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UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
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Mailed: January 5, 2011

Opposition Nos. **91169074 (parent)**
91162692
91165288
91167122

Cococare Products, Inc.

v.

E.T. Browne Drug Co., Inc.

Before Kuhlke, Wellington and Wolfson, Administrative Trademark Judges

By the Board:

These consolidated proceedings now come up for consideration of opposer's pending motions for summary judgment based on an appellate disposition[1] of a civil action between the parties[2] pertaining to two of applicant's registrations[3] not involved in any of the consolidated proceedings. The motions have been fully briefed.

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[1] *E.T. Browne Drug Co. v. Cococare Products, Inc.*, 538 F.3d 185, 87 USPQ2d 1655 (3d Cir. 2008).

[2] *E.T. Browne Drug Co., Inc. v. Cococare Products, Inc.*, Civil Action No. 03-cv-5442, in the United States District Court for the District of New Jersey.

[3] Registration No. 2459321 (registered June 12, 2001) for PALMER'S COCOA BUTTER FORMULA for "personal care products, namely, lip balm, body wash, body oil, moisturizing lotions and creams, skin creams, massage cream, toilet soap, liquid soap, facial creams, moisturizing breast creams for nursing mothers, hand creams, suntan oil cream, fade cream, non-

Background

Between 2004 and 2006, opposer Cococare Products, Inc. ("Cococare") instituted a series of oppositions against applications for marks owned by E.T. Browne Drug Co., Inc. ("Browne").[4] As early as February 2005, the parties sought to

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medicated skin ointments, skin nourishing moisturizing fluids" in International Class 3 and "diaper rash ointment" in International Class 5, with a claim of acquired distinctiveness as to COCOA BUTTER FORMULA. Section 8 affidavit accepted.

Registration No. 2464760 (registered June 26, 2001) on the Supplemental Register for COCOA BUTTER FORMULA for "personal care products, namely, lip balm, body wash, body oil, moisturizing lotions and creams, skin creams, massage cream, toilet soap, liquid soap, facial creams, moisturizing breast creams for nursing mothers, hand creams, suntan oil cream, fade cream, non-medicated skin ointments, skin nourishing moisturizing fluids" in International Class 3. Section 8 affidavit accepted.

[4] Opposition No. 91162692 (filed October 26, 2004) against application Serial No. 78328367 (filed November 14, 2003) for COCOA BUTTER FORMULA in standard characters with a claim of acquired distinctiveness as to the mark for "personal care products, namely, lip balm, body wash, body oil, moisturizing lotions and creams, skin creams, massage cream, toilet soap, liquid soap, facial creams, moisturizing breast creams for nursing mothers, non-medicated diaper rash cream, hand creams, suntan oil cream, fade cream, non-medicated skin ointments, skin nourishing moisturizing fluids, skin firming lotion, and non-medicated scar serum" in International Class 3 with a date of first use anywhere and in commerce of 1975.

Opposition No. 91165288 (filed May 19, 2005) against application Serial No. 76400753 (filed April 24, 2002) for COCONUT OIL FORMULA in typed form with a claim of acquired distinctiveness to the mark as a whole as well as a disclaimer of COCONUT OIL for "hair shampoo, hair conditioner" in International Class 3 with a date of first use anywhere and in commerce of February 6, 1974.

Opposition No. 91167122 (filed October 24, 2005) against application Serial No. 78428932 (filed June 2, 2004) for PRESSING OIL FORMULA in standard characters with a claim of acquired distinctiveness to the mark as a whole as well as a disclaimer of PRESSING OIL for "Hair care products, namely, conditioners, pomades, hair styling and setting gels, hair sheen gel, hair moisturizers, hair shaping wax, hair relaxer cream, hair treatment for dry and breaking hair, hair balm, and hair nourishing preparations" in International Class 3 with a date of first use anywhere and in commerce of 1980.

Opposition No. 91169074 (filed February 7, 2006) against application Serial No. 78428936 (filed June 2, 2004) for BERGAMOT FORMULA in standard characters with a claim of acquired distinctiveness to the mark as a whole as well as a disclaimer of BERGAMOT for "Hair care products, namely, conditioners, pomades, hair styling and setting gels, hair sheen gel, hair moisturizers, hair shaping wax, hair relaxer cream, hair treatment for dry and breaking hair, hair balm, and hair nourishing preparations" in

suspend these proceedings pending disposition of the aforementioned civil action between the parties. In view thereof, the Board suspended proceedings. Upon conclusion of the District Court action (but prior to its appeal), opposer filed a motion for judgment on the pleadings and, alternatively, for summary judgment in all four oppositions based on the District Court's decision that "cocoa butter formula" is a generic designation for personal care and beauty aid products formulated with cocoa butter.[5]

The District Court's ruling was appealed to the Third Circuit and, in view thereof, proceedings before the Board were again suspended. On February 16, 2007, the Board consolidated the four proceedings designating Opposition No. 91169074 as the "parent" proceeding and maintained the suspension pending final disposition of the civil action.

