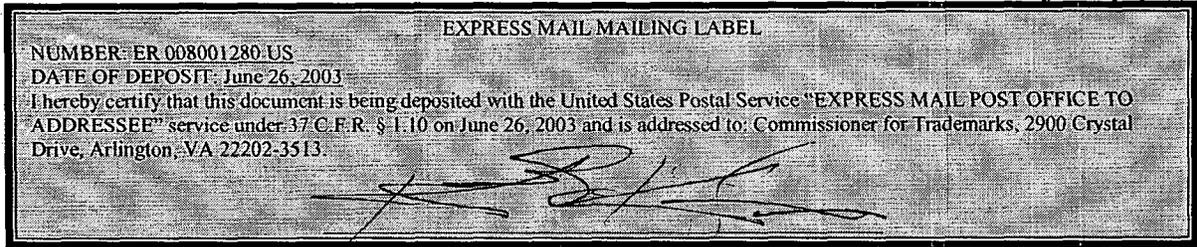


TTAB



**UNITED STATES PATENT AND TRADEMARK OFFICE
 TRADEMARK TRIAL AND APPEAL BOARD**

Registration No.: 2,666,400
 Mark: "K 326"
 Registered: December 24, 2002



06-26-2003

U.S. Patent & TMO/c/TM Mail Rcpt Dt. #22

CROSS CREEK SEED, INC.)
)
 and)
)
 COATING SUPPLY, INC.,)
)
 Petitioners,)
)
 v.)
)
 F.W. RICKARD SEEDS, INC.,)
)
 Respondent.)

Cancellation No. 92041792

**RESPONSE OF PETITIONERS CROSS CREEK SEED, INC. AND COATING
 SUPPLY, INC. TO THE CONDITIONAL REQUEST OF RESPONDENT F.W.
 RICKARD SEEDS, INC. FOR A RULE 56(f) CONTINUANCE TO TAKE
 DISCOVERY**

Petitioners Cross Creek Seed, Inc. ("Cross Creek") and Coating Supply, Inc. ("Coating Supply") (collectively, "Petitioners") hereby respond to the Conditional Request of Respondent F.W. Rickard Seeds, Inc. ("Respondent") for a Rule 56(f) Continuance to Take Discovery ("Motion for Continuance"). In support of their response, Petitioners state as follows:

Argument

Respondent's Motion for Continuance Is Unwarranted As a Matter of Law, Is Submitted for the Improper Purpose of Delay, and Must Be Denied

1. Petitioners filed a motion for summary judgment ("Summary Judgment Motion") to cancel Trademark Registration 2,666,400 (the "400 Registration") on May 27, 2003, at the same time that Petitioners filed their response to Respondent's Motion to Suspend Proceedings Pending Outcome of Federal Court Litigation ("Motion to Suspend").

2. Instead of responding to Petitioners' Summary Judgment Motion, Respondent filed a Reply in Further Support of Its Motion to Suspend ("Reply")¹ and the

¹ Respondent admits in its Reply that the Board may hear a potentially dispositive motion even though a motion to suspend was filed first, but Respondent nevertheless contends that the Board is constrained in that situation to deny the potentially dispositive motion. Reply at 3-4. To state Respondent's position is practically to refute it. Obviously, if the Board has the power to hear a motion, it also has the power to grant it.

In fact, Respondent misrepresents the holding in *Continental Specialties Corp. v. Continental Connector Corp.*, 192 USPQ 449 (TTAB 1976), when it contends that the "Board specifically noted that it was entertaining the motion to dismiss before the motion to suspend because the motion to suspend was filed first." Reply at 3. The Board noted no such thing, stating instead that it "is the Board's practice to determine *any* motion that may be dispositive of the proceeding before [it] before acting on the motion to suspend." 192 USPQ at 450 (emphasis added). The Board did not indicate which motion was filed first, evidently because the order of filing was immaterial; it then *granted* the dispositive motion and *denied* the motion to suspend as moot. *Id.* at 452.

As noted above with respect to *Continental Specialties*, "it is the policy of the Board, when presented with a motion to suspend, to decide *any* outstanding motions which may be dispositive of the case prior to consideration of the question of suspension." *Allegro High Fidelity, Inc. v. Zenith Radio Corp.*, 197 USPQ 550, 551 (TTAB 1977) (emphasis added). Thus, Respondent's further attempt to distinguish cases in which a later-filed dispositive motion is heard before a motion to suspend, on the basis that the same party filed both motions, Reply at 3, is unavailing.

