

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

jk/mb

Mailed: March 25, 2010

Opposition No. 91184529

Georgia-Pacific Consumer
Products LP

v.

Global Tissue Group, Inc.

Jennifer Krisp, Interlocutory Attorney:

This proceeding is before the Board for consideration of 1) applicant's motion to amend its answer to add counterclaims, 2) applicant's motion to compel, and 3) applicant's motion to extend discovery, all of which were filed November 25, 2009. The motions are fully briefed.¹

The Board may resolve a motion filed in an inter partes proceeding by telephone conference. See Trademark Rule 2.120(i)(1); TBMP 502.06(a) (2d ed. rev. 2004). On March 23, 2010, the Board convened a telephone conference to resolve the issues presented in the motions. Participating were opposer's counsel Charlene Marino, Esq., applicant's counsel Glenn Schroeder, Esq., and the assigned interlocutory attorney.

Applicant's Motion to Amend its Answer

¹ As the Board notified the parties prior to scheduling the conference, the Board heard, during the conference, applicant's arguments in reply in connection with its motions to amend and for an extension of discovery.

Applicant seeks leave to file its first amended answer to the amended notice of opposition. By way of its first amended answer, applicant seeks to assert counterclaims 1) to cancel five of opposer's pleaded registrations on the ground of abandonment, 2) to cancel four of opposer's pleaded registrations on the ground of mere descriptiveness, and 3) to assert that thirteen of opposer's registrations should be cancelled unless a disclaimer of the term QUILTED or QUILTS is entered.

Amendments to pleadings in inter partes proceedings before the Board are governed by Fed. R. Civ. P. 15, made applicable to Board proceedings by operation of Trademark Rule 2.116(a). After a responsive pleading has been filed, a party may amend its pleading only by written consent of every adverse party, or by leave of the Board. Leave shall be freely given when justice so requires. See Fed. R. Civ P. 15(a). The Board liberally grants leave to amend pleadings at any stage of a proceeding when justice so requires, unless entry of the proposed amendment would violate settled law or be prejudicial to the rights of the adverse party or parties. See TBMP § 507.01 (2d ed. rev. 2004). See also *Hurley International LLC v. Volta*, 82 USPQ2d 1339, 1341 (TTAB 2007). Where the moving party seeks to add a new claim or defense, and the proposed pleading thereof is legally insufficient, or would serve no useful purpose, the Board normally will deny the motion for

leave to amend. *See Octocom Systems Inc. v. Houston Computer Services Inc.*, 918 F.2d 937, 16 USPQ2d 1783, 1785 (Fed. Cir. 1990).

The timing of a motion for leave to amend under Fed. R. Civ. P. 15(a) is a factor in determining whether the adverse party would be prejudiced by allowance of the proposed amendment. The motion should be filed as soon as any ground for such amendment becomes apparent. *See Commodore Electronics Ltd. v. CBM Kabushiki Kaisha*, 26 USPQ2d 1503, 1505 (TTAB 1993). To support a motion to amend, the moving party need not prove the allegations in its pleadings; it is only necessary that such party allege facts sufficient to state a claim upon which relief may be granted. *Polaris Industries Inc. v. DC Comics*, 59 USPQ2d 1798, 1799 (TTAB 2000).

Counterclaims in an opposition proceeding are specifically addressed in Trademark Rule 2.106(b)(2)(i), which states that a compulsory counterclaim for cancellation of a pleaded registration shall be pleaded with or as part of the answer, if known at the time the answer is filed, or promptly after the grounds therefor are learned, if not known at the time the answer is filed. *See* TBMP §313.04 (2d ed. rev. 2004), and cases cited therein. A counterclaim to cancel a registration owned, but not pleaded, by an adverse party is a permissive counterclaim. *See* TBMP §313.05 (2d ed. rev. 2004).

While applicant arguably was in possession of the information it needed in order to form a basis to assert its counterclaims to cancel far earlier than the week before the close of discovery, the discovery period, nevertheless, has not closed, and nearly all, if not all, of the information and documents opposer requires to defend or otherwise address the proposed counterclaims are in opposer's possession. It is recognized that the record does not reflect that applicant is seeking to amend in bad faith. It is also recognized that the period during which this proceeding was suspended, pending disposition of opposer's earlier motion to compel, does not equate to delay that can be attributed solely to applicant. *See, e.g., Commodore Electronics Ltd.*, 26 USPQ2d at 1506 (TTAB 1993) (no undue delay in view of pending motion for summary judgment and discovery was still open when motion was filed).

Furthermore, with respect to specific prejudice to opposer, opposer has not articulated whether and how defending the counterclaims would require it to expend significant additional resources in conducting discovery and/or preparing for trial. Any potential or significant prejudice to opposer in this regard can be mitigated by a reopening or extension of discovery. *See Space Base, Inc. v. Stadis Corp.*, 17 USPQ2d 1216, 1217 (TTAB 1990).

