

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

<p>FORT JAMES OPERATING COMPANY and GEORGIA-PACIFIC CORPORATION,</p> <p style="text-align: center;">Petitioners,</p> <p>v.</p> <p>BRAWNY PLASTICS, INC.,</p> <p style="text-align: center;">Registrant.</p>	<p>REGISTRATION NO. 0940243</p> <p>MARK: BRAWNY 71689690</p> <p>CANCELLATION NO. 92044395</p> <p>I hereby certify that on May 24, 2005, this paper is being deposited with the U.S. Postal Service by "Express Mail Post Office to Addressee" service with Express Mail Label No. ED 000992252 US for delivery to the Trademark Trial and Appeal Board, P.O. Box 1451, Alexandria, VA 22313-1451.</p> <p style="text-align: center;"> Carla Ousby</p>
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OPPOSITION TO REQUEST FOR AN ORAL HEARING

Brawny Plastics, Inc. ("BPI") and NexTep, Inc. ("NexTep") hereby oppose Petitioners' Request for an Oral Hearing before the Board related to BPI's and NexTep's Motion to Suspend Proceedings. As set forth in BPI's and NexTep's Motion and Reply brief - which are incorporated by reference herein - Petitioners' arguments in Opposition to the Motion are completely meritless. As a result, there is no need to burden the Board, or expend further client resources for an unnecessary hearing on this matter. Simply put, BPI's and NexTep's Motion should be decided on the papers submitted by the parties, and should be decided in movants' favor. This proceeding should be stayed.

Dated: 5/24/05

By: 
 Michael D. Rounds
 Matthew D. Francis
 WATSON ROUNDS
 5371 Kietzke Lane
 Reno, Nevada 89511



05-26-2005

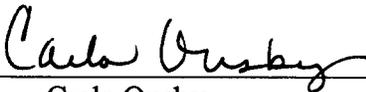
U.S. Patent & TMO/TM Mail Rcpt Dt. #64

CERTIFICATE OF SERVICE

I certify that I am an employee of the Law Offices of Watson Rounds, a Professional Corporation, and on this day I deposited a true and correct copy in the United States mail, first class postage prepaid, of the within document entitled **OPPOSITION TO REQUEST FOR AN ORAL HEARING**, addressed as follows:

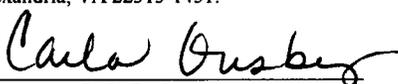
Judith A. Powell
James H. Sullivan
Carrie A. Johnson
Kilpatrick Stockton LLP
Suite 2800
1100 Peachtree Street
Atlanta, Georgia 30309-4530

Dated: May 24, 2005



Carla Ousby

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

<p>FORT JAMES OPERATING COMPANY and GEORGIA-PACIFIC CORPORATION,</p> <p style="text-align: center;">Petitioners,</p> <p>v.</p> <p>BRAWNY PLASTICS, INC.,</p> <p style="text-align: center;">Registrant.</p>	<p>REGISTRATION NO. 0940243</p> <p>MARK: BRAWNY</p> <p>CANCELLATION NO. 92044395</p> <p>I hereby certify that on May 24, 2005, this paper is being deposited with the U.S. Postal Service by "Express Mail Post Office to Addressee" service with Express Mail Label No. ED 000992252 US for delivery to the Trademark Trial and Appeal Board, P.O. Box 1451, Alexandria, VA 22313-1451.</p> <p style="text-align: center;"> Carla Ousby</p>
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REPLY IN SUPPORT OF MOTION TO SUSPEND; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF

BPI and NexTep hereby reply to Petitioners' Opposition to BPI's and NexTep's Motion to Suspend based on the action commenced in the District of Nevada on April 14, 2005, styled: NexTep, Inc. v. Fort James Operating Company, et. al., Case No. CV-N-05-0227-ECR-RAM (the "Nevada Action"). Because the outcome of the Nevada Action will clearly have a bearing on the issues before the Board, and Petitioners' arguments are meritless, this Motion should be granted in full.

I. REPLY ARGUMENTS

A. NexTep is the Real Party in Interest and the Owner of U.S. Registration No. 940243 ("243 Reg.")

In footnote number 1 of their Opposition, Petitioners argue that NexTep is not entitled to a suspension because it was not named as the Registrant of the '243 Reg. in this proceeding. Opp. Mot. Suspend, p. 1, n. 1. This argument is specious since NexTep was assigned the '243 Reg. more than a year and a half prior to the commencement of this proceeding, and that assignment was recorded with the PTO *before this proceeding*

was initiated. See Mot. Suspend, pp. 1-2; see also Opp. Mot. Suspend, p. 4, n. 2.

Petitioners therefore negligently (or intentionally) named BPI as the registrant of the '243 Reg. when in fact NexTep was and is the owner of that Registration. Id. Petitioners' first argument should therefore be summarily rejected by the Board.¹

In a related argument, Petitioners claim that NexTep is not entitled to maintain the Nevada Action against Petitioners because NexTep is not named as a party in this Cancellation proceeding. Opp. Mot. Suspend, p. 4. As a threshold matter, BPI and NexTep submit that the Board is without authority to determine whether or not an "actual case or controversy" exists between NexTep and Petitioners pursuant to the Declaratory Judgment Act – 28 U.S.C. § 2201. However, even if the Board chooses to consider these arguments, Petitioners' arguments are flat wrong, and NexTep has satisfied the jurisdictional requirements of that Act. See NexTep's Opposition to Defendants' Motion to Dismiss; Memorandum of Points and Authorities in Support Thereof, a true and correct copy of which is attached hereto as Exhibit A.²

As stated in Exhibit A, NexTep is the assignee of both the '243 Reg. and the '015 App. in the PTO. Id., pp. 3-4. Since NexTep is the assignee, it is Petitioners' burden to prove that the assignments of the '243 Reg. and the '015 App. were invalid. Exhibit A, p. 10, citing E. & J. Gallo Winery v. Gallo Cattle Co., 967 F.2d 1280, 1289 (9th Cir. 1992). Further, it is not NexTep's fault that Petitioners' did not name NexTep – the real party in interest - in this Cancellation proceeding or Opposition No. 91164081.³ Exhibit A, pp. 6, 10. As stated above, since NexTep was assigned all rights, title, and interest to the '243

¹ BPI and NexTep have moved to dismiss this Petition on those and other grounds pursuant to Fed. R. Civ. P. 12(b)(6-7). See Mot. Dismiss, pp. 1-7.

² BPI and NexTep incorporate by reference all of the arguments set forth in NexTep's Opposition to Petitioners'/Defendants' Motion to Dismiss for subject matter jurisdiction in this Reply. See Exhibit A, pp. 1-26.

³ BPI and NexTep incorporate by reference all of the arguments contained in their Reply in Support of Motion to Suspend Proceedings for Opposition No. 91164081, which has been filed in that proceeding contemporaneously herewith.

Reg. *before* Petitioners filed their Petition, they knew or should have known that NexTep was the correct party to name in this Cancellation proceeding. See supra.

BPI does not own either the '243 Reg. or the '015 App. anymore because it assigned its right away to NexTep. See supra. The law is clear that an assignee of a trademark stands in the shoes of the assignor. 2 J.T. McCarthy, McCarthy on Trademarks and Unfair Competition ("McCarthy") § 18:15, pp. 18-30.1-4 (4th Ed. 2005); Premier Dental Prods. Co., Inc. v. Darby Dental Supply Co., Inc., 794 F.2d 850, 853 (3rd Cir. 1986); see 15 U.S.C. § 1127. Since NexTep owns this property, and Petitioners have essentially placed a cloud over its title, NexTep needs to protect the property from the frivolous threats and claims made by Defendants, and thus filed the Nevada Action against Petitioners/Defendants. Exhibit A, p. 11.

Simply put, NexTep is the real party in interest in this Cancellation proceeding, as well as the Nevada Action and Opposition No. 91164081, and Petitioners' arguments to the contrary are meritless.

B. Petitioners' Opposition Arguments Should be Rejected Since The Nevada District Court has the Authority to Decide all Matters Related to the '243 Reg., and that Court's Determination Will Have a Bearing on the Issues Before the Board

Petitioners next argue that this proceeding should not be suspended since their allegations of invalidity, fraud, assignment in gross, and infringement related to the '243 Reg. should be addressed by the Board, not the Nevada District Court. *Opp. Mot. Suspend*, pp. 2-4. They also argue that allowing the Nevada District Court to decide these issues would improperly pre-empt Board authority. *Id.*, pp. 4-5. These arguments must be rejected for two main reasons: (1) Petitioners' arguments cut directly against the grain of TBMP Rule 510.02(a) and related case law; and (2) the Nevada District Court can decide all of these issues.

1. Petitioners' Arguments Cut Directly Against the Grain of TBMP Rule 510.02(a)

As stated in BPI's and NexTep's Motion, TBMP Rule 510.02(a) and corresponding case law provide that the Board will ordinarily suspend its proceedings if a civil action will have a "bearing on the issues before the Board." See Mot. Suspend, pp. 2-3 (citations omitted). Again, this is the case even when a court action is commenced after commencement of the TTAB proceeding. See Mot. Suspend, p. 3 (citations omitted). As set forth in the Motion, the relevant parties and the same issues are involved in both matters, and the final determination of the Nevada Action will have a bearing on the issues before the Board. See Mot. Suspend, pp. 1-3. Like the pending Petition, the Nevada Action seeks to determine priority and ownership of "Brawny" mark, alleged infringement and injury to Petitioners, and whether the BPI-NexTep assignment was valid. Id. As a result, there is no need to duplicate efforts in both the District of Nevada and this Board and force the parties to incur unnecessary legal expenses in both venues. Further, it would be wasteful to take up this Board's time with issues that the Nevada District Court can and should decide. See infra.

2. The Nevada District Court Can Determine Whether the '243 Reg. Should be Cancelled, Alleged Invalidity of that Registration, Alleged Fraudulent Procurement of the '243 Reg., Whether the BPI-NexTep Assignment was an Assignment in Gross, and all Infringement Issues Between the Parties Pursuant to 15 U.S.C. § 1119 and Relevant Case Law

15 U.S.C. § 1119 empowers district courts to determine the rights of trademark registrations, including the right to register a mark, order cancellation of registrations, restore cancelled registrations and otherwise rectify the register with respect to the registrations of any party to an action. Id., Dymo Indus., Inc. TapePrinter, Inc., 326 F.2d

141, 143, 140 U.S.P.Q. 154, 155 (9th Cir. 1964); Levi Strauss & Co. v. GTFM, Inc., 196 F. Supp.2d. 971, 975, 62 U.S.P.Q.2d 1394, 1397 (N.D. Cal. 2002); see also 5 McCarthy §§ 30:109-111, pp. 30-210-213. This statutory authority grants district courts the power to decide all matters related to registration, including the validity of a trademark registration. Dymo, 326 F.2d at 143, 140 U.S.P.Q. at 155; American Bakeries Co. v. Pan-O-Gold Baking Co., 650 F. Supp. 563, 567, 2 U.S.P.Q.2d 1208, 1210 (D. Minn. 1986), citing Sonora Cosmetics, Inc. v. L'Oreal S.A., 631 F. Supp. 626, 629, 229 U.S.P.Q. 927, 929 (S.D.N.Y. 1986)(holding that questions regarding the validity of a trademark registration are within the competence of the district court)(citations omitted).

Similarly, district courts have the ability to cancel a registration for fraud in the procurement of a trademark registration. 15 U.S.C. § 1119; 5 McCarthy § 31:59, p. 31:113. Professor McCarthy notes that “[f]raud in the procurement of a trademark registration may be raised in a number of procedural contexts: ... as a ground for cancellation in civil litigation.” 5 McCarthy § 31:59, p. 31-113, citing Travelodge Corp. v. Siragusa, 228 F. Supp. 238, 243, 141 U.S.P.Q. 719, 723 (N.D. Ala. 1964), *aff'd*, 352 F.2d 516, 147 U.S.P.Q. 379 (5th Cir. 1965); Schwinn Bicycle Co. v. Murray Ohio Mfg. Co., 339 F. Supp. 973, 983, 172 U.S.P.Q. 14, 21 (M.D. Tenn. 1971), *aff'd*, 470 F.2d 975, 176 U.S.P.Q. 161 (6th Cir. 1972) (counterclaim for cancellation for fraud); Robi v. Five Platters, Inc., 918 F.2d 1439, 1444, 16 U.S.P.Q.2d 2015, 2018 (9th Cir. 1990); see also Neva, Inc. v. Christian Duplications Int'l, Inc., 743 F. Supp. 1533, 1549, 15 U.S.P.Q.2d 1024, 1036 (M.D. Fla. 1990)(holding that a trademark obtained by fraud is subject to cancellation)(citations omitted).

Defendants imply that the TTAB should decide whether the BPI-NexTep

assignment was an assignment in gross, and that the Nevada District Court should not decide this issue. Opp. Mot. Suspend, p. 2. Contrary to Defendants' assertions, the Ninth Circuit and the district courts within that Circuit have both the power and ability to decide whether or not a trademark assignment is an improper assignment in gross. See E. & J. Gallo, 967 F.2d at 1289; see also Glow Indus., Inc. v. Lopez, 273 F. Supp.2d 1095, 1107 (C.D. Cal. 2003). As a result, this argument is meritless.

Finally, Petitioners claim that the TTAB should decide initial infringement issues, since it is more adept at making such determinations. Opp. Mot. Suspend, pp. 2-3. While BPI and NexTep acknowledge that the TTAB can make certain likelihood of confusion findings, the proper forum for trademark infringement and unfair competition issues is a district court. See Paramount Pictures Corp. v. White, 31 U.S.P.Q.2d 1768, 1776, n. 5 (T.T.A.B. 1994)(holding that the Board has no jurisdiction over claims of trademark infringement and unfair competition and the proper forum for such claims is a civil action); see also Anderson Corp. v. Therm-O-Shield Int'l, Inc., 226 U.S.P.Q. 431, 432 n. 5 (T.T.A.B. 1985); Electronic Water Conditioners, Inc. v. Turbomag Corp., 221 U.S.P.Q. 162, 163-164 (T.T.A.B. 1984)(citations omitted).

The issues raised in this Cancellation proceeding regarding the '243 Reg. are the same issues present in the Nevada Action. See Mot. Suspend, pp. 2-3; see also Exhibit A to Mot. Suspend, pp. 1-6. Since the Nevada District Court has the authority to determine all issues related to the '243 Reg., the Nevada District Court should be permitted to exercise its authority. This is especially true since TTAB decisions are not binding on district courts and a disappointed party in a TTAB proceeding may bring a civil action in a district court pursuant to 15 U.S.C. § 1071(b), and then receive a trial de novo on the

exact same issue decide by the Board. E. & J. Gallo Winery v. F. & P. S.p.A., 899 F. Supp. 465, 468, 35 U.S.P.Q.2d 1857, 1859 (E.D. Cal. 1994)(district court refused to stay civil action for alleged abandonment of trademark and fraudulent renewal), citing Goya Foods, Inc. v. Tropicana Prods., Inc., 846 F.2d 848, 851, 6 U.S.P.Q.2d 1950, 1953; Sam S. Goldstein Indus., Inc. v. Botany Indus., Inc., 301 F. Supp. 728, 731, 163 U.S.P.Q. 442, 443 (D.C.N.Y. 1969); 5 McCarthy § 32:49, pp. 32-102-102.1.

As stated in BPI's and NexTep's Motion, maintaining this proceeding does nothing more than create duplicative litigation, and waste judicial time and client money. See supra; Mot. Suspend, pp. 2-3. Contrary to Petitioners' argument that the Nevada Action is nothing more than a preemptive lawsuit, the Nevada Action is designed to determine all outstanding issues between the parties in one proceeding. Exhibit A, pp. 19-20. This promotes judicial economy and will save Petitioners, NexTep, and BPI an enormous amount of money. As a result, this proceeding should be suspended pending the outcome of the Nevada Action.

II. CONCLUSION

In light of the foregoing, Petitioner's Cancellation proceeding must be suspended pending the outcome of the Nevada Action.⁴

Dated: 5/24/05

By: 
Michael D. Rounds
Matthew D. Francis
WATSON ROUNDS
5371 Kietzke Lane
Reno, Nevada 89511

⁴ In the event the Board is not inclined to suspend this entire proceeding at this time, BPI and NexTep request that this proceeding be suspended until the Nevada District Court decides Petitioners'/Defendants' Motion to Dismiss for lack of subject matter jurisdiction.

CERTIFICATE OF SERVICE

I certify that I am an employee of the Law Offices of Watson Rounds, a Professional Corporation, and on this day I deposited a true and correct copy in the United States mail, first class postage prepaid, of the within document entitled **REPLY IN SUPPORT OF MOTION TO SUSPEND; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF**, addressed as follows:

Judith A. Powell
James H. Sullivan
Carrie A. Johnson
Kilpatrick Stockton LLP
Suite 2800
1100 Peachtree Street
Atlanta, Georgia 30309-4530

Dated: May 24, 2005



Carla Ousby

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DISTRICT OF NEVADA

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9 **IN THE UNITED STATES DISTRICT COURT**
10 **FOR THE DISTRICT OF NEVADA**

11 NEXTEP, INC., a Nevada) Case No. CV-N-05-0227-ECR-RAM
12 corporation,)
13)
Plaintiff,) **OPPOSITION TO DEFENDANTS'**
14) **MOTION TO DISMISS; MEMORANDUM**
v.) **OF POINTS AND AUTHORITIES IN**
15) **SUPPORT THEREOF**
16 FORT JAMES OPERATING)
17 COMPANY, a Virginia)
corporation, GEORGIA-PACIFIC)
18 CORPORATION, a Georgia)
corporation,)
19 Defendants.)
20)

21 Plaintiff NexTep, Inc. ("NexTep") hereby opposes
22 Defendants' Fort James Operating Company's ("Fort James") and
23 Georgia-Pacific Corporation's ("Georgia-Pacific") (sometimes
24 collectively referred to as "Defendants") Motion to Dismiss for
25 lack of subject matter jurisdiction pursuant to Fed. R. Civ. P.
26 12(b)(1). Because an actual case or controversy exists,
27 Defendants' Motion must be denied and this action should
28 proceed on its merits in the District of Nevada.

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I. BACKGROUND

This is a declaratory judgment action filed pursuant to 28 U.S.C. §§ 2201, and is based upon Defendants' claims of trademark infringement and unfair competition, dilution, fraud on the United States Patent and Trademark Office ("PTO") and trademark invalidity, against Plaintiff. See Complaint, pp. 1-6; see also May 19, 2005 declaration of Sam Paul ("Paul Decl."), ¶¶ 3-6; see also May 19, 2005 declaration of Joe Farinella ("Farinella Decl."), ¶¶ 2-6.

By way of background, Plaintiff NextTep is a Nevada corporation with its principal place of business located in Reno, Nevada. Paul Decl., ¶ 1. NextTep is in the business of developing, manufacturing, marketing, and selling innovative household goods under the mark "Brawny." Id. Such goods include, but are not limited to, polyethylene bags and trash cans. Id.; see also www.nexttepl.com.

Defendant Fort James is a Virginia corporation, and Defendant Georgia-Pacific is a Georgia corporation. Complaint, p. 2. Both of these companies have principal places of business in Atlanta, Georgia, and both do business in every state in the United States. See Complaint, ¶¶ 4-5, p. 2. Among other things, Defendants manufacture and sell paper towels and napkins under their alleged "Brawny" trademarks.

Simply stated, this dispute involves who owns what rights to the "Brawny" trademarks.

II. STATEMENT OF FACTS

A. THE AGREEMENT

On August 6, 2003, Brawny Plastics, Inc. ("BPI") entered

1 into an agreement with NexTep entitled "Trademark Sale,
2 Assignment and License" ("Agreement"), in which BPI assigned
3 incontestable U.S. Registration No. 940243 (" '243") and U.S.
4 Application Serial No. 78268015 (" '015 App.") for the "Brawny"
5 mark to NexTep in exchange for \$100,000. See Complaint, ¶ 8,
6 p. 3; May 23, 2005 declaration of Matthew D. Francis ("Francis
7 Decl.") ¶ 2, Exhibit 1, pp. 1-2. The '243 Reg. predates any
8 Georgia-Pacific or Fort James use or federal trademark
9 registration for the mark "Brawny," and covers polyethylene
10 bags in International Class 20. Complaint, ¶ 8, pp. 2-3,
11 Exhibit B. The '015 App. covers related metal and plastic
12 trash receptacles in International Classes 6 and 21
13 respectively. Complaint, ¶ 9, p. 3, Exhibit C.

14 The Agreement specified that, once NexTep filed a
15 Statement of Use with the PTO for the '015 App., BPI would
16 execute a supplemental assignment for the '015 App. Francis
17 Decl., ¶ 2, Exhibit 1. After entering into the Agreement,
18 NexTep commenced using the "Brawny" mark in conjunction with
19 the sale of plastic trash receptacles by at least June 21,
20 2004. See Complaint ¶ 9, p. 3.

21 On August 30, 2004, NexTep filed an amendment to allege
22 use for the '015 App. with the PTO, and on March 17, 2005, BPI
23 executed the supplemental assignment called for in the
24 Agreement. Francis Decl., ¶ 3, Exhibit 2. On March 22, 2005,
25 the PTO issued its "Notice of Recordation of Assignment
26 Document" for this assignment, and NexTep is identified as the
27 assignee of the '015 App. Francis Decl., ¶ 4, Exhibit 3.

28 The assignment of the '243 Reg. was executed on August 6,

1 2003, and it was registered in the PTO on March 24, 2005.
2 Francis Decl., ¶ 5, Exhibit 4. The assignment was effective in
3 the PTO before Defendants/Petitioners filed their Petition for
4 Cancellation on March 28, 2005. Id.

5 **B. THE THREATS MADE BY DEFENDANTS REGARDING NEXTEP'S USE OF**
6 **THE "BRAWNY" MARK**

7 On October 8, 2003, Nextep's Sam Paul met with Robert M.
8 Lorys, the Executive Vice President of Consumer Marketing for
9 Georgia-Pacific, and Gino F. Biondi, Director of Marketing for
10 Georgia-Pacific's paper towel division. Paul Decl., ¶ 3. Mr.
11 Paul is the owner and Secretary of NexTep. Id., ¶ 1. Also
12 present at this meeting was Joe Farinella of NexTep. Paul
13 Decl., ¶¶ 3-4; Farinella Decl., ¶¶ 2-3. Mr. Farinella is a
14 member of the NexTep board of directors, and is also a
15 shareholder in the company. Farinella Decl., ¶ 1; Paul Decl.,
16 ¶ 3. This meeting was held at Georgia-Pacific's offices
17 located in Atlanta, Georgia. Paul Decl., ¶ 3; Farinella Decl.,
18 ¶ 2.

19
20
21 During that meeting, the parties discussed NexTep's
22 potential license of the "Brawny" logo, including trademark
23 issues surrounding such use. Paul Decl., ¶ 4, Farinella Decl.,
24 ¶ 3. During that same meeting, Mr. Lorys told Messrs. Paul and
25 Farinella that if NexTep did not enter into a license agreement
26 for the "Brawny" logo with Georgia-Pacific, Georgia-Pacific's
27 lawyers would be "carefully watching" NexTep's use of any
28 "Brawny" logo. Id. The October 8, 2003 meeting did not result

1 in a license agreement between NexTep and Georgia-Pacific.

2 Paul Decl., ¶ 5.

3 In January of 2004, Mr. Farinella received a telephone
4 call from Mr. Biondi. Farinella Decl., ¶ 4. Mr. Biondi
5 informed him that Mr. Lorys was extremely upset because NexTep
6 had filed several intent to use trademark applications for the
7 "Brawny" trademark with the PTO. Id. Mr. Biondi told Mr.
8 Farinella that NexTep had filed those applications with the
9 sole purpose of "trading off the goodwill" of Georgia-Pacific.
10

11 Id.

12 Given the aggressive tenor of Mr. Biondi's comments,
13 representatives from NexTep and Georgia-Pacific have not spoken
14 since that conversation. See Id.

