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

Proceeding	91201702
Party	Plaintiff R.J. Reynolds Tobacco Company
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Attachments	PTGIR Consolidate.pdf ( 18 pages )(211245 bytes )

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

R.J. REYNOLDS TOBACCO	)	
COMPANY,	)	
	)	
Opposer,	)	Opposition No. 91201702
	)	
vs.	)	Alleged Mark: PLEASURE TASTES
	)	GREAT IN RED
LORILLARD LICENSING	)	
COMPANY, LLC,	)	
	)	
Applicant.	)	

**OPPOSER’S MOTION FOR CONSOLIDATION OF OPPOSITIONS AND FOR  
SUSPENSION OF PROCEEDINGS PENDING A RULING ON CONSOLIDATION**

Pursuant to Fed. R. Civ. P. 42(a), Opposer, R. J. Reynolds Tobacco Company (“Opposer”) hereby moves the Board to consolidate Opposition No. 91201702 (PLEASURE TASTES GREAT IN RED) with Opposition No. 91199706 (SMOKING PLEASURE; SMOKING PLEASURE WITHOUT MENTHOL; and NON-MENTHOL PLEASURE!) (collectively, the “PLEASURE Oppositions”) and to suspend Opposition No. 91201702 (PLEASURE TASTES GREAT IN RED) pending the Board’s ruling on such consolidation. Applicant Lorillard Licensing Company, LLC (“Applicant”) has filed Answers to each of the PLEASURE Oppositions.

The Board has the discretion to consolidate opposition proceedings when the proceedings involve common questions of law or fact and when consolidation will result in savings of time, effort and expense. Fed. R. Civ. P. 42(a); *see also* T.B.M.P. § 511 and authorities cited therein. In this case, consolidation is appropriate because the PLEASURE Oppositions involve identical parties and common questions of law and fact. For example, the legal and factual basis for

Opposer's standing to oppose each of the applications at issue in the PLEASURE Oppositions is common to each of those opposition proceedings. Moreover, all of Applicant's alleged marks at issue in the PLEASURE Oppositions incorporate the word "pleasure." Still further, Opposer's grounds for opposition are extremely similar, namely, that the composite phrases incorporating the word "pleasure" for which Applicant has applied are merely descriptive when applied to cigarettes. Such circumstances justify consolidating the PLEASURE Oppositions.

In addition, Applicant previously recognized these commonalities when it sought to suspend Opposition No. 91199706 in light of a civil action pending between the parties. In its Brief in Support of Applicant's Motion for Suspension of Opposition, a copy of which is attached as Exhibit A, Applicant argued that the issue of "whether the word PLEASURE is descriptive for tobacco products" is "central to the determination" of that Opposition, i.e., whether the marks SMOKING PLEASURE, SMOKING PLEASURE WITHOUT MENTHOL, and NON-MENTHOL PLEASURE! are merely descriptive of cigarettes. (Ex. A at p. 5.) Similarly, in its Reply Brief in Support of Applicant's Motion for Suspension of Opposition, a copy of which is attached Exhibit B, Applicant also argued that the "term 'PLEASURE' is the central, common component of the three composite marks at issue." (Ex. B at p. 3.) Following the logic of Applicant's argument, the word "pleasure" is also the "central, common component" of the composite mark PLEASURE TASTES GREAT IN RED. Therefore, consolidation of the PLEASURE Oppositions will streamline the litigation, conserve resources of the parties and the Board, and eliminate unnecessary duplication.

Accordingly, Opposer respectfully requests the Board to consolidate the PLEASURE Oppositions for purposes of both discovery and trial, and to reset a common schedule for discovery, testimony, and trial dates for the consolidated proceedings. Opposer further

respectfully requests the Board to suspend proceedings in Opposition No. 91201702  
(PLEASURE TASTES GREAT IN RED) pending a ruling on this Motion for Consolidation to  
avoid piecemeal and potentially duplicative litigation activities.

Respectfully submitted, this the 8<sup>th</sup> day of December, 2011.

