

ESTTA Tracking number: **ESTTA362100**

Filing date: **08/09/2010**

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

Proceeding	91195509
Party	Defendant The International Group, Inc.
Correspondence Address	HARRY SCHOCHAT 8 LUNAR DR WOODBIDGE, CT 06525  harry@harryschochat.com
Submission	Motion to Dismiss - Rule 12(b)
Filer's Name	Harry Schochat, Esq.
Filer's e-mail	harry@harryschochat.com
Signature	/hs/
Date	08/09/2010
Attachments	Preanswer Motion to Dismiss.pdf ( 16 pages )(678203 bytes )

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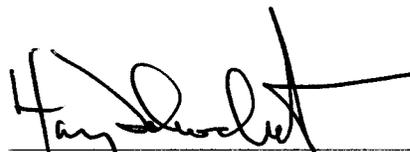
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DENISE SNACKS, INC. :  
DENISE DISTRIBUTION CORP. :  
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Opposers, :  
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v. :  
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THE INTERNATIONAL GROUP, INC. :  
 :  
Applicant. :  
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OPPOSITION NUMBER  
91195509

**MOTION TO DISMISS PURSUANT TO FRCP 12(b)(1), 12(b)(6), AND 12(b)(7).**

The Applicant, THE INTERNATIONAL GROUP, INC., the owner of, and applicant named in United States Patent and Trademark Office Application No. 77-838572 for the design mark "Denise Snacks" for "pork skins, fried pork rinds, pork crackling, and fried chicken skins" in International Class 29, filed September 30, 2009, and published for opposition on March 2, 2010, by its undersigned Attorney, Harry Schochat, Esq., hereby moves for an order dismissing the Notice of Opposition of DENISE SNACKS, INC. and DENISE DISTRIBUTION CORP. pursuant to FRCP 12(b)(1) for lack of subject matter jurisdiction, FRCP 12(b)(6) for failure to state a claim upon which relief can be granted, and FRCP 12(b)(7) for failure to join a necessary party.

Dated: Woodbridge, Connecticut  
August 9, 2010



HARRY SCHOCHAT, ESQ.  
Attorney for The International Group, Inc.  
8 Lunar Drive  
Woodbridge, CT 06525  
(203) 397-0052  
(212) 766-1427

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
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DENISE SNACKS, INC. :  
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**MEMORANDUM OF LAW IN SUPPORT OF APPLICANT'S MOTION TO DISMISS  
PURSUANT TO FRCP 12(b)(1), 12(b)(6), AND 12(b)(7).**

The Applicant, THE INTERNATIONAL GROUP, INC., (the "Applicant"), the owner of, and applicant named in United States Patent and Trademark Office Application No. 77-838572 (the "Application") for the design mark "Denise Snacks" (the "Applicant's Mark") for "pork skins, fried pork rinds, pork crackling, and fried chicken skins" in International Class 29, filed September 30, 2009, and published for opposition on March 2, 2010, by its undersigned Attorney, Harry Schochat, Esq., hereby moves for an order dismissing the Notice of Opposition (the "Opposition") of DENISE SNACKS, INC. and DENISE DISTRIBUTION CORP. (the "Opposers") pursuant to FRCP 12(b)(1) for lack of subject matter jurisdiction, FRCP 12(b)(6) for failure to state a claim upon which relief can be granted, and FRCP 12(b)(7) for failure to join a necessary party.

**STATEMENT OF FACTS**

The Applicant, International Group, Inc. ("International") is in the business of manufacturing and selling among other things, a highly successful line of fried pork skin and

fried chicken skin products under various brand names and private labels, including “Howard’s®” USPTO Registration No. 2273862. The International Group, Inc. is part of a conglomerate of companies under common ownership and control which includes International Provisions, Inc. (“Provisions”). By assignment dated September 28, 2009, International Provisions Inc. assigned all of its right, title, and interest in the Applicant’s Mark to the Applicant, International Group, Inc., an affiliate of International Provisions.

In early 2003, Ramon Hernandez (“Hernandez”) sought to distribute Provision’s fried pork skin and fried chicken skin products under the Howard’s brand name. At that time, Hernandez was the president of Denise Distribution Corp., one of the Opposers herein. Hernandez and the other companies he controlled were not distributing any brand of fried pork skins or fried chicken skins. International would not permit Hernandez to distribute the said fried pork skins and fried chicken skins under the Howard’s name due to potential conflicts with other distributors in areas where Hernandez would do business.

