

ESTTA Tracking number: **ESTTA338713**

Filing date: **03/23/2010**

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

Proceeding	91184529
Party	Defendant Global Tissue Group, Inc.
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Date	03/23/2010
Attachments	Reply to GP's Opp. to Mot. for Leave to Amend Answ.pdf (15 pages)(569412 bytes)

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

GEORGIA-PACIFIC CONSUMER PRODUCTS LP,)	
Opposer,)	Opposition No.: 91184529
v.)	
GLOBAL TISSUE GROUP, INC.)	
Applicant.)	

**REPLY TO GEORGIA-PACIFIC’S OPPOSITION TO
MOTION FOR LEAVE TO AMEND ANSWER**

Following the TTAB teleconference of March 23, 2010, Global Tissue hereby submits its reply to Georgia-Pacific’s Opposition to Applicant Global Tissue Group’s Motion for Leave to Amend Answer.

**I. GEORGIA-PACIFIC’S RECITATION OF THE
RELEVANT FACTS IS MISLEADING**

As it has done throughout this proceeding, Georgia-Pacific continues to allege that Global Tissue has improperly delayed this proceeding by engaging in a “pattern of obstructionist delay tactics designed to subvert this proceeding.” Inasmuch as Hoffmann & Baron has only been involved in this proceeding since November 2009, the Declaration of Andrew Katz, Global Tissue’s formal counsel, is attached as Exhibit A to address such allegations. As stated by Mr. Katz, the previous extensions of the discovery period resulted from actions taken by Georgia-Pacific – not Global Tissue. For example, Georgia-Pacific’s recitation of the facts concerning the deposition of Philip Shaoul and

the subsequent Motion to Compel conveniently fails to mention that this Board upheld many of the objections raised by Global Tissue. Georgia-Pacific's suggestion that the Board ruled 100% in its favor regarding this earlier Motion to Compel is simply not true.

Georgia-Pacific states that Global Tissue's Request for Leave to Amend was a "last-minute request" because counsel for Global Tissue contacted counsel for Georgia-Pacific on November 17, 2009, "a year after obtaining Georgia-Pacific's written discovery responses and only *two weeks* before the close of discovery." This statement is extremely misleading because Georgia-Pacific's documents were not actually produced until June 2009. In fact, it was not until June 17, 2009 that Georgia-Pacific completed its document production by providing Global Tissue with a required document chart. In addition, Georgia-Pacific fails to mention that these proceedings were suspended from July 15, 2009 to September 9, 2009. Accordingly, the actual time between the date when these proceedings were reinstated and the date when Global Tissue first advised Georgia-Pacific of its intention to request leave to amend its answer is approximately 2½ months – not one year. Finally, Georgia-Pacific's statement that it was advised of Global Tissue's intention only two weeks before the close of discovery is not understood. Georgia-Pacific was made aware of Global Tissue's intention as soon as possible, and during the ongoing discovery period.

Georgia-Pacific also states that counsel for Global Tissue "did not identify any newly-acquired facts or evidence giving rise to these new counterclaims" during the telephone conversation of November 17, 2009. This argument misses the point. The November 17, 2009 telephone call was made as a courtesy to Georgia-Pacific's counsel.

The bases for the new counterclaims are set forth in Global Tissue’s moving papers¹, as well as the counterclaims themselves.

**II. GEORGIA-PACIFIC’S ARGUMENT AND
AUTHORITY FAIL TO SUPPORT ITS POSITION**

Georgia-Pacific relies on *Trek Bicycle* for its argument that leave shall be freely granted “when justice so requires, unless entry of the proposed amendment would be prejudicial to the rights of the adverse party or would violate settled law.” Georgia-Pacific notes in the parenthetical following the citation of *Trek* that such decision denied a Motion to Amend. However, what is not discussed in the parenthetical (or elsewhere for that matter) is that the motion in *Trek* was filed by the Opposer – not by the Applicant. Georgia-Pacific also fails to mention that the Opposer in *Trek* had the necessary information nine months before it filed the opposition, and then waited an additional eight months to file its Motion for Leave to Amend. Moreover, as noted by the Board in *Trek*, the Opposer’s Motion for Leave to Amend was completely silent about the issue of delay, as was its reply brief, despite Applicant having raised such arguments in its opposition papers. In view of all of those facts, the Board denied the Opposer’s Motion for Leave to Amend.

