard had abandoned his mark in 2016. Beasley may still petition to cancel the registration on claims that accrued subsequent to 2017 and are not time-barred under 15 U.S.C. § 1064(3).

3. The Relief Sought is Not Identical

The District Court also erred by failing to distinguish between Beasley's *right to use* and Howard's *right to register*. The *Athlone* court puts the question this way: Was everything that plaintiff was entitled to ask for from defendant available in the first action? *Athlone* at 983, citing *Davis v. U.S. Steel Supply Division*, 688 F.2d at 171. Here, the answer is definitely not - in addition to any relief relating to Appellee Howard's trademark infringement, Beasley seeks to enjoin of Howard's infringing use, put a stop to his misrepresentations, and obtain declaratory relief regarding Beasley's own right to use the Mark. For one example, even assuming *arguendo* that the Section 2(d) cause had been actually litigated at the TTAB (which it wasn't), it is un rebutted that Beasley was the founder of THE EBONYS. The TTAB could not fashion declaratory relief relating to Beasley's trademark or fair use rights to use the name THE EBONYS in relation to his recordings, performances, or other goods and services.

4. The Theories of Recovery Are Not Identical

In *Athlone* the Court indicated that the assertion of differing theories of recovery in the two proceedings was not dispositive in and of itself of the claim preclusion issue. *Id.* at 984. However, in context, that statement is tempered by consideration of whether the plaintiff could have brought that theory of recovery earlier.

Here, the District Court erred by failing to distinguish between Howard's right to register, which was the only right at issue before the TTAB, and Beasley's claims of infringement and unfair competition, which are the differing claims at issue here.¹¹ In addition to common law infringement, Howard seeks recovery for unfair competition and passing off, and for false advertising, arising from Howard's misrepresentations. Again, the TTAB is not empowered to hear claims of unfair competition or false advertising, or to grant relief therefrom.

5. The Necessary Trial Evidence Is Not Identical

Although some evidence that will be presented in the civil action (i.e. evidence of Beasley's use in the 1970's) will overlap with evidence that would have been presented in the cancellation claims, a significant amount of evidence will be unique to this proceeding – for example, all evidence relating to Howard's alleged interference with Beasley's right to use; all evidence relating to Howard's misrepresentations; all evidence pertaining to Beasley's geographic scope of common law usage of hit mark, and all evidence that pertains to the channels of sale and distribution of sound recordings, including distribution via streaming services (which evidence would have been less relevant to a cancellation

¹¹ As noted previously, Appellant acknowledges that his claims directed at Howard's right to maintain his registration are precluded.

proceeding that would have focused on the services covered in Howard's registrations, namely live performances).

As noted above, overlap in evidence is not dispositive, given the tendency toward 'surplusage' in court filings. *Athlone* at 986.

D. The Inapplicability of Claim Preclusion When Plaintiffs Could Not Have Brought Certain Claims In A Prior Proceeding

In sum, the term "identity of claim" is understood to cover claims that "could have and should have" brought at the time of the first proceeding.

However, the case law shows, however, that there are two meanings given to the phrase "could have."

The District Court, by focusing only on "operative facts," and on none of the other Five *Athlone* factors, seems to understand "could have" only in terms of claim accrual without regard to jurisdictional concerns.

However, cases such as *Williamson*, *Athlone*, *In re Mullarkey*, *Jet, Inc.* and *Meenakshi*, all utilize a broader understanding of "could have" that embraces jurisdictional (and, in the case of *Athlone*, practical) concerns. Those courts asked whether the plaintiff could have *sought all relief* to which it was entitled in the first proceeding. The cases suggest an additional meaning of "could have" as "Could the plaintiff have brought these claims before the first forum?"

Here, the District Court looked solely at the overlapping assertions in Beasley's narratives, and failed to recognize that Beasley could not have brought

his unfair competition claims before the TTAB. Thus there is no identity of claims that would allow the application of claim preclusion.