In order to induce International to enter into a contract with Hernandez to distribute its highly profitable line of pork skins, Hernandez agreed that the pork skins would be sold under a new trade name and trade mark, “Denise Snacks,” and that the ownership of the “Denise Snacks” trade mark would lie with Provisions for use in connection with fried pork skin and fried chicken skin products. Hernandez formed Denise Snacks, LLC, and on June 23, 2003, Provisions and Denise Snacks, LLC entered into a distribution agreement, a copy of which is attached hereto as Exhibit A. The said agreement was signed by Hernandez in his capacity as president of Denise Snacks, LLC. On April 6, 2007, four years after entry into the contract and commencement of sales of fried pork skin and fried chicken skin products under the Applicant’s Mark, Hernandez formed Denise Snacks, Inc., the other Opposer herein. Denise Snacks, Inc., Denise Distribution

Corp., and Denise Snacks, LLC, (collectively the “Hernandez Companies”) are related companies that share common ownership, management, and control, via Ramon Hernandez.

**Notably, Denise Snacks, LLC, the signatory to the said agreement, is not an Opposer.**

Pursuant to the terms of the agreement, “[t]he Denise Packaging design, but not the trade name ‘Denise’ . . . shall become the exclusive property of [International Provisions] as a mark for Fried Pork Skins and Fried Pork Skin Strips.” The contract provided that “[International Provisions] has agreed to license the use of such of the mark ‘Denise’ for Fried Pork Skins and Fried Pork Skin Strips by [Denise Snacks, LLC] during the pendency of this agreement. Such license to automatically terminate upon termination of this agreement.” The contract further provided that “Denise [Snacks, LLC] may continue to use the Denise Packaging for any products not manufactured or sold by [International Provisions], and which were distributed by [Denise Snacks, LLC].” The contract also provided that the terms of the agreement shall be binding upon and inure to the benefit of the heirs, successors, representatives, and assigns of Denise Snacks, LLC, and Provisions. By assignment dated September 28, 2009, International Provisions Inc. assigned all of its right, title, and interest in the aforesaid contract to the Applicant, International Group, Inc., an affiliate of International Provisions.

In 2009, Denise Snacks, LLC, and/or its successors, and/or assigns, breached the agreement by selling competing pork skin products under the “Bemar” brand name, and by failing to pay monies due under the contract. Such breach is continuing and has not been cured. By operation of the contract, Denise Snacks, LLC’s, and/or its successors’, and/or assigns’ license to use the mark which is the subject of the Application has terminated.

The Hernandez companies, including Denise Snacks, LLC, the signatory to the contract governing the rights to use the Applicant’s Mark, each filed requests for extension of time to

oppose the Applicant's Mark. Of the three Hernandez companies that filed such extensions, Denise Snacks, LLC, the only Hernandez Company to have been granted a right to use the Applicant's Mark, was the only company not to oppose registration of the Applicant's Mark.

### ARGUMENT

#### **I. THE APPLICANT'S MOTION TO DISMISS, PURSUANT TO FRCP 12(b)(1), SHOULD BE GRANTED BECAUSE THE TRADEMARK TRIAL AND APPEAL BOARD DOES NOT HAVE JURISDICTION TO DECIDE ISSUES CONCERNING RIGHT TO USE A MARK.**

The Opposition seeks a determination of the rights to the use of the "Denise Snacks" mark. Consequently, the Opposition must be dismissed because the Trademark Trial and Appeal Board ("TTAB") does not have jurisdiction to decide issues of the right to use a mark. The TTAB is an administrative court of limited jurisdiction. The TTAB can decide issues of registrability of a mark and ownership of a mark; however, the TTAB was not granted jurisdiction to decide issues of infringement, unfair competition, or the right to use a mark. TBMP § 102.01. Such issues can only be decided in State or Federal courts.