*/s/ William M. Bryner*

William M. Bryner

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing **OPPOSER'S MOTION FOR CONSOLIDATION OF OPPOSITIONS AND FOR SUSPENSION OF PROCEEDINGS PENDING A RULING ON CONSOLIDATION** has been served on the attorney-of-record for Applicant Lorillard Licensing Company LLC by mailing said copy on December 8, 2011, via First Class Mail, postage prepaid, and addressed as follows:

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# **EXHIBIT A**

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

In the matters of: Application Serial No. 85/111,881 for the mark SMOKING PLEASURE;

Application Serial No. 85/111,876 for the mark SMOKING PLEASURE WITHOUT MENTHOL; and

Application Serial No. 85/095,824 for the mark NON-MENTHOL PLEASURE

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R.J. REYNOLDS TOBACCO COMPANY	)	
	)	
Opposer,	)	Opposition No. <u>91199706</u>
	)	
v.	)	
	)	
	)	
LORILLARD LICENSING COMPANY, LLC,	)	
Applicant.	)	
	)	
<hr style="border-top: 1px solid black;"/>	)	

Commissioner for Trademarks  
P.O. Box 1451  
Alexandria, VA 22313-1451

**BRIEF IN SUPPORT OF APPLICANT'S MOTION FOR SUSPENSION OF  
OPPOSITION**

Applicant, Lorillard Licensing Company LLC (hereinafter "Lorillard), by and through counsel, submits this Brief in support of Applicant's Motion for Suspension of Opposition pursuant to 37 C. F. R. § 2.117(a). A civil action involving the parties to this Opposition is currently pending before the North Carolina Business Court (Docket No. 10 CVS 11471) and the determination of that action will have a bearing on the present case before the Trademark Trial and Appeal Board (hereinafter "the Board"). A suspension is requested pending the final determination of the pending civil action.

## **I. BACKGROUND**

### **A. The Action Before the Board**

R.J. Reynolds Tobacco Company (hereinafter "Reynolds" or "Opposer") has opposed the registration of three trademark applications filed by Lorillard for the marks "SMOKING PLEASURE," "SMOKING PLEASURE WITHOUT MENTHOL," and "NON-MENTHOL PLEASURE!" (hereinafter collectively "the Applications"). Reynolds claims that it has "a right equal with Lorillard" to use the composite phrases "smoking pleasure," "smoking pleasure without menthol" and "non-menthol pleasure" in conjunction with Reynolds' offering and sale of its cigarette products (Notice of Opp., ¶¶ 10, 15 and 20). Opposer also claims that the word PLEASURE is descriptive when used in the composite phrases in dispute (Notice of Opp., ¶¶ 9, 14 and 19).

### **B. History of the PLEASURE Dispute**

Lorillard Tobacco Company has been engaged in the business of manufacturing and selling tobacco products, including NEWPORT brand cigarettes, for decades. Lorillard has for many years used the term PLEASURE and the imagery it connotes as a marketing platform for its NEWPORT brand cigarettes. Lorillard has expended substantial resources over the years to associate the term PLEASURE with its NEWPORT brand. During this time, NEWPORT cigarettes became the No. 1 selling menthol brand in the U.S. and the No. 2 selling brand overall in the cigarette category.

Reynolds is also engaged in the business of manufacturing and selling tobacco products in direct competition with Lorillard Tobacco Company, including CAMEL brand cigarettes and snus (a smokeless, spitless tobacco product). Prior to July 16, 2009 Lorillard was involved in a dispute with Reynolds over the use of the term PLEASURE in advertising, promoting and

marketing tobacco products. The dispute included an Opposition (No. 9117225) filed by Reynolds against Lorillard's application to register the PLEASURE mark.

On July 16, 2009, Lorillard and Reynolds entered into a Settlement Agreement concerning the use of PLEASURE for the advertising, promoting and marketing of tobacco products. Pursuant to the Settlement Agreement, Reynolds withdrew its opposition to Lorillard's application for federal registration of the term PLEASURE as a trademark for cigarettes on the Principal Register. Reynolds further agreed not to use the term PLEASURE alone or in a composite mark "in a way that creates a commercial impression in the term PLEASURE separate and apart from such composite phrase" (Exhibit A, p. 4, ¶¶ 17-18).