15
16 **C. THE OPPOSITION PROCEEDING**

17 While NexTep awaited a Notice of Allowance from the PTO
18 for the '015 App., Defendants/Opposers filed a Notice of
19 Opposition (the "Opposition") to the '015 App. on or about
20 January 20, 2005 in the Trademark Trial and Appeal Board
21 ("TTAB" or "Board"). See Complaint, ¶ 10, p. 3, Exhibit D. In
22 the Opposition, Defendants/Opposers named BPI as the only
23 defendant/applicant, and alleged that their use of the "Brawny"
24 trademark for paper goods and cleaning products provided them
25 with superior rights in the "Brawny" mark. See Complaint, ¶
26 11, p. 3, Exhibit D. Defendants/Opposers further alleged that
27 BPI's (and thus NexTep's) use of the "Brawny" mark is likely to
28

1 cause confusion in the minds of the consuming public, is likely
2 to injure their business reputations, and is likely to dilute
3 the distinctive quality of their "Brawny" mark pursuant to 15
4 U.S.C. §§ 1125(a, c). See Complaint, ¶ 11, pp. 3-4, Exhibit D.
5 As a result, Defendants/Opposers requested that registration
6 for the '015 App. be refused. Id.

8 Since NexTep had been assigned all rights in the '015
9 App., and this assignment has been recorded in the PTO,
10 NexTep's counsel attempted to enter into a stipulation with
11 defense counsel to substitute NexTep as the real party in
12 interest for BPI. Francis Decl., ¶ 6, Exhibit 5.

13 Unfortunately, defense counsel refused this request, thereby
14 forcing NexTep to file a Motion to Substitute Parties. Id. In
15 their Opposition to the Motion, Defendants/Opposers agreed that
16 NexTep should be "joined" in the Opposition as a proper party.
17 Francis Decl., ¶ 7, Exhibit 6. The Motion has now been fully
18 briefed and is pending. Francis Decl., ¶ 7.

20
21 **D. THE CANCELLATION PROCEEDING**

22 In addition to the above-mentioned Opposition proceeding,
23 Defendants' filed a Petition for Cancellation ("Petition") to
24 cancel the '243 Reg on March 24, 2005. See Complaint, ¶ 12, p.
25 4, Exhibit E. Again, this Petition was filed after the
26 assignment of the '243 Reg. to NexTep in August of 2003, and
27 after the assignment was recorded in the PTO. See supra; see
28 also Defs.' Mot., pp. 2-3. In the Petition, Defendants
negligently (or intentionally) named BPI as the registrant of

1 the '243 Reg., when in fact NexTep was and is the owner of that
2 registration. See Complaint, Exhibit E, p. 1.

3 The basis for the Petition is that NexTep's predecessor
4 BPI allegedly made fraudulent statements to the PTO regarding
5 its use of the Brawny mark, and that the assignment to NexTep
6 of the '243 Reg. was a sham transaction "in contravention of
7 the Lanham Act." See Complaint, ¶ 13, p. 4, Exhibit E.

8 Based on these contentions, Defendants seek cancellation of the
9 '243 Reg. See Complaint, Exhibit E. Defendants' fraud charges
10 - which they have not articulated with any evidence other than
11 lawyer hype to date - are the subject of a Rule 12(b)(6-7)
12 Motion to Dismiss brought by BPI and NexTep. Francis Decl., ¶
13 8. The basis for the Motion is, among other things,
14 Defendants/Petitioners' failure to name NexTep as the
15 Registrant. Id. NexTep is now awaiting
16 Defendants'/Petitioners' opposition brief to that Motion. Id.

17 **E. THE NEVADA ACTION**

18 On April 14, 2005, NexTep filed this declaratory judgment
19 action (the "Nevada Action"), and Defendants were served the
20 next day - April 15, 2005. Francis Decl. ¶ 9. The Nevada
21 Action was filed pursuant to 28 U.S.C. §§ 2201-2202, and was
22 based upon two bases: (1) The express and implied threats of
23 litigation made by Messrs. Lorys and Biondi; and (2) The claims
24 made by Defendants in the TTAB that: (a) BPI (NexTep) has
25 engaged in trademark infringement and dilution under 15 U.S.C.
26 §§ 1125 (a, c); (b) the assignment of the '015 App. was
27 invalid; (c) the '243 Reg. should be cancelled because BPI
28 allegedly made fraudulent statements regarding its use of the

1 Brawny mark; and (d) the assignment to NexTep of the '243 Reg.
2 was a sham transaction "in contravention of the Lanham Act."
3 See supra and Complaint, ¶¶ 1, 11, 12, 13, pp. 1-4.

4 Since NexTep is the registered owner/assignee of both the
5 '243 Reg. and the '015 App., NexTep is the party that filed
6 suit. See Complaint, p. 1. BPI was not named as a co-
7 plaintiff because it has no standing to sue Defendants for the
8 issues plead. Id.

9 **F. NEXTEP'S MOTION TO SUSPEND AND OTHER PTO PROCEEDINGS**

10 On April 15, 2005, NexTep and BPI filed motions to suspend
11 the Opposition and the Cancellation in the TTAB based on the
12 filing of the Nevada Action. Francis Decl., ¶¶ 10-11, Exhibits
13 7-8. The basis for these Motions is the TTAB's standing policy
14 of suspending its administrative proceedings if there is a
15 pending civil action which has a bearing on the issues before
16 the TTAB. Id. A further basis for filing these Motions is to
17 avoid duplicative litigation and expense, which can be
18 extraordinary for small companies such as NexTep in today's
19 market. Id.

20 After filing these Motions, NexTep's counsel asked
21 opposing counsel to stipulate to stay the TTAB proceedings, but
22 no response was ever received. Francis Decl., ¶ 12, Exhibit 9.
23 NexTep's reply briefs in support of these Motions are due on
24 May 25, 2005. Francis Decl., ¶ 12.

25 In addition to the Opposition and Cancellation proceedings
26 identified, Defendants have filed requests for extensions of
27 time to file three other oppositions to trademark applications
28 filed by NexTep's principal Sam Paul. Francis Decl., ¶ 13,

1 Exhibit 10. All of these oppositions could essentially be
2 resolved in this one lawsuit if Defendants so chose, but
3 Defendants are apparently content in attempting to prosecute
4 five overlapping proceedings in the TTAB. Whether this is
5 motivated to make NexTep incur substantial expense remains to
6 be seen, but it defies any notion of judicial economy.

7
8 **III. ARGUMENT**

9 **A. THE LEGAL STANDARD FOR A MOTION TO DISMISS FOR LACK OF
10 SUBJECT MATTER JURISDICTION SUPPORTS DENIAL OF DEFENDANTS'
11 MOTION**

12 Under Rule 12(b)(1), a district court must dismiss an
13 action if it lacks subject matter jurisdiction. Id. A party
14 moving for dismissal under Rule 12(b)(1) may submit evidence
15 showing that the court lacks subject matter jurisdiction.
16 Pegasus Satellite Television, Inc. v. DirecTV, Inc., 318 F.
17 Supp.2d 968, 975 (C.D. Cal. 2004). If the moving party submits
18 such evidence, then the non-moving party must present
19 affidavits or any other evidence necessary to show why the
20 court has subject matter jurisdiction. Assoc. of Am. Med.
21 Colleges v. United States, 217 F.3d 770, 778 (9th Cir. 2000).
22 When considering a motion to dismiss under Rule 12(b)(1), the
23 Court must accept as true all material allegations of the
24 complaint and construe the complaint in favor of the plaintiff.
25 Pegasus, 318 F. Supp.2d at 975, citing Warth v. Seldin, 422
26 U.S. 490, 501-502 (1975). Properly applied, these principles
27 mandate the denial of Defendants' Motion.
28

///

1 B. NEXTEP IS THE OWNER OF BOTH THE '243 REG. AND '015 APP.,
2 AND IS THEREFORE THE REAL PARTY IN INTEREST IN THIS
3 PROCEEDING AND THE OPPOSITION AND CANCELLATION PROCEEDINGS

3 In an obvious sleight of hand, Defendants argue that
4 NexTep has no standing to bring this action because: (a) the
5 assignments from BPI to NexTep for the '243 Reg. and '015 App.
6 are invalid; and (b) NexTep has not been named as a party in
7 either the Opposition or Cancellation proceedings. Defs.'
8 Mot., pp. 3 n. 1, 5, 9. These arguments are both meritless and
9 do not support dismissal.

10 First, NexTep is listed as the assignee of both the '243
11 Reg. and the '015 App. in the PTO. See supra. Since NexTep is
12 the assignee, it is Defendants' burden to prove that the
13 assignments of the '243 Reg. and the '015 App. were invalid.
14 See generally E. & J. Gallo Winery v. Gallo Cattle Co., 967
15 F.2d 1280, 1289 (9th Cir. 1992).¹ To argue in summary fashion
16 at this early stage that the assignments are invalid because
17 Defendants say so, only serves to highlight the weakness of
18 Defendants' Motion.

19 Second, it is not NexTep's fault that Defendants' did not
20 name NexTep - the real party in interest - in the Opposition or
21 Cancellation proceedings. As stated above, Defendants'
22 impliedly admit this mistake by asking the TTAB to join NexTep
23 as a party to the Opposition proceeding since it is the real
24 party in interest. See supra.

25
26 _____
27 ¹Defendants state that the TTAB should decide this assignment issue, and
28 imply that this Court is incapable of deciding whether the assignments were
valid. Defs.' Mot., p. 3, n. 1. Contrary to Defendants' assertions,
district courts have both the power and ability to decide whether or not a
trademark assignment is an improper assignment in gross. See E. & J. Gallo,
967 F.2d at 1289; see also Glow Indus., Inc. v. Lopez, 273 F. Supp.2d 1095,
1107 (C.D. Cal. 2003); see supra.

1 The simple facts are this. BPI does not own either the
2 '243 Reg. or the '015 App. any longer because it assigned its
3 rights to NexTep. See supra. The law is clear that an
4 assignee of a trademark stands in the shoes of the assignor. 2
5 J.T. McCarthy, McCarthy on Trademarks and Unfair Competition
6 ("McCarthy") § 18:15, pp. 30:1-4 (4th Ed. 2005); Premier Dental
7 Prods., Co. v. Darby Dental Supply Co., Inc., 794 F.2d 850, 854
8 (3rd Cir. 1986); see 15 U.S.C. § 1127. Since NexTep owns the
9 marks at issue, and Defendants have placed a cloud over its
10 title and rights, NexTep seeks to protect this property from
11 the threats and claims made by Defendants through this lawsuit.
12

13 Simply put, NexTep is the real party in interest in this
14 action, as well as the Cancellation and Opposition proceedings.
15 Defendants' machinations to the contrary are unpersuasive.
16

17 **C. AN ACTUAL CASE OR CONTROVERSY EXISTS BETWEEN NEXTEP AND**
18 **DEFENDANTS PURSAUANT TO 28 U.S.C. § 2201**

19 Pursuant to 28 U.S.C. § 2201, a party filing a declaratory
20 relief action must show that an actual case or controversy
21 exists. Id. Once the Plaintiff proves that an actual case or
22 controversy exists, the district court may declare the rights
23 and other legal relations of any interested parties in the
24 matter. Id. The Declaratory Judgment Act is given a liberal
25 interpretation in favor of non-dismissal of actions. Gillette
26 Co. v. '42' Prods. Ltd., 435 F.2d 1114, 1118 (9th Cir. 1971),
27 citing Simmonds Aerocessories, Ltd. V. Elastic Stop Nut Corp.,
28 257 F.2d 485, 489-490 (3rd Cir. 1958); Manufacturers Hanover
Corp. v. Maine Savings Bank, 225 U.S.P.Q. 525, 527 n. 1

1 (S.D.N.Y. 1985), citing Chesebrough-Pond's, Inc. v. Faberge,
2 Inc., 666 F.2d 393, 396 (9th Cir. 1982).

3 In the Ninth Circuit, the requirements of the Declaratory
4 Judgment Act are satisfied "if the plaintiff has a real and
5 reasonable apprehension that he will be subject to liability."
6 Chesebrough, 666 F.2d at 396, citing Societe de Conditionnement
7 v. Hunter Engineering Co., 655 F.2d 938, 944 (9th Cir.
8 1981) (phone call to third party enough to create reasonable
9 apprehension). In applying this standard, the Ninth Circuit
10 uses a flexible approach and focuses on the "position and
11 perceptions of the plaintiff." Chesebrough, 666 F.2d at 396.
12 The acts of the Defendant are "to be examined in view of their
13 likely impact on competition and the risks imposed upon the
14 plaintiff, to determine if the threat perceived by the
15 plaintiff [is] real and reasonable." Id.

16 Further, it is not essential that there actually be a
17 direct threat of litigation, and it is sufficient if the threat
18 is implicit in the attitude of the defendant, or if the threat
19 is "craftily phrased." Societe, 655 F.2d at 945; Gillette, 435
20 F.2d at 1119, citing Simmonds, 257 F.2d at 490; King Kup
21 Candies, Inc. v. H. B. Reese Candy Co., 134 F. Supp. 463, 466-
22 467 (M.D. Pa. 1955) ("craftily phrased").

23 Contrary to Defendants' arguments, NexTep had a reasonable
24 apprehension that it would be sued over its use of the "Brawny"
25 mark if NexTep continued to sell its polyethylene bags and
26 trash cans under the "Brawny" mark, and developed a reasonable
27 expansion of those lines of goods under the Brawny mark. See
28 infra. That satisfies the prevailing legal standard as a

1 matter of law, as explained in detail below.

2 **1. NexTep Had a Reasonable Apprehension of Being Sued**
3 **Based on: (1) Threatening Statements Made by**
4 **Defendants²; (2) the Liberal Interpretation of the**
5 **Declaratory Judgment Act; and (3) the Fact That**
6 **Georgia-Pacific has in Fact Filed the Opposition and**
7 **Cancellation Proceedings, and Three Other Extensions**
8 **of Time to Oppose NexTep's "Brawny" Trademark**
9 **Applications**

10 Defendants argue that NexTep has failed to plead an actual
11 case or controversy because it has cited no threats or
12 communications by Defendants, and because the filing of a TTAB
13 proceeding is not in and of itself enough to provide a district
14 court with subject matter jurisdiction. Defs.' Mot., pp. 5-7.
15 Defendants' actions belie these assertions.

16 As set forth above, after NexTep acquired its rights in
17 the "Brawny" mark under the terms of the Agreement, NexTep's
18 owners and representatives Sam Paul and Joe Farinella met with
19 Robert Lorys, the Executive Vice President of Consumer
20 Marketing for Georgia-Pacific, and Gino Biondi, the Director of
21 Marketing for Georgia-Pacific's paper towel division. See
22 supra. Mr. Lorys stated that Georgia-Pacific's attorneys would
23 be "carefully watching" NexTep's use of any "Brawny" logos.
24 Id. Also, after that meeting, and after NexTep legitimately
25 filed additional intent to use trademark applications for the
26 "Brawny" mark, Mr. Biondi told Mr. Farinella that such
27 applications were filed only to "trade off the goodwill" of
28 Georgia-Pacific. Id.

²NexTep acknowledges that the facts set forth in the Paul and Farinella declarations were not specifically stated in the Complaint. They were not required to be under the "short and plain" requirements of Rule 8(a)(2). In any event, NexTep can simply amend its Complaint at this juncture to include them, if the Court deems appropriate, pursuant to Fed. R. Civ. 15(a).

1 An accusation that a party is "trading off the goodwill"
2 of another company is synonymous to a trademark
3 infringement/unfair competition allegation. 1 McCarthy § 2:30,
4 pp. 2-53-54, citing Smith v. Channel, Inc., 402 F.2d 562, 568
5 (9th Cir. 1968). When this allegation is considered along with:
6 (1) the comment that Georgia-Pacific attorneys would be
7 "carefully watching" NexTep's use of its "Brawny" logos; (2)
8 the liberal interpretation of the Declaratory Judgment Act; and
9 (3) that Georgia-Pacific has in fact filed the aforementioned
10 Opposition and Cancellation proceedings, as well as three other
11 extensions of time to oppose NexTep "Brawny" trademark
12 applications, it is clear that under Chesebrough, Societe, and
13 other controlling precedent, that NexTep has a reasonable
14 apprehension that it will be sued by Defendants. See supra.;
15 Chesebrough, 666 F.2d at 396; Societe, 655 F.2d at 944; Caesars
16 World, Inc. v. Milanian, 247 F. Supp.2d at 1206.

17 In light of the foregoing, an actual case or controversy
18 exists between NexTep and Defendants, despite Defendants'
19 arguments to the contrary.

20 **2. Contrary to Defendants' Arguments, Chesebrough**
21 **Supports Denial of Their Motion**

22 Defendants make the confusing argument that Chesebrough
23 supports dismissal of this case, but the facts of Chesebrough
24 support the opposite conclusion. Defs.' Mot., pp. 6-7, n. 2.

25 In Chesebrough, the Ninth Circuit found that a declaratory
26 relief action filed three years after a cancellation proceeding
27 should not be dismissed because the Defendant had sent one
28

1 letter in three years alleging likelihood of confusion. Id.,
2 666 F.2d at 395. Defendants attempt to distinguish Chesebrough
3 on three bases: (1) the defendant in Chesebrough sent a letter
4 alleging likelihood of confusion to the plaintiff; (2) the
5 defendant in Chesebrough counterclaimed against the declaratory
6 relief plaintiff; and (3) the Chesebrough TTAB proceedings had
7 been going on for three years prior to filing the declaratory
8 relief action. Defs.' Mot., pp. 6-7, n. 2. None of these
9 reasons should prevent this Court from addressing the merits of
10 this case.
11

12 First, the facts of this case go above and beyond the
13 facts of Chesebrough. See supra. The statements made by
14 Defendants' representatives, combined with the liberal
15 interpretation of 28 U.S.C. § 2201 and the many TTAB
16 proceedings, all support an actual controversy finding in a
17 more convincing fashion that Chesebrough. Id.
18

19 Second, Defendants argue that they did not file a
20 counterclaim, whereas the Chesebrough defendant filed a
21 counterclaim for trademark infringement, unfair competition,
22 and an injunction after being served with the Complaint.
23 Defs.' Mot., p. 6, n. 2. This is a ship without a rudder.
24 Defendants chose to file a Rule 12(b) motion instead of an
25 Answer and Counterclaim - that is why no counterclaim exists.
26 See Defs.' Mot., pp. 1-11. If Defendants' Motion is denied,
27 Defendants will indeed file such an Answer and Counterclaim(s),
28

1 if their PTO allegations are to be taken seriously.

2 If Defendants will enter into a consent decree that the
3 BPI-NexTep assignment was valid, that NexTep is the rightful
4 owner of the '015 App. and the '243 Reg., and that its use of
5 the Brawny mark does not infringe or dilute any of Defendants'
6 trademarks, then NexTep may be willing to dismiss its Complaint
7 without prejudice. See Chesebrough, 666 F.2d at 397
8 (discussing disclaimer of intent to pursue an infringement
9 action). Of course, there is no reasonable possibility that
10 this will occur, and a counterclaim is imminent. Simply put,
11 Defendants do not appear willing to "disclaim an intent to
12 pursue an infringement action," and their lack of counterclaim
13 argument is without merit. Chesebrough, 666 F.2d at 397; see
14 supra.
15

16
17 Third, Defendants argue that NexTep filed this action
18 shortly after Defendants' Opposition and Cancellation
19 proceedings were filed, and that this should weigh in their
20 favor, not NexTep's. Defs.' Mot., p. 7, n. 2. This ignores
21 the holding of Chesebrough, where the civil action was filed
22 three (3) years after the TTAB filing. Further, it does not
23 make any sense for numerous different opposition and
24 cancellation proceedings to proceed concurrently when this
25 Court can resolve all of the issues between all of the parties
26 in one proceeding. See infra. Simply because NexTep has
27 chosen one forum to decide all issues with finality does not
28

1 warrant a finding that there is no case or controversy.

2 For all of these reasons then, the Chesebrough case
3 supports a denial, not a granting, of Defendants' Motion.

4 **D. THE DISPUTE IS NOT PROPERLY BEFORE THE TTAB, AND**
5 **DISMISSING THIS ACTION WOULD RESULT IN DUPLICATIVE**
6 **LITIGATION, AND VIOLATE TTAB POLICY TO SUSPEND ITS**
7 **PROCEEDINGS WHEN A CIVIL ACTION HAS BEEN COMMENCED**

8 Defendants argue that "Plaintiffs' Complaint is an
9 attempted "end-run around the TTAB" and that NexTep is trying
10 to "short circuit" TTAB proceedings. Defs.' Mot., p. 7. As a
11 result, Defendants' demand in the alternative that the Nevada
12 Action be stayed and that the Opposition and Cancellation
13 proceedings proceed in the TTAB. Id. Defendants' arguments
14 must be rejected for two main reasons: (1) the TTAB favors
15 suspending its proceedings in favor of district court
16 proceedings; and (2) This Court can decide all of the issues
17 between the parties. See infra. For these and other reasons,
18 Defendants' arguments must be rejected.

19 **1. TTAB Policy Favors Staying Administrative Proceedings**
20 **When There is Civil Litigation Pending**

21 Throughout their Motion, Defendants contend that the
22 Nevada Action is an attempt to strip the TTAB of its rights and
23 duties, and wrongfully move the parties' disputes out of the
24 hands of that administrative agency. Defs.' Mot., pp. 2-4, 7-
25 10. To this end, Defendants argue that the TTAB is the proper
26 forum in which to decide all registration and infringement
27 issues. Id., pp. 7-11. Defendants are wrong, and conveniently
28

1 omit from their discussion that it is the policy of the TTAB to
2 instead stay its proceedings in favor of civil actions.

3 TBMP Rule 510.02(a) provides that "[o]rdinarily, the Board
4 will suspend proceedings in the case before it if the final
5 determination of the other proceeding will have a bearing on
6 the issues before the Board." Id., citing The Other Telephone
7 Co. v. Connecticut Nat'l Telephone Co., Inc., 181 U.S.P.Q. 125,
8 126 (T.T.A.B. 1974), Tokaido v. Honda Assoc., Inc., 179
9 U.S.P.Q. 861, 862 (T.T.A.B. 1973) Whopper-Burger v. Burger King
10 Corp., 171 U.S.P.Q. 805, 807 (T.T.A.B. 1971) (citations
11 omitted). Professor McCarthy notes that "[i]t is standard
12 procedure for the Trademark Board to stay administrative
13 proceedings pending the outcome of court litigation between the
14 same parties involving related issues." 5 McCarthy § 32:47,
15 pp. 32:97-99, citing Alfred Dunhill of London, Inc. v. Dunhill
16 Tailored Clothes, Inc., 130 U.S.P.Q. 412, 413 n. 1 (C.C.P.A.
17 1961), and Whopper-Burger, 171 U.S.P.Q. at 807. This is the
18 case even when a court action is commenced after commencement
19 of the TTAB proceeding. 5 McCarthy § 32:47, pp. 32:98-99,
20 citing Midland Cooperatives, Inc. v. Midland Int'l Corp., 164
21 U.S.P.Q. 579, 580 (C.C.P.A. 1970).

22 Again, Nextep has moved to suspend both the Opposition and
23 Cancellation proceedings, and those Motions are pending before
24 the TTAB. See supra. As set forth therein, a suspension of
25 proceedings in the TTAB is warranted because the relevant
26
27
28

1 parties and the same issues are involved in both matters, and
2 the final determination of the Nevada Action will be
3 dispositive of the issues before the Board. Francis Decl., ¶¶
4 10-11, Exhibits 7-8.

5 In short, the filing of the Nevada Action was not an "end-
6 run" - it was designed to resolve all of the contentions
7 between the parties in one proceeding, the very notion of
8 judicial economy. On the flipside, Defendants seek to
9 overburden the TTAB with numerous opposition and/or
10 cancellation proceedings, and force NexTep to duplicate efforts
11 and spend hundreds of thousands of dollars on these satellite
12 proceedings.
13

14 Moreover, the TTAB proceedings are non-binding, and can be
15 the subject of district court litigation pursuant to 15 U.S.C.
16 § 1071(b) if either party takes issue with the result in the
17 TTAB. See E. & J. Gallo Winery v. F. & P. S.p.A., 899 F. Supp.
18 465, 468 (E.D. Cal. 1994) (district court refused to stay civil
19 action for alleged abandonment of trademark and fraudulent
20 renewal), citing Goya Foods, Inc. v. Tropicana Products, Inc.,
21 846 F.2d 848, 851 (2nd Cir. 1988); Sam S. Goldstein Indus., Inc.
22 v. Botany Indus., Inc., 301 F. Supp. 728, 731 (D.C.N.Y. 1969);
23 5 McCarthy § 32:49, p. 32-102.1. It is therefore possible that
24 Defendants' four opposition proceedings and one cancellation
25 proceeding could essentially be rendered moot under 15 U.S.C. §
26 1071(b), thus resulting in ten different proceedings between
27
28

1 the same parties, involving the same, or substantially the same
2 issues. Id. NexTep wants to avoid this scenario at all costs.
3 This is not an end-run, it is cost and time effective
4 litigation.

