

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NORTH DAKOTA
NORTHWESTERN DIVISION

Energy Heating, LLC, an Idaho limited liability company; Rocky Mountain Oilfield Services, LLC, an Idaho limited liability company,

Plaintiff/Counterclaim Defendants,

vs.

Heat On-The-Fly, LLC, a Louisiana limited liability company, and Super Heaters North Dakota, a North Dakota limited liability company,

Defendants,

and

Heat On-The-Fly, LLC, a Louisiana limited liability company,

Counterclaimant.

Heat On-The-Fly, LLC, a Louisiana limited liability company,

Third-Party Plaintiff/Counterclaim Defendant,

vs.

Marathon Oil Corporation,

Third-Party Defendant/
Counterclaimant.

Civil Case No. 4:13-cv-10

**Order on Issues Addressed in
Court's Pretrial Hearing of
August 17, 2015**

INTRODUCTION

On August 17, 2015, a hearing was held to address several pretrial issues raised by the parties. Those issues include: whether the Plaintiffs' claim that the term "Heat on-The-

Fly” is not a valid trademark is a justiciable question properly before the court; whether the jury will be asked to decide whether Heat On-The-Fly is generic; whether the Defendants may argue that the term is suggestive if the Plaintiffs are allowed to argue the term is generic; whether Defendants may argue that the trademarked term is suggestive; whether the court’s finding that the trademarked term is descriptive shifts to Defendants’ the burden of proof on the issue of secondary meaning; and whether Defendants may call Willie Kelly as a rebuttal witness.

DISCUSSION

I. Whether the Plaintiffs’ claim of invalidity is justiciable.

The Plaintiffs’ request for declaratory judgment on the validity of the Heat On-The-Fly Trademark properly states a case in controversy triable in this court.¹ Defendants have made no ironclad assurances that the validity of the trademark will never be asserted or alleged.

II. Whether the issue of the trademark’s genericness is appropriately before the court.

Paragraph 24 of the Second Amended Complaint² contains language that alleges the elements of claim that the trademark is generic. This paragraph is re-alleged at paragraphs 33 and 36.

¹ See, e.g., *Interstate Bakeries Corp. v. Interstate Brands Corp.*, 751 F.3d 955, 960 -61 (8th Circuit 2014) (distinguishing *Already, LLC v. Nike, Inc.*, _____ U.S. _____, 133 S.Ct.721 at 728 184 L. Ed. 2d 553 (2013) (“where a covenant not to sue made it absolutely clear that allegedly unlawful activity could not reasonably be expected to recur”); *Green Edge Enterprises, LLC, v. Rubber Mulch Etc., LLC*, 620 F.3d 1287, 1301 fn.4).

² Doc. #283.

III. Whether Defendants may argue that the term, Heat On-The-Fly is suggestive.

The court has found the term, Heat On-The-Fly to be a descriptive term that may not be validly trademarked unless it has secondary meaning. To allow the Defendant to argue that the term is suggestive would conflict with the court's earlier finding and would likely confuse the jury.³

IV. Whether Defendants have the burden of proving secondary meaning by the greater weight of the evidence.

When a registered trademark is found to be descriptive, the party asserting the validity of the trademark has the burden of proving that the term has acquired secondary meaning.⁴ The court has found as a matter of law that the phrase "Heat On-The-Fly" is descriptive. Although Plaintiffs have the burden of proving that the term is generic, Defendants have the burden of proving that the term has secondary meaning, and thus is not merely descriptive.

V. Whether Defendants may call Willie R. Kelly as a rebuttal witness.

The anticipated testimony of Willie R. Kelly is purely rebuttal to testimony Plaintiffs intend to offer regarding communications to Triangle Oil and the effect of those statements on Plaintiffs' business relationships and contracts. The Plaintiffs had notice of Mr. Kelly and the purported relevance of his testimony. His testimony can hardly be a surprise.

³ "The distinction between suggestive and descriptive trademarks, and thus between inherently distinctive and nondistinctive trademarks," according to the Eighth Circuit in Stuart Hall Co., Inc., v. AMPAD Corp., 51 F.3d 780, 785-86 (8th Cir. 1995), was delineated in Abercrombie & Fitch v. Hunting World, Inc., 537 F.2d 4, 9 (2nd Cir. 1976) (a case in which the court stated: "A term is suggestive if it requires imagination, thought and perception to reach a conclusion as to the nature of goods. A term is descriptive if it forthwith conveys an immediate idea of the ingredients, qualities, or characteristics.").

⁴ Lovely Skin, Inc. v. Ishtar Skin Care Products, LLC, 745 F.3d 877, 883 (8th Cir. 2014); Nola Spice Designs, L.L.C., v. Haydel Enterprises, Inc., 783 F.2d 527 (5th Cir. 2015).

Defendant is allowed to call Mr. Kelly as a witness if his testimony is relevant as rebuttal testimony.⁵

Date this 17th day of August , 2015.

/s/ Ralph R. Erickson
Ralph R. Erickson, Chief Judge
United States District Court

⁵ Accord Life Plus International v. Brown, 317 F.3d 799, 803 (8th Cir. 2003).