

**UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451**

Mailed: October 19, 2013

Opposition No. 91206448

Virbac S.A.

v.

Zoetis Products LLC

Jennifer Krisp, Interlocutory Attorney:

Applicant filed an application to register the mark
ZOETIS (standard characters) for the following International
Class 5 goods:

veterinary preparations for the prevention and treatment of parasitic infections, inflammation and inflammatory diseases, respiratory and infectious diseases, immunological, bacterial, viral and fungal diseases, osteoporosis, cardiovascular disease, central nervous system diseases and disorders, urological, urogenital and urinary disorders, gastrointestinal disorders, musculoskeletal disorders, allergies, diabetes, hypertension, stroke, cancer, blood, pain, obesity, digestive disorders, ophthalmological disorders, behavioral disorders, reproductive disorders, dermatological disorders, tooth decay, tooth sensitivity, gingivitis, halitosis and periodontal disease and for skin and tissue repair and to lower cholesterol; veterinary vaccines; diagnostic kits for veterinary use consisting of reagents for use in disease testing for veterinary diagnostic purposes, diagnostic preparations for veterinary use, all of the foregoing for treating felines, canines, bovines, porcines, equines, llamas, rabbits,

rodents, birds, ferrets, poultry, goats, sheep and aquatic animals.¹

Opposer filed a notice of opposition on the grounds of priority and likelihood of confusion pursuant to Trademark Act Section 2(d), and alleging ownership of Registration No. 4163263, registered June 26, 2012, for the mark ZOLETIL (standard characters) for "veterinary products, namely, an anesthetic in the nature of a general anesthetic" in International Class 5.²

Applicant filed a motion on July 10, 2013 for leave to amend its answer to assert a counterclaim to cancel opposer's pleaded Registration No. 4163263. Applicant's motion has been fully briefed.³

Analysis

Amendments to pleadings in *inter partes* proceedings are governed by Fed. R. Civ. P. 15, which is made applicable to

¹ Application Serial No. 85505740 was filed December 29, 2011, alleging a bona fide intent to use the mark in commerce pursuant to Trademark Act Section 1(b). Assignment of the application to assignee Zoetis Products LLC, recorded May 3, 2013, is noted. The caption to this proceeding has been amended in accordance with the assignment record, as well as applicant's May 22, 2013 motion.

² Registered on the Principal Register June 26, 2012 from an underlying application filed April 4, 2011 alleging a bona fide intent to use the mark in commerce pursuant to Trademark Act Section 1(b); said application was amended to a Trademark Act Section 44(e) basis in reliance on Registration No. 95563857 issued March 15, 1995 by the French Republic National Institute of Industrial Property.

³ Opposer's filings in opposition to the motion consist of a partially redacted brief, as well as a brief filed under seal. Accordingly, in certain instances herein, the Board refers only generally to the substance of said brief.

Board proceedings by Trademark Rule 2.116(a). See also TBMP § 507.01 (2013). Fed. R. Civ. P. 15(a) governs amendments prior to trial. Pursuant to Fed. R. Civ. P. 15(a)(2), where, as here, a party may not amend its pleading as a matter of course under Fed. R. Civ. P. 15(a)(1),

...a party may amend its pleading only with the opposing party's written consent or the court's leave. The court should freely give leave when justice so requires.

The Board is guided by certain principles in determining whether to allow leave to amend. Specifically, the Board liberally grants leave to amend pleadings at any stage of a proceeding when justice so requires, unless entry of the proposed amendment would violate settled law or be prejudicial to the rights of the adverse party or parties. See TBMP § 507.02 (2013). Where the moving party seeks to add a new claim or defense, and the proposed pleading thereof is legally insufficient, or would serve no useful purpose, the Board normally will deny the motion for leave to amend. See *Octocom Systems Inc. v. Houston Computer Services Inc.*, 918 F.2d 937, 16 USPQ2d 1783, 1785 (Fed. Cir. 1990); *Giersch v. Scripps Networks Inc.*, 85 USPQ2d 1306, 1309 (TTAB 2007); *Hurley International L.L.C. v. Volta*, 82 USPQ2d 1339, 1341 (TTAB 2007).

The timing of a motion for leave to amend is central in determining whether the non-movant would be prejudiced by

allowance of the proposed amendment. See TBMP § 507.02 (2013). The motion should be filed as soon as any ground for such amendment, e.g., newly discovered information or evidence, becomes apparent. A long or unexplained delay in filing a motion for leave to amend may render the amendment untimely. See Trademark Rule 2.106(b)(2)(i). See also *Int'l Finance Corp. v. Bravo Co.*, 64 USPQ2d 1597, 1604 (TTAB 2002).

Moreover, Trademark Rule 2.106(b)(2)(i) provides as follows, in pertinent part:

A defense attacking the validity of any one or more of the registrations pleaded in the opposition shall be a compulsory counterclaim if grounds for such counterclaim exist at the time when the answer is filed. If grounds for a counterclaim are known to the applicant when the answer to the opposition is filed, the counterclaim shall be pleaded with or as part of the answer. If grounds for a counterclaim are learned during the course of the opposition proceeding, the counterclaim shall be pleaded promptly after the grounds therefor are learned...

Applicant moves for leave to add a counterclaim that opposer did not have a bona fide intent to use its pleaded mark in commerce when it filed the underlying application for registration. Applicant asserts, *inter alia*, that it learned of the basis for its proposed counterclaim from documents produced in response to opposer's first set of requests for documents on May 31, 2013, and specifically an alleged lack of responsive documents in response to Request for Production Nos. 5, 28 and 30. Applicant asserts that the allegations of its

proposed counterclaim were not known to it when it filed its answer.

