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

Proceeding	91184529
Party	Defendant Global Tissue Group, Inc.
Correspondence Address	R GLENN SCHROEDER HOFFMAN BARON LLP 6900 JERICO TURNPIKE SYOSSET, NY 11791 UNITED STATES gschroeder@hoffmannbaron.com
Submission	Opposition/Response to Motion
Filer's Name	R. Glenn Schroeder
Filer's e-mail	rgsdocket@hbiplaw.com
Signature	/r. glenn schroeder/
Date	12/02/2011
Attachments	Applicants Opposition to Motion to Suspend Proceedings.pdf (9 pages)(522085 bytes)

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

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

**APPLICANT’S OPPOSITION TO OPPOSER’S MOTION TO SUSPEND
PROCEEDINGS PURSUANT TO 37 C.F.R. §2.117(a)**

Applicant Global Tissue Group, Inc. (“Global Tissue”) respectfully requests that the Board deny Opposer Georgia-Pacific Consumer Products LP’s (“Georgia-Pacific”) request to suspend proceedings pursuant to 37 C.F.R. §2.117(a).

1. **Background**

After three-half years and on the eve of trial, Georgia-Pacific suddenly decides that it no longer likes the manner in which the TTAB proceeding is progressing, and files a lawsuit in the Southern District of New York. The filed Complaint includes eight counts. Counts I-VII are directed to alleged infringement based on registration and usage of two domain names including the descriptive term “quilted”. The real crux of the lawsuit, namely, Count VIII, essentially asks the District Court to “redo” everything that has already taken place to date in this TTAB proceeding, and to issue a ruling on the registrability of the “QUILTY” mark prior to a filed determination by this Board.

In response to the filed Complaint, and pursuant to the Judge’s individual rules, Global Tissue has sought leave to file a Motion to Dismiss Count VIII under F.C.R.P.

12(b)(1), and leave to file a Motion a Stay Counts I-VII. A copy of the letter seeking such relief is attached as Exhibit A.

2. **Argument**

Georgia-Pacific argues in its moving papers that the Board should stay this proceeding since the filed civil action involves the same parties and identical issues currently before the Board in this proceeding. Georgia-Pacific relies upon 37 C.F.R. §2.117(a) in support of its request. Although this rule states that “proceedings before the Board **may** be suspended”, the TTAB manual does indicate that the Board will “ordinarily” suspend proceedings in the case before it if the final determination of the other proceeding may have a bearing on the issues before the Board. TTAB Manual of Procedure §510.02(a).

In Paragraph 110 of the Complaint, Georgia-Pacific asks the District Court to issue a ruling denying registration of the QUILTY mark. However, it would not appear that a District Court has the jurisdiction to take such action with respect to a pending application. More particularly, 15 U.S.C. §1119 pertains to issued registrations, not to pending applications. Georgia-Pacific has provided no authority to suggest that a District Court can order the Trademark Office to deny the registration of a mark, before the Trademark Office has even reached a final determination as to the registrability of such mark. Accordingly, the Opposition as it pertains to the pending application for QUILTY such should be allowed to continue, and the parties should be entitled to a final determination by this Board.

With respect to the counterclaims pending in this Opposition proceeding, Global Tissue agrees that the issues raised with respect to such counterclaims are the same issues raised within Count VIII of the filed Complaint. Of course, Georgia-Pacific did this by design, in an effort to get a “do over” in a new forum, after having recently lost its Motion for Summary Judgment in this proceeding. Inasmuch as all the discovery has been completed, and inasmuch as the Board automatically sets separate trial periods for the case-in-chief versus the counterclaims, the Board can simply suspend that portion of

the proceeding directed to the counterclaims until such time as the Court considers Global Tissue's request to dismiss Count VIII.

3. **Conclusion**

For the foregoing reasons, Global Tissue respectfully submits that this Opposition proceeding, as directed to the pending QUILTY application, be allowed to continue such that the parties receive the benefit of a final determination by this Board.

Dated: December 2, 2011

Respectfully submitted,

/r. glenn schroeder/
Charles R. Hoffmann
R. Glenn Schroeder
Hoffmann & Baron, LLP
6900 Jericho Turnpike
Syosset, New York 11791
Telephone: (516) 822-3550
Facsimile: (516) 822-3582
choffmann@hoffmannbaron.com
gschroeder@hoffmannbaron.com

Attorneys for Applicant
Global Tissue Group, Inc.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this date, December 2, 2011, a copy of the foregoing APPLICANT'S OPPOSITION TO OPPOSER'S MOTION TO SUSPEND PROCEEDINGS PURSUANT TO 37 C.F.R. §2.117(a) was served upon the Opposer, via email and first class mail to Opposer's counsel, as set forth below:

R. Charles Henn, Jr., Esq.
Kilpatrick Townsend & Stockton LLP
1100 Peachtree Street, Suite 2800
Atlanta, Georgia 30309
chenn@kilpatrickstockton.com

