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

Proceeding	92050750
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the Matter of Registration No. 3,259,135
Issued: July 3, 2007
Mark: SENSORYEFFECTS and Design

SENSIENT TECHNOLOGIES)	
CORPORATION,)	
)	
Petitioner,)	
)	
v.)	Cancellation No. 92050750
)	
DIEHL FOOD INGREDIENTS, INC.,)	
)	
Respondent.)	

**PETITIONER’S RESPONSE IN OPPOSITION TO RESPONDENT’S
MOTION TO SUSPEND CANCELLATION PROCEEDING**

Petitioner Sensient Technologies Corporation (“Sensient Technologies”) opposes Respondent Diehl Food Ingredients, Inc.’s (“Respondent” or “Diehl”) Motion to Suspend this cancellation proceeding under 37 C.F.R. § 2.117(a). The requested suspension would unnecessarily delay a determination of fraud by Respondent in procuring registration of SENSORYEFFECTS and Design. The pending civil litigation does not address Respondent’s fraud on the U.S. Patent and Trademark Office and, accordingly, Respondent’s requested suspension would thwart the public interest in cancelling registrations obtained by fraud. Moreover, this action seeks relief—cancellation of Registration No. 3,259,135—which has not been specifically addressed in the federal civil litigation.

FACTS

On March 10, 2008, Sensient Technologies and its subsidiary, Sensient Flavors, LLC, sued the Respondent, among others, to stop the defendants' use of SensoryFlavors for food flavorings and additives directly competitive with Sensient Flavors' goods. (Complaint ¶¶ 29-30.)¹ On March 21, 2008, the U.S. District Court in the Eastern District of Missouri issued a temporary restraining order enjoining the defendants' use of SensoryFlavors. (*Id.* ¶¶ 30-31; Answer ¶ 30-31.) Ten days later, one of Respondent's co-defendants in the civil case changed its name from SensoryFlavors, Inc. to SensoryEffects Flavor Company. (Answer ¶¶ 3-4.)

Sensient Technologies' civil Complaint seeks relief and damages from federal and state trademark infringement, federal and common law unfair competition, federal false advertising and dilution under Mo. Rev. Stat. § 417.061(1). (Complaint ¶¶ 56-73.) The Complaint does not seek cancellation of Registration No. 3,259,135 for the mark SENSORYEFFECTS and Design.

The civil litigation defendants, including Diehl, claim several affirmative defenses to the Complaint, including that "Defendants use SensoryEffects Flavor Company as a corporate name and *do not market, advertise, promote or sell any products under the mark SensoryEffects Flavor.*" (Answer at p. 11, ¶ 3) (emphasis added). Defendants' Answer makes no mention of Registration No. 3,259,135 for the mark SENSORYEFFECTS and Design.

ARGUMENT

Trademark Trial and Appeal Board proceedings are not "automatically suspend[ed]" when parties are also involved in civil litigation. *Martin Beverage Co. v. Colita Beverage Co.*, 169 U.S.P.Q. 568, 570 (T.T.A.B. 568). Indeed, the matter rests soundly within the Board's

¹ Respondent's Motion to Suspend attached, as Exhibits A and B, the First Amended Complaint and Defendant's First Amended Answer and Affirmative Defenses, respectively. Exhibits A and B are referred to herein as the Complaint and Answer.

discretion: “Whenever it shall come to the attention of the Trademark Trial and Appeal Board that a party or parties to a pending case are engaged in civil action which *may* have bearing on the case, proceedings before the Board *may* be suspended until termination of the civil action.” 37 C.F.R. § 2.117(a) (emphasis added).

Suspension should be granted “only after both parties have been heard on the question and the Board has carefully reviewed the pleadings in the civil suit to determine if the outcome thereof will have a bearing on the question of the rights of the parties in the Patent Office proceeding.” *Martin Beverage*, 169 U.S.P.Q. at 570; *see also* TTAB Manual of Procedure (hereafter “TBMP”) § 510.02(a) (requiring pleadings from the civil action to be attached to the motion). If the parties do not stipulate to the extension, the Board may also require a respondent to answer the petition *before* ruling on the Motion to Suspend. *See* TBMP § 510.02(a) (stating that an answer in both proceedings may be required when the Board is unable to determine the impact of the pending litigation on the Board proceeding).

Although the Board’s general policy may be to suspend actions when civil litigation is also pending, the “permissive language” of 37 C.F.R. § 2.117(a) “make[s] clear that suspension is not the necessary result in all cases.” *Boyds Collection Ltd. v. Herrington & Co.*, 65 U.S.P.Q.2d 2017, 2018 (T.T.A.B. 2003). Sensient Technologies respectfully requests that the Board deny the Motion to Suspend because (1) Respondent obtained the registration fraudulently; and (2) the disputed mark in the civil litigation may be different from the disputed mark in the cancellation such the litigation does not clearly resolve the cancellation.