Likewise, Respondent misstates that there was no indication "that the motion for judgment was filed before the motion to suspend" in *Argo & Co. v. Carpetsheen Mfg., Inc.*, 187 USPQ 366 (TTAB 1975). Reply at 3. The Board in fact stated, "[t]his case

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Motion for Continuance. In its Motion for Continuance, Respondent claims that it needs to take discovery in order to respond to the Summary Judgment Motion. As its grounds, Respondent claims that it needs discovery to determine: (1) whether Petitioners have standing to petition for cancellation of the '400 Registration and (2) to support Respondent's unclean hands defense. Motion for Continuance at 3-4.

3. Apparently, Respondent has adopted a strategy of claiming, without colorable basis, that it needs discovery in the hope that the Board will, in the exercise of its discretion, refrain from considering the Summary Judgment Motion and suspend proceedings. As shown below, *Respondent's* own actions and admissions *prove* that Petitioners have standing, and Respondent's equitable defense of unclean hands is unavailable to it *as a matter of law*. Consequently, Respondent needs no discovery to respond to the Summary Judgment Motion, and the Board should order Respondent to file its response thereto.

I. Respondent Needs No Discovery to Support a Defense of Lack of Standing, As Respondent's Own Actions and Admissions Prove Petitioners Possess It

4. Respondent may not have discovery of Petitioners in order to challenge standing. In fact, the defense should be stricken under Fed. R. Civ. Pro. 12(f), *American Vitamin Products, Inc. v. DowBrands, Inc.*, 22 USPQ2d 1313, 1314 (TTAB 1992), as Respondent's actions and admissions conclusively prove that Petitioners have standing.

(footnote cont'd)

now comes up on a motion filed . . . by applicant to suspend the instant proceeding pending the outcome of a civil suit. . . . Opposer has, *in turn*, moved for judgment on the ground that certain unusual facts obtained herein warrant that judgment in its favor be summarily granted." 187 USPQ at 366 (emphasis added.) In conformity with its long-standing practice, the Board heard the potentially dispositive motion first. *Id.* at 367.

5. To begin the analysis, Section 14 of the Lanham Act provides that “any person who believes he is or will be damaged by the registration of a mark” may petition to cancel it. 15 U.S.C. § 1064. All that is needed is that a party “have a ‘real interest’ in the proceedings and . . . a ‘reasonable’ basis for his belief of damage.” *Ritchie v. Simpson*, 170 F.3d 1092, 1095 (Fed. Cir. 1999).

6. Although no absolute test can be laid down for what must be proven to constitute standing as a petitioner in a cancellation proceeding, *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 1028, 213 USPQ 185, 189 (Fed. Cir. 1982), there are certain situations in which standing exists as a matter of course. Here, Respondent has sued Petitioner Cross Creek for infringement of the mark that is the subject of the '400 Registration. Motion to Suspend, Ex. A (Respondent's federal complaint against Cross Creek and others), ¶¶ 46-50. As such, Cross Creek unquestionably has standing to pursue cancellation. *Interim, Inc. v. Interim Services, Inc.*, 1999 TTAB Lexis 165 (TTAB 1999). In that case, the Board stated in relevant part:

Petitioner, as the defendant in an infringement suit brought by respondent, is clearly more than a mere intermeddler inasmuch as the registration petitioner is seeking to cancel herein has been asserted against the petitioner in the civil action. This situation is analogous to an opposition or cancellation proceeding based on likelihood of confusion where a defendant has counterclaimed to cancel a plaintiff's pleaded registration on grounds of descriptiveness or genericness. Under such circumstances it is not necessary that the defendant assert a right or interest in using the mark. The defendant has a personal stake in the proceeding by virtue of its position in the underlying action. See, for example, *Bankamerica Corp. v. Invest America*, 5 USPQ2d 1076 (TTAB 1987).

Similarly, petitioner in this case has a personal interest in seeking to cancel the registration asserted against it in the civil action, no less than if petitioner had defended that interest by way of a counterclaim in the infringement

action. See, for example, *Tonka Corporation v. Tonka Tools, Inc., et al.*, 229 USPQ 857 (TTAB 1986).

Interim Services, at *3-4.