### **C. The Pending Civil Action**

On 5 November 2010, Lorillard filed a Complaint in the North Carolina Business Court (Exhibit A) claiming that Reynolds is violating the Settlement Agreement by, among other things, emphasizing the term PLEASURE in point-of-sale advertising displays for its Camel brand snus product and in certain websites (the "Civil Action").

On 10 January 2011, Reynolds filed an Answer and Counterclaim (Exhibit B). As one of its defenses, Reynolds claims that the term PLEASURE is descriptive when used in connection with cigarettes (Ex. B, p. 6, Aff. Defense No. 6). In its declaratory judgment counterclaim, Reynolds asserts that "there is a genuine, justiciable controversy between RJRT and Lorillard as to whether RJRT's use of the word 'pleasure' in the phrases and contexts identified in Paragraphs 26-28 above constitute a breach of the Settlement Agreement." (Ex. B, p. 16, Counterclaim ¶ 32). Those phrases and contexts include the marks UNMATCHED PLEASURE, PLEASURE TO CARRY ON, and PICK YOUR PLEASURE, as well as the Internet domains

tobaccopleasure.com and subdomains associating Reynolds' brand names with tobaccopleasure.com (e.g., camel.tobaccopleasure.com)(Ex. B, pp. 14-15, ¶¶ 26-28).

## II. ARGUMENT

### A. Legal Standard for Suspension of Proceedings

The Board has the inherent power to stay proceedings pending the outcome of parallel court actions. The TMBP states that "[o]rdinarily, the Board will 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." (TBMP) 3rd ed. §510.01 (May 2011). 37 C. F. R. § 2.117(a) states that:

Whenever it shall come to the attention of the Trademark Trial and Appeal Board that a party or parties to a pending case are engaged in a civil action or another Board proceeding which may have a bearing on the case, proceedings before the Board may be suspended until termination of the civil action or the other Board proceeding.

Actions for which the Board may suspend a Board proceeding include civil actions pending between the parties in a state court. *Mother's Restaurant Inc. v. Mama's Pizza, Inc.*, 723 F.2d 1566, 221 USPQ 394 (Fed.Cir. 1983). The Board suspended proceedings pending the final determination of a Federal civil suit in *Tokaido v. Honda Associates Inc.*, 179 USPQ 861 (TTAB 1973). In *Tokaido*, the Board reviewed the complaint and found that "the outcome of the civil suit may well be dispositive of the issues raised by the pleadings of the parties in the cancellation proceeding before the Board." *Id.* at 862. Based on this finding, the cancellation was suspended. *Accord, Whopper-Burger, Inc. v. Burger King Corp.*, 171 USPQ 805 (TTAB 1971). In *The Other Telephone Co. v. Connecticut National Telephone Co.*, 181 USPQ 125 (TTAB 1974), the Board granted a suspension pending the outcome of a civil action, holding that "[t]he only question for determination, therefore, is whether the outcome of the civil action will have a bearing on the issues involved in the opposition proceeding." *Id.* at 126.

**B. The Issues in the Civil Action Will Have a Bearing on this Dispute**

The parties in the Opposition and in the Civil Action are identical. The Civil Action includes the issues of (1) the scope of Reynolds' right to use the term PLEASURE in composite marks and (2) whether the word PLEASURE is descriptive for tobacco products. Both of these issues are central to the determination of this Opposition.

**1. Reynolds' Right to Use PLEASURE in Composite Marks**

Both the Civil Action and this Opposition involve the right of Reynolds to use the term PLEASURE in composite marks. If the Court holds that Reynolds' right to use the term PLEASURE in composite marks is limited, then Reynolds would not have standing to contest the Applications. The outcome of the Civil Action should clarify the meaning of the Settlement Agreement term that prohibits Reynolds from using a composite mark containing PLEASURE "in a way that creates a commercial impression in the term PLEASURE separate and apart from such composite phrase." This issue is critical to a determination of the allegation in Paragraphs 10, 15 and 20 of the Notice of Opposition that Reynolds has "an equal right" to the composite marks in the Applications.