VI. Issue Preclusion is Inapplicable to Appellant's Claims Under Section 43(a)(1).

A. The Elements of Issue Preclusion

Because the District Court granted Appellee's Motion to Dismiss on the ground of claim preclusion, it did not address Howard's issue preclusion arguments. APPX014. In any event, for purposes of clarity in future proceedings in this case, it would be helpful if this Court acknowledged that issue preclusion is inapplicable here because the only issues actually litigated and necessary to the determinations in TTAB One and Two are not material to the elements of Appellant's unfair competition claims.

The Third Circuit has held in a trademark context that there are:

“...four standard requirements for the application of collateral estoppel in our case law: “(1) the identical issue was previously adjudicated; (2) the issue was actually litigated; (3) the previous determination was necessary to the decision; and (4) the party being precluded from relitigating the issue was fully represented in the prior action.”

Jean Alexander Cosmetics v L'Oreal, 458 F.3d 244, 249, quoting *Henglein*, 260 F.3d at 209 (quoting *Raytech Corp.*, 54 F.3d at 190).

In *Jean Alexander*, this Court noted that the “actually litigated” and “necessary to the decision” concepts were inter-related. In short, “actually litigated” means, broadly, that a court carefully considered an issue, and indicated

in its decision that the issue was material to its determination. The Third Circuit did not accord preclusive effect to alternative grounds for the determination, as no one issue was necessary to ultimate determination. *Id.* at 250.

B. The Issues Actually Litigated and Necessary to the Determination of TTAB One and Two Were Limited And Not Material To The Claims In This Proceeding

1. The Issues in TTAB One Were Limited To The Fraud Claim

In TTAB One the Board ruled solely that Beasley's fraud claim must fail because he did not meet his burden to prove that the subjective statements contained in Howard's trademark application were materially false *and* that they were made in order to deceive the USPTO.

Howard stated in his application that he believed himself to be the owner of the mark, that he was using the mark THE EBONYS in connection with a vocal group and had been doing so since at least as early as April 17, 1998 and in commerce since at least as early as 2003, and that he believed himself to be entitled to use the mark in commerce. The declaration contained in his application stated:

The undersigned, being hereby warned that willful false statements and the like so made are punishable by fine or imprisonment, or both, under 18 U.S.C. Section 1001, and that such willful false statements, and the like, may jeopardize the validity of the application or any resulting registration, declares that he/she is properly authorized to execute this application on behalf of the applicant; he/she believes the applicant to be the owner of the trademark/service mark sought to be registered, or,

if the application is being filed under 15 U.S.C. Section 1051(b), he/she believes applicant to be entitled to use such mark in commerce; to the best of his/her knowledge and belief no other person, firm, corporation, or association has the right to use the mark in commerce, either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods/services of such other person, to cause confusion, or to cause mistake, or to deceive; and that all statements made of his/her own knowledge are true; and that all statements made on information and belief are believed to be true.¹²

To prove that Howard committed fraud on the USPTO claim, Beasley had to demonstrate that these subjective statements were knowingly false and intended to deceive the USPTO. APPX037-038.

The Board dismissed the fraud claim, finding that Beasley “failed to submit evidence showing that Respondent made a false, material representation of fact in connection with his trademark application, and that he did so with the intent to deceive the Trademark Office.” APPX038.

It is unclear from that sentence whether the Board found that Beasley had failed to show that the representations were false, or whether he failed to show that misrepresentations were made with intent to deceive the PTO, or both. In any case, neither issue is relevant to Beasley’s unfair competition claims.

¹² Howard’s application for registration was made part of the record in TTAB One and Two pursuant to Trademark Rule 2.122(b); 37 C.F.R. § 2.122(b). Appellant requests that the Court take judicial notice of this declaration (which is contained in every trademark application). *See* Federal Rule of Evidence 201(f) (“[j]udicial notice may be taken at any stage of the proceeding.”) and *In re Indian Palms Associates, Ltd.*, 61 F.3d 197, 205-06 (3d Cir. 1995) (“Any stage of the proceeding” includes appeal).