Denise Snacks, LLC and Provisions entered into a contract which provided for, among other things, the right for Denise Snacks, LLC to use the Applicant's Mark. The contract provided that the provisions of the contract would be binding on the heirs, successors, assigns, and/or representatives of the parties to the contract. See Exhibit A. The Hernandez Companies are related companies sharing common ownership, management, and control. Consequently, all Hernandez Companies are bound by the terms of the distribution agreement between Provisions and Denise Snacks, LLC. As such, the true issue here is whether the Hernandez Companies have a right to use the Applicant's Mark, not whether the Opposers will be harmed by registration of the Applicant's Mark.

It should be noted that Denise Snacks, LLC filed for an extension of time to oppose registration of the Applicant's Mark. Hernandez has intentionally omitted Denise Snacks, LLC as a party to this proceeding in order to bypass the jurisdictional barrier to determination of the right to use the Applicant's Mark and to further bypass the broad-based arbitration clause in the contract between Denise Snacks, LLC and the Applicant.

**II. THE APPLICANT'S MOTION TO DISMISS, PURSUANT TO FRCP 12(b)(7), SHOULD BE GRANTED BECAUSE THE OPPOSERS HAVE FAILED TO JOIN A NECESSARY PARTY IN THE OPPOSITION.**

The TTAB cannot afford complete relief among the existing parties without Denise Snacks, LLC, a necessary party, therefore the Opposition must be dismissed. Pursuant to FRCP 19, a person must be joined as a party if "in that person's absence, the court cannot accord complete relief among existing parties." FRCP 19(a)(1). When joinder is not feasible, the Court may dismiss the action. FRCP 19(b). The Federal Circuit has dismissed declaratory judgment actions for failure to join a necessary party. *BP Chemicals Ltd. v. Union Carbide Corp.*, 4 F.3d 975 (Fed. Cir. 1993).

In the instant case, the TTAB cannot accord complete relief among the existing parties. The Applicant is the sole and rightful owner of the Applicant's Mark, as a mark for fried pork skin and fried chicken skin products. The Opposers' claim of ownership of the mark cannot be determined without first determining Denise Snacks, LLC's ownership of the mark. Such determination requires that Denise Snacks, LLC be joined as a party herein.

The TTAB must dismiss the present action. Denise Snacks, LLC cannot be joined as a party herein because the time for Denise Snacks, LLC to oppose registration of the Applicant's Mark has expired. As previously set forth, Denise Snacks, LLC, filed a request for extension of time to oppose registration of the Applicant's Mark. Denise Snacks, LLC had a full and fair

opportunity to challenge registration of the Applicant's Mark. It can only be surmised that Hernandez did not file a notice of opposition on behalf of Denise Snacks, LLC, in order to bypass Denise Snacks LLC's contractual obligations or to extort a cash settlement from the Applicant.

Furthermore, the risk of inconsistent obligations is high by not joining Denise Snacks, LLC herein. It is conceivable that the TTAB may decide that the Applicant's Mark is not registrable based on any of the allegations set forth in the Opposition. However, it is likely that a Federal Court will decide that the Applicant is the true owner of the Applicant's Mark for use in connection with fried pork skin and fried chicken skin products because of the contract between Denise Snacks, LLC and International. The Federal Court will also likely determine that because the Hernandez Companies share common ownership and control, all of the Hernandez Companies are bound by the contract between Denise Snacks, LLC and International. It is therefore possible for the Applicant to be the true owner of the Applicant's Mark for use in connection with fried pork skin and fried chicken skin products, and that such use is not an infringing use, but that the Applicant's Mark would be denied registration by the TTAB based on the Opposers' allegations. Thus the Opposition should be dismissed for failure to join a necessary party.

**III. THE APPLICANT'S MOTION TO DISMISS, PURSUANT TO FRCP 12(b)(6), SHOULD BE GRANTED BECAUSE THE OPPOSERS HAVE FAILED TO STATE A CLAIM FOR WHICH RELIEF CAN BE GRANTED.**

The Applicant's Motion to Dismiss, pursuant to FRCP 12(b)(6), should be granted because the Opposers have failed to state a claim for which relief can be granted. If a trade name is not registered on the Principal Register as a trademark or service mark, the Opposers must plead facts sufficient to establish prior use and proprietary rights in the mark, or that the mark is

inherently distinctive or has acquired distinctiveness pursuant to the Trademark Act § 2(f), otherwise the opposition must be dismissed. *Fluid Energy Processing & Eq. Co. v. Fluid Energy, Inc. [Fluid Energy]*, 212 USPQ 28, 35 (TTAB 1981). A trade name that is generic or merely descriptive and without secondary meaning provides no basis for opposition. *Avtex Fibers Inc. v. Gentex Corp.*, 223 USPQ 625, 626 (TTAB 1984).