5 **2. The Nevada District Court Can and Should Decide all**
6 **of the Issues between the Parties**

7 Defendants argue that the Nevada Action should be
8 dismissed or stayed because issues of trademark
9 registerability, invalidity, and fraud should be decided by the
10 TTAB. Defs.' Mot., pp. 7-11. However, these issues are
11 commonplace in federal litigation, and Defendants completely
12 contradict the purpose of 15 U.S.C. § 1119, which provides
13 district courts concurrent authority with the USPTO to cancel
14 or otherwise determine the rights to trademark registrations.
15 Id., Caesars World, 247 F. Supp.2d at 1206; see infra. As set
16 forth below, the Nevada District Court can and should determine
17 all of these issues, in addition to any infringement-related
18 issues between the parties, and deny Defendants' request to
19 stay this action.
20
21

22 **(a) The Nevada Action Should Not be Stayed Based on the**
23 **Doctrine of "Primary Jurisdiction" or the "First to**
24 **File Rule"**

25 Defendants argue that the Nevada Action should be stayed
26 pursuant to the doctrine of "primary jurisdiction" and the
27 "first to file" rule. Defs.' Mot., pp. 7-11. Defendants are
28 incorrect.

As a threshold matter, courts generally deny motions to

1 stay proceedings pending resolution of similar issues before
2 the TTAB. 5 McCarthy § 32:48, pp. 32-99-100; see E. & J.
3 Gallo, 899 F. Supp. at 467 (denying stay), citing Goya Foods,
4 Inc. v. Tropicana Products, Inc., 846 F.2d at 851 (same). For
5 instance, Courts have denied motions to stay where (1)
6 abandonment of a mark is at issue; (2) future litigation is
7 expected; (3) a stay will result in a long delay of
8 proceedings; and (4) that the Plaintiff will incur substantial
9 hardship from the delay caused by waiting for a board
10 proceeding to be decided. 5 McCarthy § 32:48, pp. 32-99-100,
11 citing Look Magazine Enter. S.A. v. Look, Inc., 596 F. Supp.
12 774, 778 (D. Del. 1984) (abandonment); T.N. Dickenson Co. v. LL
13 Corp., 227 U.S.P.Q. 145, 146 (D. Conn. 1985) (further
14 litigation); American Bakeries Co. v. Pan-O-Gold Baking Co.,
15 650 F. Supp. 563, 567 n. 3 (D. Minn. 1986) (long delay); Swift &
16 Co. v. Geo A. Hormel & Co., 189 U.S.P.Q. 494, 495 (N.D. Ill.
17 1975) (hardship will accrue). All of these instances are
18 present here. See supra.³

19
20
21 The doctrine of primary jurisdiction is applied when a
22 "judicially cognizable claim is presented, but enforcement of
23 the claim requires the resolution of issues which, under a
24 regulatory scheme, have been placed within the special
25

26
27 ³ Professor McCarthy further notes that "where neither tribunal has rendered
28 a decision, the court probably should not stay proceedings but go ahead,
since it has the power to determine both the right to common law use and the
right to federal registration in most cases." 5 McCarthy, § 32:49 pp. 32-
102-102.1 (citations omitted). That is certainly the proper course here.

1 competence of an administrative body.'" See E. & J. Gallo, 899
2 F. Supp. at 467 (refusing to apply primary jurisdiction
3 doctrine), citing Goya Foods, 846 F.2d at 851. Defendants
4 argue that the TTAB should decide the issues between the
5 parties because (i) the TTAB is the only body that can decide
6 cancellation of the '243 Reg. pursuant to Windsurfing Int'l,
7 Inc. v. AMF, Inc., 828 F.2d 755, 758-759 (Fed. Cir. 1987); and
8 (ii) the standard for likelihood of confusion is different in
9 the TTAB. Defs.' Mot., pp. 8-10.

11 Defendants' first argument in support of primary
12 jurisdiction mis-cites Windsurfing, and cuts directly against
13 the grain of 15 U.S.C. § 1119 and controlling authority. See
14 infra. Defendants' second argument is contrary to black letter
15 law that the standard for likelihood of confusion is the same
16 in both the TTAB and district courts. Wells Fargo & Co. v.
17 Stagecoach Properties, Inc., 685 F.2d 302, 306 (9th Cir. 1982).
18 These arguments cannot therefore support any notion of a stay.

20 With regard to Defendants' "first to file rule" arguments,
21 neither the Nat'l Marketing Consultants or the Citicasters
22 cases discuss the first to file rule, and these cases are
23 simply exceptions to the general rule that district courts deny
24 stays in favor of TTAB proceedings. See Nat'l Marketing
25 Consultants v. Blue Cross and Blue Shield Assoc., 1987 WL 20138
26 (N.D. Ill. 1987); Citicasters Co. v. Country Club Comm's, 1997
27 WL 715034 (C.D. Cal. 1997); see supra.

1 For these reasons, and the further reasons set forth
2 below, this case should not be stayed in favor of the TTAB
3 Opposition and Cancellation proceedings.

4 **(b) The Nevada District Court Can Determine Whether the**
5 **'243 Reg. Should be Cancelled, Whether it is Invalid,**
6 **and Whether it has Been Fraudulently Procured**
7 **Pursuant to 15 U.S.C. § 1119, as Well as All Other**
8 **Issues Between the Parties**

9 15 U.S.C. § 1119 empowers district courts to determine the
10 rights of trademark registrations, including the rights to
11 register a mark, cancel registrations, restore cancelled
12 registrations, and otherwise rectify the register with respect
13 to the registrations of any party to an action. Id., Dymo
14 Indus., Inc. TapePrinter, Inc., 326 F.2d 141, 143 (9th Cir.
15 1964); Caesars World, 247 F. Supp.2d at 1205-1206; Levi Strauss
16 & Co. v. GTFM Inc., 196 F. Supp.2d. 971, 975 (N.D. Cal. 2002);
17 Sykes Laboratory, Inc. v. Calvin, 610 F. Supp. 849, 863 (D.C.
18 Cal. 1985); see also 5 McCarthy §§ 30:109-111, pp. 30:210-213.
19 This statutory authority grants district courts the power to
20 decide all matters related to registration, including the
21 validity of a trademark registration. Dymo, 326 F.2d at 143.
22 American Bakeries, 650 F. Supp. at 567, citing Sonora
23 Cosmetics, Inc. v. L'Oreal S.A., 631 F. Supp. 626, 629
24 (S.D.N.Y. 1986) (holding that questions regarding the validity
25 of a trademark registration are within the competence of the
26 district court) (citations omitted).

27
28 Similarly, district courts have the ability to cancel a

1 registration for fraud in the procurement of a trademark
2 registration. 15 U.S.C. § 1119; 5 McCarthy § 31:59, p. 31:113.
3 Professor McCarthy notes that "[f]raud in the procurement of a
4 trademark registration may be raised in a number of procedural
5 contexts: ... as a ground for cancellation in civil litigation."
6 5 McCarthy § 31:59, p. 31:113, citing Travelodge Corp. v.
7 Siragusa, 228 F. Supp. 238, 243 (N.D. Ala. 1964), aff'd, 352
8 F.2d 516 (5th Cir. 1965); Schwinn Bicycle Co. v. Murray Ohio
9 Mfg. Co., 339 F. Supp. 973, 983 (M.D. Tenn. 1971), aff'd, 470
10 F.2d 975 (6th Cir. 1972) (counterclaim for cancellation for
11 fraud); Robi v. Five Platters, Inc., 918 F.2d 1439, 1444 (9th
12 Cir. 1990); see also Neva, Inc. v. Christian Duplications
13 Int'l, Inc., 743 F. Supp. 1533, 1549 (M.D. Fla. 1990) (holding
14 that a trademark obtained by fraud is subject to
15 cancellation) (citations omitted).
16
17

18 Without question, the issues raised in the Cancellation
19 proceeding regarding the '243 Reg. are the same issues present
20 in the Nevada Action. See Complaint, pp. 1-6. Under 15 U.S.C.
21 § 1119, the Nevada District Court action can resolve all of
22 these issues. Supra. Further, the Nevada District Court can
23 decide trademark infringement and unfair competition issues,
24 which the TTAB cannot. Paramount Pictures Corp. v. White, 31
25 U.S.P.Q.2d 1768, 1776, n. 5 (T.T.A.B. 1994) (holding that the
26 Board has no jurisdiction over claims of trademark infringement
27 and unfair competition and the proper forum for such claims is
28

1 a civil action); see also Anderson Corp. v. Therm-O-Shield
2 Int'l, Inc., 226 U.S.P.Q. 431, 432 n. 5 (T.T.A.B. 1985);
3 Electronic Water Conditioners, Inc. v. Turbomag Corp., 221
4 U.S.P.Q. 162, 163-164 (T.T.A.B. 1984) (citations omitted).

5 Since the Nevada District Court has the authority to
6 determine all issues related to the '243 Reg. and the '015 App.
7 - and the TTAB does not - the Court should exercise this
8 authority and deny Defendants' Motion. This is especially true
9 for two compelling reasons: (1) it is standard procedure for
10 the TTAB to suspend pending administrative proceedings if a
11 civil action will have a bearing on the issues before the
12 Board; and (2) TTAB decisions are not binding on district
13 courts, and a non-prevailing party in a TTAB proceeding may
14 then bring a civil action in a district court pursuant to 15
15 U.S.C. § 1071(b), and then receive a trial de novo on the exact
16 same issue decided by the Board. See supra.

17
18
19 In light of the foregoing, dismissing this action in favor
20 of many different administrative proceedings does nothing more
21 than create duplicative litigation, and waste judicial time and
22 substantial client resources in a non-binding forum. In
23 today's litigation world, this hardly makes sense.

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IV. CONCLUSION

Defendants' Motion to Dismiss its Complaint for lack of subject matter jurisdiction should be denied in its entirety.

DATED this 23 day of May, 2005.

WATSON ROUNDS

By: 
Michael D. Rounds
Matthew D. Francis
5371 Kietzke Lane
Reno, Nevada 89511
(775) 324-4100

Attorneys for Plaintiff
NextTep, Inc.

**PAUL
DECLARATION**

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DECLARATION OF SAM PAUL

I, Sam Paul, do hereby declare and state:

1. I am an owner and the secretary of NexTep, Inc. ("NexTep"). NexTep is a Nevada corporation with its principal place of business located in Reno, Nevada. This declaration is based upon my personal knowledge and is made in support of NexTep's Opposition to Defendants' Georgia-Pacific Corporation's and Fort James Operating Company's Motion to Dismiss for lack of subject matter jurisdiction pursuant to Fed. R. Civ. P.

12(b)(1).

2. NexTep is in the business of developing, manufacturing, marketing, and selling innovative household goods, which include polyethylene bags and trash cans. NexTep is the owner of all rights, title and interest to incontestable U.S. Registration No. 940243 ("243 Reg.") for the "Brawny" mark, and U.S. Application Serial No. 78268015 for the same mark.

3. On October 8, 2003, I met with Robert M. Lorys, the Executive Vice President of Consumer Marketing for Georgia-Pacific, and Gino F. Biondi, Director of Marketing for Georgia Pacific's paper towel division. Also present at this meeting was Joe Farinella of NexTep. Mr. Farinella is a member of the board of directors for NexTep, and is also a shareholder in the company. This meeting was held at Georgia-Pacific's offices located in Atlanta, Georgia.

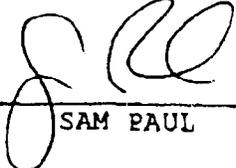
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4. During that meeting, I discussed Nextep's potential license of the "Brawny" lumberjack logo, including trademark issues surrounding such use with Messrs. Lorys, Biondi, and Farinella. Also during that meeting, Mr. Lorys told me and Mr. Farinella that if Nextep did not enter into a license agreement for the "Brawny" lumberjack logo with Georgia-Pacific, Georgia-Pacific's lawyers would be "carefully watching" Nextep's use of the "Brawny" logo.

5. The October 8, 2003 meeting discussed above did not result in a license agreement between Nextep and Georgia-Pacific.

6. I have read the May 19, 2005 declaration of Joe Farinella, and agree with all of the facts set forth in that declaration.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated: 5-19-05 By: 
SAM PAUL

**FARINELLA
DECLARATION**

**FRANCIS
DECLARATION**

1 Receipt for the assignment of the '015 App. to Defense counsel
2 Judy Powell, and asked whether she would stipulate to
3 substitute NexTep for BPI. A true and correct copy of an email
4 string between me and Ms. Powell is attached hereto as Exhibit
5 5. Unfortunately, Ms. Powell refused this request, and stated
6 that she was worried that so stipulating would prevent her from
7 attacking the BPI-NexTep assignment. Id. I tried to resolve
8 the issue without Board intervention by offering to insert
9 language into the would-be Stipulation which stated that
10 Georgia-Pacific and Fort James would not be foreclosed from
11 attacking the assignment by executing the Stipulation. Id.
12 Ms. Powell still refused, thus forcing BPI and NexTep to bring
13 the Motion to Substitute Parties. Id.
14

15
16 7. In their Opposition to BPI's and NexTep's Motion to
17 Substitute Parties, Georgia-Pacific and Fort James stated that
18 NexTep should be joined as a party to the Opposition. See
19 Opp., p. 2. True and correct excerpts from that Opposition are
20 attached hereto as Exhibit 6. That Motion has been fully
21 briefed by the parties.
22

23 8. Because Defendants/Petitioners failed to name NexTep
24 as the Registrant in their Petition to Cancel the '243 Reg.,
25 NexTep has moved to dismiss the proceeding pursuant to Rules
26 12(b)(6-7). NexTep is awaiting Defendants'/Petitioners'
27 opposition brief at this time.
28

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1 9. On April 14, 2005, NexTep filed this declaratory
2 judgment action (the "Nevada Action"), and Defendants were
3 served the next day - April 15, 2005.

4 10. Attached hereto as Exhibit 7 is a true and correct
5 copy of NexTep's "Motion to Suspend Proceedings; Memorandum of
6 Points and Authorities in Support Thereof" for Opposition No.
7 91164081.

8 11. Attached hereto as Exhibit 8 is a true and correct
9 copy of NexTep's "Motion to Suspend Proceedings; Memorandum of
10 Points and Authorities in Support Thereof" for Cancellation No.
11 92044396.

12 12. After filing the Motions to Suspend Proceedings
13 referred to in paragraphs 10-11 above, I wrote opposing counsel
14 Carrie Johnson a letter on April 26, 2005, inquiring whether
15 she would stipulate to stay the TTAB proceedings in favor of
16 the Nevada District Court action. A true and correct copy of
17 this letter is attached hereto as Exhibit 9. Ms. Johnson never
18 responded to this letter. NexTep's reply briefs in support of
19 these Motions are due on May 25, 2005.

20 13. In addition to the Opposition and Cancellation
21 proceedings at issue here, Defendants have filed requests for
22 extensions of time to file three other oppositions to trademark
23 applications filed by NexTep's principal Sam Paul. A true and
24 correct copy of a printout "Summary" from the www.uspto.gov
25 website of all of the proceedings initiated by Georgia-Pacific
26
27
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1 Corporation and/or Fort James Operating Company against
2 NexTep's predecessors and/or principals is attached hereto as
3 Exhibit 10.

4 I declare under penalty of perjury that the foregoing is
5 true and correct to the best of my knowledge.
6

7 Dated: 5/23/05
8

By: 
MATTHEW D. FRANCIS

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EXHIBIT 1

TRADEMARK SALE, ASSIGNMENT AND LICENSE

THIS AGREEMENT is entered into this 6th day of August, 2003, by and between C
Brawny Plastics, Inc., 2700 N. Paulina Street, Chicago, Illinois 60614 ("Seller") and
Nextep, Inc., P.O. Box 11188, Reno, Nevada 89510 ("Buyer").

✓ WHEREAS, Seller, is the owner of the trademark BRAWNY, U.S. Registration
No. 540243 for use in connection with "polyethylene bags" in International Class 20,
with first use of said trademark commencing at least as early as July 6, 1971, said
registration having been renewed on the Principal Register for an additional ten year
term pursuant to United States Patent and Trademark Office Notice dated March 5,
2001; and

✓ WHEREAS, Seller is the owner of a pending U.S. trademark application
BRAWNY, Serial No. 78/268015 for use in connection with "plastic and metal trash and
refuse containers and receptacles," in International Class 22 filed June 27, 2003, on an
intent to use basis;

WHEREAS, Buyer is desirous of using the trademark BRAWNY in connection
with the same, similar or related goods as shown in the existing registration and/or
pending application, and Seller is agreeable to the sale, assignment and lease of those
marks, together with the goodwill of the business symbolized thereby; provided that
Buyer licenses Seller so that Seller can continue to use BRAWNY for polyethylene bags
in connection with its continuing business as more fully described below;

THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. **Sale and Assignment:** Seller hereby sells and assigns, for good and
valuable consideration, including the right of Seller to use the mark
BRAWNY in the future pursuant to an exclusive, irrevocable, royalty-free
license (as more fully described below in Paragraph 4) as well as the
payment by Buyer to Seller of the sum of One Hundred Thousand Dollars
(\$100,000), Fifty Thousand Dollars (\$50,000) of which is due upon
execution of this Agreement and thereafter the sum of Fifty Thousands
Dollars (\$50,000) due for payment in six equal monthly installments of
Eight Thousand Three Hundred Thirty Three Dollars and Thirty Three
Cents (\$8,333.33) each installment, paid on the first day of the month
commencing after the execution of this Agreement and for an additional
five (5) months thereafter paid on the first day of each of said succeeding
months, all Seller's rights, title and interest in the federally registered
BRAWNY trademark, together with the goodwill of the business
symbolized thereby and the registration pertaining thereto.
2. **Seller's Rights on Default:** In the event Buyer fails to make any of the
payments described in paragraph 1, above, on the dates required, and if
such failure to pay is not cured within five (5) working days after notice
from Seller, (a) the entire sum remaining to be paid to Seller shall be
immediately due and owing, (b) Buyer shall forthwith cease use of the
marks assigned and/or licensed hereunder, (c) all right and title in marks

assigned hereunder shall revert to seller, and (d) Buyer shall pay all legal fees and costs of Seller incurred in enforcing the payment of such accelerated sum and in enforcing its restored rights in relation to the Buyer.

3. Seller's Security Interest in the Marks: To secure Seller's rights of payment hereunder, Buyer hereby conveys to Seller a purchase money security interest in the marks, and Seller is authorized hereunder to file UCC-1 financing statement memorializing such security interest in the form attached.

4. License of BRAUNNY mark for use with containers and receptacles: Seller hereby licenses Buyer, on an exclusive, irrevocable, royalty-free basis, to use the mark BRAUNNY in connection with plastic and metal trash and refuse containers and receptacles. To the extent applicable, Seller agrees to use the mark on the goods or labels as well as on packaging, advertising and promotional materials, in a manner approved by Buyer, which approval shall not be unreasonably withheld. Seller further agrees to sell and assign that mark, and the pending federal trademark application for BRAUNNY, Serial No. 78/288015, together with the goodwill of the business symbolized thereby, to Buyer upon its filing of a verified statement of use by Buyer, said statement of use to be based on the licensed use provided for in this paragraph. The assignment of the trademark application for BRAUNNY, Serial No. 78/288015 will be memorialized in a separate sale and assignment to be executed upon the filing of the verified statement of use by Buyer.

5. License Back to Seller: Buyer hereby agrees to license Seller or its assignee, on an exclusive irrevocable, royalty-free basis, for use of the federally registered mark BRAUNNY in connection with the sale of 15, 20 and 33 gallon-sized polyethylene bags for a term of six (6) months following the date of this Agreement. To the extent applicable, Seller agrees to use the mark on the goods or labels as well as on packaging, advertising and promotional materials, in a manner approved by Buyer, which approval shall not be unreasonably withheld, and in no event of a less quality than Seller has used or displayed the mark to the date of this Agreement.

6. Intention Date: This Agreement will commence on the date written above.

7. Term: The term of this Agreement shall be for as long as the Buyer or its assignee maintains the U.S. registration in the trademark BRAUNNY or continues to use said mark in Buyer's business on a common law basis, or until an event of default specified in paragraph 2 of this Agreement.

8. Infringement: If Seller learns of any infringements of the mark, it shall promptly notify Buyer of same. Buyer shall bear the responsibility and expense for taking any legal action in connection with any such infringements.

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- 9. Approval: This Agreement is subject to the approval of Seller's lien holder, which approval shall be the responsibility of Seller to obtain, no later than ten (10) working days from the date of this Agreement.
- 10. Effect on Assignment: This Agreement will be binding upon and inure to the benefit of the parties, their successors, assigns, affiliated and related companies, and shall be assignable by either party.

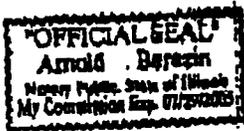
DATE: August 6, 2003

BRAWNY PLASTICS, INC.

By: [Signature]
Its President

State of Illinois, County of Cook.
County of Cook
Signed before me this _____
Day of July, 2003.

[Signature]
Notary Public



NEXTEP, INC.

[Signature]
Its Treasurer & C.O.O.

State of NV

Signed before me this 8-22-03
Day of July, 2003.

[Signature]
Notary Public



EXHIBIT 2

**Assignment of United States Patent and Trademark
Office Trademark Application No. 78/268015**

This Agreement is made on March 17, 2005 between Brawny Plastics, Inc. ("Assignor"), and Nextep, Inc. ("Assignee").

WHEREAS, Assignee is desirous of acquiring any and all rights, title, and interest that Assignor may have throughout the world in and to the "Brawny" trademark and United States Patent and Trademark Office Trademark Application No. 78/268015 (" '015 App."), together with the goodwill of the entire business in connection with which the trademark is used, and which is symbolized by the trademark.

For good and valuable consideration, receipt of which is hereby acknowledged, Assignor hereby assigns unto Assignee all of Assignor's right, title, and interest in and to the "Brawny" trademark and the '015 App., together with the goodwill of the entire business in connection with which the trademark is used and which is symbolized by the trademark.

Assignor agrees to execute and deliver, at the request of Assignee, all papers, instruments, and assignments, and to perform any other reasonable acts that the Assignee may require in order to vest all of Assignor's rights, title, and interest in and to the trademark to Assignee, including filing the recordation of the assignment with the United States Patent and Trademark Office.

Dated this day of March, 2005

Brawny Plastics, Inc.

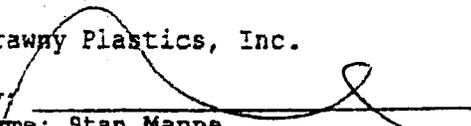
By: 
Name: Stan Manne
Title: President

EXHIBIT 3



UNITED STATES DEPARTMENT OF COMMERCE
Patent and Trademark Office
ASSISTANT SECRETARY AND COMMISSIONER
OF PATENTS AND TRADEMARKS
Washington, D.C. 20231



MARCH 22, 2005

PTAS

900021690A

MATTHEW D. FRANCIS
5371 KIETZKE LANE
RENO, NV 89511

UNITED STATES PATENT AND TRADEMARK OFFICE
NOTICE OF RECORDATION OF ASSIGNMENT DOCUMENT

THE ENCLOSED DOCUMENT HAS BEEN RECORDED BY THE ASSIGNMENT DIVISION OF THE U.S. PATENT AND TRADEMARK OFFICE. A COMPLETE MICROFILM COPY IS AVAILABLE AT THE ASSIGNMENT SEARCH ROOM ON THE REEL AND FRAME NUMBER REFERENCED BELOW.

PLEASE REVIEW ALL INFORMATION CONTAINED ON THIS NOTICE. THE INFORMATION CONTAINED ON THIS RECORDATION NOTICE REFLECTS THE DATA PRESENT IN THE PATENT AND TRADEMARK ASSIGNMENT SYSTEM. IF YOU SHOULD FIND ANY ERRORS OR HAVE QUESTIONS CONCERNING THIS NOTICE, YOU MAY CONTACT THE EMPLOYEE WHOSE NAME APPEARS ON THIS NOTICE AT 703-308-9723. PLEASE SEND REQUEST FOR CORRECTION TO: U.S. PATENT AND TRADEMARK OFFICE, ASSIGNMENT DIVISION, BOX ASSIGNMENTS, CG-4, 1213 JEFFERSON DAVIS HWY, SUITE 320, WASHINGTON, D.C. 20231.