2. The Issues in TTAB Two Were Limited To The Elements of Claim Preclusion

Appellant Beasley's petition to cancel in TTAB Two was dismissed at summary judgment. APPX039-050. Beasley's responsive papers to the summary judgment motion were untimely and therefore were not considered.¹³ The only determination made by the Board was that TTAB Two shared the 'same set of transactional facts' as TTAB One. APPX048-050. As stated above, the TTAB made no factual finding regarding Beasley's priority, nor regarding any of the *DuPont* factors (the Trademark Office's multi-factor test for likelihood of confusion). The Board merely dismissed the fraud claim and the Section 2(d) claims on the ground of claim preclusion. APPX050.

C. None Of The Material Issues That Need To Be Determined In Appellant's Unfair Competition Claims Were Actually Litigated In TTAB One or Two

As noted above, the sum total of issues actually litigated and decided by the TTAB in the two proceedings pertained to fraud and claim preclusion. As discussed above, the elements of trademark infringement require plaintiff to establish its ownership of a prior trademark, and use of that mark by defendant that causes a likelihood of confusion with plaintiff's mark. Beasley's passing off and

¹³ Because Howard's motion was potentially dispositive and because Beasley had evinced the desire to oppose the motion, the Board exercised its discretion and deemed the motion to have been on the merits. TTAB Two at APPX040.

false advertising claims will involve establishing whether Howard's claims of provenance are false, and whether they suggest a false association with Beasley.

Neither TTAB One nor Two contain any findings or determinations as to priority, either party's ownership of their respective marks,¹⁴ or the various *Du Pont* likelihood of confusion factors.¹⁵

Therefore, the doctrine of issue preclusion does not apply to Beasley's District Court Complaint.

¹⁴ As an aside, Howard's ownership of his registration does not bar Beasley from pursuing infringement or passing off claims. Indeed, Beasley does not need to establish ownership of a valid trademark to pursue a passing off action under Section 43(a). *Belmora LLC v. Bayer Consumer Care AG*, 819 F.3d 697, 709 (4th Cir. 2016), citing *Kellogg v. Nat'l Biscuit Co.*, 305 U.S. 111 (1938)..

¹⁵ That certain grounds for cancelling Howard's registrations are now time-barred under Section 14 of the Act (15 U.S.C. § 1064) is not a basis for dismissing this action. Howard's ownership of a registration is not a defense against Beasley's infringement claim based on prior common law rights, and it is irrelevant to Beasley's passing off and false advertising claims.

CONCLUSION

For the foregoing reasons it is respectfully requested that this Court reverse the District Court's decision and remand the case to the District Court for further proceedings.

Respectfully submitted,

Date: June 1, 2020

/s/ Martin Schwimmer

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CERTIFICATE OF COMPLIANCE

Certificate of Compliance With Type-Volume Limit,
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This document complies with the type-volume limit of Fed. R. App. P. 32(a)(7)(B) because, excluding the parts of the document exempted by Fed. R. App. P. 32(f) this document contains 9,225 words.

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/s/ *Martin Schwimmer*
Martin Schwimmer

ELECTRONIC DOCUMENT CERTIFICATE

Pursuant to L.A.R. 31.1(c), Counsel for Appellant certifies the following:

1. The text of the electronic Brief of Appellant is identical to the text in the paper copies; and
2. A virus detection program (Windows Defender, version 4.18.2004.6) has been run on the file and no virus was detected.

/s/ Martin Schwimmer

Martin Schwimmer

CERTIFICATE OF BAR ADMISSION

Pursuant to pursuant to L.A.R. 28.3(d), counsel for Appellant certifies that the attorneys whose names appear on the Brief of Appellant are members of the Third Circuit bar or have filed an application for admission to the Third Circuit.

/s/ Martin Schwimmer
Martin Schwimmer

No. 20-1119

**UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT**

DAVID BEASLEY,

Appellant,

v.

WILLIAM HOWARD,

Appellee.

On Appeal From The United States District Court
For The District of New Jersey
Case No. 1:19-cv-1105-NLH-KMW8
Judge Noel L. Hillman

**APPENDIX – VOLUME I
(APPX001 – APPX019)**

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UNITED STATES DISTRICT COURT

DISTRICT OF NEW JERSEY

DAVID BEASLEY

Plaintiff

Civil Action No. 1:19-cv-11058

V

NOTICE OF APPEAL

WILLIAM HOWARD

Defendant

Clerk U.S. District Court

U.S. Courthouse 4th and Cooper Sts.