It is clear that the facts of *Trek* are quite different from the facts of this proceeding, namely that the motion in the present proceeding was filed by the Applicant, that the Applicant in the present proceeding is subject to the compulsory counterclaim rule, that the Applicant in the present proceeding was not in possession of the information prior to the time of the filing of the opposition, and that the Applicant’s papers in the

¹ The Board is respectfully directed to Pages 6-7 of Global Tissue’s moving papers.

present proceeding have not been silent about the issue of delay. In sum, Georgia-Pacific's reliance upon *Trek Bicycle* is misplaced.

A. Global Tissue could not reasonably have plead a counterclaim prior to reviewing Georgia-Pacific's 32,000+ pages of documents.

Georgia-Pacific repeatedly argues in its opposition paper that Global Tissue was aware of the grounds in the proposed counterclaims at the time it filed its answer. This argument is incorrect in at least two respects. First, despite Georgia-Pacific's blanket statement that Global Tissue was aware of the grounds for the proposed counterclaims at the time it filed its answer, and its discussion regarding the allegations of descriptiveness, Georgia-Pacific never discusses how Global Tissue was aware of the abandonment allegations at the time it filed its Answer.² Second, there is a legal difference between asserting an affirmative defense and pleading a counterclaim. The latter requires a consideration of the obligations of Rule 11 of the Federal Rules of Civil Procedure, the former does not. This point is discussed by the CAFC in *Vitaline Corp. v. General Mills Inc.*, 13 U.S.P.Q. 2d 1172 (Fed. Cir. 1989). In that case, the Applicant (despite having certain information in its possession) argued that "it could not reasonably have alleged abandonment until after June 1987 when the Miller deposition was taken." Although the Federal Circuit did not have to address the Rule 11 issue in the case (because the Applicant waited approximately one year following the deposition to set forth the abandonment claim), the Federal Circuit did acknowledge that pleading certain claims

² Georgia-Pacific's citation of the *No Fear, Inc.* for the proposition that "new argument raised for the first time in reply briefs are ignored" is not understood. In that case, the TTAB reviewed the reply brief and stated that it was not helpful. It did not state that new arguments raised for the first time in reply briefs are ignored. Georgia-Pacific has misstated the holding of this decision.

might require certain discovery. See also “Chapman, “TIPS FROM THE TTAB: AMENDING PLEADINGS: THE RIGHT STUFF,” 81 TMR 302, 306 (1991) (defendant must show that the grounds for the counterclaim were not known at the time the answer was originally filed, or if known at that time, not enough facts were known to make allegations as required by FRCP 11).

As specifically stated in Global Tissue’s moving papers, it was only after review of the 32,000+ pages of documents produced by Georgia-Pacific, such documents not being fully produced until June 17, 2009, and not being considered until reinstatement of the current proceedings by the TTAB Order of September 9, 2009, that Global Tissue believed that it had a reasonable basis to assert the counterclaims alleging that several of Georgia-Pacific’s marks are descriptive.³ Moreover, it was only after review of the 32,000+ pages of documents that Global Tissue could confirm that Georgia-Pacific had never used the mark shown in the drawings or its applications in commerce.⁴

Finally, Georgia-Pacific argues that eight of the registrations identified in the new counterclaims were not relied upon in the Notice of Opposition, but are nonetheless time-barred. This argument is not understood. Is it Georgia-Pacific’s position that the compulsory counterclaim rule applies to registrations not plead in the Notice of Opposition? The *Long John Silver’s Inc.* decision cited by Georgia-Pacific clearly does

³ Georgia-Pacific’s argument that Global Tissue should have plead its counterclaims before considering the 32,000+ pages of documents produced by Georgia-Pacific, and/or before considering the evidence/documents introduced into the Kimberly-Clark proceedings, suggests that Global Tissue should simply have ignored the provisions of Rule 11. Global Tissue has not, and will not, file pleadings and/or make allegations unless it believes it has satisfied its obligation under Rule 11.