RECORDATION DATE: 03/22/2005

REEL/FRAME: 003050/0540

NUMBER OF PAGES: 2

BRIEF: ASSIGNS THE ENTIRE INTEREST AND THE GOODWILL.

ASSIGNOR:

BRAWNY PLASTICS, INC.

DOC DATE: 03/17/2005

CITIZENSHIP: ILLINOIS

ENTITY: CORPORATION

ASSIGNEE:

NEXTEP, INC.

P.O. BOX 11188

RENO, NEVADA 89510

CITIZENSHIP: NEVADA

ENTITY: CORPORATION

APPLICATION NUMBER: 78268015

FILING DATE: 06/27/2003

REGISTRATION NUMBER:

ISSUE DATE:

MARK: BRAWNY

DRAWING TYPE: WORDS, LETTERS, OR NUMBERS IN TYPED FORM

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PAGE 003/004

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TARA WASHINGTON, EXAMINER
ASSIGNMENT DIVISION
OFFICE OF PUBLIC RECORDS

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

03/22/2005
900021690

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNS THE ENTIRE INTEREST AND THE GOODWILL

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Brawny Plastics, Inc.		03/17/2005	CORPORATION: ILLINOIS

RECEIVING PARTY DATA

Name:	NaxTep, Inc.
Street Address:	P.O. Box 11188
City:	Reno
State/Country:	NEVADA
Postal Code:	89510
Entity Type:	CORPORATION: NEVADA

PROPERTY NUMBERS Total: 1

Property Type	Number	Word Mark
Serial Number:	78268015	BRAWNY

CORRESPONDENCE DATA

Fax Number: (775)333-8171
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 7753244100
 Email: mfrancis@watsonrounds.com
 Correspondent Name: Matthew D. Francis
 Address Line 1: 5371 Kietzke Lane
 Address Line 4: Reno, NEVADA 89511

NAME OF SUBMITTER:	Matthew D. Francis
Signature:	/Matthew D. Francis/
Date:	03/22/2005

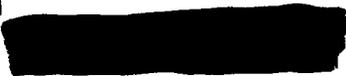
Total Attachments: 1
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OP \$40.00 78268015

EXHIBIT 4



UNITED STATES DEPARTMENT OF COMMERCE
Patent and Trademark Office
ASSISTANT SECRETARY AND COMMISSIONER
OF PATENTS AND TRADEMARKS
Washington, D.C. 20231



MARCH 25, 2005

PTAS

900021890A

MATTHEW D. FRANCIS
5371 KIETZKE LANE
RENO, NV 89511

UNITED STATES PATENT AND TRADEMARK OFFICE
NOTICE OF RECORDATION OF ASSIGNMENT DOCUMENT

THE ENCLOSED DOCUMENT HAS BEEN RECORDED BY THE ASSIGNMENT DIVISION OF THE U.S. PATENT AND TRADEMARK OFFICE. A COMPLETE MICROFILM COPY IS AVAILABLE AT THE ASSIGNMENT SEARCH ROOM ON THE REEL AND FRAME NUMBER REFERENCED BELOW.

PLEASE REVIEW ALL INFORMATION CONTAINED ON THIS NOTICE. THE INFORMATION CONTAINED ON THIS RECORDATION NOTICE REFLECTS THE DATA PRESENT IN THE PATENT AND TRADEMARK ASSIGNMENT SYSTEM. IF YOU SHOULD FIND ANY ERRORS OR HAVE QUESTIONS CONCERNING THIS NOTICE, YOU MAY CONTACT THE EMPLOYEE WHOSE NAME APPEARS ON THIS NOTICE AT 703-308-9723. PLEASE SEND REQUEST FOR CORRECTION TO: U.S. PATENT AND TRADEMARK OFFICE, ASSIGNMENT DIVISION, BOX ASSIGNMENTS, CG-4, 1213 JEFFERSON DAVIS HWY, SUITE 320, WASHINGTON, D.C. 20231.

RECORDATION DATE: 03/24/2005

REEL/FRAME: 003052/0694
NUMBER OF PAGES: 5

BRIEF: ASSIGNS THE ENTIRE INTEREST AND THE GOODWILL.

ASSIGNOR:
BRAWNY PLASTICS, INC.

DOC DATE: 08/06/2003
CITIZENSHIP: ILLINOIS
ENTITY: CORPORATION

ASSIGNEE:
NEXTEP, INC.
P.O. BOX 11188
RENO, NEVADA 89510

CITIZENSHIP: NEVADA
ENTITY: CORPORATION

APPLICATION NUMBER: 72399973
REGISTRATION NUMBER: 940243

FILING DATE: 08/12/1971
ISSUE DATE: 08/08/1972

MARK: BRAWNY
DRAWING TYPE: WORDS, LETTERS, OR NUMBERS IN TYPED FORM

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PAGE 003/005

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LENELL MACKALL, SUPERVISOR
ASSIGNMENT DIVISION
OFFICE OF PUBLIC RECORDS

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylsheet Version v1.1

03/24/2005
 900021890

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNS THE ENTIRE INTEREST AND THE GOODWILL

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Brawny Plastics, Inc.		08/06/2003	CORPORATION: ILLINOIS

RECEIVING PARTY DATA

Name:	NexTep, Inc.
Street Address:	P.O. Box 11188
City:	Reno
State/Country:	NEVADA
Postal Code:	89510
Entity Type:	CORPORATION: NEVADA

PROPERTY NUMBERS Total: 1

Property Type	Number	Word Mark
Registration Number:	940243	BRAWNY

CORRESPONDENCE DATA

Fax Number: (775)333-8171
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 7753244100
 Email: mfrancis@watsonrounds.com
 Correspondent Name: Matthew D. Francis
 Address Line 1: 5371 Kietzke Lane
 Address Line 4: Reno, NEVADA 89511

NAME OF SUBMITTER:	Matthew D. Francis
Signature:	/Matthew D. Francis/
Date:	03/24/2005

Total Attachments: 3
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Matt Francis

From: Powell, Judy [JPowell@KilpatrickStockton.com]
Sent: Thursday, March 24, 2005 9:03 AM
To: Matt Francis
Subject: RE: Assignment confirmation receipt ID:TM26917 - Brawny

Matt,
You have correctly identified the concern that I have. I understand that you may file a motion.

Best regards,
Judy

-----Original Message-----

From: Matt Francis [mailto:Mfrancis@watsonrounds.com]
Sent: Thursday, March 24, 2005 11:41 AM
To: Powell, Judy
Subject: RE: Assignment confirmation receipt ID:TM26917 - Brawny

Judy:

I do not understand what you mean by the "TTAB will sometimes not necessarily accept what the parties have agreed." Are you worried that the TTAB will not accept your potential arguments in the future that the assignment did not effectuate transfer? I will obviously be forced to file a motion if we cannot come to agreement.

MF

-----Original Message-----

From: Powell, Judy [mailto:JPowell@KilpatrickStockton.com]
Sent: Thursday, March 24, 2005 5:28 AM
To: Matt Francis
Subject: RE: Assignment confirmation receipt ID:TM26917 - Brawny

Matt,
I am really sorry that I am not comfortable doing that, simply because I have had the experience that the TTAB will sometimes not necessarily accept what the parties have agreed.

best regards,
Judy

-----Original Message-----

From: Matt Francis [mailto:Mfrancis@watsonrounds.com]
Sent: Wednesday, March 23, 2005 7:08 PM
To: Powell, Judy
Subject: RE: Assignment confirmation receipt ID:TM26917 - Brawny

Judy:

Would you be willing to stipulate if we inserted language that the stipulation does not foreclose you from challenging the assignment?

MF

-----Original Message-----

From: Powell, Judy [mailto:JPowell@KilpatrickStockton.com]
Sent: Wednesday, March 23, 2005 3:51 PM
To: Matt Francis
Subject: RE: Assignment confirmation receipt ID:TM26917 - Brawny

Matt,
I am sorry for the delay in responding to you. I have been out of the office. If we

stipulated to the substitution, I think that would be an acknowledgement that the assignment properly effectuated transfer. I do not think we are able to come to that conclusion, so unfortunately, I don't believe we will be able to enter a stipulation.

best regards,
Judy

-----Original Message-----

From: Matt Francis [mailto:Mfrancis@watsonrounds.com]
Sent: Tuesday, March 22, 2005 5:45 PM
To: Powell, Judy
Subject: FW: Assignment confirmation receipt ID:TM26917 - Brawny

Dear Judy:

Enclosed please find confirmation of the assignment of the '015 App. to NexTep, Inc. I have been researching the substitution issue, and the following are my findings.

TPMB Rules 101.02-03 provide that inter partes proceedings are governed by the Federal Rules of Civil Procedure and decisional case law. Fed. R. Civ. P. 25(c) allows for substitution of parties if there is a transfer of interest. See also Wright and Miller, Section 1958, citing Fischer Bros. Aviation, Inc. v. NWA, Inc., 117 F.R.D. 144, 145 (D.C. Minn 1987).

Since NexTep is the assignee and the real party in interest, I propose that we enter into a stipulation substituting NexTep for Brawny Plastics, Inc. If do not have an objection to this, I can draft a quick stipulation for your review and execution.

Please call or email me to discuss. Thanks for your help.

Sincerely,

Matt Francis

-----Original Message-----

From: etas-server@uspto.gov [mailto:etas-server@uspto.gov]
Sent: Tuesday, March 22, 2005 11:39 AM
To: Matt Francis
Subject: Assignment confirmation receipt ID:TM26917

ELECTRONIC TRADEMARK ASSIGNMENT SYSTEM (ETAS) CONFIRMATION RECEIPT

The USPTO has received a Trademark Assignment submitted through the Electronic Trademark Assignment System (ETAS). This is the only acknowledgement of receipt that will be transmitted for this ETAS submission. The submission may not be recalled.

After review by Assignment Services Division personnel a Notice of Recordation/Non-Recordation will be returned via fax. USPTO will attempt to fax to the number provided in the submission; fax failures will be delivered via US Postal Service to the Correspondence Address provided in the submission.

If a communication from the Assignment Services Division has not been received within 60 days of your confirmation receipt contact the Assignment Services Division Customer Service Desk at 703-308-9723 or send an e-mail to etas@uspto.gov.

If you have a technical question, comment or concern about your ETAS submission call 703-308-9723 during business hours or e-mail to etas@uspto.gov. Please have your ETAS receipt ID which is 'EASTM26917' available when calling or writing for assistance.

A printable version of the Confirmation Receipt is attached to this e-mail.

Electronic Assignment Server at <http://etas.uspto.gov>

EXHIBIT 6

TTAB

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

FORT JAMES OPERATING)	
COMPANY and GEORGIA-PACIFIC)	
CORPORATION,)	Application No. 78/268,015
)	
Opposers,)	Mark: BRAWNY
)	
v.)	Opposition No. 91164081
)	
BRAWNY PLASTICS, INC.,)	
)	
Applicant.)	

**OPPOSITION TO BRAWNY PLASTICS INC. &
NEXTEP, INC.'S MOTION TO SUBSTITUTE PARTIES**

For the reasons set forth below, Fort James Operating Company ("Fort James") and Georgia-Pacific Corporation ("Georgia-Pacific") (collectively, "Opposers") oppose Brawny Plastics Inc. ("BPI") and Nextep, Inc.'s ("Nextep") motion to substitute Nextep for BPI in this Opposition proceeding.

ARGUMENT & CITATION OF AUTHORITIES

Opposers do not concede that the alleged assignment of U.S. Application No. 78/268,015 ("the Application") from BPI to Nextep was a valid and effective transfer of all rights, title, and interest in the Application from BPI to Nextep. Rather, Opposers believe there are substantial questions and that discovery regarding the validity of the alleged assignment is necessary before a final determination can be made regarding the true party in interest and owner of the

05-04-2005

U.S. Patent & TMO/TM Mail Rpt Dt. #66

Application. Opposers have already served discovery seeking information necessary to clarify this issue.¹

In any case, and as the Board has noted, there are limited circumstances warranting the substitution of an alleged assignee for the original applicant in an opposition proceeding:

[T]he assignee may be substituted as a party if the assignment occurred prior to the commencement of the proceeding, or the assignor is no longer in existence, or the plaintiff raised no objections to the substitution, or the discovery and testimony periods have closed; otherwise, the assigned will be joined, rather than substituted, to facilitate discovery.

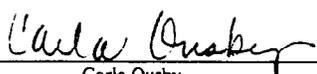
T.B.M.P. Rule 512.02 (emphasis added), 37 C.F.R. §§ 2113(c) and (d); see also Western Worldwide Enterprises Group Inc. v. Quindao Brewery, 17 U.S.P.Q.2d 1137, 1139 n.4 (T.T.A.B. 1990) (assignee joined after filing copy of an assignment which occurred subsequent to commencement of proceeding); and Tonka Corp. v. Tonka Tools, Inc., 229 U.S.P.Q. 857, 857 n.1 (T.T.A.B. 1986) (same). Again, Opposers cannot confirm the facts and circumstances surrounding the alleged assignment of the Application. However, BPI and Nextep allege that the assignment took place after these proceedings commenced, (Motion to Substitute Parties, p. 2, ¶¶ 1-2), and have not submitted any evidence demonstrating facts that would support their contention that substitution, rather than joinder of Nextep, is appropriate. Under the circumstances, Opposers respectfully submit that the proper course of action is for Nextep to be joined as a party to these proceedings, rather than substituted for BPI.

¹ On April 4, 2005, Petitioners served counsel for BPI and Nextep with *Opposer's First Set of Interrogatories to Brawny Plastics, Inc.*, *Opposer's First Set of Requests for Production of Documents to Brawny Plastics, Inc.*, and a copy of the subpoena duces tecum issued to Nextep, Inc. Service of the subpoena on Nextep was effected on April 11, 2005.

EXHIBIT 7

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

In the Matter of Application Serial No. 78268015
Published in the Official Gazette on September 21, 2004

<p>FORT JAMES OPERATING COMPANY and GEORGIA-PACIFIC CORPORATION,</p> <p style="text-align: center;">Opposers,</p> <p>v.</p> <p>BRAWNY PLASTICS, INC.,</p> <p style="text-align: center;">Applicant.</p>	<p>Opposition No. 91164081</p> <p>I hereby certify that on April <u>15</u>, 2005, this paper is being deposited with the U.S. Postal Service by "Express Mail Post Office to Addressee" service with Express Mail Label No. ED000992306US for delivery to the Trademark Trial and Appeal Board, P.O. Box 1451, Alexandria, VA 22313-1451.</p> <p style="text-align: center;"> Carla Ousby</p>
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**MOTION TO SUSPEND PROCEEDINGS; MEMORANDUM OF
POINTS AND AUTHORITIES IN SUPPORT THEREOF**

Applicant Brawny Plastics, Inc. ("BPI") and NexTep, Inc. ("NexTep") hereby move to Suspend this Opposition proceeding in light of the action commenced in the District of Nevada on April 14, 2005, styled: NexTep, Inc. v. Fort James Operating Company, et. al., Case No. CV-N-05-0227-ECR-RAM (the "Nevada Action"). Because the outcome of the Nevada Action will have a bearing on the issues before the Board, this Motion should be granted in full.

I. BACKGROUND

NexTep is a Nevada corporation with its principal place of business located in Reno, Nevada. April 15, 2005 Declaration of Matthew D. Francis ("Francis Decl."), § 2. NexTep is in the business of developing, manufacturing, marketing, and selling innovative household goods, which include polyethylene bags and trash cans. Id.

NexTep is the owner of United States Federal Trademark Registration No. 0940243 ("243 Reg.") for the trademark "Brawny" in International Class 20 for polyethylene bags. Francis Decl., § 3, Exhibit B. NexTep was assigned all rights, title, and interest in the '243 Reg. by BPI on August 6, 2003 via a "Trademark Sale, Assignment and License" agreement. Francis

Decl., § 3, Exhibit C. This assignment was subsequently recorded in the United States Patent and Trademark Office ("PTO"). Francis Decl., § 3, Exhibit D.

NexTep is also the owner of United States Federal Trademark Application Serial No. 78/268,015 ("015 App.") for the trademark "Brawny" in International Class 6 for "metal trash receptacles for commercial, household and domestic use," and International Class 21 for "plastic trash receptacles for household use." Francis Decl., § 4. NexTep was assigned all rights, title, and interest in the '015 App. by BPI on March 17, 2005. *Id.*, Exhibit E. This assignment was subsequently recorded in the PTO. Francis Decl., § 4, Exhibit F.

While NexTep awaited a Notice of Allowance from the PTO for the '015 App., Opposers filed a Notice of Opposition (the "Opposition") to the '015 App. on or about January 20, 2005. Francis Decl., § 5. In the Opposition, Opposers allege that their use of the "Brawny" trademark for paper goods and cleaning products provide them with superior rights in the "Brawny" mark. Francis Decl., § 5, Exhibit A, pp. 3-4, § 11; Opposition, pp. 2-4, §§ 4-17. Opposers further allege that Applicant's use of the "Brawny" mark is likely to cause confusion in the minds of the consuming public, is likely to injure their business reputations, and is likely to dilute the distinctive quality of their "Brawny" mark. Francis Decl., § 5, Exhibit A, pp. 3-4, § 11; Opposition, p. 4, §§ 18-19. As a result, Opposers request that Applicant's registration for the '015 App. be refused. Francis Decl., § 5, Exhibit A, pp. 3-4, § 11; Opposition, p. 5.

On March 24, 2005, BPI answered the Opposition, and on April 7, 2005, NexTep and BPI filed a Motion to Substitute Parties (NexTep for BPI) since Opposers' counsel refused to stipulate to the substitution. Francis Decl., § 6; *see* Mot. to Substitute, p. 2. That Motion is still pending.

The only discovery that has been conducted to date is that Opposers served BPI (and thus NexTep) and NexTep's principal Sam Paul with initial discovery requests on April 4, 2005. These documents were received on April 11, 2005. Francis Decl., § 7.

On April 14, 2005, NexTep filed a declaratory judgment action in the United States District Court For the District of Nevada. Francis Decl., § 9, Exhibit A, pp. 1-6. In the Nevada

Action, NexTep asked the Court to declare, among other things, that its rights in the “Brawny” mark are superior to Opposers’ alleged rights, and that NexTep’s use of that mark does not infringe any of Opposers’ alleged rights. Francis Decl., § 9, Exhibit A, pp. 5-6.¹

II. ARGUMENT

TBMP Rule 510.02(a) provides that “[o]rdinarily, the Board will suspend proceedings in the case before it if the final determination of the other proceeding will have a bearing on the issues before the Board.” *Id.*, citing The Other Telephone Co. v. Connecticut Nat’l Telephone Co., Inc., 181 U.S.P.Q. 125, 126 (TTAB1974), Tokaido v. Honda Assoc., Inc., 179 U.S.P.Q. 861, 862 (TTAB 1973) Whopper-Burger v. Burger King Corp., 171 U.S.P.Q. 805, 807 (TTAB 1971)(citations omitted). Professor McCarthy also notes that “[i]t is standard procedure for the Trademark Board to stay administrative proceedings pending the outcome of court litigation between the same parties involving related issues.” 5 J.T. McCarthy, McCarthy on Trademarks and Unfair Competition (“McCarthy”) § 32:47, pp. 32:97-99 (4th Ed. 2004), citing Alfred Dunhill of London, Inc. v. Dunhill Tailored Clothes, Inc., 130 U.S.P.Q. 412, 413 n. 1 (CCPA 1961), and Whopper-Burger, 171 U.S.P.Q. at 807. This is the case even when a court action is commenced after commencement of the Board proceeding. 5 McCarthy § 32:47, pp. 32:98-99, citing Midland Cooperatives, Inc. v. Midland Int’l Corp., 164 U.S.P.Q. 579, 580 (CCPA 1970).

When this authority is considered in light of the facts discussed above, it is clear that this Opposition proceeding should be immediately suspended. Specifically, the relevant parties and the same issues are involved in both matters, and the final determination of the Nevada Action will have a bearing on the issues before the Board. See supra. Like the pending Opposition, the Nevada Action seeks to determine priority and ownership of “Brawny” mark as well as the alleged infringement and injury to Opposers. *Id.* As a result, there is no need to duplicate efforts

¹In addition to the foregoing, on or about March 28, 2005, Opposers filed a Petition for Cancellation to cancel the ‘243 Reg. Francis Decl., § 8; see Cancellation No. 92044395. The basis for Opposers’ Petition is that NexTep’s predecessor BPI allegedly made fraudulent statements to the PTO regarding its use of the Brawny mark, and that the assignment to NexTep of the ‘243 Reg. was a sham transaction “in contravention of the Lanham Act.” Francis Decl., § 8. BPI and NexTep are filing a similar Motion to Suspend that Cancellation proceeding concurrently with this Motion to Suspend. *Id.*

in both the District of Nevada and this Board and force the parties to incur unnecessary legal expenses in both venues. Further, it would be wasteful to take up this Board's time with issues that are ripe for determination by the District Court.

III. CONCLUSION

In light of the foregoing, BPI's and NexTep's Motion to Suspend Proceedings should be granted in full.

Dated: April 15, 2005

Respectfully Submitted,

By: 

Michael D. Rounds
Matthew D. Francis
WATSON ROUNDS
5371 Kietzke Lane
Reno, Nevada 89511
(775) 324-4100

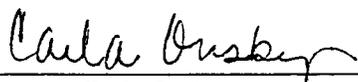
Attorneys for Applicant

CERTIFICATE OF SERVICE

I certify that I am an employee of the Law Offices of Watson Rounds, a Professional Corporation, and on this day I deposited a true and correct copy in the United States mail, first class postage prepaid, of the within document entitled **Motion to Suspend Proceedings; Memorandum of Points and Authorities in Support Thereof**, addressed as follows:

Judith A. Powell
James H. Sullivan
Kilpatrick Stockton LLP
Suite 2800
1100 Peachtree Street
Atlanta, Georgia 30309-4530

Dated: April 15, 2005



Carla Ousby

MATTHEW D. FRANCIS
DECLARATION

DECLARATION OF MATTHEW D. FRANCIS

I, Matthew D. Francis, do hereby declare and state:

1. I am counsel of record for Brawny Plastics, Inc. ("BPI") and NexTep, Inc. ("NexTep") in this Opposition proceeding. This declaration is based upon my personal knowledge and is made in Support of BPI's and NexTep's Motion to Suspend; Memorandum of Points and Authorities in Support Thereof.

2. NexTep is a Nevada corporation with its principal place of business located in Reno, Nevada. See Complaint, p. 2, §§ 3, 7, a true and correct copy of which is attached hereto as Exhibit A. NexTep is in the business of developing, manufacturing, marketing, and selling innovative household goods, which include polyethylene bags and trash cans. Exhibit A, p. 2, § 7.

3. NexTep is the owner of United States Federal Trademark Registration No. 0940243 ("243 Reg.") for the trademark "Brawny" in International Class 20 for polyethylene bags. A true and correct copy of the '243 Reg. is attached hereto as Exhibit B. NexTep was assigned all rights, title, and interest in the '243 Reg. by BPI on August 6, 2003 via a "Trademark Sale, Assignment and License" agreement. A true and correct copy of this Agreement is attached hereto as Exhibit C. This assignment was subsequently recorded in the United States Patent and Trademark Office ("PTO"). A true and correct copy of this assignment is attached hereto as Exhibit D.

4. NexTep is also the owner of United States Federal Trademark Application Serial No. 78/268,015 ("015 App.") for the trademark "Brawny" in International Class 6 for "metal trash receptacles for commercial, household and domestic use," and International Class 21 for "plastic trash receptacles for household use." NexTep was assigned all rights, title, and interest in the '015 App. by BPI on March 17, 2005. A true and correct copy of this March 17, 2005 Assignment is attached hereto as Exhibit E. This assignment was subsequently recorded in the PTO. A true and correct copy of this recordation is attached hereto as Exhibit F.