The Opposers have failed to plead facts sufficient to establish proprietary rights in the Applicant's Mark or in the "Denise" mark. The Opposers have not pleaded when they first used the Applicant's Mark in commerce. The Opposers merely plead that they have used an unrelated mark, the "Denise" mark allegedly since 1993. The Opposers never sold any product under the Applicant's Mark, including in connection with pork skins, until after June 2003, and then the Opposers only sold goods bearing the Applicant's Mark as a secondary purchaser in the stream of commerce from the Applicant's licensee, Denise Snacks, LLC. Even under the liberal pleading standards of the FRCP, the Opposers have not pleaded facts sufficient to put the Applicant on notice as to when the Opposers allegedly first used the Applicant's Mark in commerce. *See Fluid Energy*, 212 USPQ at 35. The Opposers' deceptive and intentionally misleading allegations are insufficient to survive the Applicant's Motion to Dismiss.

The Opposers also attempt to plead prior use by use of an unrelated mark. "Denise" by itself is a generic or merely descriptive mark not entitled to protection that provides no basis for an opposition. *See Avtex Fibers Inc.*, 223 USPQ at 626. Furthermore, the "Denise" mark is not registered on the principal register, and the Opposers have not pleaded that the Opposers have proprietary rights in the "Denise" mark, or that the "Denise" mark is inherently distinctive or has acquired distinctiveness. *See Fluid Energy*, 212 USPQ 28. The Opposers attempt to establish prior use by tacking the alleged use of the unrelated "Denise" mark to the use of the Applicant's

Mark must fail. Consequently, the Opposition must be dismissed for failure to state a claim for which relief can be granted.

**IV. THE APPLICANT'S MOTION TO DISMISS, PURSUANT TO FRCP 12(b)(6), SHOULD BE GRANTED BECAUSE THE OPPOSERS ARE GUILTY OF LACHES.**

The Opposition should be dismissed with prejudice because the Opposers are guilty of laches. An Opposition should be dismissed if the Opposers have unreasonably delayed in asserting their rights, and the Applicant is prejudiced by that delay. See Klise Manufacturing Co. v. Braided Accents, LLC, Cancellation No. 92045607 (TTAB Jul. 3, 2008). The TTAB has found laches in a 62 month delay in asserting rights to a mark. See Klise Manufacturing Co.

Denise Snacks, LLC, entered in to the contract with the Applicant and licensed the use of the Applicant's Mark from the Applicant in 2003, and the Opposers allege use of an unrelated mark, "Denise," since 1993. The Opposers, sharing common control and ownership with Denise Snacks, LLC, have known of the existence of the use of the Applicant's Mark, and have distributed pork skins and chicken skins bearing the Applicant's Mark for the Applicant since 2003 without complaint or claim of ownership. The Opposers waited more than 6 years after Denise Snacks started licensing the Applicant's Mark to contest the ownership of the Applicant's Mark. In that 6 years, the Applicant has invested substantial money in the development of the mark and has generated substantial goodwill in the industry and with consumers. The Opposers have used such delay to the prejudice of the Applicant by permitting the Applicant to continue building on the goodwill of the Applicant's Mark and seeking to challenge ownership of the Applicant's Mark after the Applicant has invested substantial time and money into the Applicant's Mark.

The Opposition should be dismissed with prejudice because the Opposers have waited over 6 years to assert any right to the Applicant's Mark and the Applicant has suffered prejudice therefrom.

**CONCLUSION**

Based on the foregoing, the Applicant, the International Group, Inc., demands that the Trademark Trial and Appeal Board dismiss the Opposers' Opposition with prejudice, grant registration of the Applicant's mark, and grant such other and further relief as equity dictates.