⁴ A *prima facie* case of abandonment is established where the registered mark has never been used in commerce on or in connection with the goods and/or services identified in the registration. *Imperial Tobacco Ltd. v. Philip Morris Inc.*, 899 F.2d 1575, 14 U.S.P.Q. 2d 1390 (Fed. Cir. 1990). See also *The Proctor & Gamble Co. v. Sentry Chemical Co.*, 22 U.S.P.Q. 2d 1589 (T.T.A.B. 1992); *The Colonial Williamsburg Foundation v. The Williamsburg Store, Inc.*, 2009 WL 391629 (T.T.A.B. 2009) (non-precedential).

not support such an argument in that the case involved a request by the Opposer to add eight additional marks and one additional registration to the proceeding after the close of discovery. The TTAB determined that the Applicant in *Long John Silver's* would have been prejudiced by the introduction of the new marks into the proceeding because it had not taken any discovery in that regard. Those facts are clearly distinct from the facts at hand.

B. Georgia-Pacific has Failed to Demonstrate Prejudice

Georgia-Pacific argues that it would suffer prejudice if Global Tissue is permitted to amend its answer to include the counterclaims set forth in its moving papers, and cites *Black & Decker Corp. v. Emerson Electric Co.*, 84 U.S.P.Q.2d 1482 (T.T.A.B. 2007) and T.B.M.P. §507.02(a) in support of its argument.

Georgia-Pacific reliance upon the *Black & Decker* decision is misplaced in that such decision involved a motion for leave to amend filed by the Opposer (not the Applicant) – the motion being filed after the close of the trial. The facts at hand are quite distinct from the facts of *Black & Decker*, namely, that discovery is still ongoing in the present proceeding, that the motion in the present proceeding was filed by the Applicant, that the Applicant in the present proceeding is subject to the compulsory counterclaim rule, and that the trial period in the present proceeding has not yet begun – let alone be concluded.

Georgia-Pacific argues that it “long ago completed discovery”, and apparently would be prejudiced in some manner by the addition of counterclaims. However, they

fail to explain how they would be prejudiced because the counterclaims which Global Tissue seeks to add to this proceeding involve information/evidence already in the possession of Georgia-Pacific. For example, the allegations that several of the marks have been abandoned concerns information in Georgia-Pacific's possession – not in Global Tissue's possession. As for the allegations of descriptiveness, Georgia-Pacific's defense of such claims would not require any information from Global Tissue. However, in the event that Georgia-Pacific did require information/discovery from Global Tissue regarding such claims, Global Tissue would certainly cooperate with such requests.

Georgia-Pacific cites two cases in support of its argument of prejudice. The first cited case is *International Finance Corporation v. Bravo Co.*, 64 U.S.P.Q.2d 1597 (T.T.A.B. 2002). The parenthetical following the citation of this case states: “motion denied where although discovery still open, movant provided no explanation for two-year delay in seeking to add new claim.” This is a clear misstatement of the facts of this case. As stated at headnote 3 on page 1604 of the decision, “the Board finds that Applicant would suffer prejudice if Opposer is permitted to add a dilution claim long *after the close of discovery*” (emphasis added). Thus, *International Finance* is simply another case where the motion was filed after the close of discovery. In addition, the *International Finance* decision involved a motion filed by the Opposer – not the Applicant – and therefore the compulsory counterclaim rule was not at issue. The citation of this case by Georgia-Pacific is extremely misleading.

Next, Georgia-Pacific cites *Black & Decker*, noting that a motion to amend was denied when filed outside of the discovery period because of potential prejudice to the

other side. As discussed hereinabove, the facts of *Black & Decker* are clearly distinct from the facts of the present proceeding.

In sum, Georgia-Pacific has failed to cite even a single case denying an Applicant's Request for Leave to Amend the Answer when such request was filed during the discovery period.

C. A Motion for Leave to Amend is Not a Motion for Summary Judgment

As recognized by Georgia-Pacific, a party seeking to amend its Answer must set forth a legally sufficient pleading. In other words, Global Tissue "need only allege in its amended pleadings such facts as would, if proven, establish both its standing to challenge [Georgia-Pacific's] right to registration and a...statutory ground for [cancellation of the registration]. *Commodore Elecs. Ltd.*, 26 U.S.P.Q.2d 1503, 1506 (T.T.A.B. 1993).