5. While NexTep awaited a Notice of Allowance from the PTO for the '015 App., Opposers filed a Notice of Opposition (the "Opposition") to the '015 App. on or about January

20, 2005. In the Opposition, Opposers allege that their use of the "Brawny" trademark for paper goods and cleaning products provide them with superior rights in the "Brawny" mark. Exhibit A, § 11; Opposition, pp. 2-4, §§ 4-17. Opposers further allege that Applicant's use of the "Brawny" mark is likely to cause confusion in the minds of the consuming public, is likely to injure their business reputations, and is likely to dilute the distinctive quality of their "Brawny" mark. Exhibit A, pp. 3-4, § 11; Opposition, p. 4, §§ 18-19. As a result, Opposers request that Applicant's registration for the '015 App. be refused. Exhibit A, pp. 3-4, § 11; Opposition, p. 5.

6. On March 24, 2005, BPI answered the Opposition, and on April 7, 2005, NexTep and BPI filed a Motion to Substitute Parties (NexTep for BPI) since Opposers' counsel refused to stipulate to the substitution. See Mot. to Substitute, p. 2. That Motion is still pending.

7. The only discovery that has been conducted to date is that Opposers served BPI (and thus NexTep) and NexTep's principal Sam Paul with initial discovery requests on April 4, 2005. These documents were received on April 11, 2005.

8. On or about March 28, 2005, Opposers filed a Petition for Cancellation to cancel the '243 Reg. See Cancellation No. 92044395. The basis for Opposers' Petition is that NexTep's predecessor BPI allegedly made fraudulent statements to the PTO regarding its use of the Brawny mark, and that the assignment to NexTep of the '243 Reg. was a sham transaction "in contravention of the Lanham Act." Id. BPI and NexTep are filing a similar Motion to Suspend that Cancellation proceeding concurrently with this Motion to Suspend.

9. On April 14, 2005, NexTep filed a declaratory judgment action in the United States District Court For the District of Nevada. Exhibit A, pp. 1-6. In the Nevada Action, NexTep asked the Court to declare, among other things, that its rights in the "Brawny" mark are superior to Opposers' alleged rights, and that NexTep's use of that mark does not infringe any of Opposers' alleged rights. Exhibit A, pp. 5-6.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated: 4/15/05

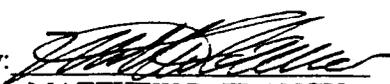
By: 
MATTHEW D. FRANCIS

Exhibit A

1 Michael D. Rounds
State Bar No. 4374
2 Matthew D. Francis
State Bar No. 6978
3 WATSON ROUNDS
5371 Kietzke Lane
4 Reno, Nevada 89511
(775) 324-4100
5
6 Attorneys for Plaintiff
Nextep, Inc.
7

FILED
05 APR 14 PM 2:04
LANCE S. WILSON
CLERK
BY _____
DEPUTY

8 IN THE UNITED STATES DISTRICT COURT
9 FOR THE DISTRICT OF NEVADA

CV-N-05-0227-ECR-RAM

10 NEXTEP, INC., a Nevada
11 corporation,

12 Plaintiff,

) COMPLAINT

13 v.

) JURY DEMAND

14 FORT JAMES OPERATING)
15 COMPANY, a Virginia)
16 corporation, GEORGIA PACIFIC)
17 CORPORATION, a Georgia)
corporation,)

18 Defendants.)
19

20 Plaintiff NexTep, Inc. ("Plaintiff"), for its Complaint
21 against Defendants Fort James Operating Company ("Fort James")
22 and Georgia-Pacific Corporation ("Georgia-Pacific") (collectively
23 "Defendants") alleges the following:

24 JURISDICTION AND VENUE

25 1. This is an action for declaratory relief pursuant to
26 28 U.S.C. §§ 2201-2202 from claims of trademark infringement
27 made by Defendants under 15 U.S.C. §§ 1125, 1052 and 1063.
28

1 Jurisdiction is based on federal question pursuant to 28 U.S.C.
2 § 1338(a) and (b).

3 2. Venue is proper pursuant to 28 U.S.C. §§ 1391(b) and
4 in the Reno Division of the District of Nevada.

5 THE PARTIES

6 3. Plaintiff is a Nevada corporation with its principal
7 place of business located at 1575 Delucchi Lane, Suite 218,
8 Reno, Nevada 89502.

9 4. Upon information and belief, Fort James is a Virginia
10 corporation with a principal place of business located at 133
11 Peachtree Street, N.E., Atlanta, Georgia 30303.

12 5. Upon information and belief, Georgia-Pacific is a
13 Georgia corporation with a principal place of business located
14 at 133 Peachtree Street, N.E., Atlanta, Georgia 30303.

15 6. Upon information and belief, Fort James is a wholly
16 owned subsidiary of Georgia-Pacific.

17 FACTS

18 7. Plaintiff is a Nevada-based company that is in the
19 business of developing, manufacturing, marketing, and selling
20 innovative household goods. Such goods include, but are not
21 limited to, polyethylene bags and trash cans.

22 8. Plaintiff is the owner of United States Federal
23 Trademark Registration No. 0940243 (" '243 Reg.") for the
24 trademark "Brawny" in International Class 20 for polyethylene
25 bags. A copy of the '243 Reg. is attached hereto as Exhibit A.
26 Plaintiff and its predecessors have used this mark in commerce
27
28

1 since July 6, 1971 on polyethylene bags. Id. Plaintiff was
2 assigned all rights, title, and interest in the '243 Reg. by
3 Brawny Plastics, Inc. ("BPI") on August 6, 2003. This
4 assignment was subsequently recorded in the United States Patent
5 and Trademark Office ("PTO"). A copy of this assignment is
6 attached as Exhibit B.

7 9. Plaintiff is also the owner of United States Federal
8 Trademark Application Serial No. 78/268,015 ("015 App.") for
9 the trademark "Brawny" in International Class 6 for "metal trash
10 receptacles for commercial, household and domestic use," and
11 International Class 21 for "plastic trash receptacles for
12 household use." Plaintiff was assigned all rights, title, and
13 interest in the '015 App. by BPI on March 17, 2005, and this
14 assignment was subsequently recorded in the PTO. A copy of this
15 assignment is attached hereto as Exhibit C. Plaintiff commenced
16 using the "Brawny" mark in conjunction with the sale of plastic
17 trash receptacles on at least June 21, 2004.

19 10. While Plaintiffs awaited a Notice of Allowance from
20 the PTO, Defendants filed a Notice of Opposition (the
21 "Opposition") in the Trademark Trial and Appeal Board regarding
22 the '015 App. on or about January 20, 2005. A copy of this
23 Notice of Opposition is attached hereto as Exhibit D.

24 11. In the Opposition, Defendants allege that Plaintiff's
25 use of the "Brawny" trademark for paper goods and cleaning
26 products provide it with superior rights in the "Brawny" mark.
27 Id. Defendants further allege that Plaintiff's use of the
28

1 "Brawny" mark is likely to cause confusion in the minds of the
2 consuming public, is likely to injure their business
3 reputations, and is likely to dilute the distinctive quality of
4 their "Brawny" mark. Id., citing 15 U.S.C. §§ 1052(a), 1063(a),
5 and 1125 (a, c). As a result, Defendants request that
6 Plaintiff's registration for the '015 App. be refused. Id.

7 12. In addition to the foregoing, on or about March 28,
8 2005, Defendants filed a Petition for Cancellation to cancel the
9 '243 Reg., which Plaintiff owns all rights, title and interest
10 in. A copy of this Petition for Cancellation is attached hereto
11 as Exhibit E.

12 13. The basis for Defendants' Petition is that NexTep's
13 predecessor BPI allegedly made fraudulent statements to the PTO
14 regarding its use of the Brawny mark, and that the assignment to
15 NexTep of the '243 Reg. was a sham transaction "in contravention
16 of the Lanham Act." Exhibit E.

17
18 CLAIM I
19 DECLARATORY RELIEF
20 (28 U.S.C. §§ 2201-2202)

21 14. Plaintiff repeats, realleges and reiterates each and
22 every paragraph set forth above as if fully set forth herein.

23 15. By reason of the foregoing allegations, an actual case
24 or controversy has arisen and exists between Plaintiff and
25 Defendants as to the ownership, infringement, enforceability,
26 and validity of the "Brawny" mark and Defendant's federal
27 trademark application(s) and registration.
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5. That the assignment of the '243 Reg. was valid;

6. That all of Defendants' trademark registrations and applications be canceled;

7. For attorney's fees and costs pursuant to 15 U.S.C. § 1117; and

8. For such other and further relief as this Court deems just and proper.

DATED this 14 day of April, 2005.

WATSON ROUNDS

By: 
Michael D. Rounds
Matthew D. Francis
5371 Kietzke Lane
Reno, Nevada 89511
(775) 324-4100

Attorneys for Plaintiff
NextTep, Inc.

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JURY DEMAND

Pursuant to Fed. R. Civ. P. 38(b), NexTep, Inc. hereby
demands a jury trial on all issues triable by jury.

DATED this 14 day of April, 2005.

WATSON ROUNDS

By: 
Michael D. Rounds
Matthew D. Francis
5371 Kietzke Lane
Reno, Nevada 89511
(775) 324-4100

Attorneys for Plaintiff
NexTep, Inc.

Exhibit A



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Trademark Electronic Search System(Tess)

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List At: OR to record: **Record 49 out of 54**

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Typed Drawing

Word Mark BRAUNY
Goods and Services IC 020. US 002. G & S: POLYETHYLENE BAGS. FIRST USE: 19710706. FIRST USE IN COMMERCE: 19710706
Mark Drawing Code (1) TYPED DRAWING
Serial Number 72399973
Filing Date August 12, 1971
Current Filing Basis 1A
Original Filing Basis 1A
Registration Number 0940243
Registration Date August 8, 1972
Owner (REGISTRANT) CHICAGO TRANSPARENT, INC. CORPORATION ILLINOIS 2700 N. PAULINE CHICAGO ILLINOIS 60614

 (LAST LISTED OWNER) NEXTEP, INC. CORPORATION NEVADA P.O. BOX 11188 RENO NEVADA 89510
Assignment Recorded ASSIGNMENT RECORDED
Attorney of Record BURTON S. EHRLICH
Type of Mark TRADEMARK
Register PRINCIPAL
Affidavit Text SECT 15. SECT 8 (6-YR). SECTION 8(10-YR) 20030501.
Renewal 1ST RENEWAL 20030501
Live/Dead Indicator LIVE

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Exhibit B



United States Patent and Trademark Office

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Assignments on the Web > Trademark Query

Trademark Assignment Abstract of Title

Total Assignments: 6

Serial #: 72399973 **Filing Dt:** 08/12/1971 **Reg #:** 0940243 **Reg. Dt:** 08/08/1972

Registrant: CHICAGO TRANSPARENT, INC.

Mark: BRAWNY

Assignment: 1

Reel/Frame: 0257/0277 **Received:** **Recorded:** 09/09/1974 **Pages:** 2

Conveyance: ASSIGNS THE ENTIRE INTEREST AND THE GOODWILL

Assignor: CHICAGO TRANSPARENT INC.

Exec Dt: 08/28/1974

Entity Type: CORPORATION

Citizenship: ILLINOIS

Entity Type: CORPORATION

Citizenship: MARYLAND

Assignee: CONSOLIDATED FOODS CORPORATION

135 SOUTH LASALLE STREET
CHICAGO, ILLINOIS 60603

Correspondent: BREZINA & BUCKINGHAM

3747 GRAND BLVD.
BROOKFIELD, IL 60513

Assignment: 2

Reel/Frame: 0385/0946 **Received:** **Recorded:** 02/23/1981 **Pages:** 1

Conveyance: ASSIGNS THE ENTIRE INTEREST AND THE GOOD WILL AS OF MAY 8, 1978

Assignor: CONSOLIDATED FOODS CORPORATION

Exec Dt: 01/22/1981

Entity Type: UNKNOWN

Citizenship: NONE

Entity Type: CORPORATION

Citizenship: RHODE ISLAND

Assignee: CHICAGO TRANSPARENT PRODUCTS, INC.

2700 NORTH PAULINA ST.
CHICAGO, ILLINOIS 60614

Correspondent: BREZINA AND BUCKINGHAM

8733 ROCKEFELLER AVE.
8733 ROCKEFELLER AVE.
BROOKFIELD, IL 60513

Assignment: 3

Reel/Frame: 0549/0090 **Received:** **Recorded:** 01/12/1987 **Pages:** 10

Conveyance: ASSIGNS SECURITY INTEREST SUBJECT TO LICENSE RECITED

Assignor: CHICAGO TP INC.

Exec Dt: 12/29/1986

Entity Type: CORPORATION

Citizenship: ILLINOIS

Entity Type: UNKNOWN

Citizenship: NONE

Assignee: BT COMMERCIAL CORPORATION

Correspondent: SIDLEY & AUSTIN

ONE FIRST NATIONAL PLAZA
CHICAGO, IL 60603

Assignment: 4

Reel/Frame: 2613/0290 **Received:** 11/08/2002**Recorded:** 11/04/2002**Pages:** 6**Conveyance:** CHANGE OF NAME**Assignor:** CHICAGO TRANSPARENT PRODUCTS, INC.**Exec Dt:** 05/15/1995**Entity Type:** CORPORATION**Citizenship:** ILLINOIS**Entity Type:** CORPORATION**Citizenship:** ILLINOIS**Assignee:** BRAWNY PLASTICS, INC.
2700 NORTH PAULINA STREET
CHICAGO, ILLINOIS 60614**Correspondent:** ARNSTEIN & LEHR
BURTON S. EHRLICH
1200 S. RIVERSIDE PLAZA
SUITE 1200
CHICAGO, IL 60606**Assignment: 5****Reel/Frame:** 3052/0694 **Received:** 03/24/2005**Recorded:** 03/24/2005**Pages:** 5**Conveyance:** ASSIGNS THE ENTIRE INTEREST**Assignor:** BRAWNY PLASTICS, INC.**Exec Dt:** 08/06/2003**Entity Type:** CORPORATION**Citizenship:** ILLINOIS**Entity Type:** CORPORATION**Citizenship:** NEVADA**Assignee:** NEXTEP, INC.
P.O. BOX 11188
RENO, NEVADA 89510**Correspondent:** MATTHEW D. FRANCIS
5371 KIETZKE LANE
RENO, NV 89511**Assignment: 6****Reel/Frame:** 3059/0580 **Received:** 10/05/2004**Recorded:** 10/01/2004**Pages:** 4**Conveyance:** ASSIGNS THE ENTIRE INTEREST**Assignor:** BRAWNY PLASTICS, INC.**Exec Dt:** 08/06/2003**Entity Type:** CORPORATION**Citizenship:** NONE**Entity Type:** CORPORATION**Citizenship:** NONE**Assignee:** NEXTEP, INC.
P.O. BOX 11188
RENO, NEVADA 89510**Correspondent:** SIERRA PATENT GROUP, LTD.
NANCY J. THOMPSON
P.O. BOX 6149
STATELINE, NV 89449

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Exhibit C



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Assignments on the Web > Trademark Query

Trademark Assignment Abstract of Title

Total Assignments: 1

Serial #: 78268015

Filing Dt: 06/27/2003

Reg #: NONE

Reg. Dt:

Applicant: Brawny Plastics, Inc.

Mark: BRAUNY

Assignment: 1

Reel/Frame: 3050/0540

Received: 03/22/2005

Recorded: 03/22/2005

Pages: 2

Conveyance: ASSIGNS THE ENTIRE INTEREST

Assignor: BRAWNY PLASTICS, INC.

Exec Dt: 03/17/2005

Entity Type: CORPORATION

Citizenship: ILLINOIS

Entity Type: CORPORATION

Citizenship: NEVADA

Assignee: NEXTEP, INC.

P.O. BOX 11188

RENO, NEVADA 89510

Correspondent: MATTHEW D. FRANCIS

5371 KIETZKE LANE

RENO, NV 89511

Search Results as of: 04/14/2005 12:34 PM

If you have any comments or questions concerning the data displayed, contact OPR / Assignments at 703-308-9723

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Exhibit D

T-T AIB

CERTIFICATE OF MAILING (37 CFR 1.10)
 I hereby certify that this correspondence is being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 CFR 1.10 on the date indicated above and is addressed to the Commissioner for Trademarks, P.O. Box 1451, Alexandria, VA 22313-1451 on January 19, 2005

Judith A. Powell _____
 Name of Person Mailing Paper

Judith A Powell
 Signature

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

FORT JAMES OPERATING)	
COMPANY and GEORGIA-PACIFIC)	
CORPORATION,)	
)	
Opposers,)	Application No. 78/268,015
)	
v.)	Mark: BRAWNY
)	
BRAWNY PLASTICS, INC.)	
)	
)	Opposition No. _____
Applicant.)	

NOTICE OF OPPOSITION

Opposers Fort James Operating Company and Georgia-Pacific Corporation ("Opposers"), file this Notice of Opposition against Application Serial No. 78/268,015 for the mark BRAWNY filed by Brawny Plastics, Inc. ("Applicant"), because Opposers believe that they will be damaged by registration of the mark which is the subject matter of Application No. 78/268,015. As grounds for opposition, Opposers allege as follows:

1. Opposer Fort James Operating Company ("Fort James") is a Virginia corporation with a principal place of business located at 133 Peachtree Street, N.E., Atlanta, Georgia 30303. Opposer Fort James is a wholly-owned subsidiary of Georgia-Pacific Corporation ("Georgia-Pacific"), a related company.

01/25/2005 KGTIBBONS 00000050 78268015
 01 FC:6402 600.00 OP



01-20-2005

2. Opposer Georgia-Pacific is a Georgia corporation with a principal place of business located at 133 Peachtree Street, N.E. Atlanta, Georgia 30303.

3. A proper extension of time to oppose the instant application through and including January 19, 2005, has been obtained.

4. Opposer Fort James is the owner of the following marks, and corresponding trademark registrations, hereinafter referred to collectively as the "BRAUNY Marks":

Mark	Registration or Serial No.	Goods	Date of First Use
BRAUNY	78/443,780	Household cleaning implements, namely, scrub brush, broom, dust pan, grout brush, squeegee and plunger	12/29/2004
BRAUNY	78/402,314	Household gloves made of rubber and cotton knit for general use, and disposable latex gloves, cleaning pads, scrubber sponges	07/19/2004
BRAUNY	78/356,377	Scrub Sponges for cleaning, namely copper fiber Scrubbers, Stainless steel scrubbers, Plastic scrubbers, Nylon Scrubbers, Foam for General use, Disposable Latex Gloves	07/19/2004
BRAUNY	78/307,184	Household cleaning Cloths	07/30/2004
BRAUNY	78/307,171	Pre-Moistened Hand and Facial Wipes	03/10/2003
BRAUNY MAN	2875601	Paper Goods Namely, Calendars	04/18/2003
BRAUNY PROFESSIONAL	2849299	Paper Towels	09/30/1999
BRAUNY	2635343	Paper Products Namely, Paper Napkins	01/21/2002
DO YOU KNOW	2766328	Paper Towels and Paper	06/10/2002

A BRAWNY MAN?		Napkins	
BRAWNY and Design	2165829	Paper Towels	1975
BRAWNY	1062207	Paper Towels	10/2/1974

5. Opposer Georgia-Pacific acts as the sales agent for the BRAWNY branded products.

6. Opposers market household cleaning goods in retail channels throughout the United States.

7. Opposers manufacture, market and distribute the number 2 selling branded paper towel under the well-known BRAWNY name and mark. Opposers' napkin sold under the BRAWNY name and mark is also among the top-selling branded napkins. Opposers also manufacture, market, and distribute moistened wipes under the BRAWNY name and mark.

8. In addition, through a license agreement, Opposers market and sell a wide variety of household cleaning and related goods under the BRAWNY Mark, including brushes, brooms, sponges, cleaning cloths, scrubbers, and gloves.

9. Opposers, together with their predecessors in interest have used the BRAWNY mark for almost 30 years.

10. Opposers have continuously and exclusively used the BRAWNY Marks in connection with the respective goods identified in Paragraph 4 in United States commerce since each of the indicated dates of first use.

11. Opposers have sold billions of dollars of products under the BRAWNY Marks and have spent millions of dollars in marketing of goods under the BRAWNY Marks.

12. By virtue of the widespread sales and extensive advertising and promotion of the Opposers' products bearing the BRAWNY Marks, the BRAWNY Marks are well known by the

general public and in the relevant industries, are recognized and relied upon as identifying the Opposers' goods and as distinguishing them from the goods and services of others, and have come to represent and symbolize extremely valuable goodwill belonging exclusively to the Opposers.

13. By virtue of Opposers' extensive use and promotion, Opposers' BRAWNY marks have acquired a high degree of distinctiveness.

14. By virtue of Opposers' extensive use and promotion, Opposers' BRAWNY Marks had become famous before Applicant filed its application to register Applicant's Mark.

15. Applicant is the owner of Application No. 78/268,015 for the mark BRAWNY ("Applicant's Mark").

16. Applicant filed the instant application on an intent-to-use basis on June 27, 2003, for "metal trash receptacles for commercial, household and domestic use," in International Class 6 and "plastic trash receptacles for household use" in International Class 21.

17. Opposers' rights in the BRAWNY Marks are superior to Applicant's filing date for Applicant's Mark.

18. The use and registration of Applicant's Mark is likely to cause confusion in the minds of the purchasing public and to cause the purchasing public to assume that the goods identified by Applicant's Mark are sold by Opposers or that such goods originate with or are in some way connected to Opposers, which they are not, in violation of 15 U.S.C. §§ 1052(a) and 1125(a).

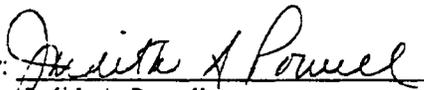
19. The use and registration of Applicant's Mark is likely to injure Opposers' business reputations and dilute the distinctive quality of the BRAWNY Marks in violation of Section 13(a) and Section 43(c) of the Trademark Act, 15 U.S.C. §§ 1063(a) and 1125(c).

20. Use and registration of the Applicant's Mark will be injurious to Opposers.
21. A duplicate copy of this Notice and the requisite filing fees are enclosed herewith.

WHEREFORE, Opposers believe that they will be damaged by the registration of the Applicant's Mark and pray that said Application No. 78/268,015 be refused, that no registration be issued thereon to Applicant, and that this Opposition be sustained in favor of Opposers.

Dated: January 17, 2005

Respectfully submitted,

By: 
Judith A. Powell
Kilpatrick Stockton LLP
Suite 2800
1100 Peachtree Street
Atlanta, Georgia 30309-4530
(404) 815-6500

Attorneys for Opposers

Exhibit E

leading global producer of tissue products and one of the world's leading manufacturers and marketers of other consumer products, including but not limited to packaging and paper, as well as building products.

3. Petitioners manufacture, market, and distribute the Number 2 best-selling brand of paper towels in the United States under the well-known mark, BRAWNY®. Additionally, Petitioners manufacture, market, and distribute a top-selling napkin under the BRAWNY® Mark. Petitioners also manufacture, market, and distribute moistened wipes under the BRAWNY brand name and mark.

4. In addition, through a license agreement, Petitioners market and sell a wide variety of household cleaning tools and related goods under the BRAWNY brand name and mark, including brushes, brooms, sponges, cleaning cloths, scrubbers, and gloves.

5. Petitioner Fort James is the owner of, inter alia, the following trademark applications and registrations (hereinafter collectively referred to as the "BRAWNY Marks"):

Mark	Registration or Serial No.	Goods	Date of First Use
BRAWNY	1,062,207	Paper Towels	10/2/1974
 BRAWNY and Design	2,165,829	Paper Towels	1975
DO YOU KNOW A BRAWNY MAN?	2,766,328	Paper Towels and Paper Napkins	06/10/2002
BRAWNY	2,635,343	Paper Products Namely, Paper Napkins	01/21/2002

BRAWNY PROFESSIONAL	2,849,299	Paper Towels	09/30/1999
BRAWNY MAN	2,875,601	Paper Goods Namely, Calendars	04/18/2003
BRAWNY	2,929,823	Paper towels and napkins	10/15/2003
	78/278,384	Paper towels and napkins	10/01/2003
BRAWNY	78/307,170	Paper towel dispenser	12/29/2004
BRAWNY	78/307,171	Pre-Moistened Hand and Facial Wipes	03/10/2003
BRAWNY	78/307,174	Toilet bowl brush	07/19/2004
BRAWNY	78/307,184	Household cleaning Cloths	07/30/2004
BRAWNY	78/356,377	Scrub Sponges for cleaning, namely copper fiber Scrubbers, Stainless steel scrubbers, Plastic scrubbers, Nylon Scrubbers, Foam for General use, Disposable Latex Gloves	07/19/2004
BRAWNY	78/402,314	Household gloves made of rubber and cotton knit for general use, and disposable latex gloves, cleaning pads, scrubber sponges	07/19/2004
BRAWNY	78/404,561	Dust cloths	07/19/2004
BRAWNY	78/443,780	Household cleaning implements, namely, scrub brush, broom, dust pan, grout brush, squeegee and plunger	12/29/2004

6. Petitioners, together with their predecessors in interest, have continuously and exclusively used the BRAWNY Marks in connection with the above-identified goods since each

of the indicated dates of first use; cumulatively, the BRAWNY Marks have been in continuous use for more than thirty (30) years.