7. Moreover, Respondent has *admitted* that Cross Creek has standing. Petitioners seek cancellation because “K326” is the name of a variety of tobacco, and as such is generic. When an opposition or cancellation proceeding is based on mere descriptiveness or genericness, all that is required for standing is that the opposer or petitioner be engaged in the manufacture or sale of the same or similar goods or services as the applicant or respondent. *DeWalt, Inc. v. Magna Power Tool Corp.*, 289 F.2d 656, 661, 129 USPQ 275, 280 (CCPA 1961) (alleging descriptiveness); *Binney & Smith, Inc. v. Magic Marker Industries, Inc.*, 222 USPQ 1003, 1010 (TTAB 1984) (same); *Union Carbide Corp. v. W.R. Grace & Co.*, 213 USPQ 400, 411 (TTAB 1982) (alleging genericness). Obviously, standing exists because a party in competition with an applicant for, or a holder of, a mark has an interest in being able to use the term to identify or describe its own goods or services, without concern that doing so will subject it to an infringement action.

8. Here, Petitioners not only have such a right; they have an obligation pursuant to section 201 of the Federal Seed Act (“FSA”), 7 U.S.C. § 1571, to use the name “K326” in labeling and advertising their K326 tobacco seed; if they do not, they face enforcement under the FSA. Motion for Summary Judgment, Ex. 2A (letter from United States Department of Agriculture requiring that all K326 tobacco seed be labeled and advertised as such).

9. Respondent plainly admits that Cross Creek is in the same business as Respondent. Answer, ¶ 3 (“Registrant admits that it and Petitioner Cross Creek are in the

business of propagating, processing, and marketing tobacco seed.”) Consequently, standing is established and no discovery sought by Respondent can alter that. *Ferro Corp. v. SCM Corp.*, 219 USPQ 346, 352 (TTAB 1983) (applicant’s statement in brief that opposer was “viable competitor” was sufficient to give opposer standing to oppose registration of mark as generic); *Balston, Inc. v. Finite Filter Co.*, 212 USPQ 210, 213 (TTAB 1981) (based on admission that parties were competitors, opposer had shown right to challenge registration on basis of descriptiveness). *See also Lipton Industries*, 670 F.2d at 1030, 213 USPQ at 190 (elements necessary for standing in cancellation proceeding grounded on abandonment due to nonuse established through admissions in respondent’s answer); *Biro v. Bic Corp.*, 18 USPQ2d 1382, 1384 & n. 5 (TTAB 1992) (admission that opposers’ decedent was credited with inventions involving ballpoint pen proved standing under section 2(a) of Lanham Act).

10. Although it is manifest that Cross Creek has standing, Respondent nonetheless ignores Cross Creek, and instead contends that it needs discovery of Petitioner Coating Supply in order to support a defense that Coating Supply lacks standing.² Given that standing has been established with respect to Cross Creek, there is no purpose to be served by allowing discovery of Coating Supply on the non-issue of standing. Where one party has demonstrated standing, there is no need to determine

² Motion for Continuance at 3. The Board may note that Respondent is adept at ignoring the existence of each of the Petitioners when it suits Respondent’s purpose. *See, e.g.*, Motion to Suspend (no references to Coating Supply throughout motion and continual reference to Cross Creek as “Petitioner” in the singular). The Board should also note that Respondent is incorrect in stating that Coating Supply is the only party to have submitted evidence in support of summary judgment. Motion for Continuance at 3. Petitioner Cross Creek has also supplied evidence through the declaration of its employee, Sam C. Baker. Summary Judgment Motion, Ex. 2.

whether other parties possess it. *Dep't of Commerce v. United States House of Representatives*, 525 U.S. 316, 330 (1999). See also *Office of Workers' Compensation Programs v. Perini North River Assocs.*, 459 U.S. 297, 303-305 (1983) (holding that one plaintiff with standing is sufficient to assure that controversy before Court is justiciable); *Arlington Heights v. Metropolitan Housing Development Corp.*, 429 U.S. 252, 264 & n. 9 (1977) (same).³ Consequently, Respondent needs no discovery with respect to Petitioners' standing in order to respond to the Summary Judgment Motion.