However, rather than argue that the proposed counterclaims are legally insufficient, Georgia-Pacific has taken the position that such counterclaims are futile because Global Tissue will not be able to overcome the evidence to be offered by Georgia-Pacific. Stated differently, Georgia-Pacific has attempted to transform this Motion for Leave to Amend into a Motion for Summary Judgment. This approach is clearly improper, and should be rejected by the Board.

In particular, Georgia-Pacific's paper addresses the facts underlying the actual allegations by arguing that Global Tissue will not be able to overcome any alleged acquired distinctiveness in Georgia-Pacific's use of "quilted" in its QUILTED marks. Georgia-Pacific's paper includes statements regarding its sales and advertising. Georgia-

Pacific also cites *Cold War Museum, Inc. v. Cold War Air Museum, Inc.*, ___ F.3d ___, 2009 WL 3644936, *2 (Fed. Cir. 2009) in support of its position that a presumption of validity attaches to its §2(f) claim of distinctiveness.⁵

In sum, Georgia-Pacific argues in its opposition paper that the proposed counterclaims are futile because, in its opinion, its evidence regarding sales and advertising is indisputable. As will be recognized by the Board, this is not the test for legal sufficiency. There can be no doubt but that Global Tissue’s proposed counterclaims satisfy the “legal sufficiency” prong of the test set forth in *Commodore Elecs. Ltd.* Georgia-Pacific’s arguments regarding the weight of its evidence properly belong in its final Brief – not in this Motion.

Finally, Georgia-Pacific’s paper is silent with respect to the legal sufficiency of the proposed counterclaim regarding abandonment. Accordingly, it must be assumed that it is not challenging the legal sufficiency of those claims.

⁵ It should be noted that this case was not decided on the pleadings or even by summary judgment – it was decided after a complete opposition proceeding, including an appeal to the Federal Circuit.

III. CONCLUSION

In sum, the counterclaims could not reasonably have been plead prior to reviewing Georgia-Pacific's 32,000+ pages of documents, there would be no undue prejudice to Georgia-Pacific in allowing these counterclaims to be added to this proceeding, and the counterclaims are legally sufficient on their face. Accordingly, Applicant respectfully requests the Board to grant its motion for leave to amend.

Dated: March 23, 2010

Respectfully submitted,



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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this date, March 23, 2010, a copy of the foregoing REPLY GEORGIA-PACIFIC'S OPPOSITION TO MOTION FOR LEAVE TO AMEND ANSWER was served upon the Opposer, by email and by U.S. mail, to Opposer's current identified counsel, as set forth below:

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R. Glenn Schroeder

EXHIBIT A

**BEFORE THE UNITED STATES
TRADEMARK TRIAL AND APPEAL BOARD**

GEORGIA-PACIFIC CONSUMER
PRODUCTS LP,

Opposer,

v.

GLOBAL TISSUE GROUP, INC.,

Applicant.

Opp. No. 91184529
Serial No. 77/364616

**DECLARATION OF ANDREW B. KATZ, ESQ. IN SUPPORT OF APPLICANT'S
REPLY TO OPPOSER'S OPPOSITION TO MOTION FOR LEAVE TO AMEND**

I, ANDREW B. KATZ, declare as follows:

1. I am over 18 years of age and competent to testify to the matters set forth below.
2. I served as attorney of record for Global Tissue Group, Inc. ("GTG") in the above-captioned Opposition proceeding ("the Opposition") involving Georgia-Pacific Consumer Products LP ("GP") from the filing of the Notice of Opposition through late October 2009.
3. I have reviewed GTG's Motion for Leave to Amend its Answer and GP's Opposition thereto ("Opposition to Motion"). Opposer's statement that GTG engaged in obstructionist and delay tactics during discovery is utterly false. Opposition to Motion at 2.
4. To my knowledge, every dispute between the parties in this Opposition has been undertaken in good faith. Indeed, it was and has always remained the primary interest of GTG to reach a resolution on the merits of this case as quickly as possible.
5. Specifically, to the falsity of Opposer's mischaracterization of GTG's attempt to obstruct or delay this proceeding, I note:

a. The “timely served notices of deposition” referred to at page 3 of the Opposition to Motion were actually served at the latter end of the first discovery period and without any prior discussion as to the availability of the witnesses that GP sought to depose. GP knew this at the time because it had waited until the end of the discovery period to notice the depositions. As further proof, GP’s counsel noted that they would give our client the courtesy of rescheduling to a time that was mutually convenient—which happened to be after the close of the initial discovery period.