7. Petitioners have sold billions of dollars worth of the above-identified products bearing the BRAWNY Marks. In the last five years alone, Petitioners have distributed more than 70 million cases of BRAWNY® paper towels in the United States alone, with gross sales exceeding \$1 billion.

8. Moreover, Petitioners have spent millions of dollars advertising and marketing its goods sold in connection with the BRAWNY Marks. In the last five years alone, Petitioners have expended over \$70 million in advertising and promoting BRAWNY® paper towels.

9. By virtue of the widespread sales and extensive advertising and promotion of Petitioners' products bearing the BRAWNY Marks, the BRAWNY Marks are well known by the general public and in the relevant industries, are recognized and relied upon as identifying Petitioners' goods and as distinguishing them from the goods and services of others, and have come to represent and symbolize extremely valuable goodwill belonging exclusively to the Petitioners.

10. By virtue of Petitioners' extensive use and promotion, Petitioners' BRAWNY Marks have acquired a high degree of distinctiveness.

11. By virtue of Petitioners' extensive use and promotion, Petitioners' BRAWNY Marks have become famous.

12. Upon information and belief, Registrant is an Illinois corporation, with an address of record of 2700 North Paulina Street, Chicago, Illinois 60614, and is the last listed owner (by assignment and change of corporate name) of U.S. Registration No. 940,243 for the designation

BRAWNY in International Class 20 for "polyethylene bags." Registrant claims a first use date of July 6, 1971 for this designation.

13. Upon information and belief, Registrant has abandoned any rights it may have claimed in its BRAWNY designation by failing to continuously use the mark in commerce.

14. Upon information and belief, in its May 1, 2003 Declaration of Use in Commerce for Renewal of Registration No. 940,243, Registrant made false and fraudulent statements knowingly intended to mislead the United States Patent and Trademark Office ("U.S.P.T.O.") regarding Registrant's continued use of the BRAWNY designation in commerce.

15. Upon information and belief, in the summer of 2003, Registrant attempted to transfer any rights it had to Registration No. 940,243 to a third party, Nextep, Inc. ("Nextep"). Upon information and belief, said conveyance of the registration, devoid of any goodwill of the business connected to Registrant's alleged use of the BRAWNY designation, was a sham transaction in contravention of the Lanham Act. Neither Registrant nor Nextep recorded this transfer with the U.S.P.T.O.

16. Registration No. 940,243 is now being used by, or with the permission of, Registrant so as to misrepresent the source of the plastic bags on or in connection with which Registrant's BRAWNY designation is being used.

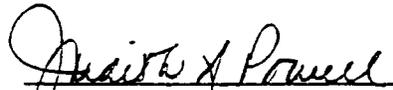
17. For all of the foregoing reasons, U.S. Registration No. 940,243 should therefore be canceled pursuant to 15 U.S.C. §1064(3).

18. Pursuant to 37 C.F.R. §§ 2.6(a)(16) and 2.112(a), please find enclosed herewith the required fee of \$600.00 and a duplicate copy of this Petition. The clerk is authorized to charge the Kilpatrick Stockton LLP Trademark Deposit Account No. 11-0860 for any additional fees.

WHEREFORE, Petitioner prays that Registrant's Registration No. 940,243 be canceled.

Dated: March 24, 2005

Respectfully Submitted:



Judith A. Powell
James H. Sullivan
Kilpatrick Stockton LLP
1100 Peachtree Street
Atlanta, Georgia 30309
(404) 815-6500

Attorneys for Petitioners

CERTIFICATE OF EXPRESS MAIL

"EXPRESS MAIL" mailing number: EV607732125US

DATE OF DEPOSIT: March 24, 2005

DOCUMENT: PETITION FOR CANCELLATION AGAINST
U.S. REGISTRATION NO. 940,243

I hereby certify that this paper and fee is being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 CFR 1.10 on date indicated above and is addressed to Commissioner for Trademarks, P.O. Box 1451, Alexandria, Virginia 22313-1451.

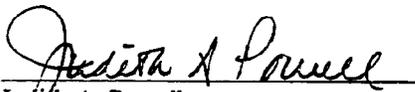

Judith A. Powell

Exhibit B



United States Patent and Trademark Office

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Trademarks > Trademark Electronic Search System (TESS)

Trademark Electronic Search System(Tess)

TESS was last updated on Thu Apr 14 04:01:39 EDT 2005

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List At: OR to record: **Record 49 out of 54**

(TARR contains current status, correspondence address and attorney of record for this mark. Use the "Back" button of the Internet Browser to return to TESS)

Typed Drawing

Word Mark **BRAWNY**
Goods and Services IC 020. US 002. G & S: POLYETHYLENE BAGS. FIRST USE: 19710706. FIRST USE IN COMMERCE: 19710706
Mark Drawing Code (1) TYPED DRAWING
Serial Number 72399973
Filing Date August 12, 1971
Current Filing Basis 1A
Original Filing Basis 1A
Registration Number 0940243
Registration Date August 8, 1972
Owner (REGISTRANT) CHICAGO TRANSPARENT, INC. CORPORATION ILLINOIS 2700 N. PAULINE CHICAGO ILLINOIS 60614

 (LAST LISTED OWNER) NEXTEP, INC. CORPORATION NEVADA P.O. BOX 11188 RENO NEVADA 89510
Assignment Recorded ASSIGNMENT RECORDED
Attorney of Record BURTON S. EHRLICH
Type of Mark TRADEMARK
Register PRINCIPAL
Affidavit Text SECT 15. SECT 8 (6-YR). SECTION 8(10-YR) 20030501.
Renewal 1ST RENEWAL 20030501
Live/Dead Indicator LIVE

[PTD HOME](#)
[TRADEMARK](#)
[TESS HOME](#)
[NEW USER](#)
[STRUCTURED](#)
[FREE FORM](#)
[BROWSE DICT](#)
[TOP](#)
[HELP](#)
[PREV LIST](#)
[CURR LIST](#)
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[PREV DOC](#)
[NEXT DOC](#)
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Exhibit C

TRADEMARK SALE, ASSIGNMENT AND LICENSE

THIS AGREEMENT is entered into this 6th day of August, 2003, by and between Brawny Plastics, Inc., 2700 N. Paulina Street, Chicago, Illinois 60614 ("Seller") and Nextep, Inc., P.O. Box 11188, Reno, Nevada 89510 ("Buyer").

✓ WHEREAS, Seller, is the owner of the trademark BRAVNY, U.S. Registration No. 840243 for use in connection with "polyethylene bags" in International Class 20, with first use of said trademark commencing at least as early as July 6, 1971, said registration having been renewed on the Principal Register for an additional ten year term pursuant to United States Patent and Trademark Office Notice dated March 5, 2001; and

✓ WHEREAS, Seller is the owner of a pending U.S. trademark application BRAVNY, Serial No. 78/268015 for use in connection with "plastic and metal trash and refuse containers and receptacles," in International Class 22 filed June 27, 2003, on an intent to use basis;

WHEREAS, Buyer is desirous of using the trademark BRAVNY in connection with the same, similar or related goods as shown in the existing registration and/or pending application, and Seller is agreeable to the sale, assignment and lease of those marks, together with the goodwill of the business symbolized thereby; provided that Buyer licenses Seller so that Seller can continue to use BRAVNY for polyethylene bags in connection with its continuing business as more fully described below;

THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. **Sale and Assignment:** Seller hereby sells and assigns, for good and valuable consideration, including the right of Seller to use the mark BRAVNY in the future pursuant to an exclusive, irrevocable, royalty-free license (as more fully described below in Paragraph 4) as well as the payment by Buyer to Seller of the sum of One Hundred Thousand Dollars (\$100,000), Fifty Thousand Dollars (\$50,000) of which is due upon execution of this Agreement and thereafter the sum of Fifty Thousands Dollars (\$50,000) due for payment in six equal monthly installments of Eight Thousand Three Hundred Thirty Three Dollars and Thirty Three Cents (\$8,333.33) each installment, paid on the first day of the month commencing after the execution of this Agreement and for an additional five (5) months thereafter paid on the first day of each of said succeeding months, all Seller's rights, title and interest in the federally registered BRAVNY trademark, together with the goodwill of the business symbolized thereby and the registration pertaining thereto.
2. **Seller's Rights on Default:** In the event Buyer fails to make any of the payments described in paragraph 1, above, on the dates required, and if such failure to pay is not cured within five (5) working days after notice from Seller, (a) the entire sum remaining to be paid to Seller shall be immediately due and owing, (b) Buyer shall forthwith cease use of the marks assigned and/or licensed hereunder, (c) all right and title in marks

assigned hereunder shall revert to seller, and (d) Buyer shall pay all legal fees and costs of Seller incurred in enforcing the payment of such accelerated sum and in enforcing its restored rights in relation to the Buyer.

3. Seller's Security Interest in the Marks: To secure Seller's rights of payment hereunder, Buyer hereby conveys to Seller a purchase money security interest in the marks, and Seller is authorized hereunder to file UCC-1 financing statement memorializing such security interest in the form attached.
4. License of BRAWNY mark for use with containers and receptacles: Seller hereby licenses Buyer, on an exclusive, irrevocable, royalty-free basis, to use the mark BRAWNY in connection with plastic and metal trash and refuse containers and receptacles. To the extent applicable, Seller agrees to use the mark on the goods or labels as well as on packaging, advertising and promotional materials, in a manner approved by Buyer, which approval shall not be unreasonably withheld. Seller further agrees to sell and assign that mark, and the pending federal trademark application for BRAWNY, Serial No. 78/288015, together with the goodwill of the business symbolizes thereby, to Buyer upon the filing of a verified statement of use by Buyer, said statement of use to be based on the licensed use provided for in this paragraph. The assignment of the trademark application for BRAWNY, Serial No. 78/288015 will be memorialized in a separate sale and assignment to be executed upon the filing of the verified statement of use by Buyer.
5. License Back to Seller: Buyer hereby agrees to license Seller or its assignee, on an exclusive irrevocable, royalty-free basis, for use of the federally registered mark BRAWNY in connection with the sale of 15, 20 and 33 gallon-sized polyethylene bags for a term of six (6) months following the date of this Agreement. To the extent applicable, Seller agrees to use the mark on the goods or labels as well as on packaging, advertising and promotional materials, in a manner approved by Buyer, which approval shall not be unreasonably withheld, and in no event of a less quality than Seller has used or displayed the mark to the date of this Agreement.
6. Intention Date: This Agreement will commence on the date written above.
7. Term: The term of this Agreement shall be for as long as the Buyer or its assignee maintains the U.S. registration in the trademark BRAWNY or continues to use said mark in Buyer's business on a common law basis, or until an event of default specified in paragraph 2 of the Agreement.
8. Infringement: If Seller learns of any infringements of the mark, it shall promptly notify Buyer of same. Buyer shall bear the responsibility and expenses for taking any legal action in connection with any such infringements.

C E
\$0.01

C E

9. Approval: This Agreement is subject to the approval of Seller's lien holder, which approval shall be the responsibility of Seller to obtain, no later than ten (10) working days from the date of this Agreement.
10. Effect on Assignment: This Agreement will be binding upon and inure to the benefit of the parties, their successors, assigns, affiliated and related companies, and shall be assignable by either party.

DATE: August 6, 2003

BRAWNY PLASTICS, INC.

By: [Signature]
Its President

NEXTEP, INC.

[Signature]
Its Treasurer + C.O.O.

State of Illinois, County of Cook.
County of Cook
Signed before me this _____
Day of July, 2003.

State of NV
Signed before me this 8-22-03
Day of July, 2003.

[Signature]
Notary Public

AUG - 6 2003

[Signature]
Notary Public

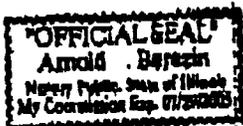


Exhibit D



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Assignments on the Web > Trademark Query

Trademark Assignment Abstract of Title

Total Assignments: 6

Serial #: 72399973

Filing Dt: 08/12/1971

Reg #: 0940243

Reg. Dt: 08/08/1972

Registrant: CHICAGO TRANSPARENT, INC.

Mark: BRAWNY

Assignment: 1

Reel/Frame: 0257/0277

Received:

Recorded: 09/09/1974

Pages: 2

Conveyance: ASSIGNS THE ENTIRE INTEREST AND THE GOODWILL

Assignor: CHICAGO TRANSPARENT INC.

Exec Dt: 08/28/1974

Entity Type: CORPORATION

Citizenship: ILLINOIS

Assignee: CONSOLIDATED FOODS CORPORATION135 SOUTH LASALLE STREET
CHICAGO, ILLINOIS 60603

Entity Type: CORPORATION

Citizenship: MARYLAND

Correspondent: BREZINA & BUCKINGHAM

3747 GRAND BLVD.

BROOKFIELD, IL 60513

Assignment: 2

Reel/Frame: 0385/0946

Received:

Recorded: 02/23/1981

Pages: 1

Conveyance: ASSIGNS THE ENTIRE INTEREST AND THE GOOD WILL AS OF MAY 8, 1978

Assignor: CONSOLIDATED FOODS CORPORATION

Exec Dt: 01/22/1981

Entity Type: UNKNOWN

Citizenship: NONE

Assignee: CHICAGO TRANSPARENT PRODUCTS, INC.2700 NORTH PAULINA ST.
CHICAGO, ILLINOIS 60614

Entity Type: CORPORATION

Citizenship: RHODE ISLAND

Correspondent: BREZINA AND BUCKINGHAM

8733 ROCKEFELLER AVE.

8733 ROCKEFELLER AVE.

BROOKFIELD, IL 60513

Assignment: 3

Reel/Frame: 0549/0090

Received:

Recorded: 01/12/1987

Pages: 10

Conveyance: ASSIGNS SECURITY INTEREST SUBJECT TO LICENSE RECITED

Assignor: CHICAGO TP INC.

Exec Dt: 12/29/1986

Entity Type: CORPORATION

Citizenship: ILLINOIS

Assignee: BT COMMERCIAL CORPORATION

Entity Type: UNKNOWN

Citizenship: NONE

Correspondent: SIDLEY & AUSTIN

ONE FIRST NATIONAL PLAZA

CHICAGO, IL 60603

Assignment: 4

Reel/Frame: 2613/0290 **Received:** 11/08/2002

Recorded: 11/04/2002

Pages: 6

Conveyance: CHANGE OF NAME

Assignor: CHICAGO TRANSPARENT PRODUCTS, INC.

Exec Dt: 05/15/1995

Entity Type: CORPORATION

Citizenship: ILLINOIS

Entity Type: CORPORATION

Citizenship: ILLINOIS

Assignee: BRAWNY PLASTICS, INC.
2700 NORTH PAULINA STREET
CHICAGO, ILLINOIS 60614

Correspondent: ARNSTEIN & LEHR
BURTON S. EHRlich
1200 S. RIVERSIDE PLAZA
SUITE 1200
CHICAGO, IL 60606

Assignment: 5

Reel/Frame: 3052/0694 **Received:** 03/24/2005

Recorded: 03/24/2005

Pages: 5

Conveyance: ASSIGNS THE ENTIRE INTEREST

Assignor: BRAWNY PLASTICS, INC.

Exec Dt: 08/06/2003

Entity Type: CORPORATION

Citizenship: ILLINOIS

Entity Type: CORPORATION

Citizenship: NEVADA

Assignee: NEXTEP, INC.
P.O. BOX 11188
RENO, NEVADA 89510

Correspondent: MATTHEW D. FRANCIS
5371 KIETZKE LANE
RENO, NV 89511

Assignment: 6

Reel/Frame: 3059/0580 **Received:** 10/05/2004

Recorded: 10/01/2004

Pages: 4

Conveyance: ASSIGNS THE ENTIRE INTEREST

Assignor: BRAWNY PLASTICS, INC.

Exec Dt: 08/06/2003

Entity Type: CORPORATION

Citizenship: NONE

Entity Type: CORPORATION

Citizenship: NONE

Assignee: NEXTEP, INC.
P.O. BOX 11188
RENO, NEVADA 89510

Correspondent: SIERRA PATENT GROUP, LTD.
NANCY J. THOMPSON
P.O. BOX 6149
STATELINE, NV 89449

Exhibit E

**Assignment of United States Patent and Trademark
Office Trademark Application No. 78/268015**

This Agreement is made on March 17, 2005 between Brawny Plastics, Inc. ("Assignor"), and Nextep, Inc. ("Assignee").

WHEREAS, Assignee is desirous of acquiring any and all rights, title, and interest that Assignor may have throughout the world in and to the "Brawny" trademark and United States Patent and Trademark Office Trademark Application No. 78/268015 ("015 App."), together with the goodwill of the entire business in connection with which the trademark is used, and which is symbolized by ~~the trademark.~~

For good and valuable consideration, receipt of which is hereby acknowledged, Assignor hereby assigns unto Assignee all of Assignor's right, title, and interest in and to the "Brawny" trademark and the '015 App., together with the goodwill of the entire business in connection with which the trademark is used and which is symbolized by the trademark.

Assignor agrees to execute and deliver, at the request of Assignee, all papers, instruments, and assignments, and to perform any other reasonable acts that the Assignee may require in order to vest all of Assignor's rights, title, and interest in and to the trademark to Assignee, including filing the recordation of the assignment with the United States Patent and Trademark Office.

Dated this day of March, 2005

Brawny Plastics, Inc.

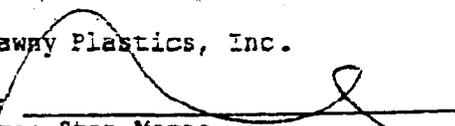
By 
Name: Stan Manne
Title: President

Exhibit F



United States Patent and Trademark Office

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Assignments on the Web > Trademark Query

Trademark Assignment Abstract of Title

Total Assignments: 1

Serial #: 78268015

Filing Dt: 06/27/2003

Reg #: NONE

Reg. Dt:

Applicant: Brawny Plastics, Inc.

Mark: BRAWNY

Assignment: 1

Reel/Frame: 3050/0540

Received: 03/22/2005

Recorded: 03/22/2005

Pages: 2

Conveyance: ASSIGNS THE ENTIRE INTEREST

Assignor: BRAWNY PLASTICS, INC.

Exec Dt: 03/17/2005

Entity Type: CORPORATION

Citizenship: ILLINOIS

Entity Type: CORPORATION

Citizenship: NEVADA

Assignee: NEXTEP, INC.

P.O. BOX 11188
RENO, NEVADA 89510

Correspondent: MATTHEW D. FRANCIS

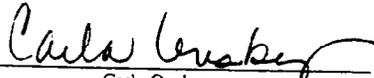
5371 KIETZKE LANE
RENO, NV 89511

Search Results as of: 04/14/2005 12:34 PM

If you have any comments or questions concerning the data displayed, contact OPR / Assignments at 703-308-9723

EXHIBIT 8

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

<p>FORT JAMES OPERATING COMPANY and GEORGIA-PACIFIC CORPORATION,</p> <p style="text-align: center;">Petitioners,</p> <p>v.</p> <p>BRAWNY PLASTICS, INC.,</p> <p style="text-align: center;">Registrant.</p>	<p>REGISTRATION NO. 0940243</p> <p>MARK: BRAWNY</p> <p>CANCELLATION NO. 92044395</p> <p>I hereby certify that on April <u>15</u>, 2005, this paper is being deposited with the U.S. Postal Service by "Express Mail Post Office to Addressee" service with Express Mail Label No. ED027952305US for delivery to the Trademark Trial and Appeal Board, P.O. Box 1451, Alexandria, VA 22313-1451.</p> <p style="text-align: center;"> Carla Ousby</p>
---	---

**MOTION TO SUSPEND; MEMORANDUM OF
POINTS AND AUTHORITIES IN SUPPORT THEREOF**

Applicant Brawny Plastics, Inc. ("BPI") and NexTep, Inc. ("NexTep") hereby move to suspend this Cancellation proceeding in light of the action commenced in the District of Nevada on April 14, 2005, styled: NexTep, Inc. v. Fort James Operating Company, et. al., Case No. CV-N-05-0227-ECR-RAM (the "Nevada Action"). Because the outcome of the Nevada Action will have a bearing on the issues before the Board, this Motion should be granted in full.

I. BACKGROUND

NexTep is a Nevada corporation with its principal place of business located in Reno, Nevada. April 15, 2005 Declaration of Matthew D. Francis ("Francis Decl."), § 2. NexTep is in the business of developing, manufacturing, marketing, and selling innovative household goods, which include polyethylene bags and trash cans. Id.

NexTep is the owner of United States Federal Trademark Registration No. 0940243 ("243 Reg.") for the trademark "Brawny" in International Class 20 for polyethylene bags. Francis Decl., § 3, Exhibit B. NexTep was assigned all rights, title, and interest in the '243 Reg. by BPI on August 6, 2003 via a "Trademark Sale, Assignment and License" agreement. Francis Decl., § 3, Exhibit C. This assignment was subsequently recorded in the United States Patent

and Trademark Office (“PTO”). Francis Decl., § 3, Exhibit D.

On or about March 28, 2005, Petitioners filed their Petition for Cancellation (“Petition”) to cancel the ‘243 Reg. See Cancellation No. 92044395. Francis Decl., § 4. The Petition wrongfully names BPI as the Registrant, since NexTep is the owner of record for the ‘243 Reg. Id., see Petition, p. 1. The basis for the Petition is that NexTep’s predecessor BPI allegedly made fraudulent statements to the PTO regarding its use of the Brawny mark, and that the assignment to NexTep of the ‘243 Reg. was a sham transaction “in contravention of the Lanham Act.” Id., p. 5.

On April 14, 2005, NexTep filed a declaratory judgment action in the United States District Court for the District of Nevada. Francis Decl., § 5, Exhibit A, pp. 1-6. In the Nevada Action, NexTep asked the Court to declare, among other things, that its rights in the “Brawny” mark are superior to Opposers’ alleged rights, and that NexTep’s use of that mark does not infringe any of Opposers’ alleged rights. Francis Decl., § 5, Exhibit A, pp. 5-6. Further, NexTep requested that the Court declare that the assignment of the ‘243 Reg. was valid. Francis Decl., § 5, Exhibit A, p. 6.

No Answer is due to the Petition until May 16, 2005, and discovery does not even open until April 26, 2005. Francis Decl., § 5, Exhibit E.

II. ARGUMENT

TBMP Rule 510.02(a) provides that “[o]rordinarily, the Board will suspend proceedings in the case before it if the final determination of the other proceeding will have a bearing on the issues before the Board.” Id., citing The Other Telephone Co. v. Connecticut Nat’l Telephone Co., Inc., 181 U.S.P.Q. 125, 126 (TTAB1974), Tokaido v. Honda Assoc., Inc., 179 U.S.P.Q. 861, 862 (TTAB 1973) Whopper-Burger v. Burger King Corp., 171 U.S.P.Q. 805, 807 (TTAB 1971)(citations omitted). Professor McCarthy also notes that “[i]t is standard procedure for the Trademark Board to stay administrative proceedings pending the outcome of court litigation between the same parties involving related issues.” 5 J.T. McCarthy, McCarthy on Trademarks and Unfair Competition (“McCarthy”) § 32:47, pp. 32:97-99 (4th Ed. 2004), citing Alfred

Dunhill of London, Inc. v. Dunhill Tailored Clothes, Inc., 130 U.S.P.Q. 412, 413 n. 1 (CCPA 1961), and Whopper-Burger, 171 U.S.P.Q. at 807. This is the case even when a court action is commenced after commencement of the Board proceeding. 5 McCarthy § 32:47, pp. 32:98-99, citing Midland Cooperatives, Inc. v. Midland Int'l Corp., 164 U.S.P.Q. 579, 580 (CCPA 1970).