Finally, the Board, while recognizing the delay in seeking to amend to assert the counterclaims,

nevertheless finds that the interests of justice and judicial economy would best be served by allowing the main claims and the counterclaims to be adjudicated in one proceeding. *See See's Candy Shops Inc. v. Campbell Soup Co.*, 12 USPQ2d 1395, 1397 (TTAB 1989).

Turning to the sufficiency of the proposed counterclaims, regarding what applicant identifies as counterclaims for abandonment, asserted against opposer's Registration Nos. 2872813, 2957128, 3170713, 2933048 and 3069376, this ground is not sufficiently pled. These counterclaims are set forth as follows:

48. Global Tissue requests that Reg. No. 2,872,813 be cancelled on the ground that it has been abandoned. Georgia-Pacific's mark has never been used in commerce on or in connection with its registered goods as the alleged mark on the specimen provided to the USPTO, as well as the alleged mark being used in commerce, does not match the mark in the drawing of the application.

54. In the alternative, Global Tissue requests that Reg. No. 2,957,128 be cancelled on the ground that it has been abandoned. Georgia-Pacific's mark has never been used in commerce on or in connection with its registered goods as the alleged mark on the specimen provided to the USPTO, as well as the alleged mark being used in commerce, does not match the mark in the drawing of the application.

60. In the alternative, Global Tissue requests that Registration No. 3,170,713 be cancelled on the ground that it has been abandoned. Georgia-Pacific's mark has never been used in commerce or in connection with its registered goods as the specimen provided to the USPTO, and the alleged mark being used in commerce, does not match the application.

68. In the alternative, Global Tissue requests that Reg. No. 2,933,848 (sic) be cancelled on the ground that it has been abandoned. Georgia-Pacific's mark has never

been used in commerce on or in connection with its registered goods as the alleged mark on the specimen provided to the USPTO, as well as the alleged mark being used in commerce, does not match the mark in the drawing of the application.

76. In the alternative, Global Tissue requests that Reg. No. 3,069,376 be cancelled on the ground that it has been abandoned. Georgia-Pacific's mark has never been used in commerce or in connection with its registered goods as the alleged mark on the specimen provided to the USPTO, as well as the alleged mark being used in commerce, does not match the mark in the drawing of the application.

As explained during the conference, to the extent that applicant intends that these counterclaims set forth the ground of abandonment under Trademark Act Section 45, the counterclaims are insufficiently pled, and to the extent that applicant intends that these counterclaims set forth the ground of abandonment due to nonuse, the counterclaims are insufficiently pled. Accordingly, while not futile, these counterclaims are not sufficiently set forth. As stated below, the Board allows applicant the opportunity to replead these counterclaims so as to more clearly state, and to put opposer on adequate notice of, the basis therefor.

With respect to the proposed counterclaims to cancel Opposer's Registration Nos. 2957128, 3170713, 2933048 and 3069376, based on descriptiveness under Trademark Act Section 2(e)(1), said counterclaims are not futile and are sufficiently set forth.

Concerning the counterclaims seeking the entry of a disclaimer of a term in each of opposer's Registration Nos. 2933048, 3069376, 2968615, 3463900, 3463899, 3018501,

3293547, 3463460, 2980757, 3642378, 3517622, 3642213, and 3532136,² applicant alleges, with respect to each registered mark, that a term therein (either QUILTED or QUILTS) is descriptive, that such term should be disclaimed, and "that the registration be cancelled unless such a disclaimer is entered." The Board has the authority to cancel a registration, in whole or in part, under Trademark Act §18. See *Wellcome Foundation Ltd. v. Merck & Co.*, 46 USPQ2d 1478, 1479 (TTAB 1998); *Kellogg Co. v. Pack'Em Enterprises, Inc.*, 14 USPQ2d 1545, 1549 (TTAB 1990). Accordingly, these counterclaims are not futile, and are sufficiently set forth.

In summary, applicant's motion to amend is granted to the extent indicated herein.

Regarding payment of the required statutory fees for instituting counterclaims, although Page 25 of applicant's first amended answer includes a reference to such payment, said reference is incomplete; moreover, the Office records do not reflect the submission of such fees. See Trademark Rule 2.106(b)(2)(iii); TBMP § 313.02 (2d ed. rev. 2004).

Lastly, applicant's first amended answer is not signed. See TBMP § 507.01 (2d ed. rev. 2004).

Inasmuch as it is the policy of the Board to allow a party to amend its pleading for the purpose of addressing

² With respect to these counterclaims, and the others asserted in applicant's motion, the Board notes, and the parties acknowledged during the conference, that none of opposer's registrations which applicant seeks to counterclaim to cancel are incontestable in this proceeding. See TBMP 313.03 (2d ed. rev. 2004).

specific deficiencies noted therein, applicant is allowed thirty days from the mailing date of this order in which to 1) file, and serve on opposer, an executed, amended answer which addresses, by deletion or amendment, the deficiencies in its counterclaims, as appropriate,³ and 2) submit the required counterclaim fees, as appropriate, failing which applicant's first amended answer (filed November 25, 2009) to the amended notice of opposition will be given no further consideration. Upon receipt of applicant's filing and submission, the Board will determine applicant's operative answer to the amended notice of opposition, will set opposer's time to answer the counterclaims asserted therein, and will issue a trial schedule which accounts for applicant's position as counterclaimant, as appropriate.

