

Trademark Practice Tip: How to Settle a Trademark Opposition Proceeding and Obtain Judgment Against the Applicant After an Application is Abandoned

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Most opposition proceedings in the Trademark Trial and Appeal Board of the USPTO settle before final judgment, often based on a negotiated settlement agreement requiring the abandonment of the opposed application. In these circumstances, will judgment be entered against the applicant and in favor of opposer in the proceeding? It depends on how the settlement agreement is phrased, according to a recent [decision](#) of the TTAB on reconsideration in *Kathy Michael d/b/a Cedar Cove Inn v. Debbie Macomber, Inc.*, Opp. No. 91239859

(non-precedential). Unless the settlement agreement specifically states that the opposer expressly consents to the abandonment of the application, judgment will be entered against the applicant.

The opposer in *Macomber* entered into a settlement agreement with the applicant that included a number of substantive provisions concerning ongoing use and registration of the parties' respective marks. With respect to the opposed application, the agreement specified: "**Express Withdrawal of Application.** [Applicant] shall, by December 14, 2018, expressly withdraw pending U.S. Trademark Application No. 87586893." The Agreement did *not* include a specific provision as to how the opposition proceeding itself would be resolved.

After the settlement agreement was executed, the applicant filed a motion to abandon its application without opposer's written consent. Three days later, the TTAB entered judgment against the applicant, the opposition was sustained, and the application

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refused. So far so good for opposer.

But the next day, the applicant filed a “corrected” motion to abandon the application, this time including an allegation of opposer’s consent based on the signed settlement agreement. The Board then issued an order noting the corrected motion to abandon the application with opposer’s written consent and dismissed the opposition without prejudice. Not so good for opposer.

So the opposer filed a request for reconsideration, arguing that the Board had erred in accepting applicant’s assertion in the “corrected” motion that the signed settlement agreement constituted the required written consent to abandonment of the application that would result in a dismissal of the opposition without prejudice. On take three for the TTAB, the Board agreed that it had indeed erred by dismissing the opposition without prejudice in response to the “corrected” motion.

According to the Board, Trademark Rule 2.135 provides that after an opposition has been commenced, if the applicant files a written abandonment of its application “without the written consent of every adverse party to the proceeding, judgment shall be entered against the applicant.” The Board agreed with opposer that at no point in the settlement agreement did it provide its express consent to withdrawal of the application. According to the Board, signing the settlement agreement just “means that the parties consent to settling their dispute on the terms set forth in the agreement.”

The Board further rejected applicant’s argument that the reciprocal promises included in the settlement agreement should be construed as a consent to the withdrawal, even though the settlement agreement did in fact provide for the withdrawal of the application. In other words, just including terms in a settlement agreement requiring the applicant to withdraw the opposed application -- but without also specifying either that opposer consents to the withdrawal or that the parties agree that the opposition will be withdrawn instead of being sustained -- will not be considered the equivalent to express consent by opposer that will lead to a dismissal of the opposition without prejudice.

Here are the takeaways from the Board’s decision on reconsideration:

- If an applicant wants to withdraw its application and not have judgment entered against it in the proceeding, the settlement agreement must specifically provide that the withdrawal will be with the express consent of opposer
- One way to ensure that the parties mutually understand how an application will be abandoned is to attach an exhibit with the form of abandonment (and exact language) agreed to
- If an opposer wants to have judgment entered against the applicant, silence in a settlement agreement about whether consent will be provided to the abandonment of the application will be construed against the applicant, and opposer will be entitled to judgment sustaining the opposition.