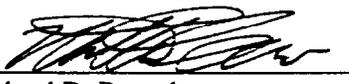
When this authority is considered in light of the facts discussed above, it is clear that this Cancellation proceeding should be immediately suspended. Specifically, the relevant parties and the same issues are involved in both matters, and the final determination of the Nevada Action will have a bearing on the issues before the Board. See supra. Like the pending Petition, the Nevada Action seeks to determine priority and ownership of the "Brawny" mark as well as the alleged infringement and injury to Opposers. Id. Also, the Nevada Action seeks to resolve the issue of whether the assignment of the '243 Reg. was valid – which it was. Francis Decl., § 5, Exhibit A, p. 6. As a result, there is no need to duplicate efforts in both the District of Nevada and this Board and force the parties to incur unnecessary legal expenses in both venues. Further, it would be wasteful to take up this Board's time with issues that are ripe for determination by the District Court.

III. CONCLUSION

In light of the foregoing, BPI's and NexTep's Motion to Suspend should be granted in full.

Dated: April 15, 2005

Respectfully Submitted,

By: 
Michael D. Rounds
Matthew D. Francis
WATSON ROUNDS
5371 Kietzke Lane
Reno, Nevada 89511
(775) 324-4100

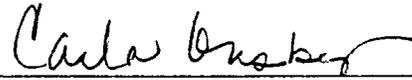
Attorneys for Registrant

CERTIFICATE OF SERVICE

I certify that I am an employee of the Law Offices of Watson Rounds, a Professional Corporation, and on this day I deposited a true and correct copy in the United States mail, first class postage prepaid, of the within document entitled **Motion to Suspend; Memorandum of Points and Authorities in Support Thereof**, addressed as follows:

Judith A. Powell
James H. Sullivan
Kilpatrick Stockton LLP
Suite 2800
1100 Peachtree Street
Atlanta, Georgia 30309-4530

Dated: April 15, 2005



Carla Ousby

MATTHEW D. FRANCIS
DECLARATION

DECLARATION OF MATTHEW D. FRANCIS

I, Matthew D. Francis, do hereby declare and state:

1. I am counsel of record for Brawny Plastics, Inc. ("BPI") and NexTep, Inc. ("NexTep") in this Cancellation proceeding. This declaration is based upon my personal knowledge and is made in Support of BPI's and NexTep's Motion to Suspend; Memorandum of Points and Authorities in Support Thereof.

2. NexTep a Nevada corporation with its principal place of business located in Reno, Nevada. See Complaint, p. 2, §§ 3, 7, a true and correct copy of which is attached hereto as Exhibit A. NexTep is in the business of developing, manufacturing, marketing, and selling innovative household goods, which include polyethylene bags and trash cans. Exhibit A, p. 2, § 7.

3. NexTep is the owner of United States Federal Trademark Registration No. 0940243 ("243 Reg.") for the trademark "Brawny" in International Class 20 for polyethylene bags. A true and correct copy of the '243 Reg. is attached hereto as Exhibit B. NexTep was assigned all rights, title, and interest in the '243 Reg. by BPI on August 6, 2003 via a "Trademark Sale, Assignment and License" agreement. A true and correct copy of this Agreement is attached hereto as Exhibit C. This assignment was subsequently recorded in the United States Patent and Trademark Office ("PTO"). A true and correct copy of this assignment is attached hereto as Exhibit D.

4. On or about March 28, 2005, Petitioners filed their Petition for Cancellation to cancel the '243 Reg. See Cancellation No. 92044395. The Petition wrongfully names BPI as the Registrant, since NexTep is the owner of record for the '243 Reg. See Petition, p. 1. The basis for the Petition is that NexTep's predecessor BPI allegedly made fraudulent statements to the PTO regarding its use of the Brawny mark, and that the assignment to NexTep of the '243 Reg. was a sham transaction "in contravention of the Lanham Act." Id., p. 5.

5. On April 14, 2005, NexTep filed a declaratory judgment action in the United States District Court For the District of Nevada. Exhibit A, pp. 1-6. In the Nevada Action, NexTep asked the Court to declare, among other things, that its rights in the "Brawny" mark are superior

to Opposers' alleged rights, and that NexTep's use of that mark does not infringe any of Opposers' alleged rights. Exhibit A, pp. 5-6. Further, NexTep requested that the Court declare that the assignment of the '243 Reg. was valid. Id., p. 6.

6. No Answer is due to the Petition until May 16, 2005, and discovery does not even open until April 26, 2005. See Notice re: Cancellation, a true and correct copy of which is attached hereto as Exhibit E.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Datcd: 4/15/05

By: 
MATTHEW D. FRANCIS

Exhibit A

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Michael D. Rounds
State Bar No. 4374
Matthew D. Francis
State Bar No. 6978
WATSON ROUNDS
5371 Kietzke Lane
Reno, Nevada 89511
(775) 324-4100

Attorneys for Plaintiff
Nextep, Inc.

FILED
05 APR 14 PM 2:04
LANCE S. WILSON
CLERK
BY _____
DEPUTY

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEVADA

CV-N-05-0227-ECR-RAM

NEXTEP, INC., a Nevada
corporation,

Plaintiff,

v.

FORT JAMES OPERATING
COMPANY, a Virginia
corporation, GEORGIA PACIFIC
CORPORATION, a Georgia
corporation,

Defendants.

) COMPLAINT

) JURY DEMAND

Plaintiff Nextep, Inc. ("Plaintiff"), for its Complaint
against Defendants Fort James Operating Company ("Fort James")
and Georgia-Pacific Corporation ("Georgia-Pacific") (collectively
"Defendants") alleges the following:

JURISDICTION AND VENUE

1. This is an action for declaratory relief pursuant to
28 U.S.C. §§ 2201-2202 from claims of trademark infringement
made by Defendants under 15 U.S.C. §§ 1125, 1052 and 1063.

1 Jurisdiction is based on federal question pursuant to 28 U.S.C.
2 § 1338(a) and (b).

3 2. Venue is proper pursuant to 28 U.S.C. §§ 1291(b) and
4 in the Reno Division of the District of Nevada.

5 THE PARTIES

6 3. Plaintiff is a Nevada corporation with its principal
7 place of business located at 1575 Delucchi Lane, Suite 218,
8 Reno, Nevada 89502.

9 4. Upon information and belief, Fort James is a Virginia
10 corporation with a principal place of business located at 133
11 Peachtree Street, N.E., Atlanta, Georgia 30303.
12

13 5. Upon information and belief, Georgia-Pacific is a
14 Georgia corporation with a principal place of business located
15 at 133 Peachtree Street, N.E., Atlanta, Georgia 30303.

16 6. Upon information and belief, Fort James is a wholly
17 owned subsidiary of Georgia-Pacific.

18 FACTS

19 7. Plaintiff is a Nevada-based company that is in the
20 business of developing, manufacturing, marketing, and selling
21 innovative household goods. Such goods include, but are not
22 limited to, polyethylene bags and trash cans.
23

24 8. Plaintiff is the owner of United States Federal
25 Trademark Registration No. 0940243 (" '243 Reg.") for the
26 trademark "Brawny" in International Class 20 for polyethylene
27 bags. A copy of the '243 Reg. is attached hereto as Exhibit A.
28 Plaintiff and its predecessors have used this mark in commerce

1 since July 6, 1971 on polyethylene bags. Id. Plaintiff was
2 assigned all rights, title, and interest in the '243 Reg. by
3 Brawny Plastics, Inc. ("BPI") on August 6, 2003. This
4 assignment was subsequently recorded in the United States Patent
5 and Trademark Office ("PTO"). A copy of this assignment is
6 attached as Exhibit B.

7 9. Plaintiff is also the owner of United States Federal
8 Trademark Application Serial No. 78/268,015 ("015 App.") for
9 the trademark "Brawny" in International Class 6 for "metal trash
10 receptacles for commercial, household and domestic use," and
11 International Class 21 for "plastic trash receptacles for
12 household use." Plaintiff was assigned all rights, title, and
13 interest in the '015 App. by BPI on March 17, 2005, and this
14 assignment was subsequently recorded in the PTO. A copy of this
15 assignment is attached hereto as Exhibit C. Plaintiff commenced
16 using the "Brawny" mark in conjunction with the sale of plastic
17 trash receptacles on at least June 21, 2004.

19 10. While Plaintiffs awaited a Notice of Allowance from
20 the PTO, Defendants filed a Notice of Opposition (the
21 "Opposition") in the Trademark Trial and Appeal Board regarding
22 the '015 App. on or about January 20, 2005. A copy of this
23 Notice of Opposition is attached hereto as Exhibit D.

24 11. In the Opposition, Defendants allege that Plaintiff's
25 use of the "Brawny" trademark for paper goods and cleaning
26 products provide it with superior rights in the "Brawny" mark.
27 Id. Defendants further allege that Plaintiff's use of the
28

1 "Brawny" mark is likely to cause confusion in the minds of the
2 consuming public, is likely to injure their business
3 reputations, and is likely to dilute the distinctive quality of
4 their "Brawny" mark. Id., citing 15 U.S.C. §§ 1052(a), 1063(a),
5 and 1125 (a, c). As a result, Defendants request that
6 Plaintiff's registration for the '015 App. be refused. Id.

7 12. In addition to the foregoing, on or about March 28,
8 2005, Defendants filed a Petition for Cancellation to cancel the
9 '243 Reg., which Plaintiff owns all rights, title and interest
10 in. A copy of this Petition for Cancellation is attached hereto
11 as Exhibit E.

12 13. The basis for Defendants' Petition is that NexTep's
13 predecessor BPI allegedly made fraudulent statements to the PTO
14 regarding its use of the Brawny mark, and that the assignment to
15 NexTep of the '243 Reg. was a sham transaction "in contravention
16 of the Lanham Act." Exhibit E.

17
18 CLAIM I
19 DECLARATORY RELIEF
20 (28 U.S.C. §§ 2201-2202)

21 14. Plaintiff repeats, realleges and reiterates each and
22 every paragraph set forth above as if fully set forth herein.

23 15. By reason of the foregoing allegations, an actual case
24 or controversy has arisen and exists between Plaintiff and
25 Defendants as to the ownership, infringement, enforceability,
26 and validity of the "Brawny" mark and Defendant's federal
27 trademark application(s) and registration.
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JURY DEMAND

Pursuant to Fed. R. Civ. P. 38(b), NexTep, Inc. hereby
demands a jury trial on all issues triable by jury.

DATED this 14 day of April, 2005.

WATSON ROUNDS

By: 
Michael D. Rounds
Matthew D. Francis
5371 Kietzke Lane
Reno, Nevada 89511
(775) 324-4100

Attorneys for Plaintiff
NexTep, Inc.

Exhibit A



United States Patent and Trademark Office

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Trademarks > Trademark Electronic Search System (TESS)

Trademark Electronic Search System(Tess)

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Please logout when you are done to release system resources allocated for you.

List At: OR to record: **Record 49 out of 54**

(TARR contains current status, correspondence address and attorney of record for this mark. Use the "Back" button of the Internet Browser to return to TESS)

Typed Drawing

Word Mark BRAUNY

Goods and Services IC 020. US 002. G & S: POLYETHYLENE BAGS. FIRST USE: 19710706. FIRST USE IN COMMERCE: 19710706

Mark Drawing Code (1) TYPED DRAWING

Serial Number 72399973

Filing Date August 12, 1971

Current Filing Basis 1A

Original Filing Basis 1A

Registration Number 0940243

Registration Date August 8, 1972

Owner (REGISTRANT) CHICAGO TRANSPARENT, INC. CORPORATION ILLINOIS 2700 N. PAULINE CHICAGO ILLINOIS 60614

 (LAST LISTED OWNER) NEXTEP, INC. CORPORATION NEVADA P.O. BOX 11188 RENO NEVADA 89510

Assignment Recorded ASSIGNMENT RECORDED

Attorney of Record BURTON S. EHRlich

Type of Mark TRADEMARK

Register PRINCIPAL

Affidavit Text SECT 15. SECT 8 (6-YR). SECTION 8(10-YR) 20030501.

Renewal 1ST RENEWAL 20030501

Live/Dead Indicator LIVE

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- [FREE FORM](#)
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Exhibit B



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Assignments on the Web > Trademark Query

Trademark Assignment Abstract of Title

Total Assignments: 6

Serial #: 72399973 Filing Dt: 08/12/1971 Reg #: 0940243 Reg. Dt: 08/08/1972

Registrant: CHICAGO TRANSPARENT, INC.

Mark: BRAWNY

Assignment: 1

Reel/Frame: 0257/0277 Received: Recorded: 09/09/1974 Pages: 2

Conveyance: ASSIGNS THE ENTIRE INTEREST AND THE GOODWILL

Assignor: CHICAGO TRANSPARENT INC.

Exec Dt: 08/28/1974

Entity Type: CORPORATION

Citizenship: ILLINOIS

Entity Type: CORPORATION

Citizenship: MARYLAND

Assignee: CONSOLIDATED FOODS CORPORATION

135 SOUTH LASALLE STREET
CHICAGO, ILLINOIS 60603

Correspondent: BREZINA & BUCKINGHAM

3747 GRAND BLVD.
BROOKFIELD, IL 60513

Assignment: 2

Reel/Frame: 0385/0946 Received: Recorded: 02/23/1981 Pages: 1

Conveyance: ASSIGNS THE ENTIRE INTEREST AND THE GOOD WILL AS OF MAY 8, 1978

Assignor: CONSOLIDATED FOODS CORPORATION

Exec Dt: 01/22/1981

Entity Type: UNKNOWN

Citizenship: NONE

Entity Type: CORPORATION

Citizenship: RHODE ISLAND

Assignee: CHICAGO TRANSPARENT PRODUCTS, INC.

2700 NORTH PAULINA ST.
CHICAGO, ILLINOIS 60614

Correspondent: BREZINA AND BUCKINGHAM

8733 ROCKEFELLER AVE.
8733 ROCKEFELLER AVE.
BROOKFIELD, IL 60513

Assignment: 3

Reel/Frame: 0549/0090 Received: Recorded: 01/12/1987 Pages: 10

Conveyance: ASSIGNS SECURITY INTEREST SUBJECT TO LICENSE RECITED

Assignor: CHICAGO TP INC.

Exec Dt: 12/29/1986

Entity Type: CORPORATION

Citizenship: ILLINOIS

Entity Type: UNKNOWN

Citizenship: NONE

Assignee: BT COMMERCIAL CORPORATION

Correspondent: SIDLEY & AUSTIN
ONE FIRST NATIONAL PLAZA
CHICAGO, IL 60603

Reel/Frame: 2613/0290 **Received:** 11/08/2002

Recorded: 11/04/2002

Pages: 6

Conveyance: CHANGE OF NAME

Assignor: CHICAGO TRANSPARENT PRODUCTS, INC.

Exec Dt: 05/15/1995

Entity Type: CORPORATION

Citizenship: ILLINOIS

Entity Type: CORPORATION

Citizenship: ILLINOIS

Assignee: BRAWNY PLASTICS, INC.

2700 NORTH PAULINA STREET
CHICAGO, ILLINOIS 60614

Correspondent: ARNSTEIN & LEHR
BURTON S. EHRlich
1200 S. RIVERSIDE PLAZA
SUITE 1200
CHICAGO, IL 60606

Assignment: 5

Reel/Frame: 3052/0694 **Received:** 03/24/2005

Recorded: 03/24/2005

Pages: 5

Conveyance: ASSIGNS THE ENTIRE INTEREST

Assignor: BRAWNY PLASTICS, INC.

Exec Dt: 08/06/2003

Entity Type: CORPORATION

Citizenship: ILLINOIS

Entity Type: CORPORATION

Citizenship: NEVADA

Assignee: NEXTEP, INC.

P.O. BOX 11188
RENO, NEVADA 89510

Correspondent: MATTHEW D. FRANCIS
5371 KIETZKE LANE
RENO, NV 89511

Assignment: 6

Reel/Frame: 3059/0580 **Received:** 10/05/2004

Recorded: 10/01/2004

Pages: 4

Conveyance: ASSIGNS THE ENTIRE INTEREST

Assignor: BRAWNY PLASTICS, INC.

Exec Dt: 08/06/2003

Entity Type: CORPORATION

Citizenship: NONE

Entity Type: CORPORATION

Citizenship: NONE

Assignee: NEXTEP, INC.

P.O. BOX 11188
RENO, NEVADA 89510

Correspondent: SIERRA PATENT GROUP, LTD.
NANCY J. THOMPSON
P.O. BOX 6149
STATELINE, NV 89449

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If you have any comments or questions concerning the data displayed, contact OPR / Assignments at 703-308-9723

Exhibit C



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Trademark Assignment Abstract of Title

Total Assignments: 1

Serial #: 78268015

Filing Dt: 06/27/2003

Reg #: NONE

Reg. Dt:

Applicant: Brawny Plastics, Inc.

Mark: BRAWNY

Assignment: 1

Reel/Frame: 3050/0540

Received: 03/22/2005

Recorded: 03/22/2005

Pages: 2

Conveyance: ASSIGNS THE ENTIRE INTEREST

Assignor: BRAWNY PLASTICS, INC.

Exec Dt: 03/17/2005

Entity Type: CORPORATION

Citizenship: ILLINOIS

Assignee: NEXTEP, INC.

P.O. BOX 11188

RENO, NEVADA 89510

Entity Type: CORPORATION

Citizenship: NEVADA

Correspondent: MATTHEW D. FRANCIS

5371 KIETZKE LANE

RENO, NV 89511

Search Results as of: 04/14/2005 12:34 PM

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Exhibit D

T-7A13

CERTIFICATE OF MAILING (37 CFR 1.10)
 I hereby certify that this correspondence is being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 CFR 1.10 on the date indicated above and is addressed to the Commissioner for Trademarks, P.O. Box 1451, Alexandria, VA 22305-1451 on January 19, 2005.

Judith A. Powell _____
 Name of Person Mailing Paper

Judith A Powell
 Signature

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

FORT JAMES OPERATING)	
COMPANY and GEORGLA-PACIFIC)	
CORPORATION,)	
)	
Opposers,)	Application No. 78/268,015
)	
v.)	Mark: BRAWNY
)	
BRAWNY PLASTICS, INC.)	
)	
Applicant.)	Opposition No. _____

NOTICE OF OPPOSITION

Opposers Fort James Operating Company and Georgia-Pacific Corporation ("Opposers"), file this Notice of Opposition against Application Serial No. 78/268,015 for the mark BRAWNY filed by Brawny Plastics, Inc. ("Applicant"), because Opposers believe that they will be damaged by registration of the mark which is the subject matter of Application No. 78/268,015. As grounds for opposition, Opposers allege as follows:

1. Opposer Fort James Operating Company ("Fort James") is a Virginia corporation with a principal place of business located at 133 Peachtree Street, N.E., Atlanta, Georgia 30303. Opposer Fort James is a wholly-owned subsidiary of Georgia-Pacific Corporation ("Georgia-Pacific"), a related company.

01/25/2005 KSTBMONS 00000050 78268015

01 FC:6402 600.00 OP

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01-20-2005

2. Opposer Georgia-Pacific is a Georgia corporation with a principal place of business located at 133 Peachtree Street, N.E. Atlanta, Georgia 30303.

3. A proper extension of time to oppose the instant application through and including January 19, 2005, has been obtained.

4. Opposer Fort James is the owner of the following marks, and corresponding trademark registrations, hereinafter referred to collectively as the "BRAUNY Marks":

Mark	Registration or Serial No.	Goods	Date of First Use
BRAUNY	78/443,780	Household cleaning implements, namely, scrub brush, broom, dust pan, grout brush, squeegee and plunger	12/29/2004
BRAUNY	78/402,314	Household gloves made of rubber and cotton knit for general use, and disposable latex gloves, cleaning pads, scrubber sponges	07/19/2004
BRAUNY	78/356,377	Scrub Sponges for cleaning, namely copper fiber Scrubbers, Stainless steel scrubbers, Plastic scrubbers, Nylon Scrubbers, Foam for General use, Disposable Latex Gloves	07/19/2004
BRAUNY	78/307,184	Household cleaning Cloths	07/30/2004
BRAUNY	78/307,171	Pre-Moistened Hand and Facial Wipes	03/10/2003
BRAUNY MAN	2875601	Paper Goods Namely, Calendars	04/18/2003
BRAUNY PROFESSIONAL	2849299	Paper Towels	09/30/1999
BRAUNY	2635343	Paper Products Namely, Paper Napkins	01/21/2002
DO YOU KNOW	2766328	Paper Towels and Paper	06/10/2002

A BRAWNY MAN?		Napkins	
BRAWNY and Design	2165829	Paper Towels	1975
BRAWNY	1062207	Paper Towels	10/2/1974

5. Opposer Georgia-Pacific acts as the sales agent for the BRAWNY branded products.

6. Opposers market household cleaning goods in retail channels throughout the United States.

7. Opposers manufacture, market and distribute the number 2 selling branded paper towel under the well-known BRAWNY name and mark. Opposers' napkin sold under the BRAWNY name and mark is also among the top-selling branded napkins. Opposers also manufacture, market, and distribute moistened wipes under the BRAWNY name and mark.

8. In addition, through a license agreement, Opposers market and sell a wide variety of household cleaning and related goods under the BRAWNY Mark, including brushes, brooms, sponges, cleaning cloths, scrubbers, and gloves.

9. Opposers, together with their predecessors in interest have used the BRAWNY mark for almost 30 years.

10. Opposers have continuously and exclusively used the BRAWNY Marks in connection with the respective goods identified in Paragraph 4 in United States commerce since each of the indicated dates of first use.

11. Opposers have sold billions of dollars of products under the BRAWNY Marks and have spent millions of dollars in marketing of goods under the BRAWNY Marks.

12. By virtue of the widespread sales and extensive advertising and promotion of the Opposers' products bearing the BRAWNY Marks, the BRAWNY Marks are well known by the

general public and in the relevant industries, are recognized and relied upon as identifying the Opposers' goods and as distinguishing them from the goods and services of others, and have come to represent and symbolize extremely valuable goodwill belonging exclusively to the Opposers.

13. By virtue of Opposers' extensive use and promotion, Opposers' BRAWNY marks have acquired a high degree of distinctiveness.

14. By virtue of Opposers' extensive use and promotion, Opposers' BRAWNY Marks had become famous before Applicant filed its application to register Applicant's Mark.

15. Applicant is the owner of Application No. 78/268,015 for the mark BRAWNY ("Applicant's Mark").

16. Applicant filed the instant application on an intent-to-use basis on June 27, 2003, for "metal trash receptacles for commercial, household and domestic use," in International Class 6 and "plastic trash receptacles for household use" in International Class 21.

17. Opposers' rights in the BRAWNY Marks are superior to Applicant's filing date for Applicant's Mark.

18. The use and registration of Applicant's Mark is likely to cause confusion in the minds of the purchasing public and to cause the purchasing public to assume that the goods identified by Applicant's Mark are sold by Opposers or that such goods originate with or are in some way connected to Opposers, which they are not, in violation of 15 U.S.C. §§ 1052(a) and 1125(a).

19. The use and registration of Applicant's Mark is likely to injure Opposers' business reputations and dilute the distinctive quality of the BRAWNY Marks in violation of Section 13(a) and Section 43(c) of the Trademark Act, 15 U.S.C. §§ 1063(a) and 1125(c).

20. Use and registration of the Applicant's Mark will be injurious to Opposers.
21. A duplicate copy of this Notice and the requisite filing fees are enclosed herewith.

WHEREFORE, Opposers believe that they will be damaged by the registration of the Applicant's Mark and pray that said Application No. 78/268,015 be refused, that no registration be issued thereon to Applicant, and that this Opposition be sustained in favor of Opposers.

Dated: January 17, 2005

Respectfully submitted,

By: Judith A. Powell
Judith A. Powell
Kilpatrick Stockton LLP
Suite 2800
1100 Peachtree Street
Atlanta, Georgia 30309-4530
(404) 815-6500

Attorneys for Opposers

Exhibit E

leading global producer of tissue products and one of the world's leading manufacturers and marketers of other consumer products, including but not limited to packaging and paper, as well as building products.

3. Petitioners manufacture, market, and distribute the Number 2 best-selling brand of paper towels in the United States under the well-known mark, BRAWNY®. Additionally, Petitioners manufacture, market, and distribute a top-selling napkin under the BRAWNY® Mark. Petitioners also manufacture, market, and distribute moistened wipes under the BRAWNY brand name and mark.