Camden, NJ 08101

Honorable Noel L. Hillman, USDJ

Honorable Karen M. Williams USMJ

CLERK
U.S. DISTRICT COURT
DISTRICT OF NEW JERSEY
RECEIVED
2020 JAN 15 P 3:22

PLEASE TAKE NOTICE: Notice is hereby given for the appeal to the U.S. Court of Appeals for the Third Circuit. Appeal from the Order entered to grant defendant's motion to dismiss and deny plaintiff's motions to vacate and summary judgement. The order entered in this action on the 9th day of January 2020.

/s/ David Beasley

David Beasley Plaintiff Pro-Se

January 14, 2020

UNITED STATES DISTRICT COURT

DISTRICT OF NEW JERSEY

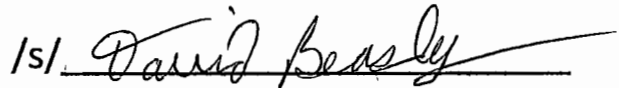
CERTIFICATION OF SERVICE

I do hereby certify that I have delivered a copy of the Notice of Appeal to all of the listed parties and courtesy copy to Honorable Judge Noel L. Hillman USDJ and Honorable Judge Karen M. Williams USMJ.

Civil Action No. 1:19-cv-11058

Clerk United States District Court
US Courthouse 4th and Cooper Sts.
Camden, NJ 08101

Frank Natoli
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On Behalf of Defendant

/s/ 

David Beasley Plaintiff Pro-Se

January 14, 2020

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

DAVID BEASLEY,

1:19-cv-11058-NLH-KMW

Plaintiff,

ORDER

v.

WILLIAM H. HOWARD,

Defendant.

THIS MATTER having been brought before the Court on Defendant William Howard's Motion to Dismiss [Docket No. 8]; the Court having considered the submissions and arguments of the parties; and for the reasons expressed in the Court's Opinion of today's date,

IT IS on this 8th day of JANUARY 2020, hereby

ORDERED that Defendant's Motion to Dismiss [Docket No. 8] be, and the same hereby is, GRANTED; and it is further

ORDERED that Plaintiff David Beasley's Motion to Vacate [Docket No. 10] be, and the same hereby is, DENIED; and it is further

ORDERED that Plaintiff's Motion for Summary Judgment [Docket No. 15] be, and the same hereby is, DENIED AS MOOT; and it is further

ORDERED that Defendant's Motion to Stay [Docket No. 19] be, and the same hereby is, DISMISSED AS MOOT; and it is finally

ORDERED that the Clerk of Court mark the above-captioned
matter CLOSED.

At Camden, New Jersey

s/Noel L. Hillman
NOEL L. HILLMAN, U.S.D.J.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

DAVID BEASLEY,

1:19-cv-11058-NLH-KMW

Plaintiff,

OPINION

v.

WILLIAM H. HOWARD,

Defendant.

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On behalf of Defendant

HILLMAN, District Judge

BACKGROUND

This case stems from Plaintiff David Beasley's allegation that Defendant William Howard violated the Lanham Act when he obtained a Federal Registration for his trademark "THE EBONYS" on July 10, 2012. Beasley alleges that he was the original founder and creator of a singing group called "The Ebonys,"

which he created on January 25, 1969, in Camden, New Jersey. Beasley asserts that he had the group originally registered in New Jersey in 1969. Beasley states that more than 25 years later, he brought Howard, who is from Memphis, Tennessee, in as a temporary member of the group. Howard knew that Beasley had created the group.

Beasley asserts that Howard eventually left the group and on July 10, 2012, obtained a Federal Registration (No. 4170469) for his trademark THE EBONYS. Beasley alleges that Howard "deceived the trademark office by registering a trademark for [Beasley's] group the Ebonys that have been performing since [Beasley] started the group fifty years ago." [Docket No. 1, at 3.] He also alleges that Howard unsuccessfully "attempted to forge[] royalty ownership" to Beasley's music and "is now lying to audiences that he is founder of the original Ebonys." [Id. at 4.]

