

Recent New Jersey Court Decision Shows That You Should Carefully Consider Your Choice of Venue for Trademark Litigation

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One reason individuals and businesses register their trademarks before or shortly after they begin using the trademarked content commercially is that registration provides legal protection from other parties trying to benefit financially from the trademark owner's ideas without their consent. Legal remedies available to the trademark owner include bringing the issue before the Trademark Trial and Appeal Board (TTAB) of the United States Patent and Trademark Office and filing a lawsuit in civil court. Which should you do, or should you do both? Many trademark holders and aspiring trademark users play an ill-conceived game of chicken, threatening litigation in both venues without giving much thought to what will happen if one court decides the case while it is still pending in another court. If you are involved in a trademark dispute, contact an intellectual property lawyer.

The Milwaukee Riders Dispute

Shaf International, which makes motorcycle apparel, footwear, and accessories, owns the trademark registrations for the Milwaukee Leather and Milwaukee Performance terms and logos. Ultimate Leather, Inc., later began selling similar products bearing the words "Milwaukee Riders" and a logo similar to Shaf's trademarked logo. Shaf brought its grievance against Ultimate Leather and its owner Asad Ahmed before the TTAB in 2019, requesting that the USPTO cancel Ultimate Leather's trademark registrations for the MILWAUKEE RIDERS marks that resembled Shaf's registered marks. The discovery phase of the case closed in April 2020.

In March 2020, Shaf also filed a lawsuit against Ahmed and Ultimate Leather in federal court. As is the standard, this filing caused a stay of the TTAB proceedings. The defendants filed a motion to stay the federal case so the TTAB proceedings could reach their conclusion. Untypically, Judge Vazquez stayed the District Court case until there was a final ruling in the TTAB proceedings.

What Does This Mean For Your Trademark Litigation?

When trademark cases are proceeding simultaneously in two different venues, courts consider the following factors in deciding whether to grant a motion to stay proceedings:

- Whether a stay would serve the interests of the judicial economy
- How granting the stay might harm the non-moving party
- How denying the stay might harm the moving party

In the Milwaukee Riders case, staying the federal proceedings to allow the TTAB case to finish was the logical choice. The TTAB case was almost finished in the spring of 2020, with discovery complete and trial about to begin, while the federal case had just begun, and discovery had not even opened. With the TTAB able to dispose of some of the claims before the District Court, letting the TTAB case go forward promotes judicial efficiency and prevents duplication of effort by the parties.

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National Law Review, Volumess XI, Number 106

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