b. It was GP and not GTG that wanted relief from the Board’s standard protective order—thus necessitating the delay in the proceedings while the protective order motion was resolved. GTG had every right to object to a deviation from the Board’s standard protective order which unnecessarily gave GP’s in-house personnel the right to see competitively sensitive information and documents. Indeed, in order to avoid the motion, GTG proposed a modified protective order that would have allowed GTG’s in-house counsel to see proprietary materials but not commercial sensitive materials. GP rejected that compromise and insisted on filing its motion.

c. GTG did not serve its discovery responses on GP prior to resolution of the protective order motion because the pending motion specifically related to (i) how GP was to handle the materials and information responsive to the discovery requests and additionally (ii) how GTG was to mark its discovery responses. GP neglects to mention in its Opposition to Motion that it did not serve its discovery responses to GTG during this same time period, even though the issue before the Board had no bearing on the treatment of its discovery responses by GTG and the Board’s standard protective Order would have governed GTG’s treatment of such responses.

d. GTG interposed objections at the deposition of its corporate designee when GP engaged in a fishing expedition for irrelevant information. GP disagreed with GTG as to the basis of these objections and moved to compel certain testimony in these subject areas. Contrary to GP’s characterization of the resolution to its motion to compel in its Opposition to Motion (at page 3), each party prevailed on matters governed by the motion to compel. GTG prevailed on parts of its opposition just as GP prevailed on parts of its motion. On that basis alone, to allege that GTG’s opposition to the motion was dilatory or obstructionist is simply absurd. If GP was so concerned with the timing of this matter, it could have spared everyone the expense and time of its motion by merely accepting GTG’s stipulation that the goods recited in the application were likely to be competitive with GP’s goods—which was, after all, GP’s only proffered explanation for needing the information in the first place. Undoubtedly, GP had the right to make the decision to compel in good

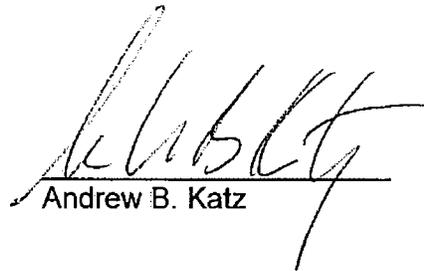
faith, just as GTG has the right to defend its positions in this Opposition in good faith. GP has no more right to call GTG's decision to object to irrelevant questions "obstructionist" than I do to call GP's position to seek information designed to prove what was already a stipulated fact as "stupid, wasteful, and over-reaching."

6. Perhaps the most telling mischaracterization in GP's Opposition to Motion occurs on page 4 when GP is trying to sum up the "dilatory and obstructionist tactics" of GTG. GP states: "Between November 2008 and November 2009 (when Global Tissue filed *its series of motions*), it..." Opposition to Motion at 4 (emphasis added). Throughout the entirety of the time period recited, GTG filed exactly **ONE** single motion—which itself was merely a cross motion seeking to compel discovery from GP while GP's own motion for entry of a modified protective order was considered. See 5(b) above. Had GP not filed its Motion for entry of a modified protective order, then GTG would have filed absolutely zero motions in this case up until the time of the counsel substitution.

7. In sum, the Board should take offense to Opposer's blatant mischaracterization of the record in this case. GTG has at no time engaged in dilatory or obstructionist tactics—and nothing in the record of this case supports such a characterization. There is no question that the parties in this matter are engaged in a dispute which sometimes necessitates the resolution of smaller disputes along the way. Nevertheless, it is highly improper to impugn the integrity of an adverse party simply because the parties have a disagreement—which is precisely what Opposer's counsel is doing here.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: March 23, 2010


Andrew B. Katz