Beasley claims that Howard's actions violated Section 1125 of the Lanham Act.¹ Beasley claims that his injuries include

¹ Section 1125 reads in relevant part:

Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which -

(A) is likely to cause confusion, or to

"not [being] able to develop a website under the name of [his] original group the Ebonys." [Id.] "When [his] group of the Ebonys are performing, William Howard sends notice and contact[s] other venues not to hire [Beasley] and [his] original Ebonys group." [Id.] Beasley alleges that this prevents him from "making a living" with the group.

Beasley requests that the Court vacate Howard's ownership of the trademark in question and grant \$500,000 in damages to Beasley "in monetary compensation for jobs, performances, and endorsements lost as a result of trademark and ownership conflicts" with respect to the group. [Id.] He also seeks leave to register ownership of the trademark with the United

cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

- (B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities,

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

15 U.S.C. § 1125(a).

States Patent and Trademark Office ("USPTO").

In his Motion to Dismiss [Docket No. 8], Howard argues that the suit is barred by the doctrines of claim and issue preclusion, as well as by Section 1064 of the Lanham Act.² Specifically, Howard argues that this action "raises the same issues and claims that were (or should have been) previously litigated in" two prior actions. The first prior action (the "First Action") was David S. Beasley v. William H. Howard DBA The Ebonys, Cancellation No. 92057071, 2014 WL 7736473 (Trademark Tr. & App. Bd. Dec. 9, 2014). The second prior action (the "Second Action") was David S. Beasley v. William H. Howard DBA The Ebonys, Cancellation No. 92066369, 2018 WL 529919 (Trademark Tr. & App. Bd. Jan 19, 2018).

On April 18, 2013, Beasley filed with the Trademark Trial and Appeal Board ("TTAB") the First Action, a Petition to Cancel Howard's THE EBONYS registration. TTAB notified Beasley that his Petition – which included as grounds for cancellation that "William Howard is not a[sic] original member or on any original recording of the Ebonys singing/performing group that was formed in 1969" and that "William Howard should not perform

² Section 1064 precludes a person from filing a petition to cancel a registration of a mark after the mark has been registered for more than five years, unless certain exceptions apply. See 15 U.S.C. § 1064. In light of the decision to dismiss this case on grounds of claim preclusion, the Court need not, and does not, address this defense.

under this name" – did not conform with TTAB requirements.

Thereafter, Beasley filed an Amended Petition on July 8, 2013, which set forth the following factual allegations:

1. The Ebonys were formed in 1969 by David Beasley/petitioner and consist of three vocalists including himself; James Tuten (deceased)[,] Clarence Vaughn and Jennifer Holmes.
2. The Ebonys were officially signed with Assorted Music Records dba Philadelphia International Records in January 1971 and continue to receive quarterly royalty statements.
3. Registrant was not and is not an original member or performed on any original live recordings of The Ebonys singing/performing group.
4. David Beasley/petitioner registered "The Ebonys" with the State of New Jersey as Class 041 in 1997.
5. David Beasley/petitioner continues to manage goods and services involving the name "The Ebonys". David Beasley/petitioner manages entertainment services in the nature of live performances by vocalist; entertainment in the nature of vocal music groups; and live performances by musical groups.
6. David Beasley/petitioner never relinquished in writing or verbally his rights of the "The Ebonys" name to registrant, any other individual and/or group to provide profit to themselves for services or goods.
7. David Beasley/petitioner continues with on-going projects as an original member/owner of the "The Ebonys".

[Docket No. 8, Attach. No. 5.]

Based on the above facts, Beasley alleged that Howard obtained the trademark by fraud on the United States Patent and Trademark Office ("USPTO"). On December 9, 2014, the TTAB

dismissed the First Action.

More than two years later, on June 28, 2017, Beasley filed the Second Action with the TTAB, seeking to cancel the same trademark. In addition to fraud, Beasley posited that the mark should be cancelled because of a likelihood of confusion as well as Beasley's priority of use. On August 7, 2017, Howard filed a Motion for Summary Judgment based on claim and issue preclusion. On January 19, 2018, the TTAB granted Howard's motion, finding that all of Beasley's allegations in the Second Action were precluded either because they were actually litigated or because they should have been litigated in the First Action. The TTAB concluded that the fraud claim had been adjudicated in the First Action and since the new claims were "based on the same transactional facts as, [they] should have been litigated, in the [First Action]." [Docket No. 8, Attach. No. 4.]

