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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding no.	92063134
Party	Defendant IP Services International Inc. and Sycuan Tribal Development Corporation
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Attachments	2025-05-27 PHILIP MORRIS - PUBLIC - STDC Reply Brief_Suppl Briefing o n Jurisdiction.pdf(55616 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE
TRADEMARK TRIAL AND APPEAL BOARD**

In the matter of Trademark
Registration No. 3172861
Mark: CROSSROADS & Design
Filed: February 28, 2005
Registered: November 21, 2006

In the matter of Trademark
Registration No. 3140971
Mark: NYC CLASSIC & Design
Filed: April 25, 2005
Registered: September 12, 2006

In the matter of Trademark
Registration No. 4218677
Mark: CARPE DIEM & Design
Filed: February 15, 2011
Registered: October 2, 2012

In the matter of Trademark
Registration No. 4261884
Mark: CARPE DIEM & Design
Filed: February 15, 2011
Registered: December 18, 2012

PHILIP MORRIS USA INC.,

Petitioner,

v.

IP SERVICES INTERNATIONAL, INC.
and SYCUAN TRIBAL DEVELOPMENT
CORPORATION,

Respondents.

Cancellation No.: 92063134

**RESPONDENT SYCUAN TRIBAL
DEVELOPMENT CORPORATION'S
REPLY TO PETITIONER'S
RESPONSE TO RESPONDENT'S
SUPPLEMENTAL BRIEF ON TRIBAL
SOVEREIGN IMMUNITY**

Respondent, STDC, respectfully submits this brief in reply to Petitioner's response to STDC's supplemental brief on tribal immunity [103 and 104 TTABVUE].

I. INTRODUCTION

The three (3) arguments asserted in Petitioner's brief clearly lack merit.

First, Petitioner's argument the assignment is a "sham" is improper. The supplemental briefing is limited **solely** to the issues of whether STDC is an entity that may claim tribal immunity and, if so, whether there has been a waiver of immunity in this case. 66 TTABVUE 4. Petitioner's "sham" argument is outside the scope of these topics and should be disregarded. The

argument also lacks merit because the record shows the assignment was genuine.

Second, Petitioner submits a hodgepodge of factually incorrect and misleading arguments in support of its claim that STDC is not an arm of the Sycuan Band—none of which have any merit. Instead, the record shows STDC satisfies all of the factors under the law to be an arm of the Sycuan Band. STDC will rebut Petitioner’s position on each of those elements, below.

Third, Petitioner’s argument that STDC impliedly waived its immunity by acquiring the trademarks [REDACTED] fails as a matter of law. “It is settled that a waiver of sovereign immunity cannot be implied but must be unequivocally expressed.” *Santa Clara Pueblo v. Martinez*, 436 U.S. 49, 58 (1978). There is no waiver.

For these reasons, STDC is an arm of the Sycuan Band and thus immune from suit and there has been no waiver of that immunity in this case.

II. DISCUSSION

A. Petitioner's Claim the Assignment is a “Sham” is Improper and Lacks Merit

The supplemental briefing is limited “solely to the issues of whether Sycuan TDC is an entity that may claim tribal sovereign immunity and, if so, whether there has been a waiver of any such immunity in this case.” 66 TTABVUE 4-5. Petitioner’s “sham” argument is clearly outside the scope of these topics and should be disregarded.

The Board’s previous ruling sustained STDC’s objections on topics related to the circumstances surrounding the assignment and the consideration paid for the trademarks on the grounds that these topics go beyond the scope of the ordered jurisdictional discovery. The Board stopped Petitioner from conducting discovery on these topics, ruling they were “beyond the scope” of the permissible discovery and sustaining STDC’s objections thereto, as follows:

- Interrogatory No. 6: Describe in detail all facts and circumstances relating to the reason the Purported Assignment Agreement was signed by IP Services only.

- Interrogatory No. 7: Describe in detail all facts and circumstances relating to the stated “right, title and interest” received by Sycuan in and to each of the Disputed Marks under the Purported Assignment Agreement.
- Interrogatory No. 8: Describe in detail all facts and circumstances relating to the stated “good and valuable consideration” referenced in the Purported Assignment Agreement.
- Interrogatory No. 10: Describe in detail all facts and circumstances relating to any relationship between the persons at Sycuan on the one hand and IP Services on the other hand who were involved in discussions which culminated in the Purported Assignment Agreement.
- RFP No. 7: Produce all documents relating to the stated “right, title and interest” received by Sycuan in and to each of the Disputed Marks under the Purported Assignment Agreement.
- RFP No. 8: Produce all documents relating to the stated “good and valuable consideration” referenced in the Purported Assignment Agreement.
- RFP No. 9: Produce all documents which reflect any communication within Sycuan regarding the assignment of the Disputed Marks from IP Services to Sycuan.