Opposer asserts, *inter alia*, that applicant's proposed counterclaim is unfounded, baseless, unnecessary and futile, arguing predominantly that it is without merit and that applicant has not met and cannot meet its burden of demonstrating that the registration is invalid. Specifically, opposer asserts that its supplemental document production, served July 18, 2013 included documents which are substantively germane to activities related to use or intended use of its mark and on certain products.

Regarding timing, applicant moved to amend several weeks prior to the close of discovery, as reset, and approximately five weeks after receipt of opposer's initial responses to written discovery. As opposer itself notes, this proceeding is still in the discovery stage, and subsequent to applicant moving for leave to amend, the parties stipulated to extend discovery. Opposer has, and indeed the Board can allow opposer, adequate time and opportunity to take discovery, to defend against the counterclaim, and to further supplement its discovery responses, as appropriate. Indeed, time in discovery remains for *both* parties.

With respect to prejudice, if any, opposer asserts that the amendment will only complicate issues, will increase the burden and expense of this proceeding, and will lead to

unnecessary delay. Opposer has not, however, delineated any prejudice of the type that would weigh against allowing the counterclaim, such as an inability to take discovery or to secure evidence or witnesses relevant to preparing a defense, or an undue burden in litigating the merits of the counterclaim. Moreover, opposer's supplemental document production was served July 18, 2013, *subsequent to* the filing of the motion for leave to amend; thus, although the supplementation was consistent with opposer's obligation under Fed. R. Civ. P. 26(e)(1), applicant did not have this production when preparing its motion.

Regarding legal sufficiency, the Board notes that applicant's proposed counterclaim sufficiently sets forth allegations that form one ground for cancellation, namely, that opposer did not have a bona fide intent to use the mark in commerce in the United States on the identified goods as of the filing date of its underlying application.⁴ This counterclaim would not violate settled law.

⁴ Accordingly, opposer's argument that the counterclaim fails to state a claim upon which relief may be granted is unpersuasive.

Applicant's allegations do not sufficiently set forth a counterclaim of fraud on the USPTO. Applicant does not allege intent to deceive the USPTO. See Fed. R. Civ. P. 9(b); *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938 (Fed. Cir. 2009).

Furthermore, to prevail on the counterclaim based on lack of bona fide intent to use the mark in commerce, applicant need not allege and prove that opposer acted in bad faith and intended to deceive the USPTO. The absence of evidence of an applicant's bona fide intent to use a mark does not necessitate a showing that such applicant acted in bad faith. The requirements for pleading and proving a lack of a bona fide intent to use a mark do not equate to the requirements for pleading and proving fraud.

Based on a thorough assessment of the record and the circumstances, applicant's motion for leave to amend its answer to add a counterclaim to cancel Registration No. 4163263 is hereby granted. Applicant's amended answer and affirmative defenses and counterclaim for cancellation, filed July 10, 2013, is now its operative pleading in this proceeding.⁵

Fee, Answer and Schedule

The Office finance records do not indicate that applicant submitted the required fee for the counterclaim. See Trademark Rules 2.111(c)(1) - (c)(4), and 2.6(a). Applicant is allowed until fifteen (15) days from the mailing date of this order in which to submit the required fee. See Trademark Rules 2.206 - 2.208.

Proceedings are deemed to have been suspended as of July 10, 2013. Opposer's stipulated motion to extend discovery and trial periods, filed July 23, 2013, is noted; however, said motion is now moot in view of the Board's ruling herein and resetting of relevant dates to accommodate the counterclaim.

See *SmithKline Beecham Corp. v. Omnisource DDS LLS*, 97 USPQ2d 1300, 1305 (TTAB 2010).

Additionally, applicant's allegations do not sufficiently set forth a counterclaim that opposer abandoned use of its mark. See *Otto Int'l Inc. v. Otto Kern GmbH*, 83 USPQ2d 1861, 1863 (TTAB 2007).

⁵ Applicant's request in its prayer for relief that it be awarded its costs incurred herein is inappropriate and will be given no consideration. See Trademark Rule 2.127(f); TBMP § 502.05 (2013).

In any event, the stipulated motion is indicative of the parties' intent to allow for the orderly progression of discovery.

Opposer is allowed until forty-five (45) days from the mailing date of this order in which to file its answer to the counterclaim.

Discovery, expert disclosure, and pretrial disclosure and trial dates, are reset as follows:⁶

Expert Disclosures Due	January 3, 2014
Discovery Closes	February 2, 2014
Plaintiff's Pretrial Disclosures	March 19, 2014
30-day testimony period for plaintiff's testimony to close	May 3, 2014
Defendant/Counterclaim Plaintiff's Pretrial Disclosures	May 18, 2014
30-day testimony period for defendant and plaintiff in the counterclaim to close	July 2, 2014
Counterclaim Defendant's and Plaintiff's Rebuttal Disclosures Due	July 17, 2014
30-day testimony period for defendant in the counterclaim and rebuttal testimony for plaintiff to close	August 31, 2014
Counterclaim Plaintiff's Rebuttal Disclosures Due	September 15, 2014
15-day rebuttal period for plaintiff in the counterclaim to close	October 15, 2014

BRIEFS SHALL BE DUE AS FOLLOWS:

Brief for plaintiff due	December 14, 2014
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⁶ In the event that the parties file a motion to extend or suspend any of these dates, their motion should set forth a revised schedule in the same manner in which the Board has set forth the schedule herein.

Brief for defendant and plaintiff in the counterclaim due	January 13, 2015
Brief for defendant in the counterclaim and reply brief, if any, for plaintiff due	February 12, 2015
Reply brief, if any, for plaintiff in the counterclaim due	February 27, 2015

In each instance, a copy of the transcript of testimony, together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.