Despite a right to do so, Plaintiff did not appeal the TTAB's decisions in either the First or Second Actions. Instead, approximately fifteen months later, on April 25, 2019, Beasley filed the present Complaint [Docket No. 1]. Howard filed his Motion to Dismiss [Docket No. 8] on June 11, 2019. Beasley filed a Motion to Vacate Defendant's Motion to Dismiss [Docket No. 10], which the Court will treat as his opposition to the Motion to Dismiss, on July 3, 2019. Howard timely filed his Reply [Docket No. 13] on July 10, 2019. Howard subsequently

filed a Supplemental Brief [Docket No 14], which opposes the Motion to Dismiss, on July 11, 2019. Also pending in this case are Beasley's Motion for Summary Judgment [Docket No. 15] and Howard's Motion to Stay that Motion [Docket No. 19]. Based on the analysis below, the Court will grant the present Motion to Dismiss, thereby rendering the other pending motions moot.

JURISDICTION

The Court exercises subject matter jurisdiction over this matter pursuant to 28 U.S.C. § 1331, since this claim arises under a federal statute, the Lanham Act.

DISCUSSION

A. Standard for Motion to Dismiss

When considering a motion to dismiss a complaint for failure to state a claim upon which relief can be granted pursuant to Federal Rule of Civil Procedure 12(b)(6), a court must accept all well-pleaded allegations in the complaint as true and view them in the light most favorable to the plaintiff. Evancho v. Fisher, 423 F.3d 347, 351 (3d Cir. 2005). When considering a Rule 12(b)(6) motion, the district court shall conduct a three-step analysis. See Malleus v. George, 641 F.3d 560, 563 (3d Cir. 2011). "First, the court must 'take note of the elements a plaintiff must plead to state a claim.'" Id. (quoting Ashcroft v. Iqbal, 556 U.S. 662, 675 (2009)). "Second, the court should identify allegations that, 'because they are no

more than conclusions, are not entitled to the assumption of truth.'" Id. (quoting Iqbal, 556 U.S. at 679). Finally, the court should assume the validity of any well-pleaded factual allegations and "determine whether they plausibly give rise to an entitlement for relief." Id. (quoting Iqbal, 556 U.S. at 679).

A district court, in weighing a motion to dismiss, asks "not whether a plaintiff will ultimately prevail but whether the claimant is entitled to offer evidence to support the claim." Bell Atl. Corp. v. Twombly, 550 U.S. 544, 563 n.8 (2007) (quoting Scheuer v. Rhodes, 416 U.S. 232, 236 (1974)); see also Iqbal, 556 U.S. at 684 ("Our decision in Twombly expounded the pleading standard for 'all civil actions'"); Fowler v. UPMC Shadyside, 578 F.3d 203, 210 (3d Cir. 2009) ("Iqbal . . . provides the final nail in the coffin for the 'no set of facts' standard that applied to federal complaints before Twombly"). "A motion to dismiss should be granted if the plaintiff is unable to plead 'enough facts to state a claim to relief that is plausible on its face.'" Malleus, 641 F.3d at 563 (quoting Twombly, 550 U.S. at 570).

A court in reviewing a Rule 12(b)(6) motion must only consider the facts alleged in the pleadings, the documents attached thereto as exhibits, and matters of judicial notice. S. Cross Overseas Agencies, Inc. v. Kwong Shipping Grp. Ltd.,

181 F.3d 410, 426 (3d Cir. 1999). A court may consider, however, "an undisputedly authentic document that a defendant attaches as an exhibit to a motion to dismiss if the plaintiff's claims are based on the document." Pension Benefit Guar. Corp. v. White Consol. Indus., Inc., 998 F.2d 1192, 1196 (3d Cir. 1993). If any other matters outside the pleadings are presented to the court, and the court does not exclude those matters, a Rule 12(b)(6) motion will be treated as a summary judgment motion pursuant to Rule 56. Fed. R. Civ. P. 12(b). "The defense of claim preclusion, however, may be raised and adjudicated on a motion to dismiss and the court can take notice of all facts necessary for the decision." Toscano v. Conn. Gen. Life Ins. Co., 288 Fed. App'x 36, 38 (3d Cir. 2008). "Specifically, a court may take judicial notice of the record from a previous court proceeding between the parties." Id. The party raising the affirmative defense has the burden of establishing it. Id.

