

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

THE WEATHER UNDERGROUND,
INC.,

Plaintiff,

CIVIL ACTION NO. 09-10756

v.

DISTRICT JUDGE MARIANNE O. BATTANI

NAVIGATION CATALYST
SYSTEMS, INC.,

MAGISTRATE JUDGE VIRGINIA M.
MORGAN

Defendant.¹

ORDER
DENYING DEFENDANT'S MOTION FOR
LEAVE TO FILE COUNTERCLAIM (D/E #77)

This is an action in which plaintiff filed suit against defendant alleging cybersquatting under the Anti-Cybersquatting Consumer Protection, 15 U.S.C. § 1125(d), trademark infringement under the Lanham Act, 15 U.S.C. § 1114(1), false designation of origin under the Lanham Act, 15 U.S.C. § 1125(a), and dilution by blurring and tarnishment under the Lanham Act, 15 U.S.C. § 1125(c). Plaintiff also alleges claims of unfair competition and trademark infringement, civil conspiracy, contributory trademark infringement, and vicarious trademark infringement under Michigan law. The matter comes before the court on defendant's Motion for Leave to File a Counterclaim (D/E #77). Plaintiff filed a response to that motion (D/E #83) and

¹All of the other defendants named in the complaint; Basic Fusion, Inc., Connexus, Corp., and Firstlook, Inc., have been dismissed due to a lack of personal jurisdiction (D/E #29).

defendant filed a reply to that response (D/E #84). This court heard oral arguments on June 14, 2010 and, for the reasons stated below, it is ordered that NCS's motion be **DENIED**.

Defendant seeks to assert a counterclaim for cancellation of Plaintiff's trademark WEATHER STICKER on the basis that the term "weather sticker" has become descriptive or generic for any graphic or banner that presents weather information on a website. Pursuant to Fed. R. Civ. P. 15(a)(2), a party may amend its pleading by leave of the court and the court "should freely give leave when justice so requires." Appropriate factors to consider in determining whether to permit an amendment include: "the delay in filing, the lack of notice to the opposing party, bad faith by the moving party, repeated failure to cure deficiencies by previous amendments, undue prejudice to the opposing party, and futility of amendment." Perkins v. Am. Elec. Power Fuel Supply, Inc., 246 F.3d 593, 605 (6th Cir. 2001).

In this case, those factors weigh against granting defendants leave to file a counterclaim; thus defendants' motion is denied. While there has been no lack of notice, repeated failure to cure deficiencies or undue prejudice, defendants have unduly delayed in filing this motion and the proposed counterclaim would be futile given defendants' lack of standing. Under § 14 of the Lanham Act, 15 U.S.C. § 1064, a petition to cancel a trademark registration may only be filed by a "person who believes he is or will be damaged by the registration of a mark." Similarly, courts have held that "[a] petitioner for cancellation has standing if it pleads and proves that it has a real interest in the outcome of the proceeding, beyond that of the general public." A.V. Brands, Inc. v. Spirits Int'l, B.V., 2009 TTAB LEXIS 199, *11-13 (T.T.A.B. 2009), and that a party seeking cancellation of a trademark registration based on the fact that is generic must plead that it has used the mark in commerce in a sense and in association with the same or similar goods or

services, or it must plead that it intends to do so, Goheen Corp. v. White Co., 29 C.C.P.A. 926, 931 (1942). Here, defendant has not been damaged by the registration of a mark in light of the complaint and plaintiff's counsel representations regarding the trademarks at issue, which do not include the WEATHER STICKER trademark. Moreover, defendant does not appear to have used the mark in any domain names at issue, or in any domain names at all. Given those circumstances, defendant does not have a real interest in the WEATHER STICKER trademark and it does not possess standing to bring that counterclaim in this action. Therefore, defendant's motion for leave to add a counterclaim is denied.²

No costs to either side.

SO ORDERED.

S/Virginia M. Morgan
Virginia M. Morgan
United States Magistrate Judge

Dated: June 15, 2010

PROOF OF SERVICE

The undersigned certifies that the foregoing document was served upon counsel of record via the Court's ECF System and/or U. S. Mail on June 15, 2010.

s/Jane Johnson
Case Manager to
Magistrate Judge Virginia M. Morgan

²This court would also note that, while it does not believe that defendant has standing to pursue its proposed counterclaim or that this court is the proper forum to hear such a claim, defendant is not barred from pursuing the counterclaim in proceedings before the United States Patent and Trademark Office.