UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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DUNN

Mailed: July 1, 2016

Opposition No. 91223290

Nerium International, LLC

v.

Nerium Biotechnology, Inc.

Elizabeth A. Dunn, Attorney (571-272-4267):

This case comes up on Opposer's motion, filed March 22, 2016, to suspend this proceeding pending final determination of the state court action between the parties. The motion has been fully briefed, and proceedings are considered to have been suspended with the filing of the motion.

BACKGROUND

On August 12, 2015, Opposer filed a notice of opposition against Applicant's pending application Serial No. 85303510, filed under Trademark Act Sec. 1(b), for the mark NERIUM for "medicated skin care preparations, namely, topically-applied, non-prescription creams, lotions, gels, toners, cleaners and peels for treating the skin's appearance and feel, all containing oleander plant extracts", alleging priority of use and likelihood of confusion with Opposer's common law

marks NERIUM, NERIUMAD, and NERIUM INTERNATIONAL for skincare products.[1]

On August 21, 2015, Nerium SkinCare, Inc., a Texas corporation whose corporate parent is Applicant Nerium Biotechnology, Inc., filed a complaint in the 116th Judicial District Court of Dallas County, Texas. As subsequently amended, the complaint was filed against Opposer Nerium International, LLC and two individuals, and alleges, inter alia, that plaintiff's parent created plaintiff to manufacture natural skincare products, that plaintiff created defendant to market and sell the natural skincare products; that plaintiff and defendant executed an October 23, 2010 agreement defining their relationship and granting defendant intellectual property rights "reasonably necessary for the marketing, distribution and sale of the Product Line"; and that defendant has breached the agreement. *Nerium Skincare, Inc. v. Nerium International, LLC,* Cause No. DC-15-09594.

On January 21, 2016, Applicant filed its answer and counterclaim which denied the salient allegations of the notice of opposition, asserted various affirmative defenses, and sought cancellation based on non-ownership of Opposer's two registrations for the same stylized N mark, one for "cosmetic products, namely non-medicated skin care preparations, namely, facial scrubs, body scrubs, hand scrubs, skin creams, facial creams, cleansing creams, night creams, anti-aging creams, anti-wrinkle creams, hand lotions; skin moisturizers, skin emollients, eye creams; masks, namely, beauty masks, facial masks, skin masks; face and body lotions; body

[1] The notice of opposition also pleaded a dilution claim which the Board dismissed in its December 22, 2015 order.

oils; non-medicated lip balms; hard and liquid soaps for hands, face and body" (Registration No. 4469321 issued on January 21, 2014) and the other for "multilevel marketing business services, namely, providing marketing and income opportunities to others through the sale of personal care products, and through the development of marketing organizations; distributorship services in the fields of personal care products; phone and mail order retail services, catalog retail services, and online retail store services, in the field of fields of health, beauty and skin care; online ordering service via computer networks and global communication networks featuring general merchandise, namely beauty and skin care products, cosmetics and toiletries; business management and business consultation services provided to multilevel marketing distributors and retail customers of such distributors; and business information services in the nature of providing information on small businesses and small business opportunities via online electronic computer networks" (Registration No. 4425567 issued October 29, 2013). In support of its counterclaim, Applicant alleges that the agreement between the parties or related entities determines the ownership and rights to use the NERIUM mark.

On March 22, 2016, in lieu of its answer to the counterclaim, Opposer filed a motion to suspend this proceeding pending the disposition of the Texas state court action, contending that there are issues in common, and the court's decision may have a bearing on this opposition. Applicant filed an opposition to suspension contending that the state court action addresses different issues which will not have

a bearing on this opposition, and, even if it did address the same issues, the state court's decision will not be binding on the Board.

DISCUSSION

Pursuant to Trademark Rule 2.117, '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." While civil actions warranting suspension usually arise in in federal court, it is not required. If the outcome of a suit pending in state court may have a direct bearing on the question of applicant's right of registration, the Board's proceeding may be suspended pending disposition of the civil suit. *See Argo & Co. v. Carpetsheen Manufacturing, Inc.*, 187 USPQ 366, 367 (TTAB 1975).

Here, the provisions of the agreement between the parties or their related companies is central to both proceedings. While the state court decision may not be binding on the Board, in the interest of judicial economy the Board declines to go forward with a proceeding which may duplicate the work of the state court with respect to the rights of the parties as defined by their agreement.

PROCEEDINGS ARE SUSPENDED

Accordingly, Opposer's motion to suspend this opposition is GRANTED, and proceedings are suspended pending final disposition of the civil action.

Within twenty days after the final determination of the civil action, the parties shall so notify the Board so that this proceeding may be called up for appropriate action.[2] Such notification to the Board should include a copy of any final order or final judgment which issued in the civil action.

During the suspension period, the parties must notify the Board of any address changes for the parties or their attorneys. In addition, the parties are to promptly inform the Board of any other related cases, even if they become aware of such cases during the suspension period. Upon resumption, if appropriate, the Board may consolidate related Board cases.

APPLICANT MUST FILE DISTRICT COURT PLEADINGS

The Board notes Opposer's allegation in its reply brief that Applicant "recently filed and served" a district court action involving, inter alia, a claim of trademark infringement of the NERIUM mark which may have a bearing on this proceeding.

If the district court proceeding remains pending, Applicant is allowed until TEN DAYS from the mailing date of this order to file a copy of the operative pleadings with the Board. Upon review, the Board may amend the suspension order to note that the two civil actions provide a dual basis for suspension.

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[2] A proceeding is considered to have been finally determined when a decision on the merits of the case (*i.e.*, a dispositive ruling that ends litigation on the merits) has been rendered, and no appeal has been filed therefrom, or all appeals filed have been decided. *See* TBMP § 510.02(b).