Moreover, the Third Circuit has explained that a motion to dismiss based on an affirmative defense such as res judicata is proper if the application of res judicata is apparent on the face of the complaint. Ryocline Prods., Inc. v. C&W Unlimited, 109 F.3d 883, 886 (3d Cir. 1997). But a court may properly look beyond the face of the Complaint to public records, including judicial proceedings, to resolve a 12(b)(6) motion.

B. Res Judicata

Howard asserts that this case must be dismissed because it is barred by both claim and issue preclusion, collectively known as res judicata.³ United States v. 5 Unlabeled Boxes, 572 F.3d 169, 174 (3d Cir. 2009) ("Collateral estoppel customarily refers to issue preclusion, while res judicata, when used narrowly, refers to claim preclusion. This court has previously noted that 'the preferred usage' of the term res judicata 'encompasses both claim and issue preclusion.'" (quoting Venuto v. Witco Corp., 117 F.3d 754, 758 n.5 (3d Cir. 1997))). Because the Court will grant Howard's Motion to Dismiss on the grounds that claim preclusion applies, it need not address Howard's other arguments.

1. Claim Preclusion

Claim preclusion bars "repetitious suits involving the same cause of action once a court of competent jurisdiction has

³ Beasley's Response contends that res judicata does not apply because he asserts in this forum a new claim alleging that Howard committed the criminal act of theft by deception. First, new claims may not be raised in a brief filed in response to a motion to dismiss. Even if procedurally correct, a violation of a state criminal statute does give rise to a civil tort claim unless the statute allows it or a state civil analog exists. To the extent Plaintiff may assert a state law civil tort claim based on theft, deception or fraud committed on third parties, such a claim could have been raised earlier and is therefore encompassed within the doctrine of res judicata. Lastly, even if such a claim were viable, the Court would decline to exercise supplemental jurisdiction over a state-law claim upon the dismissal of the Lanham Act claims.

entered a final judgment on the merits." United States v. Tohono O'Odham Nation, 563 U.S. 307, 315 (2011). It requires a showing that (1) there has been a final judgment on the merits in a prior suit, which involved (2) the same claim and (3) the same parties or their privies. 5 Unlabeled Boxes, 572 F.3d at 174. As for the second element, the claims need not be identical in the two suits for preclusion to apply. See Corestates Bank, N.A. v. Huls Am., Inc., 176 F.3d 187, 194 (3d Cir. 1997). In other words, claim preclusion bars "not only claims that were brought in a previous action, but also claims that could have been brought." In re Mullarkey, 546 F.3d 215, 225 (3d Cir. 2008).

The first element of claim preclusion is that there was a final judgment on the merits. Both the granting of a motion to dismiss and the granting of summary judgment constitute final judgments on the merits. See Adufemi v. City of Philadelphia, 445 Fed. App'x 610, 610 (3d Cir. 2011) (unpublished) (noting that the granting of a motion to dismiss "easily satisfie[s]" the final judgment on the merits element); Gupta v. Wipro Ltd., 749 Fed. App'x 94, 96 (3d Cir. 2018) (unpublished) (holding that the granting of summary judgment satisfies the final judgment on the merits element); Hubicki v. ACF Indus., Inc., 484 F.2d 519, 524 (3d Cir. 1973) (same).

Additionally, adjudications by federal administrative

tribunals, such as the TTAB, are accorded preclusive effect by federal courts as long as the tribunal acted "in a judicial capacity," resolved issues properly before it, and provided the party against whom estoppel is asserted with a full and fair opportunity to litigate his claims. Edmundson v. Borough of Kennett Square, 4 F.3d 186, 192 (3d Cir. 1993); see also B&B Hardware, Inc. v. Hargis Indus., Inc., 575 U.S. 138, 148 (2015) (applying issue preclusion to a TTAB decision). Here, those requirements were met by the TTAB's two decisions.