The Board granted a suspension under similar circumstances in *Argo & Co. v. Carpetsheen Manufacturing, Inc.*, 187 USPQ 366 (TTAB 1975). In *Argo*, applicant Carpetsheen was involved in a state court action to determine ownership of the mark, which affected its right to file the application. The opposer in that dispute was not a party in the civil action, but the Board held that the state court decision regarding ownership of the mark could have implications affecting the outcome of the opposition before the Board, and therefore suspended the opposition.

## 2. Descriptiveness of the Term PLEASURE for Cigarettes

In its Counterclaim in the Civil Action, Reynolds asserts that the term PLEASURE is descriptive when used in connection with cigarettes. In this Opposition, Reynolds claims that Lorillard's composite marks including the term PLEASURE are descriptive for cigarettes. The determination in the Civil Action whether the word PLEASURE is descriptive for cigarettes, which will necessarily involve the issue of whether Lorillard has obtained secondary meaning based on its longstanding use of the mark, will have a direct bearing on the Opposition.

In *Professional Economics v. Professional Economic Services*, 205 USPQ 368 (TTAB 1979), the Board cited a Massachusetts state court's determination that the petitioner in a cancellation proceeding had been using the mark continuously since a time prior to the adoption and use of registrant's mark and that the registrant's use of the mark had caused confusion. In this case, it is likely that the determination in the Civil Action will have a bearing on the issue of whether the composite marks incorporating the word PLEASURE are descriptive and lack secondary meaning, as alleged in Paragraphs 9, 14 and 19 of the Notice of Opposition.

### III. CONCLUSION

Applicant respectfully requests that the Board suspend this Opposition until the final determination of the pending Civil Action and reset the dates of all pending deadlines after the Civil Action has been terminated.

Respectfully submitted,

/s/ James L. Lester  
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Counsel for Applicant

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing was served on counsel for Opposer via First Class Mail, postage prepaid, and via e-mail, pursuant to an agreement between counsel, on July 22, 2011.

/s/ James L. Lester \_\_\_\_\_  
James L. Lester

# **EXHIBIT B**

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

In the matters of:

Application Serial No. 85/111,881 for the mark SMOKING PLEASURE;  
Application Serial No. 85/111,876 for the mark SMOKING PLEASURE WITHOUT  
MENTHOL; and  
Application Serial No. 85/095,824 for the mark NON-MENTHOL PLEASURE!

R.J. REYNOLDS TOBACCO COMPANY	)	
	)	
Opposer,	)	Opposition No. 91199706
	)	
	)	
v.	)	
	)	
	)	
LORILLARD LICENSING COMPANY, LLC	)	
	)	
Applicant.	)	
	)	
	)	

**REPLY BRIEF IN SUPPORT OF APPLICANT’S  
MOTION FOR SUSPENSION OF OPPOSITION**

Applicant Lorillard files this short reply to RJRT’s brief opposing Lorillard’s motion to suspend this proceeding. RJRT’s arguments apply an incorrect standard and, if accepted, would result in the continuation of parallel proceedings involving the same parties and overlapping issues with consequent potential waste of resources and inconsistent results.

**I. RJRT Relies On The Wrong Standard**

RJRT argues that the North Carolina civil action “will not decide the two narrow issues facing the Board in this case.” (RJRT Br. 1). That is not the standard for suspending proceedings. The correct standard is much less demanding, *viz.*, “[w]henver a ... a party or parties are engaged in a civil action ... which **may have a bearing** on the case ... .” 37 C.F.R. § 2.117(a) (emphasis added). The Board made this very distinction in granting a similar motion

to suspend opposition proceedings where the parties were reversed in *Lorillard Licensing Company, LLC v. GMB, Inc.*, Slip Op., Opposition Nos. 91183188, 91183197, and 91183200, <http://ttabvue.uspto.gov/ttabvue/v?pno=91183200&pty=OPP&eno=17> (TTAB January 16, 2009).