Dated: Woodbridge, Connecticut  
August 9, 2010



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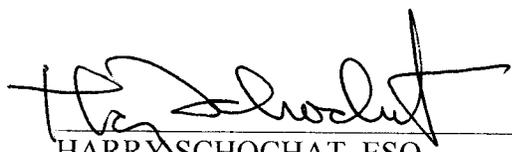
HARRY SCHOCHAT, ESQ.  
Attorney for The International Group, Inc.  
8 Lunar Drive  
Woodbridge, CT 06525  
(203) 397-0052  
(212) 766-1427

CERTIFICATE OF SERVICE

This is to certify, in accordance with Rule 2.101(b) of the Trademark Rules of Practice, that on August 9, 2010, I served the foregoing Motion to Dismiss and Memorandum of Law in Support, on the Opposers, by depositing a true and correct copy of same, enclosed in a post-paid, properly addressed wrapper, in a post-office/official depository under the exclusive care and custody of the United States Postal Service, addressed to:

Mr. Bruce W. Baber  
1180 Peachtree Street, N.E.  
Atlanta, GA 30309-3521

Dated: Woodbridge, Connecticut  
August 9, 2010

  
\_\_\_\_\_  
HARRY SCHOCHAT, ESQ.  
8 Lunar Drive  
Woodbridge, CT 06525

***EXHIBIT "A"***

## DISTRIBUTION AGREEMENT

This agreement, made and entered into this      day of June, 2003 by and between Denise Snacks, LLC., a New York Limited Liability Company, hereinafter referred to as "Distributor" and International Provisions, Inc. a Connecticut Corporation hereinafter referred to as "Manufacturer."

WHEREAS, Manufacturer is engaged in the manufacture of processed meat products and snack foods under the "Howard's" and "International" brand names; and

WHEREAS, Manufacturer seeks to increase the distribution of such products in the States of New York and New Jersey; and

WHEREAS, Distributor is presently engaged in the distribution of such food products in New York and New Jersey; and

WHEREAS, Distributor has proposed that it distribute Manufacturer's products under the tradename "Denise" (sometimes hereinafter referred to as "Denise Packaging"); and

WHEREAS, Distributor has agreed to provide and maintain a distribution network and system acceptable to Manufacturer; and

WHEREAS, Distributor acknowledges that the Distributorship of Manufacturer's product line herein contemplated is a valuable right and asset of manufacturer; and

~~WHEREAS, Distributor agrees to conform to Manufacturer's requirements as they may be promulgated by Manufacturer from time to time, for sales growth, number of salesmen or distributors, and other provisions hereinafter set forth:~~

NOW THEREFORE, the parties agree as follows:

### A. Manufacturer.

1. Territory - Distributor has not been assigned an exclusive or specific territory, but agrees not to engage in sales in Connecticut, Camden or Trenton New Jersey, and Philadelphia and Chester, Pennsylvania.

2. Term - This agreement may be canceled by either party upon 60 days written notice. (See paragraph D(9) for Notice provisions).

3. Manufacturer shall sell its product line to Distributor at its standard wholesale price, subject to revision without notice, payable within 7 days of delivery. In addition, Distributor shall

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pay the cost of "Denise Packaging." Distributor shall receive a credit for the actual costs of the "Denise Packaging" as such packaging is used.

**B. Distributor.**

~~1. Distributor agrees to meet Manufacturer's sales and distribution goals. As Manufacturer may establish from time to time.~~

**C. Packaging.**

1. The "Denise" packaging design, but not the trade name "Denise" Exhibit A, shall be the exclusive property of Manufacturer as a mark for Fried Pork Skins and Fried Pork Skin Strips. Should Manufacturer obtain a copyright registration for such packaging design, such copyright shall be the exclusive property and right of Manufacturer as to Fried Pork Skins and Fried Pork Skin Strips.

2. Manufacturer has agreed <sup>from</sup> ~~to~~ license the use of such of the mark "Denise" for Fried Pork Skins and Fried Pork Skin Strips ~~to~~ distributor during the pendency of this agreement. Such license to automatically terminate upon termination of this agreement.

3. In the event, this agreement is terminated or canceled, for whatever reason, Distributor may sell or distribute its remaining Manufacturer's products and thereafter cease the use of the "Denise Packaging" for its fried pork skins and fried pork skin strips.