The Third Circuit rendered its decision on August 5, 2008, reversing the District Court's grant of summary judgment on the ground of genericness. The Third Circuit Court also determined that "cocoa butter formula" has not acquired distinctiveness, and therefore granted summary judgment to Cococare on the basis that Browne lacks a

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International Class 3 with a date of first use anywhere and in commerce of 1981.

[5] Since only one of the oppositions concerns the use of "cocoa butter formula," opposer sought to extend the applicability of the District Court's ruling to the marks in the remaining oppositions by arguing that the coupling of a product ingredient with the term "formula" results in a generic term.

protectable trademark interest in the term. One week later, Cococare filed a copy of the Third Circuit decision as well as its second motion for summary judgment as to the mark COCOA BUTTER FORMULA in Opposition No. 91162692.

Since the Third Circuit remanded the civil action back to the District Court to address opposer's request for relief under Trademark Act § 37, 15 U.S.C. § 1119, the Board deferred consideration of opposer's motions until final disposition by the District Court. That disposition came on January 20, 2009, and a copy of the Court's decision was filed with the Board by opposer on January 28, 2009, along with opposer's request to take up consideration of the deferred motions.

Disposition of Opposition Nos. 91169074, 91165288 and 91167122

As a matter of housekeeping, we first address opposer's motion (filed October 5, 2006) for judgment on the pleadings/summary judgment filed on the basis of the District Court's original finding of genericness. As that finding has been reversed, opposer's motion is **MOOT** and will be given no further consideration. This brings the Board to opposer's second motion for summary judgment based on the Third Circuit's decision. As it is clear from the motion that the marks in Opposition Nos. 91169074, 91165288 and 91167122 are not implicated, proceedings are **RESUMED** as to these

proceedings in accordance with the schedule set forth at the end of this order.

Opposer's Motion for Summary Judgment in Opposition No. 91162692

Turning then to opposer's motion and its request for relief as to Opposition No. 91162692 involving the mark COCOA BUTTER FORMULA, opposer asserts that the Third Circuit "found that the very designation whose registrability is in issue in Opp. No. 91,162,692 – namely, cocoa butter formula – had failed to acquire secondary meaning despite long use of the designation" and based on this finding, requests that the Board "deny registration of[] Serial No. 78,328,367 for cocoa butter formula on the grounds that the designation lacks secondary meaning" pursuant to the Third Circuit's decision. *Opposer's Submission of Court Decision in Civil Action and Motion for Summary Judgment in Favor of Opposer* ("*Opposer's Motion*"), pp. 1-2.

In response, applicant argues that the Third Circuit did not make any such determination but instead determined that applicant "had *not submitted sufficient evidence* of secondary meaning with respect to the COCOA BUTTER FORMULA mark to create an issue of fact." *Applicant's Opposition to Opposer's Motion for Summary Judgment* ("*Applicant's Response*"), p. 1 (emphasis in original). Applicant contends that the Third Circuit had not determined that "secondary

meaning could never be acquired or shown" and that the Third Circuit's decision "clearly leaves open the possibility that [COCOA BUTTER FORMULA] is capable of acquiring secondary meaning." *Applicant's Response*, p. 2. Applicant further submits that it will agree "to an order that it abandon its application Serial No. 78328367 for COCOA BUTTER FORMULA, and dismissing the present opposition without prejudice as to COCOA BUTTER FORMULA." *Id.*

In reply, opposer argues that applicant's contention that the Third Circuit's decision leaves open the possibility that applicant may prove secondary meaning for "cocoa butter formula" sometime in the future is erroneous in that the Third Circuit decision "made it a legal impossibility for Applicant to obtain a Principal Registration for 'cocoa butter formula'" and that to dismiss this opposition without prejudice "would strip the Third Circuit's decision of any meaningful impact on the marketplace." *Opposer's Reply in Further Support of its Motion for Summary Judgment in Favor of Opposer* ("*Opposer's Reply*"), pp. 2-3.

Summary judgment is an appropriate method of disposing of cases in which there are no genuine issues of material fact in dispute and the moving party is entitled to judgment as a matter of law. *See* Fed. R. Civ. P. 56(c). The party moving for summary judgment bears the initial burden of demonstrating the absence of any genuine issue of material

fact and that it is entitled to judgment as a matter of law. *See Celotex Corp. v. Catrett,* 477 U.S. 317 (1986). A factual dispute is genuine if, on the evidence of record, a reasonable fact finder could resolve the matter in favor of the non-moving party. *See, Opryland USA Inc. v. Great American Music Show Inc.*, 970 F.2d 847, 23 USPQ2d 1471, 1472 (Fed. Cir. 1992); *Olde Tyme Foods, Inc. v. Roundy's, Inc.*, 961 F.2d 200, 22 USPQ2d 1542, 1544 (Fed. Cir. 1992).