STDC objected to these requests and refused to answer on the grounds they were “beyond the scope” of the limited, jurisdiction discovery. The Board agreed with STDC and denied Petitioner’s motion to compel STDC to respond to these requests, ruling: “Respondent Sycuan TDC’s ‘beyond the scope’ objections to Interrogatory Nos. 6–8 and 10, and Document Request Nos. 7–9 are SUSTAINED. Petitioner has not sufficiently shown how the information sought is relevant to the issues of whether Sycuan TDC is an entity that may claim tribal sovereign immunity and, if so, whether there has been a waiver of any such immunity in this case. As a result, the Board finds that the requests go beyond the scope of the ordered jurisdictional discovery. Accordingly, Petitioner’s motion to compel supplemental responses to Interrogatory Nos. 6–8 and 10, and Document Request Nos. 7–9, is DENIED.” 74 TTABVue 7

Yet, Petitioner continues to improperly argue the assignment is a sham because the written assignment “does not include any terms of a purchase, such as a purchase price, or any evidence whatsoever of consideration that IP Services received for the assignment”, and [REDACTED]

[REDACTED]

[REDACTED] 103 TTABVUE 3-6. Consistent with the Board’s previous order, STDC submits the Board should disregard this argument as outside the scope of the Board’s order.

Petitioner’s argument also lacks merit because the record shows the assignment was genuine. STDC paid consideration for the trademarks, [REDACTED]. Deposition of Troy Graves (“Graves Depo.”), 102:18-103:12 and 163:16-164:17. (A true and correct copy of the Graves Depo. was submitted by Petitioner as Exhibits 2 and 4.) Despite this testimony, Petitioner incorrectly asserts that STDC [REDACTED]. See footnote 4 to Petitioner’s Brief. 103 TTABVUE 6. The record shows STDC had a genuine intent to make and sell cigarettes before obtaining the trademarks. [REDACTED]

[REDACTED] (Graves Depo., 13: 11 – 23.) Mr. Graves also testified that STDC has been engaged in the smoke shop/cigarette business well before it acquired these trademarks in March 2018, and that after STDC acquired the marks, it purchased equipment for the manufacture of cigarettes and was in the process of leasing space for a facility. 58 TTABVUE 14. Further, Petitioner enumerates “the classic elements of an assignment which does not affect jurisdiction” (103 TTABVUE 2), but fails to demonstrate that any of these elements are even met.

Based on the foregoing, Petitioner’s comparison of STDC’s acquisition of the trademarks to the deal between Allergan and St. Regis Mohawk Tribe, where Allergan paid money to the tribe to take ownership of the Restasis drug patent is clearly false. *Allergan, Inc. v. Teva Pharmaceuticals USA, Inc.*, 2017 WL 4619790 (E.D. Tex. 2017). Moreover, the trial court’s ruling which Petitioner relies upon was not published by the court, and not mentioned on appeal.

See *St. Regis Mohawk Tribe v. Mylan Pharms., Inc.*, 896 F.3d 1322 (Fed. Cir. 2018). Instead, the key issue to the Federal Circuit was whether the proceeding was an “adjudicative proceeding” prosecuted by a private party against a sovereign entity in which case tribal sovereign immunity applies, and the factors considered in making that determination were set forth by the Supreme Court in *Federal Maritime Commissioner v. South Carolina State Ports Authority*, 535 U.S. 743 (2002) (FMC). The “sham” argument was not mentioned.

B. STDC is Clearly an Arm of The Sycuan Band and Thus Immune

The record shows STDC satisfies all of the factors under the law to be an arm of the Sycuan Band. STDC will rebut Petitioner’s position on each of those elements, below.

1. Method of Creation

Petitioner asserts this factor weighs against extending tribal immunity to STDC because [REDACTED] [REDACTED]....” (103 TTABVUE 8). Petitioner is wrong for at least two reasons. First, as set forth in the first declaration submitted by Mr. Graves in this case, STDC was [REDACTED] [REDACTED] [REDACTED] (54 TTABVUE 57-58.) Thus, Petitioner’s argument is incorrect.