There, Lorillard opposed registration by RJRT's subsidiary of three composite marks containing the term "PLEASURE," which RJRT moved to suspend in view of an earlier-filed opposition by RJRT against Lorillard's application to register the term "PLEASURE".<sup>1</sup> The Board Attorney rejected an argument identical to that made by RJRT here:

*Opposer correctly points out that* the marks and pleaded claims in the two proceedings are different, and argues that *no matter what the outcome of Opposition No. 91172250, this proceeding will go forward "on a different set of rights* asserted by [opposer]."

*The test* for the Board in deciding suspension issues *is not whether the other proceedings will determine the outcome of the suspended proceeding*, but whether [the] other proceeding will have a bearing on the suspended proceeding. slip op. at 3-4 (emphasis added).

The Trademark Board's rules provide that "[o]rdinarily, the Board will 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." (TBMP) 3rd ed. § 510.02(a) (May 2011). (emphasis added). That is certainly the case here.

## **II. Application Of The Correct Standard Should Result In A Suspension**

RJRT argues that the two issues before the Board in this Opposition are: (1) Whether RJRT has standing to oppose; and (2) whether the composite marks are merely descriptive of cigarettes. (RJRT Br. 1). The outcome of the North Carolina civil action may very well have a bearing on those issues.

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<sup>1</sup> Those oppositions resulted in a global Settlement Agreement, the terms of which are the subject of the presently-pending civil action in North Carolina.

As for the first issue, RJRT's Notice of Opposition alleges that it has standing to oppose because it has a right to use the composite phrases containing the term "PLEASURE" that are the subject of the Lorillard's applications to register. (See Notice of Opposition, §§ 10, 15, 20.) The central issue in the North Carolina civil action is the *scope* of RJRT's right to use composite phrases containing the term "PLEASURE" in light of the restrictions of the Settlement Agreement. (See Complaint (Exhibit A), ¶¶ 16, 17) Clearly, the outcome of the civil action may have a bearing on the first issue.

The same is true for the second issue, alleged descriptiveness of the marks. As Lorillard pointed out in its opening brief, one of the defenses pled by RJRT in the North Carolina civil action is that "the term PLEASURE is a generic or generically descriptive word." (Answer (Exhibit B), Affirmative Defenses ¶ 6.) The term "PLEASURE" is the central, common component of the three composite marks at issue in this proceeding. Indeed, Lorillard has disclaimed rights to all the other terms used in those composite marks.

Lorillard respectfully urges that it has made the requisite showing that the outcome of the civil action "may have a bearing on the issues before the Board."

### **III. Judicial Economy And Conservation Of Resources Favor Suspension**

Lorillard filed its North Carolina civil action in November of 2010. RJRT did not file its Notice of Opposition until May, 2011, six months later. Discovery is well under way in the civil action. Written interrogatories have been served and answered, and tens of thousands of documents have been produced. It would be wasteful to commence discovery in this opposition before the civil action is resolved.

Further, the three applications that are the subject of the current Opposition are intent-to-use applications. Lorillard has not yet filed a Statement of Use for any of the marks. Nor has

RJRT asserted that it is using or even intends to use the marks at issue. Thus, RJRT will not suffer any prejudice if the Opposition proceeding is suspended as requested by Lorillard.

On the other hand, denial of a suspension would impose a heavier burden on the Board and Lorillard than may otherwise be necessary. The decision in the North Carolina civil action is likely to have a bearing on one or more issues raised in this proceeding.

#### **IV. Conclusion**

For the foregoing reasons and the reasons set forth in Lorillard's opening brief, it is respectfully submitted that this proceeding should be suspended.

Dated: August 30, 2011

By: 

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**CERTIFICATE OF SERVICE**

I hereby certify that the foregoing Reply Brief In Support Of Applicant's Motion For Suspension Of Opposition was sent by first class mail on August 30, 2011 to Opposer's attorney of record as follows:

William M. Bryner, Esq.  
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Winton-Salem, NC 27101

A handwritten signature in black ink, appearing to read "Scott Greenberg", written over a horizontal line.

Scott Greenberg