II. Respondent Likewise Needs No Discovery to Support Its Unclean Hands Defense, As Equitable Defenses Raised Against a Claim of Genericness Are Void As a Matter of Public Policy

11. Respondent's claim that it needs discovery to support its unclean hands defense in order to respond to the Summary Judgment Motion, Motion for Continuance at 3, is equally unavailing. Petitioners seek cancellation of the '400 Registration because K326 is the name of a tobacco variety, and as such is generic.⁴ Simply put, "K 326"

³ Citing *Lipton Industries*, 670 F.2d at 1029-30, Respondent claims that "each Petitioner must plead, and ultimately prove, that it is something more 'than an intermeddler' who lacks the required personal interest in the outcome of the case beyond that of the general public." Motion for Continuance at 3 (emphasis added). Once again, Respondent misstates the law. *Lipton* does not so hold. In fact, the Supreme Court's Article III standing decisions cited above establish that the law is just the opposite.

⁴ "K 326" is not generic merely because the relevant public identifies a particular variety of tobacco as "K326" today, and might call it something else tomorrow. As a matter of law, the name of a plant variety is determined by its originator or discoverer. Plant Variety Protection Act ("PVPA") § 52, 7 U.S.C. § 2422; 7 C.F.R. § 201.34(d). Here, the originator named the variety "K326," see Motion to Suspend, Ex. A at 2 (PVPA application in which originator named variety "K326"), and Petitioners are required by law to identify it as such in seed labeling and advertising. FSA § 201, 7 U.S.C. § 1571(a), (d); 7 C.F.R. § 201.10(a). Pursuant to Fed. R. Evid. 201(d), the Board may take judicial notice that "K326" is the name of the tobacco variety at issue, as that fact is "capable of accurate and ready determination by resort to sources whose accuracy cannot reasonably be questioned"—i.e., the application for the PVPA Certificate, and such Certificate, as supplied by Respondent herein. Given that it cannot reasonably be

(cont'd)

cannot function as a mark. Equitable defenses, including the defense of unclean hands, are not applicable to claims of genericness; such defenses fail as a matter of law (and may be stricken pursuant to Fed. R. Civ. Pro. 12(f)) because of the overriding public interest in removing improper registrations from the register. *Loglan Institute, Inc. v. Logical Language Group, Inc.*, 962 F.2d 1038, 1042, 22 USPQ2d 1531, 1534 (Fed. Cir. 1992) (“[t]he Board did not err in declining to apply the [equitable] defenses [of unclean hands, estoppel and fraud], as the public interest in a cancellation proceeding to rid the register of a generic mark transcends them”). See also *TBC Corp. v. Grand Prix Ltd.*, 12 USPQ2d 1311, 1313 (TTAB 1989) (as “*Morehouse*” defense is akin to equitable defense of laches or acquiescence, defense not available in cancellation proceeding based on abandonment, as public interest requires removal of abandoned marks from register); *Care Corp. v. Nursecare Internat’l, Inc.*, 216 USPQ 993, 995 (TTAB 1982) (where proceeding based on merely descriptive nature of mark, equitable defenses likewise unavailable).

12. Obviously, Respondent needs no discovery to support an unclean hands defense in order to respond to the Summary Judgment Motion, as that defense is unavailable to it.⁵ Accordingly, Respondent’s request to take such discovery in order to respond to the motion should be denied.

(footnote cont’d)

contested that “K326” is the name of a tobacco variety, the prior evidence supplied to that effect, Summary Judgment Motion, Ex. 1 (declaration of Joseph Trias), is merely cumulative, and Respondent need not apply to “go fishing” to try to counter the obvious. See Motion for Continuance, Declaration of James Strickland, ¶ 5 (suggesting that third-party discovery will “bear on the issue of the use of K 326 as a trademark.”)

⁵ Indeed, Respondent’s assertion of unclean hands demonstrates true temerity, as “K 326” was registered only because Respondent misrepresented to the examining

(cont’d)

Conclusion

13. A Rule 56(f) motion should only be filed when a party's ability to respond to a motion for summary judgment is so constrained, because of an inability to take needed discovery, that the Rule 56(f) movant cannot present, by affidavit, facts essential to justify its opposition to the motion for summary judgment. *Keebler Co. v. Murray Bakery Products*, 866 F.2d 1386, 1389, 9 USPQ2d 1736, 1739 (Fed. Cir. 1989). Respondent has utterly failed to demonstrate that such is the case here. In fact, the only truly material fact in this case—that "K326" is the name of a tobacco variety—is indisputable, and Respondent cannot articulate what it could possibly find in discovery to justify letting "K 326" remain on the register. The simple fact that "K326" is the name of a tobacco variety is the real reason Respondent is constrained from presenting facts that justify opposing summary judgment—not that it needs discovery.