4. In addition, through a license agreement, Petitioners market and sell a wide variety of household cleaning tools and related goods under the BRAWNY brand name and mark, including brushes, brooms, sponges, cleaning cloths, scrubbers, and gloves.

5. Petitioner Fort James is the owner of, inter alia, the following trademark applications and registrations (hereinafter collectively referred to as the "BRAWNY Marks"):

Mark	Registration or Serial No.	Goods	Date of First Use
BRAWNY	1,062,207	Paper Towels	10/2/1974
 BRAWNY and Design	2,165,829	Paper Towels	1975
DO YOU KNOW A BRAWNY MAN?	2,766,328	Paper Towels and Paper Napkins	06/10/2002
BRAWNY	2,635,343	Paper Products Namely, Paper Napkins	01/21/2002

BRAWNY PROFESSIONAL	2,849,299	Paper Towels	09/30/1999
BRAWNY MAN	2,875,601	Paper Goods Namely, Calendars	04/18/2003
BRAWNY	2,929,823	Paper towels and napkins	10/15/2003
	78/278,384	Paper towels and napkins	10/01/2003
BRAWNY	78/307,170	Paper towel dispenser	12/29/2004
BRAWNY	78/307,171	Pre-Moistened Hand and Facial Wipes	03/10/2003
BRAWNY	78/307,174	Toilet bowl brush	07/19/2004
BRAWNY	78/307,184	Household cleaning Cloths	07/30/2004
BRAWNY	78/356,377	Scrub Sponges for cleaning, namely copper fiber Scrubbers, Stainless steel scrubbers, Plastic scrubbers, Nylon Scrubbers, Foam for General use, Disposable Latex Gloves	07/19/2004
BRAWNY	78/402,314	Household gloves made of rubber and cotton knit for general use, and disposable latex gloves, cleaning pads, scrubber sponges	07/19/2004
BRAWNY	78/404,561	Dust cloths	07/19/2004
BRAWNY	78/443,780	Household cleaning implements, namely, scrub brush, broom, dust pan, grout brush, squeegee and plunger	12/29/2004

6. Petitioners, together with their predecessors in interest, have continuously and exclusively used the BRAWNY Marks in connection with the above-identified goods since each

of the indicated dates of first use; cumulatively, the BRAWNY Marks have been in continuous use for more than thirty (30) years.

7. Petitioners have sold billions of dollars worth of the above-identified products bearing the BRAWNY Marks. In the last five years alone, Petitioners have distributed more than 70 million cases of BRAWNY® paper towels in the United States alone, with gross sales exceeding \$1 billion.

8. Moreover, Petitioners have spent millions of dollars advertising and marketing its goods sold in connection with the BRAWNY Marks. In the last five years alone, Petitioners have expended over \$70 million in advertising and promoting BRAWNY® paper towels.

9. By virtue of the widespread sales and extensive advertising and promotion of Petitioners' products bearing the BRAWNY Marks, the BRAWNY Marks are well known by the general public and in the relevant industries, are recognized and relied upon as identifying Petitioners' goods and as distinguishing them from the goods and services of others, and have come to represent and symbolize extremely valuable goodwill belonging exclusively to the Petitioners.

10. By virtue of Petitioners' extensive use and promotion, Petitioners' BRAWNY Marks have acquired a high degree of distinctiveness.

11. By virtue of Petitioners' extensive use and promotion, Petitioners' BRAWNY Marks have become famous.

12. Upon information and belief, Registrant is an Illinois corporation, with an address of record of 2700 North Paulina Street, Chicago, Illinois 60614, and is the last listed owner (by assignment and change of corporate name) of U.S. Registration No. 940,243 for the designation

BRAWNY in International Class 20 for "polyethylene bags." Registrant claims a first use date of July 6, 1971 for this designation.

13. Upon information and belief, Registrant has abandoned any rights it may have claimed in its BRAWNY designation by failing to continuously use the mark in commerce.

14. Upon information and belief, in its May 1, 2003 Declaration of Use in Commerce for Renewal of Registration No. 940,243, Registrant made false and fraudulent statements knowingly intended to mislead the United States Patent and Trademark Office ("U.S.P.T.O.") regarding Registrant's continued use of the BRAWNY designation in commerce.

15. Upon information and belief, in the summer of 2003, Registrant attempted to transfer any rights it had to Registration No. 940,243 to a third party, Nextep, Inc. ("Nextep"). Upon information and belief, said conveyance of the registration, devoid of any goodwill of the business connected to Registrant's alleged use of the BRAWNY designation, was a sham transaction in contravention of the Lanham Act. Neither Registrant nor Nextep recorded this transfer with the U.S.P.T.O.

16. Registration No. 940,243 is now being used by, or with the permission of, Registrant so as to misrepresent the source of the plastic bags on or in connection with which Registrant's BRAWNY designation is being used.

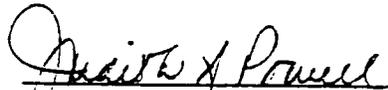
17. For all of the foregoing reasons, U.S. Registration No. 940,243 should therefore be canceled pursuant to 15 U.S.C. §1064(3).

18. Pursuant to 37 C.F.R. §§ 2.6(a)(16) and 2.112(a), please find enclosed herewith the required fee of \$600.00 and a duplicate copy of this Petition. The clerk is authorized to charge the Kilpatrick Stockton LLP Trademark Deposit Account No. 11-0860 for any additional fees.

WHEREFORE, Petitioner prays that Registrant's Registration No. 940,243 be canceled.

Dated: March 24, 2005

Respectfully Submitted:

A handwritten signature in cursive script, appearing to read "Judith A. Powell", is written over a horizontal line.

Judith A. Powell
James H. Sullivan
Kilpatrick Stockton LLP
1100 Peachtree Street
Atlanta, Georgia 30309
(404) 815-6500

Attorneys for Petitioners

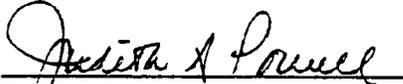
CERTIFICATE OF EXPRESS MAIL

"EXPRESS MAIL" mailing number: EV607732125US

DATE OF DEPOSIT: March 24, 2005

DOCUMENT: PETITION FOR CANCELLATION AGAINST
U.S. REGISTRATION NO. 940,243

I hereby certify that this paper and fee is being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 CFR 1.10 on date indicated above and is addressed to Commissioner for Trademarks, P.O. Box 1451, Alexandria, Virginia 22313-1451.



Judith A. Powell

Exhibit B



United States Patent and Trademark Office

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Trademarks > Trademark Electronic Search System (TESS)

Trademark Electronic Search System(Tess)

TESS was last updated on Thu Apr 14 04:01:39 EDT 2005

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Please logout when you are done to release system resources allocated for you.

List At: OR to record: **Record 49 out of 54**

(TARR contains current status, correspondence address and attorney of record for this mark. Use the "Back" button of the Internet Browser to return to TESS)

Typed Drawing

Word Mark BRAUNY
Goods and Services IC 020, US 002, G & S: POLYETHYLENE BAGS, FIRST USE: 19710706, FIRST USE IN COMMERCE: 19710706
Mark Drawing Code (1) TYPED DRAWING
Serial Number 72399973
Filing Date August 12, 1971
Current Filing Basis 1A
Original Filing Basis 1A
Registration Number 0940243
Registration Date August 8, 1972
Owner (REGISTRANT) CHICAGO TRANSPARENT, INC. CORPORATION ILLINOIS 2700 N. PAULINE CHICAGO ILLINOIS 60614

 (LAST LISTED OWNER) NEXTEP, INC. CORPORATION NEVADA P.O. BOX 11188 RENO NEVADA 89510
Assignment Recorded ASSIGNMENT RECORDED
Attorney of Record BURTON S. EHRLICH
Type of Mark TRADEMARK
Register PRINCIPAL
Affidavit Text SECT 15, SECT 8 (6-YR), SECTION 8(10-YR) 20030501.
Renewal 1ST RENEWAL 20030501
Live/Dead Indicator LIVE

[PTD HOME](#)
[TRADEMARK](#)
[TESS HOME](#)
[NEW USER](#)
[STRUCTURED](#)
[FREE FORM](#)
[BROWSE DICT](#)
[TOP](#)
[HELP](#)
[PREV LIST](#)
[CURR LIST](#)

Exhibit C

TRADEMARK SALE, ASSIGNMENT AND LICENSE

THIS AGREEMENT is entered into this 6th day of August, 2003, by and between Brawny Plastics, Inc., 2700 N. Pauline Street, Chicago, Illinois 60614 ("Seller") and Nestap, Inc., P.O. Box 11188, Reno, Nevada 89510 ("Buyer").

✓ WHEREAS, Seller, is the owner of the trademark BRAWNY, U.S. Registration No. 840243 for use in connection with "polyethylene bags" in International Class 20, with first use of said trademark commencing at least as early as July 6, 1971, said registration having been renewed on the Principal Register for an additional ten year term pursuant to United States Patent and Trademark Office Notice dated March 5, 2001; and

✓ WHEREAS, Seller is the owner of a pending U.S. trademark application BRAWNY, Serial No. 78/268016 for use in connection with "plastic and metal trash and refuse containers and receptacles," in International Class 22 filed June 27, 2003, on an intent to use basis;

WHEREAS, Buyer is desirous of using the trademark BRAWNY in connection with the same, similar or related goods as shown in the existing registration and/or pending application, and Seller is agreeable to the sale, assignment and lease of those marks, together with the goodwill of the business symbolized thereby; provided that Buyer licenses Seller so that Seller can continue to use BRAWNY for polyethylene bags in connection with its continuing business as more fully described below;

THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. **Sale and Assignment:** Seller hereby sells and assigns, for good and valuable consideration, including the right of Seller to use the mark BRAWNY in the future pursuant to an exclusive, irrevocable, royalty-free license (as more fully described below in Paragraph 4) as well as the payment by Buyer to Seller of the sum of One Hundred Thousand Dollars (\$100,000), Fifty Thousand Dollars (\$50,000) of which is due upon execution of this Agreement and thereafter the sum of Fifty Thousands Dollars (\$50,000) due for payment in six equal monthly installments of Eight Thousand Three Hundred Thirty Three Dollars and Thirty Three Cents (\$8,333.33) each installment, paid on the first day of the month commencing after the execution of this Agreement and for an additional five (5) months thereafter paid on the first day of each of said succeeding months, all Seller's rights, title and interest in the federally registered BRAWNY trademark, together with the goodwill of the business symbolized thereby and the registration pertaining thereto.
2. **Seller's Rights on Default:** In the event Buyer fails to make any of the payments described in paragraph 1, above, on the dates required, and if such failure to pay is not cured within five (5) working days after notice from Seller, (a) the entire sum remaining to be paid to Seller shall be immediately due and owing, (b) Buyer shall forthwith cease use of the marks assigned and/or licensed hereunder, (c) all right and title in marks

assigned hereunder shall revert to seller, and (d) Buyer shall pay all legal fees and costs of Seller incurred in enforcing the payment of such accelerated sum and in enforcing its restored rights in relation to the Buyer.

3. Seller's Security Interest in the Marks: To secure Seller's rights of payment hereunder, Buyer hereby conveys to Seller a purchase money security interest in the marks, and Seller is authorized hereunder to file UCC-1 financing statement memorializing such security interest in the form attached.

4. License of BRAWNY mark for use with containers and receptacles: Seller hereby licenses Buyer, on an exclusive, irrevocable, royalty-free basis, to use the mark BRAWNY in connection with plastic and metal trash and refuse containers and receptacles. To the extent applicable, Seller agrees to use the mark on the goods or labels as well as on packaging, advertising and promotional materials, in a manner approved by Buyer, which approval shall not be unreasonably withheld. Seller further agrees to sell and assign that mark, and the pending federal trademark application for BRAWNY, Serial No. 78/288015, together with the goodwill of the business symbolizes thereby, to Buyer upon the filing of a verified statement of use by Buyer, said statement of use to be based on the licensed use provided for in this paragraph. The assignment of the trademark application for BRAWNY, Serial No. 78/288015 will be memorialized in a separate sale and assignment to be executed upon the filing of the verified statement of use by Buyer.

5. License Back to Seller: Buyer hereby agrees to license Seller or its assigns, on an exclusive irrevocable, royalty-free basis, for use of the federally registered mark BRAWNY in connection with the sale of 15, 28 and 33 gallon-sized polyethylene bags for a term of six (6) months following the date of this Agreement. To the extent applicable, Seller agrees to use the mark on the goods or labels as well as on packaging, advertising and promotional materials, in a manner approved by Buyer, which approval shall not be unreasonably withheld, and in no event of a less quality than Seller has used or displayed the mark to the date of this Agreement.

6. Intention Date: This Agreement will commence on the date written above.

7. Term: The term of this Agreement shall be for as long as the Buyer or its assigns maintains the U.S. registration in the trademark BRAWNY or continues to use said mark in Buyer's business on a common law basis, or until an event of default specified in paragraph 2 of this Agreement.

8. Infringement: If Seller learns of any infringements of the mark, it shall promptly notify Buyer of same. Buyer shall bear the responsibility and expense for taking any legal action in connection with any such infringements.

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9. **Approvals:** This Agreement is subject to the approval of Beller's lien holder, which approval shall be the responsibility of Beller to obtain, no later than ten (10) working days from the date of this Agreement.
10. **Effect on Assignment:** This Agreement will be binding upon and inure to the benefit of the parties, their successors, assigns, affiliated and related companies, and shall be assignable by either party.

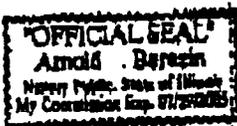
DATE: August 6, 2003

BRAWNY PLASTICS, INC.

By: [Signature]
Its President:

State of Illinois, County of Cook.
County of Cook
Signed before me this _____
Day of July, 2003.

[Signature]
Notary Public



NEXTEP, INC.

[Signature]
Treasurer + C.O.O.

State of NV

Signed before me this 8-22-03
Day of July, 2003.

[Signature]
Notary Public

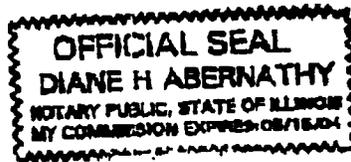


Exhibit D



United States Patent and Trademark Office

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Assignments on the Web > Trademark Query

Trademark Assignment Abstract of Title

Total Assignments: 6

Serial #: 72399973 **Filing Dt:** 08/12/1971 **Reg #:** 0940243 **Reg. Dt:** 08/08/1972

Registrant: CHICAGO TRANSPARENT, INC.

Mark: BRAWNY

Assignment: 1

Reel/Frame: 0257/0277 **Received:** **Recorded:** 09/09/1974 **Pages:** 2

Conveyance: ASSIGNS THE ENTIRE INTEREST AND THE GOODWILL

Assignor: CHICAGO TRANSPARENT INC.

Exec Dt: 08/28/1974

Entity Type: CORPORATION

Citizenship: ILLINOIS

Entity Type: CORPORATION

Citizenship: MARYLAND

Assignee: CONSOLIDATED FOODS CORPORATION

135 SOUTH LASALLE STREET

CHICAGO, ILLINOIS 60603

Correspondent: BREZINA & BUCKINGHAM

3747 GRAND BLVD.

BROOKFIELD, IL 60513

Assignment: 2

Reel/Frame: 0385/0946 **Received:** **Recorded:** 02/23/1981 **Pages:** 1

Conveyance: ASSIGNS THE ENTIRE INTEREST AND THE GOOD WILL AS OF MAY 8, 1978

Assignor: CONSOLIDATED FOODS CORPORATION

Exec Dt: 01/22/1981

Entity Type: UNKNOWN

Citizenship: NONE

Entity Type: CORPORATION

Citizenship: RHODE ISLAND

Assignee: CHICAGO TRANSPARENT PRODUCTS, INC.

2700 NORTH PAULINA ST.

CHICAGO, ILLINOIS 60614

Correspondent: BREZINA AND BUCKINGHAM

8733 ROCKEFELLER AVE.

8733 ROCKEFELLER AVE.

BROOKFIELD, IL 60513

Assignment: 3

Reel/Frame: 0549/0090 **Received:** **Recorded:** 01/12/1987 **Pages:** 10

Conveyance: ASSIGNS SECURITY INTEREST SUBJECT TO LICENSE RECITED

Assignor: CHICAGO TP INC.

Exec Dt: 12/29/1986

Entity Type: CORPORATION

Citizenship: ILLINOIS

Entity Type: UNKNOWN

Citizenship: NONE

Assignee: BT COMMERCIAL CORPORATION

Correspondent: SIDLEY & AUSTIN

ONE FIRST NATIONAL PLAZA

CHICAGO, IL 60603

Reel/Frame: 2613/0290 **Received:** 11/08/2002

Recorded: 11/04/2002

Pages: 6

Conveyance: CHANGE OF NAME

Assignor: CHICAGO TRANSPARENT PRODUCTS, INC.

Exec Dt: 05/15/1995

Entity Type: CORPORATION

Citizenship: ILLINOIS

Entity Type: CORPORATION

Citizenship: ILLINOIS

Assignee: BRAWNY PLASTICS, INC.

2700 NORTH PAULINA STREET
CHICAGO, ILLINOIS 60614

Correspondent: ARNSTEIN & LEHR
BURTON S. EHRLICH
1200 S. RIVERSIDE PLAZA
SUITE 1200
CHICAGO, IL 60606

Assignment: 5

Reel/Frame: 3052/0694 **Received:** 03/24/2005

Recorded: 03/24/2005

Pages: 5

Conveyance: ASSIGNS THE ENTIRE INTEREST

Assignor: BRAWNY PLASTICS, INC.

Exec Dt: 08/06/2003

Entity Type: CORPORATION

Citizenship: ILLINOIS

Entity Type: CORPORATION

Citizenship: NEVADA

Assignee: NEXTEP, INC.

P.O. BOX 11188
RENO, NEVADA 89510

Correspondent: MATTHEW D. FRANCIS
5371 KIETZKE LANE
RENO, NV 89511

Assignment: 6

Reel/Frame: 3059/0580 **Received:** 10/05/2004

Recorded: 10/01/2004

Pages: 4

Conveyance: ASSIGNS THE ENTIRE INTEREST

Assignor: BRAWNY PLASTICS, INC.

Exec Dt: 08/06/2003

Entity Type: CORPORATION

Citizenship: NONE

Entity Type: CORPORATION

Citizenship: NONE

Assignee: NEXTEP, INC.

P.O. BOX 11188
RENO, NEVADA 89510

Correspondent: SIERRA PATENT GROUP, LTD.
NANCY J. THOMPSON
P.O. BOX 6149
STATELINE, NV 89449

Exhibit E

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

Mailed: April 6, 2005

NEXTEP, INC.
P.O. BOX 11188
RENO, NV 89510

Cancellation No. 92044396
Reg. No. 940243

JUDITH A. POWELL
KILPATRICK STOCKTON LLP
1100 PEACHTREE STREET
ATLANTA, GA 30309

FORT JAMES OPERATING COMPANY AND
GEORGIA-PACIFIC CORPORATION

V.

BRAWNY PLASTICS, INC.

Michelle Greenfield, Legal Assistant:

A petition, a copy of which is attached, has been filed to cancel the above-identified registration.

Proceedings will be conducted in accordance with the Trademark Rules of Practice.

ANSWER IS DUE FORTY DAYS after the mailing date hereof. (See Trademark Rule 2.196 for expiration date falling on Saturday, Sunday or a holiday).

Proceedings will be conducted in accordance with the Trademark Rules of Practice, set forth in Title 37, part 2, of the Code of Federal Regulations. The parties are reminded of the recent amendments to the Trademark Rules that affect the rules of practice before the TTAB. See Rules of Practice for Trademark-Related Filings Under the Madrid Protocol Implementation Act, 68 Fed. R. 55,748 (September 26, 2003) (effective November 2, 2003); Reorganization of Correspondence and Other Provisions, 68 Fed. Reg. 48,286 (August 13, 2003) (effective September 12, 2003). Notices concerning the rules changes, as well as the Trademark Trial and Appeal Board Manual of Procedure (TBMP), are available at www.uspto.gov/web/offices/dcom/ttab/.

The parties are particularly referred to Trademark Rule 2.126 pertaining to the form of submissions. Paper submissions, including but not limited to exhibits and depositions, not filed in accordance with Trademark Rule 2.126 may not be given consideration or entered into the case file.

Discovery and testimony periods are set as follows:

Discovery period to open:	April 26, 2005
Discovery period to close:	October 23, 2005
30-day testimony period for party in position of plaintiff to close:	January 21, 2006
30-day testimony period for party in position of defendant to close:	March 22, 2006
15-day rebuttal testimony period for plaintiff to close:	May 06, 2006

A party must serve on the adverse party a copy of the transcript of any testimony taken during the party's testimony period, together with copies of documentary exhibits, within 30 days after completion of the taking of such testimony. See Trademark Rule 2.125.

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

NOTE: The Board allows parties to utilize telephone conferences to discuss or resolve many interlocutory matters that arise in inter partes cases. See the Official Gazette notice titled "Permanent Expansion of Telephone Conferencing on Interlocutory Matters in Inter Partes Cases Before the Trademark Trial and Appeal Board," 1235 TMOG 68 (June 20, 2000). The notice is available at <http://www.uspto.gov>. Interlocutory matters which the Board agrees to discuss or decide by phone conference may be decided adversely to any party which fails to participate.

If the parties to this proceeding are also parties to other Board proceedings involving related marks or, during the pendency of this proceeding, they become parties to such proceedings, they should notify the Board immediately, so that the Board can consider consolidation of proceedings.

New Developments at the Trademark Trial and Appeal Board

TTAB forms for electronic filing of extensions of time to oppose, notices of opposition, and inter partes filings are now available at <http://esta.uspto.gov>. Images of TTAB proceeding files can be viewed using TTABVue at <http://ttabvue.uspto.gov>.

EXHIBIT 9

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April 26, 2005

VIA FACSIMILE

Carrie A. Johnson, Esq.
Kilpatrick Stockton LLP
1100 Peachtree Street, Suite 2800
Atlanta, GA 30309

Re: *TTAB Opposition No. 91164081*

Dear Carrie:

Thank you for your April 21, 2005 letter regarding the Sam Paul Subpoena (the "Subpoena"). While I disagree with your analysis regarding the issues raised in our April 20th letter for the reasons I have stated, I believe we should be able to resolve the issue without court intervention.

Specifically, you will be entitled to certain requested documents identified in the Subpoena pursuant to Fed. R. Civ. P. 26(a) after our Rule 26(f) conference in the action pending in the District of Nevada. You will most likely receive those documents long before you are heard on a motion to compel. Further, we believe that it would be in the best interests of both NexTep and your clients to stipulate to stay the pending opposition and cancellation proceedings in the TTAB and resolve those issues in the District of Nevada. Such stipulations are common, and can save our respective clients a lot of money. Please advise me if you would be amenable to that idea so as to avoid further briefing in the TTAB, and the corresponding costs.

Please call or email me with any questions.

Sincerely,



Matthew D. Francis
WATSON ROUNDS
A Professional Corporation

cc: Client

EXHIBIT 10



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TTABVUE. Trademark Trial and Appeal Board Inquiry System

Summary

Query: Mark Name contains all words: BRAWNY

Number of results: 7

Proceeding Filing Date	Defendant(s), Property(ies)	Plaintiff(s), Property(ies)
92044396 03/28/2005	BRAWNY PLASTICS, INC. Mark: BRAWNY S#: 72399973 R#: 940243	FORT JAMES OPERATING COMPANY AND GEORGIA-PACIFIC CORPORATION Georgia-Pacific Corporation
78301840 03/07/2005	Paul, Samuel Luis Mark: BRAWNY S#: 78301840	GEORGIA-PACIFIC CORPORATION
78301863 03/07/2005	Paul, Samuel Louis Mark: BRAWNY S#: 78301863	GEORGIA-PACIFIC CORPORATION
78301844 03/07/2005	Paul, Samuel Louis Mark: BRAWNY S#: 78301844	Fort James Operating Company and Georgi
91164081 01/20/2005	Brawny Plastics, Inc. Mark: BRAWNY S#: 78268015	Fort James Operating Company
78268015 10/26/2004	Brawny Plastics, Inc. Mark: BRAWNY S#: 78268015	Fort James Operating Company
92041489 12/04/2002	BRAWN OF CALIFORNIA Mark: BRAWN S#: 73063247 R#: 1043613	Fort James Operating Company Mark: BRAWNY S#: 78105770

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