Applicant's Motion to Compel, and Motion to Extend Discovery

In its motion to compel, applicant seeks an order compelling 1) the appearance for deposition of six noticed deponents, including opposer's designee under Fed. R. Civ. P. 30(b)(6); 2) production of a trademark search report for the mark "IT'S ALL IN THE QUILTING;" and 3) production of documents related to a cancellation proceeding⁴ and civil litigation⁵ with a third party.⁶

³ Applicant should also address its references to "Reg. No. 2,933,848," inasmuch as this references a registration not owned by either party to this proceeding.

⁴ Cancellation No. 92051438 captioned *Kimberly-Clark Corporation v. Georgia-Pacific Consumer Products LP*.

Depositions

Applicant seeks an order requiring opposer to make available for deposition six individuals, including Andrew Towle who was noticed both in his capacity as a witness under Fed. R. Civ. P. 30(b)(6) and as opposer's employee.

In the conference, opposer clarified that its 30(b)(6) designee, Mr. Towle, can speak with respect to all of the subjects identified in the notices of deposition, and applicant did not identify subjects on which only an individual or individuals other than Mr. Towle have information.

In view thereof, applicant's request to conduct all six requested depositions is denied. Applicant's motion is granted as modified, with respect to the deposition of opposer's designee. Accordingly, opposer shall make its Fed. R. Civ. P. 30(b)(6) designee, Mr. Andrew Towle, available for depositions, as designee and as witness, within forty-five days from the mailing date of this order.

Search Report

Trademark search reports are discoverable but the comments or opinions related to the reports are privileged, unless

⁵ *Georgia-Pacific Consumer Products LP v. Kimberly-Clark Corporation, Kimberly-Clark Global Sales, Inc., and Kimberly-Clark Worldwide, Inc.*, pending in the U.S. District Court for the Northern District of Illinois, Case No. 09-CV-2263, after being transferred from Civil Action No. 1:09-cv-371-BMM filed with the U.S. District Court in the Northern District of Georgia ("District Court case").

⁶ The Board notes that applicant's motion to compel is timely, includes a copy of the written discovery at issue, and is supported by efforts on its part to confer, through correspondence, with counsel for opposer in a good faith attempt to resolve the issues presented in the motion. See Trademark Rule 2.120(e)(1).

waived. See TBMP § 414(6) (2d ed. rev. 2004); *Goodyear Tire & Rubber Co. v. Tyrco Industries*, 186 USPQ 207, 208 (TTAB 1975); *Amerace Corp. v. USM Corp.*, 183 USPQ 506, 507 (TTAB 1974) (attorney comments on search report or prosecution of application are privileged).

Applicant's motion is granted. Opposer is directed, within thirty days of the mailing date of this order, to produce the requested search report for the mark IT'S ALL IN THE QUILTING.

Documents Related to Civil Litigation

Applicant seeks documents pertaining to the District Court case, and Cancellation No. 92051438, to which opposer is a party. Although information about litigation between a responding party and third parties based on the responding party's mark is discoverable, "the only information which must be provided with respect to a legal proceeding is the names of the parties thereto, the jurisdiction, the proceeding number, the outcome of the proceeding, and the citation of the decision (if published)." See TBMP § 414(10) (2d ed. rev. 2004), and cases cited therein.

Inasmuch as applicant is already apprised of the names of the parties, the jurisdiction, and the proceeding number, as demonstrated by Attachments K and L to its motion, and the District court and cancellation proceedings are on-going, the motion to compel is denied with respect to documents related to the District Court case, and Cancellation No. 92051438.

The Board reiterated that should a party fail to include responsive, discoverable information and/or documents, the party will be precluded from introducing or relying on such information or documents at trial. See, e.g., *Johnston Pump/General Valve Inc. v. Chromalloy American Corp.*, 10 USPQ2d 1671, 1677 (TTAB 1988); *Vignette Corp. v. Marino*, 77 USPQ2d 1408, 1411 fn. 4 (TTAB 2005).

Schedule

Proceedings are hereby resumed. Discovery and trial dates are reset as follows:⁷

Discovery Closes	5/28/2010
Plaintiff's Pretrial Disclosures	7/12/2010
Plaintiff's 30-day Trial Period Ends	8/26/2010
Defendant's Pretrial Disclosures	9/10/2010
Defendant's 30-day Trial Period Ends	10/25/2010
Plaintiff's Rebuttal Disclosures	11/9/2010
Plaintiff's 15-day Rebuttal Period Ends	12/9/2010

In each instance, a copy of the transcript of testimony, together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

⁷ Inasmuch as the Board has deemed it necessary to allow applicant time in which to address deficiencies in its first amended answer, and to accommodate the time allowed to opposer to take actions in accord with the partial granting of applicant's motion to compel, the Board extends the discovery period. Accordingly, the motion to extend is granted.

Opposition No. 91184529

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.