Second, the fact STDC [REDACTED] does not weaken its position. It strengthens it. [REDACTED] [REDACTED]

[REDACTED] These corporations are treated as immune under federal law. See *Amerind Risk Management Corp. v. Malaterre*, 633 F.3d 680, 685 (8th Cir. 2011) (recognizing that “[s]everal courts have recently recognized that § 477 corporations [i.e., tribal corporations chartered under section 17 of the Indian Reorganization Act (25 U.S.C. § 5124 [formerly cited as 25 U.S.C. § 477]),] are entitled to tribal sovereign immunity” and citing

Memphis Biofuels, LLC v. Chickasaw Nation Indus., Inc., 585 F.3d 917, 920-921 (6th Cir. 2009); *Bales v. Chickasaw Nation Indus.*, 606 F. Supp. 2d 1299, 1304 (D.N.M. 2009); and *Sanchez v. Santa Ana Golf Club, Inc.*, 136 N.M. 682, 104 P.3d 548, 551 (2004)).

2. The Purpose of STDC

Petitioner admits the purpose of STDC as stated in its charter satisfies the arm of the tribe analysis but [REDACTED]

[REDACTED]. This argument lacks merit for at least two reasons. First, Petitioner’s argument overlooks the fact that STDC [REDACTED] [REDACTED]. See 54 TTABVUE 71-74. If and when these assets are sold, the financial benefit will go to the Band because [REDACTED]

[REDACTED] 53 TTABVUE Exhibit 4C.

Second, whether [REDACTED] is not determinative of whether it is an arm of the tribe. Petitioner does not cite to any authority which mandates that an arm of the tribe [REDACTED] Rather, it is the “purpose” of the entity that matters. Here, STDC’s purpose shows it is an arm of the Sycuan Band.

Petitioner’s reliance on *People v. Miami Nation Enters.*, 2 Cal. 5th 222 (2016) is misplaced for at least two reasons. First, the doctrine of tribal immunity is exclusively a matter of *federal law* and is “not subject to diminution by the States.” *Kiowa Tribe of Oklahoma v. Manufacturing Technologies, Inc.*, 523 U.S. 751, 756 (1998). California may not alter the test. Second, the tribal entities there were created solely, or even primarily, to protect and enrich a non-tribe member. *People v. Miami Nation Enters.*, 2 Cal. 5th 222, 234–35. There is absolutely no evidence STDC was created solely, or even primarily, to protect and enrich a non-tribe

member. Petitioner's citation to *People v. Miami Nation Enters.* is disingenuous (at best).

3. STDC's Structure, Ownership and Management

Petitioner mistakenly asserts this factor does not support STDC because [REDACTED]

[REDACTED] That argument lacks merit. [REDACTED]

Petitioner also incorrectly argues that Mr. Graves' role as a STDC board member and a witness for STDC weakens STDC's argument because [REDACTED]

103 TTABVUE 10. That argument lacks merit. [REDACTED]

[REDACTED] (Graves Depo., 9:24 to 11:9.) [REDACTED]

[REDACTED] (Graves Depo.,

10:11-17, and 11:4-9.)

4. The Sycuan Band Intends to Share its Immunity With STDC

Petitioner weakly argues the record does not support a finding the Band intended to share its immunity with STDC. Petitioner is clearly wrong. [REDACTED]

[REDACTED] Clearly, the Band understood and

intended for STDC to share in the Band's immunity. Moreover, the declaration of Joshua Muse only reconfirms what is obvious – the Band always intended for STDC to share in the Band's

immunity. Joshua Muse is a member of the Band, and was personally involved and active during the creation of STDC and is on the Board. His testimony as to the intent of the Band is persuasive. Petitioner's suggestion otherwise totally lacks merit.

5. The Financial Relationship Between the Sycuan Band and STDC

Petitioner again incorrectly argues here that STDC should not be treated as an arm of the tribe because [REDACTED], which is the same incorrect argument Petitioner made on element #2, above, the purpose of STDC. As stated above, whether [REDACTED] is not determinative on the issue. The important point is that STDC [REDACTED]. If and when STDC sells assets, the Band will benefit. Petitioner's hypothetical questions about [REDACTED] [REDACTED] [REDACTED] here (103 TTABVUE 14), are irrelevant, hypothetical questions that have no bearing on the issue.

