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

Proceeding	91199706
Party	Defendant Lorillard Licensing Company, LLC
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Attachments	Reply Brief In Support Of Applicant's Motion For Suspension Of Opposition.pdf (5 pages)(178242 bytes)

**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".¹ 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.

¹ 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

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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:

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

Scott Greenberg