The evidence must be viewed, however, in a light most favorable to the non-moving party, and all reasonable inferences are to be drawn in the non-movant's favor. *Lloyd's Food Products, Inc. v. Eli's, Inc.*, 987 F.2d 766, 25 USPQ2d 2027, 2029 (Fed. Cir. 1993); *Opryland USA*, *supra*. The Board may not resolve issues of material fact; it may only ascertain whether issues of material fact exist. *See, Lloyd's Food Products*, 987 F.2d at 766, 25 USPQ2d at 2029; *Olde Tyme Foods*, 961 F.2d at 200, 22 USPQ2d at 1542.

I. Standing

As a threshold matter, we must first determine if opposer has standing to bring this opposition against applicant. In order to have standing, a plaintiff must have a real interest in the proceeding and a reasonable basis for its belief of damage. *See Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999). To the extent that opposer was a defendant in a civil action between the parties

involving a designation that applicant seeks to register in this proceeding, opposer is no mere inter-meddler and, therefore, has standing. *See Domino's Pizza, Inc. v. Little Caesar Enterprises, Inc.*, 7 UPSQ2d 1359 (TTAB 1988).

II. Claim Preclusion and Issue Preclusion

We now reach the question of the prior civil action's effect, if any, on the disposition of this proceeding. We first consider the doctrine of claim preclusion wherein a final judgment "on the merits" of a claim (i.e., cause of action) in a proceeding serves to preclude, in a subsequent proceeding between the parties or their privies, the relitigation of the same claims that were raised or could have been raised in the prior action. *International Nutrition Co. v. Horphag Research, Ltd.*, 220 F.3d 1325, 1328, 55 USPQ2d 1492, 1494 (Fed. Cir. 2000). Thus, a subsequent suit is barred by claim preclusion if: 1) there is identity of parties (or their privies); 2) there has been an earlier final judgment on the merits of a claim; and 3) the second claim is based on the same set of transactional facts as the first. *Jet, Inc. v. Sewage Aeration Systems*, 223 F.3d 1360, 1362, 55 USPQ2d 1854, 1856 (Fed. Cir. 2000).

There is no question that the parties in this proceeding are identical to those in the civil action and that there has been a final judgment on the merits in the prior proceeding. The main question here is whether the claim in this

proceeding is based on the same set of transactional facts as the claim in the civil action. In that regard, we initially note that the pleadings in the civil action are not of record so our consideration of the claim is accordingly limited to what we can glean from the written decisions of the District Court and the Third Circuit. With that being said, we do not find claim preclusion to be applicable to opposer's claim in this proceeding as the claims in each proceeding differ. *See, e.g., Domino's Pizza, Inc. v. Little Caesar Enterprises, Inc.*, 7 USPQ2d 1359 (TTAB 1988). Specifically, opposer's claim in the civil action, brought by way of counterclaim to cancel applicant's Supplemental registration for COCOA BUTTER FORMULA and to amend applicant's Principal registration for PALMER'S COCOA BUTTER FORMULA to disclaim COCOA BUTTER FORMULA, is based on genericness, whereas opposer's claim in this opposition proceeding is based on mere descriptiveness and no acquired distinctiveness against an application for registration. As the claims are manifestly distinct, there can be no claim preclusion based on the prior civil action.

On the other hand, issue preclusion may still be available in a subsequent proceeding to preclude the relitigation of issues litigated in a prior proceeding between the parties (or their privies), notwithstanding the fact that the claims in the two proceedings may differ. *See Jet, Inc. v. Sewage Aeration Systems*, 223 F.3d 1360, 1365-66,

55 USPQ2d 1854, 1858-59 (Fed. Cir. 2000). Issue preclusion requires: 1) identity of an issue in a prior proceeding; 2) that the identical issue was actually litigated; 3) that determination of the issue was necessary to the judgment in the prior proceeding; and 4) the party defending against preclusion had a full and fair opportunity to litigate the issue in the prior proceeding. *Id*.