14. As shown above, Respondent's Motion for Continuance has no basis in existing law, and Respondent has made no non-frivolous argument for the modification or reversal of existing law. In fact, the Motion for Continuance appears to have been concocted for the sole purpose of delaying the Board's consideration of Petitioners' Summary Judgment Motion, in the hope that the Board would consider Respondent's Motion to Suspend without first addressing Petitioners' entitlement to summary judgment, in contravention of normal Board practice. *See* Petitioner's Response to Motion to Suspend at 2-4 and *supra*, p. 2 n. 1. The Board may therefore wish to consider

(footnote cont'd)

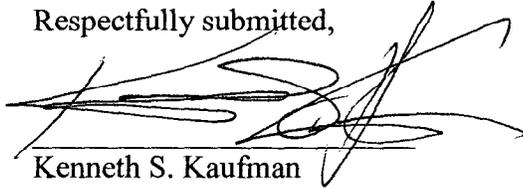
attorney that the term had no descriptive significance. *See* Examiner's Amendment dated July 10, 2002 ("[t]he applicant has indicated that the wording does not have descriptiveness significance in the relevant trade"). A true copy of the referenced document from the registration file for the mark is attached hereto as Exhibit 1.

imposing sanctions for violation of Fed. R. Civ. Pro. 11(b). Petitioners suggest that striking Respondent's Motion to Suspend would be an appropriate sanction.

15. For the foregoing reasons, the Board should deny Respondent's Motion for Continuance and order Respondent to file a response to Petitioners' Summary Judgment Motion.

June 26, 2003

Respectfully submitted,



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Counsel for Petitioners
Cross Creek Seed, Inc. and
Coating Supply, Inc.

CERTIFICATE OF SERVICE

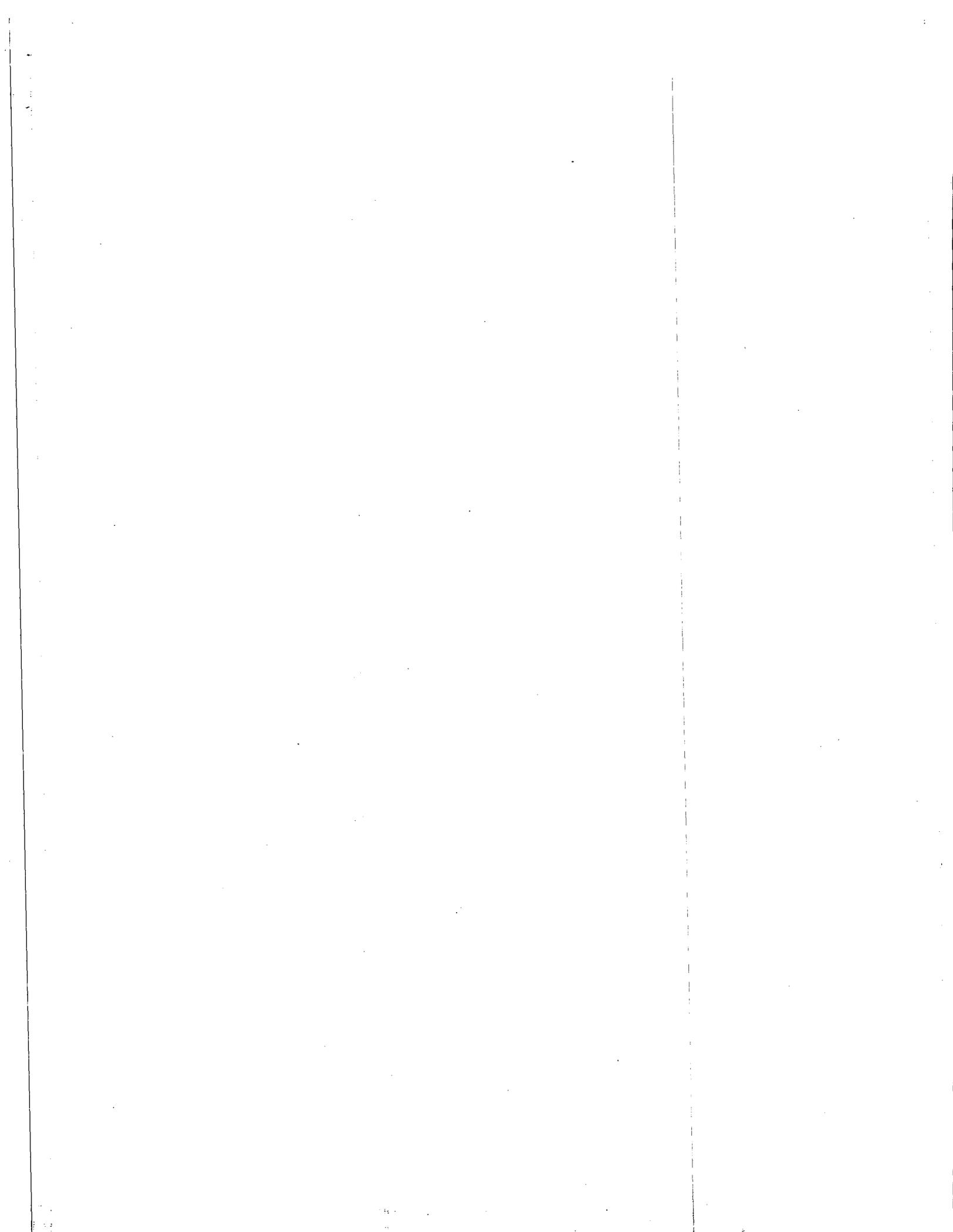
I hereby certify that I caused true and accurate copies of the foregoing Response of Petitioners Cross Creek Seed, Inc. and Coating Supply, Inc. to the Conditional Request of Respondent F.W. Rickard Seeds, Inc. for a Rule 56(f) Continuance to Take Discovery, to be served by first-class mail, postage prepaid, this 26th day of June, 2003, upon the following:

Thomas L. Casagrande
Howrey Simon Arnold & White, LLP
750 Bering Drive
Houston, TX 77057

George B. Snyder
Kramer Levin Naftalis & Frankel LLP
919 Third Avenue
New York, NY 10022



Kenneth S. Kaufman



UNITED STATES PATENT AND TRADEMARK OFFICE

1A

SERIAL NO: 76/378772

APPLICANT: F. W. Rickard Seeds, Inc.

JUL 10 2002

CORRESPONDENT ADDRESS:

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RETURN ADDRESS:
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Arlington, VA 22202-3513
ecom101@uspto.gov

MARK: K 326

If no fees are enclosed, the address should include the words "Box Responses - No Fee."

CORRESPONDENT'S REFERENCE/DOCKET NO: 100919-04164

CORRESPONDENT EMAIL ADDRESS:
N/A

Please provide in all correspondence:

1. Filing date, serial number, mark and applicant's name.
2. Date of this Office Action.
3. Examining Attorney's name and Law Office number.
4. Your telephone number and email address.

RE: Serial Number 76/378772

EXAMINER'S AMENDMENT

In accordance with the authorization granted by the applicant, the application has been AMENDED as indicated below. Any future amendments to the identification of goods or services must be in accordance with 37 C.F.R. 2.71(a); TMEP section 1402.07(e). No response is necessary unless there is an objection to the amendment. If there is an objection to the amendment, the applicant should notify the examining attorney immediately.

The examining attorney has searched the Office records and has found no similar registered or pending mark which would bar registration under Trademark Act Section 2(d), 15 U.S.C. §1052(d). TMEP §704.02.

Identification of Goods

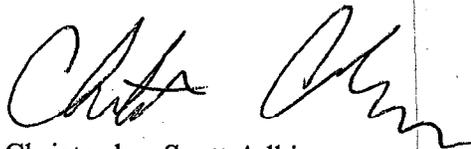
The identification of goods is amended to read as follows:

- "Tobacco plant seeds, seedlings, living plants and plantlets in International Class 31."

Significance

The applicant has indicated that the wording does not have descriptiveness significance in the relevant trade. 37 C.F.R. §2.61(b).

The Trademark Applications and Registrations Retrieval (TARR) database on the USPTO website at <http://tarr.uspto.gov> provides detailed, up to the minute information about the status and prosecution history of trademark applications and registrations. The TARR database is available 24 hours a day, 7 days a week. Status and status date information is also available via push-button telephone at (703) 305-8747 from 6:30 a.m. until midnight, Eastern Time, Monday through Friday.



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