/r. glenn schroeder/
R. Glenn Schroeder

EXHIBIT A



December 2, 2011
VIA HAND DELIVERY

Honorable Katherine B. Forrest
United States District Court
Southern District of New York
500 Pearl Street, Room 745
New York, New York 10007

Re: Request for Pre-Motion Conference Seeking Leave to File Pre-Answer
Motion to Dismiss and Motion to Stay Proceeding
Georgia-Pacific v. Global Tissue - 11 Civ. 7643 (KBF)

Dear Judge Forrest:

Defendant Global Tissue submits this letter in accordance with Individual Rule 2A seeking leave to file a pre-answer motion to dismiss pursuant to F.R.C.P. 12(b)(1) with respect to Count VIII of the Complaint, and further seeking leave to file a Motion to Stay Counts I-VII.

BACKGROUND

Plaintiff Georgia-Pacific is the owner of the mark QUILTED NORTHERN, which is used on bath tissue. Georgia-Pacific owns several registrations for QUILTED NORTHERN, many of which include a disclaimer of the term “quilted”. The present dispute is not and has never been about the mark QUILTED NORTHERN. Rather, this dispute is about Georgia-Pacific’s improper attempt to claim rights in the descriptive term “quilted”, apart from the mark as a whole.

In January of 2008, Global Tissue filed a federal trademark application for the coined term QUILTY as used in connection with facial tissue, napkins, towels and bath tissue. The application was allowed by the Trademark Office in view of all of Georgia-Pacific’s registrations. Following publication of the application, Georgia-Pacific initiated an Opposition proceeding in June of 2008 with the Trademark Trial and Appeal Board (“TTAB”) of the United States Patent and Trademark Office, alleging that Global Tissue’s registration of the coined term “QUILTY” would be likely to cause confusion in the marketplace.

The TTAB proceeding has been ongoing for almost three and half years. At the close of the fact discovery period, which involved the exchange of thousands of pages of documents, and the deposition of numerous witnesses, Georgia-Pacific filed a Motion for Summary Judgment. This Motion was denied by the TTAB. Expert discovery was then completed, and the proceeding was set to enter the trial period. However, upon realizing that the TTAB proceeding was not advancing in a manner to its liking, Georgia-Pacific filed the instant lawsuit, and simultaneously filed a Motion with the TTAB requesting that such proceeding be suspended.

Ronald J. Baron
Daniel A. Scola, Jr.*
Salvatore J. Abbruzzese*
Irving N. Feit
R. Glenn Schroeder
Glenn T. Henneberger
Anthony E. Bennett
Ludomir A. Budzyn
James F. Harrington

Steven T. Zuschlag†
John S. Sopko†*
Rod S. Turner†

Susan A. Sipos
Kevin E. McDermott
Andrea M. Wilkovich*
Tony A. Gayoso
Nichole E. Martiak
Lauren T. Emr
Linda D. Chin
Jon A. Chiodo
Julie Tabarovskiy
Alexander G. Vodovozov
Sandy S. Zaradic, Ph.D.
David J. Torrente

Of Counsel
Charles R. Hoffmann

Senior Counsel
Robert Neuner

Counsel
Anna-Lisa L. Gallo

Scientific Advisor
Daniel A. Scola, Sr., Ph.D.

*Not admitted in New York
†Senior Attorney

The present lawsuit is nothing more than a trumped-up suit to provide Georgia-Pacific with a new forum to argue its case. The term “quilted” is a descriptive term used by many different companies in the marketplace. Proctor & Gamble has been using the marks “The Stronger Quilted Picker Upper” (U.S. Reg. No. 3,178,381) and Bounty Quilted Napkins (U.S. Reg. No. 3,902,712) for years. More importantly, the usage of “quilted” by Proctor & Gamble was acknowledged by Georgia-Pacific’s witnesses during depositions. The term “quilted” is also used in the marketplace by companies such as CVS (e.g., Big Quilts Paper Towels) and BJ’s (e.g., Berkley & Jensen Quilted Towels), among others.

In a recent lawsuit brought by Georgia-Pacific against Kimberly-Clark, the Court for the Northern District of Illinois cancelled four of Georgia-Pacific’s registrations. In affirming the District Court’s decision to cancel such registrations, the 7th Circuit in *Georgia-Pacific v. Kimberly-Clark*, Case No. 10-3519 (7th Cir. July 28, 2011) discussed, among other things, how Georgia-Pacific’s own advertising (e.g., “Quilted to Absorb”, “Quilted to Create Thousands of Places for Moisture to Go”) “links the quilted feature to numerous utilitarian benefits, such as softness, comfort and absorption.” In sum, the term “quilted” is clearly descriptive when used in connection with facial tissues, napkins, paper towel and bath tissue. No single company has exclusive rights to use this term.

MOTION TO DISMISS COUNT VIII UNDER F.R.C.P. 12(b)(1)

Count VIII asks this Court to “redo” everything that has already taken place to date in the TTAB proceeding, and to issue a ruling on the registrability of the “QUILTY” mark prior to a final determination by the Trademark Office itself. For the reasons set forth below, this count should be dismissed.