C. Petitioner's Argument That STDC Impliedly Waived its Sovereign Immunity by Acquiring the Trademarks Fails as a Matter of Law

Petitioner's argument that STDC impliedly waived its immunity by acquiring the trademarks with [REDACTED] fails as a matter of law. "Nothing short of an express and unequivocal waiver can defeat the sovereign immunity of an Indian nation." *Am. Indian Agric. Credit Consortium, Inc. v. Standing Rock Sioux Tribe*, 780 F.2d 1374, 1379 (8th Cir. 1985). Plaintiffs bear the burden of proving there was an express waiver. *Amerind Risk Mgmt. Corp. v. Malaterre*, 633 F.3d 680, 685 (8th Cir. 2011).

Moreover, to be valid, a waiver must be officially authorized *in accordance with the entity's governing documents*. *Memphis Biofuels*, 585 F.3d at 920–21. Here, as discussed in STDC's opening brief, STDC's governing documents require waivers to be duly considered and

passed by a resolution of STDC's board. In this case, STDC's board took no such action.

Petitioner's argument that STDC automatically waived its immunity when it acquired the trademarks because the mark were the subject of this proceeding is the sort of "waiver-by implication" that was rejected in *Santa Clara Pueblo, Standing Rock Sioux*, and many other decisions. Likewise, in *Amerind Risk Management Corp.*, the court held that a sovereign entity does not waive its immunity simply because it takes an assignment of rights from a non-immune party. *Id.* at 686, n.7; see also *Maysonet-Robles v. Cabrero*, 323 F.3d 43, 49-50 (1st Cir. 2003) (holding that immune governmental agency did not waive its immunity by stepping into the shoes of a non-immune litigant in federal court).

Against this backdrop, Petitioner's reliance upon *Wichita & Affiliated Tribes of Oklahoma v. Hodel*, 788 F.2d 765, 773 (D.C. Cir. 1986), *United States v. State of Oregon*, 657 F.2d 1009 (9th Cir. 1981), and *C & L Enterprises, Inc. v. Citizen Band Potawatomi Indian Tribe of Oklahoma*, 532 U.S. 411 (2001) is clearly misplaced. In those cases, the court held that the Indian tribes had expressly waived their immunity. In *Wichita & Affiliated Tribes of Oklahoma v. Hodel*, the tribes *voluntarily intervened* as defendants which the court found was an express waiver. *Id.* at 773. In *State of Oregon*, the tribe intervened in the suit to protect its treaty fishing rights and had expressly agreed to submit such issues to federal court. 657 F.2d at 1016. In *C & L Enterprises, Inc.*, the tribe agreed to submit the dispute to arbitration and that any arbitration award could be converted to a state court judgment. 532 U.S. at 419-20. Here, STDC did not voluntarily intervene in the litigation, nor did it expressly agree to submit disputes to the TTAB.

Petitioner's reliance on *Aquinnah/Gay Head Cmty. Ass'n, Inc. v. Wampanoag Tribe of Gay Head (Aquinnah)*, 989 F.3d 72, 82 (1st Cir. 2021) is also misplaced. There, the tribe chose to litigate the merits of the dispute in court for years, including appeals. Here, STDC promptly

filed its motion for summary judgment upon being added to this case.

Petitioner's citations to cases, like *CBS Inc. v. Man's Day Publ'g Co., Inc.*, 205 USPQ 470, 477 (TTAB 1980), which state, as a general proposition, an assignee steps into the shoes of the assignor, are not probative to issues here. Tribal immunity was not an issue.

Petitioner's reliance on *Elem Indian Colony of Pomo Indians of the Sulphur Bank Rancheria v. Ceiba Legal, LLP*, 230 F. Supp. 3d 1146 (N.D. Cal. 2017) is also misplaced. There, the tribe filed a complaint in federal court. *It was the plaintiff.*

III. CONCLUSION

For the foregoing reasons, STDC respectfully requests the Board grant STDC's motion to dismiss for lack of subject matter jurisdiction. 54 TTABVUE.

Dated: May 27, 2025

Respectfully submitted,

/Phillip C. Samouris/

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CERTIFICATE OF SERVICE

I hereby certify that a true and complete copy of the RESPONDENT SYCUAN TRIBAL DEVELOPMENT CORPORATION'S REPLY TO PETITIONER'S RESPONSE TO RESPONDENT'S SUPPLEMENTAL BRIEF ON TRIBAL SOVEREIGN IMMUNITY in Cancellation No. 92063134 was served on May 27, 2025 via email to:

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