4. Upon termination of this agreement any inventory of the "Denise Packaging" shall become the property of Manufacturer. Distributor authorizes manufacturer to destroy any remaining packaging bearing the "Denise" trade name in its possession.

5. Notwithstanding any other provisions of this contract, Denise may continue to use the Denise Packaging for any products not manufactured or sold by manufacturer, and which were distributed by Distributor.

**D. Other Provisions.**

1. Arbitration - Any dispute under this agreement shall be settled by arbitration in New Haven, Connecticut pursuant to the rules of the American Arbitration Association, Commercial Division.

2. Assignment - This agreement may not be transferred or assigned without the express written consent of the Manufacturer. For purposes of assignment of this agreement, any transfer of the capital stock of the Distributor shall constitute an assignment or transfer of this agreement and is subject to Manufacturer's consent.

3. Default - Distributor shall be in default under this agreement if:

- a) It fails to pay monies due Manufacturer and fails to cure such default within 10 days after receiving notice of default.
- b) Distributor files a petition in bankruptcy, or assigns its assets to a receiver, or its creditors.
- c) Assigns the distribution rights under this agreement to a third party without the written consent of Manufacturer.
- d) Distributes any Fried Pork Skins or Fried Pork Skin Strips other than those manufactured by manufacturer.
- e) Distributor fails to comply with any provisions of this contract.

4. Remedies upon Default - In the event Distributor defaults under this agreement, Manufacturer, at its option, may:

- a) Extend Distributor's time to cure any default provided such extension shall be in writing and shall not operate as a waiver of Manufacturer's right to proceed upon such default if the same is not cured within the period of extension.
- b) Immediately terminate this agreement and discontinue sales of Manufacturer's products to Distributor upon any act of default.

5. Construction - This agreement shall be construed in accordance with the Laws of the State of Connecticut, and its courts shall have jurisdiction over any disputes herein, but subject to the arbitration clause of paragraph D (1) above.

6. Independence - This agreement shall not constitute or imply a relationship between Manufacturer and Distributor of principal and agent, partnership or joint venture. Distributor further represents that it is the business of snack food distribution and is independent of Manufacturer.

7. Entire Understanding - This agreement is the entire understanding of the parties and all prior agreements between them, whether written or oral, are hereby terminated. All negotiations between the parties, whether written or oral, are merged herein. The parties acknowledge and agree that there are no understandings between them with respect to the subject matter of this agreement that are not fully set forth herein.

8. Cancellation or Modification - Except as recited in this agreement, no change of this agreement or waiver of any provision thereof, shall be effective unless in a writing signed by the

party against whom such change or waiver is sought to be enforced.

This instrument shall remain in full force and effect, until such time as this instrument is canceled or modified by a written instrument, signed by all parties in interest or until such time as the provisions of this instrument no longer have any bearing upon the interests of the parties hereto or their successors in interest. Upon the occurrence of any of said events, (except for the written modification of this instrument), this instrument shall become null and void and all further duties, obligations, benefits, privileges, and rights created by this instrument shall terminate.

9. Notice. Written notice of any default by Distributor shall be given by Manufacturer to Distributor, by certified or registered mail, and addressed to Distributor at 70-30 80<sup>th</sup> Street #36, Glendale, New York 11385, or to such other address as Distributor may hereafter designate to Manufacturer in writing, such notice shall be deemed served upon mailing, and deemed received five (5) days after the date of the postmarked receipt obtained. Manufacturer shall have the absolute and unqualified right, to assert and enforce any lawful right or remedy, to accelerate the payment of any obligation created under this agreement, or to exercise any other right or remedy permitted by law or under this agreement.

Written notice as to Manufacturer shall be given by certified or registered mail and addressed to Manufacturer at 6 Industrial Circle, Hamden, Connecticut 06517.

10. Heirs and Successors - The terms of this agreement shall be binding upon and inure to the benefit of the heirs, successors, representatives, and assigns of the parties hereof.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the day and year first above written.

DENISE SNACKS, LLC.

Renee A. Hertz - 6/23/03  
BY: \_\_\_\_\_, President

INTERNATIONAL PROVISIONS, INC.

Charles Leroux 6/23/03  
BY: CHARLES LEROUX, Vice President