In the civil action, the Third Circuit considered the question of whether COCOA BUTTER FORMULA had acquired distinctiveness in relation to various personal care products. Since COCOA BUTTER FORMULA resides on the Principal Register as part of PALMER'S COCOA BUTTER FORMULA under a claim of acquired distinctiveness, applicant has "accept[ed] a lack of distinctiveness [in its mark] as an established fact." *Yamaha International Corp. v. Hoshino Gakki Co.*, 840 F.2d 1571, 6 USPQ2d 1001, 1005 (Fed. Cir. 1988). Therefore, the issue the Court necessarily had to decide was whether COCOA BUTTER FORMULA had acquired distinctiveness, because "even assuming [COCOA BUTTER FORMULA] is descriptive, this term must have a secondary meaning to be protectable." *E.T. Browne Drug Co. v. Cococare Products, Inc.*, supra, at 189. There is no question that this issue was actually litigated as "the parties to the original action disputed the issue and the trier of fact resolved it." *Mother's Restaurant, Inc. v. Mama's Pizza,*

Inc., 723 F.2d 1566, 1570, 221 USPQ 394, 397 (Fed. Cir. 1983)(quoting *Continental Can Co. v. Marshall*, 603 F.2d 590, 596 (7th Cir. 1979)). Further, there is nothing to suggest, and applicant does not claim otherwise, that it did not have a full and fair opportunity to litigate the issue. Therefore, the only remaining question as to the preclusive effect of the civil action is whether there is an identity of issue.

In this proceeding, applicant seeks to register COCOA BUTTER FORMULA for various personal care products on the Principal Register under a claim of acquired distinctiveness. As in the registration for PALMER'S COCOA BUTTER FORMULA in the civil action, the claim of acquired distinctiveness of COCOA BUTTER FORMULA in the mark was based on a statement of substantially exclusive and continuous use in commerce for at least the five years immediately before the date of the statement. Although COCOA BUTTER FORMULA was coupled with the term PALMER'S in the civil proceeding, that is of no event as the Third Circuit unequivocally noted that the civil action "focuses on the term 'Cocoa Butter Formula,' not on the registered trademark 'Palmer's Cocoa Butter Formula.'" *E.T. Browne Drug Co. v. Cococare Products, Inc.*, 538 F.3d 185, 197 (3d Cir. 2008). As we can perceive no material

distinction[6] between the issue litigated in the civil action and the issue in this proceeding, we find that there is an identity of issue and that application of issue preclusion is appropriate.

In view thereof, opposer's motion for summary judgment on the basis that applicant's mark COCOA BUTTER FORMULA is descriptive and has not acquired distinctiveness is hereby **GRANTED**. Judgment is entered against applicant, the opposition in Opposition No. 91162692 is sustained and registration as to application Serial No. 78328367 is refused.[7]

[6] Questions of secondary meaning in the context of an estoppel inquiry must necessarily consider the passage of time. *See Neapco, Inc. v. Dana Corp.*, 12 USPQ2d 1746, 1747 (TTAB 1989). Although the issue of whether a particular designation has acquired secondary meaning is determined on the basis of facts existing as of the time registrability is being considered up to the close of testimony in an opposition proceeding, *see General Foods Corp. v. MGD Partners*, 224 USPQ 479, 486 (TTAB 1984), applicant has failed to submit any evidence or otherwise argue that COCOA BUTTER FORMULA has acquired distinctiveness since the time the issue was considered in the civil proceeding, so as to distinguish the issues in the two proceedings.

[7] While our decision is with prejudice, as Judge Rich observed, trademark rights "are like ocean beaches; they shift around. Public behavior may affect them." Rich, *Trademark Problems As I See Them – Judiciary*, 52 Trademark Rep. 1183, 1185 (1962). This is particularly true concerning questions of secondary meaning. As one court noted, "[t]he issue of whether *res judicata* bars relitigating the issue of secondary meaning [] is a difficult one [as there] are no cases which expressly demarcate a minimum time that must elapse before a defendant can re-litigate the issue of secondary meaning." *Test Masters Educational Services, Inc. v. Singh*, 428 F.3d 559, 76 USPQ2d 1865 (5th Cir. 2005), cert. denied, 126 S. Ct. 1662, 164 L. Ed. 2d 397 (U.S. 2006). Indeed, the Board has previously observed that "when the circumstances upon which a prior holding was based may no longer prevail or where significant intervening events may have occurred, the operation of the doctrine of collateral estoppel may be put aside in a subsequent proceeding between the same parties." *Haymaker Sports, Inc. v. Turian*, 197 USPQ 32, 39 (TTAB 1977), aff'd on point, rev'd on other grounds, 581 F.2d 257, 198 USPQ 610 (CCPA 1978).

Proceedings are resumed as to the remaining oppositions and dates are reset in accordance with the schedule below:

Answer Due	**2/3/2011**
DISCOVERY PERIOD TO CLOSE:	**7/2/2011**
30-day testimony period for plaintiff to close	**9/30/2011**
30-day testimony period for defendant to close	**11/29/2011**
15-day rebuttal period for plaintiff to close:	**1/13/2012**

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