Therefore, the first element of claim preclusion is satisfied for both the First Action, in which the TTAB granted Howard's motion to dismiss, and the Second Action, in which the TTAB granted Howard's motion for summary judgment. As noted previously, neither decision was appealed. Both actions thus constitute final judgments on the merits.

The second element of claim preclusion requires that the action in question be based on the same cause of action as the previous final judgment on the merits. As noted above, this bars claims that were actually brought as well as those that could have been brought in the prior action. In determining whether this element has been met, courts look for similarities in the acts complained of and the facts alleged, the relief being sought, the theory of recovery, and the evidence necessary for trial. Davis v. Wells Fargo, 824 F.3d 333, 342 (3d Cir.

2016).

In the present case, Beasley asserts that (1) he originally founded "The Ebonys" on January 25, 1969, (2) Howard was a temporary member of group and knew that Beasley had founded the group, (3) Howard eventually left the group and then obtained a registered trademark for ownership of "The Ebonys," (4) Beasley had originally registered the group in New Jersey in 1969, (5) Howard committed fraud upon the USPTO so that it would believe that he was the creator and founder of the group, and (6) as a result of Howard's actions, Beasley has lost out on business opportunities including gigs, endorsement deals, and others. Beasley seeks cancellation of Howard's registration based on priority of use and fraud.⁴

These facts and legal theories were all actually litigated in the Second Action. There is no discernable difference between what Beasley alleges in the present case and what he alleged in the Second Action. Moreover, although Beasley did

⁴ Beasley also seeks \$500,000 in monetary damages. To the extent that he seeks to argue that, because he seeks a remedy in this action that he did not seek in the previous actions, claim preclusion should not apply, the Court disagrees. All of the elements of claim preclusion are still met here even if the remedy sought is new: there was a final judgment on the merits that involved "an essential similarity of the underlying events" and the same parties. See United States v. Athlone Indus., Inc., 746 F.2d 977, 984 (3d Cir. 1984). The monetary remedy sought by Beasley in no way precludes the Court from granting Howard's Motion to dismiss.

not argue expressly priority of use in the First Action, it is clear that he could have raised that argument at that time. As a result, there can be no doubt that the second element of claim preclusion is also satisfied here.

Finally, the third element of claim preclusion, which requires that the same parties from the past action be involved in the present action, is also satisfied. The parties in the present suit are identical to the parties in both the First and Second Actions.

Therefore, because the First and Second Actions both constitute final judgments on the merits and involved the same claims and the same parties, the present suit is barred by the doctrine of claim preclusion. On that basis, the Court will grant Howard's Motion to Dismiss.

CONCLUSION

The Court is not without some sympathy for the Plaintiff. If any of the facts alleged in his Complaint are true, it might appear inequitable for an original and founding member of "The Ebonys" to lose the trademark to a late coming invitee to a reincarnation of the original group. But this Court lacks the authority under longstanding doctrine regarding the finality of judgments to allow those claims to be re-litigated here. Plaintiff's remedy, if the decisions of the TTAB were worthy of review, was to appeal them, a course he chose not to follow.

Accordingly, the Court will grant Howard's Motion to Dismiss [Docket No. 8] and dismiss or deny the remaining pending motions. An accompanying order will issue.

January 8, 2020
DATE

s/Noel L. Hillman
NOEL L. HILLMAN, U.S.D.J.

CERTIFICATE OF SERVICE

I hereby certify that on 1st day of June, 2020, I caused the foregoing Appellant's Brief and Appendix Volume I to be electronically filed with the Clerk of the Court using the CM/ECF system, which will then send notification of Such filing (NEF) to the Appellee's counsel of record.

I further certify that seven (7) paper copies of Appellant's Brief and Appendix Volume I will be filed with the Court within the time period provided in the Court's rules.

/s/ Martin Schwimmer
Martin Schwimmer