As discussed by Judge Sullivan in *Nike, Inc. v. Already, LLC*, 2011 U.S. Dist. LEXIS 9626 (S.D.N.Y. Jan. 20, 2011), “a case is properly dismissed for a lack of subject matter jurisdiction under Rule 12(b)(1) when the district court lacks the statutory constitutional power to adjudicate it.” *Makarova v. United States*, 201 F.3d. 110, 113 (2d. Cir. 2000). The Declaratory Judgment Act provides that “[i]n a case of actual controversy within its jurisdiction...any court of the United States...may declare the rights and other legal relations of any interested party seeking such declaration.” 28 U.S.C. §2201(a). Additionally, “in order for a federal court to have jurisdiction over an ‘actual controversy’, a federal question ‘arising under the Constitution, laws or treaties of the United States’ must be involved, 28 U.S.C. §1331, since it is well-settled that the Declaratory Judgment Act does not expand the jurisdiction of the federal courts.” *Starter Corp. v. Converse, Inc.*, 84 F.3d. 592, 594 (2d. Cir. 1996), abrogated on other grounds by *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118 (2007).

Judge Koeltl noted in *Winston v. Winston*, 2010 U.S. Dist. LEXIS 96974 (S.D.N.Y. September 15, 2010), that the second prong of the *Starter* test still remains after *MedImmune*, which requires Georgia-Pacific to establish that Global Tissue has “engaged in a course of conduct evidencing a definite intent and apparent ability to commence use of the [allegedly infringing] mark. See *Starter*, 84 F.3d. 595-596.

Here, Global Tissue has filed an intent-to-use application for the mark QUILTY. The trademark laws require that an Applicant filing such an application have a “bona fide intent-to-use” such mark at the time the application was filed. Global Tissue has always and maintains such a bona fide intent-to-use the mark QUILTY in connection with facial tissue, napkins, paper towel and bath tissue. Despite Global Tissue’s continuing bona fide intent-to-use, it has advised Georgia-Pacific that it has not and will not use such mark in the marketplace until this dispute is resolved by the Trademark Office. In view of such representations, Georgia-Pacific simply cannot satisfy the second prong of the *Starter* test required to establish jurisdiction under the Declaratory Judgment Act.

Notwithstanding the foregoing, a Court’s exercise of jurisdiction pursuant to the Declaratory Judgment Act is discretionary. *Winston*, 2010 U.S. Dist. LEXIS 96974, at *16. Here, as in the *Winston* case, several factors militate against exercising jurisdiction. As in *Winston*, the parties have completed the discovery phase of the TTAB proceeding, and were proceeding into the trial period. It would be both unfair and prejudicial to Global Tissue to allow Georgia-Pacific to simply “change its mind” with respect to a proceeding it had initiated, after 3 ½ years and on the eve of trial. Next, it would not appear that a court even has the authority to rule upon a pending trademark application, as Georgia-Pacific requests in paragraph 110 of the Complaint. Finally, the TTAB disposition of this case may resolve the allegations set forth in Counts I-VII of the Complaint in that the TTAB ruling will likely include a finding that the term “quilted” is descriptive.

For all of these reasons, Global Tissue respectfully request leave to file a Pre-Answer Motion to Dismiss Count VIII under F.R.C.P. 12(b)(1).

MOTION TO STAY COUNTS I-VII

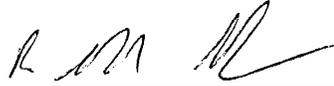
Global Tissue owns the domain names quiltedbathtissue.com and quiltedtoilettissue.com, which are the subjects of Counts I-VII. Each of these domain names includes the descriptive term “quilted”. Counts I-VII are included in this Complaint in an attempt to provide a basis for asserting Count VIII.

Upon receipt of this Complaint, and in an effort to resolve this dispute, Global Tissue promptly deactivated the two mentioned domain names. These domain names will remain deactivated until this dispute is resolved. In *Goya Foods*, (846 F.2d 848 (2d Cir. 1998), the Second Circuit held that it is generally inappropriate to stay a district court action in view of a co-pending TTAB proceeding, because when faced with ongoing infringement, a “prompt adjudication far outweighs the value of having the views of the PTO.” *Id.* Here, in view of Global Tissue’s deactivation of the domain names in dispute, together with its representation that such domain names will remain deactivated pending resolution of this dispute, there is no ongoing or threatened activity which would require “prompt adjudication.”

Honorable Katherine B. Forrest
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Accordingly, Global Tissue's respectfully requests leave to file a Motion to Stay Counts I-VII of the Complaint.

Respectfully submitted,



Charles R. Hoffmann (CRH-0466)
R. Glenn Schroeder (RGS-2633)
Attorneys for Global Tissue Group, Inc.

cc: R. Charles Henn, Jr., Esq. (via E-mail)
Attorney for Georgia-Pacific Consumer Products LP