The Answer and Complaint that Respondent attached to its Motion to Suspend neither address cancellation of Registration No. 3,259,135 nor the fraud on the USPTO alleged in the Petition to Cancel. Because the civil action does not specifically address cancellation of

Registration No. 3,259,135, and indeed does not involve the identical mark identified therein, the outcome of the civil litigation will not eliminate the need for the Board proceeding. The requested suspension, however, will delay the Board's determination of an important issue: whether the Respondent obtained its registration through fraud on the USPTO.

A. Suspending the Board proceeding allows Respondent to benefit from fraud on the USPTO.

The Board has long recognized the public interest in striking fraudulent registrations from the register. *See, e.g., W.D. Byron & Sons, Inc. v. Stein Bros. Mfg. Co.*, 146 U.S.P.Q. 313, 315 (T.T.A.B. 1965) (stating that the public interest in cancelling fraudulent registrations is so strong that fraud as a basis for a cancellation cannot be waived); *see also Treadwell's Drifters Inc. v. Marshak*, 18 U.S.P.Q.2d 1318, 1320 (T.T.A.B. 1990); and *Maids to Order of Ohio, Inc. v. Maid-to-Order, Inc.*, 78 U.S.P.Q.2d 1899, 1904 (T.T.A.B. 2006). When a trademark applicant makes material misrepresentations regarding the use of its mark, the registration is void because the registration would not have issued but for the applicant's fraud. *DC Comics v. Gotham City Networking, Inc.*, 2008 WL 4674611, *5 (T.T.A.B. Sept. 24, 2008). Accordingly, when the Board finds fraud in the application process, it need not address likelihood of confusion or dilution as alternative grounds for cancellation. *Id.* at *7.

This Board proceeding should not wait for the civil litigation to conclude because the civil litigation does not address cancellation of a potentially fraudulent registration. Granting Respondent's motion unnecessarily delays a determination of whether Respondent falsely represented its use of the mark in connection with the goods identified in the application. This delay allows Respondent the continued benefits of a federal registration despite the alleged misrepresentations used to obtain the registration. The Board should not allow the Respondent

to benefit from the delay because “it is in the public interest to remove abandoned registrations from the register and to prohibit registrations procured or maintained by fraud.” *Treadwell*, 18 U.S.P.Q.2d at 1320.

The civil litigation, in contrast to the cancellation proceeding, addresses the Respondent’s alleged bad faith when adopting “SensoryEffects Flavor” in April 2008 after being enjoined from using SensoryFlavors for goods that directly compete with Sensient Flavors’ goods. (Complaint ¶¶ 27-29, 35-36.) Diehl’s president, chief financial officer and vice president of marketing are all former employees of a Sensient Technologies’ subsidiary and, accordingly, were familiar with Sensient’s trademarks in April 2008 when adopting the “SensoryEffects Flavor” mark at dispute in the civil litigation. (Complaint ¶¶ 8-11; Answer ¶¶ 8-11.) This cancellation action, on the other hand, seeks a determination of whether fraud occurred when Respondent’s assignor, Loders Crocklaan BV, filed its statement of use for the SENSORYEFFECTS and Design mark in July 2004. (Petition ¶¶ 16-19.) These are distinct issues such that the civil litigation’s focus on the 2008 adoption of “SensoryEffects Flavor” (after being enjoined from using SensoryFlavors) will not have a bearing on whether Registration No. 3,259,135 for SENSORYEFFECTS and Design is the product of material misrepresentations made to the USPTO in 2004.

B. Civil litigation and cancellation action involve potentially different marks.

Respondent’s Motion to Suspend argues that SensoryEffects Flavor is a “related or derivative mark” to the registered SENSORYEFFECTS and Design mark such that the cancellation should await the outcome of the civil litigation. Although similarities exist between the litigated and registered marks, Respondent’s argument to suspend the cancellation action contrasts strangely with its Answer in the civil case: “Defendants use SensoryEffects Flavor

Company as a corporate name and *do not market, advertise, promote or sell any products under the mark SensoryEffects Flavor.*” (Answer at p. 11, ¶ 3.)

Respondent cannot have its cake and eat it too. In other words, Respondent cannot genuinely claim that Respondent does not use SensoryEffects Flavor as a trademark in the civil litigation and, with a straight face, tell the Board that SensoryEffects Flavor and SENSORYEFFECTS and Design are the same mark for the purpose of analyzing likelihood of confusion. Either Respondent does not use either the litigated mark or the registered mark as a trademark, or Respondent views the litigated SensoryEffects Flavor mark as distinct from the registered SENSORYEFFECTS and Design mark. If the former is true, Respondent has abandoned its mark and no longer has a right to the registration. If the later is true, this cancellation should proceed because the civil litigation and Board proceeding involve potentially different marks such that the civil litigation may not have a bearing on the cancellation.

Given the inconsistencies between the Respondent’s argument in the Motion to Suspend and the Respondent’s affirmative defense in the civil litigation, the Board should require the Respondent to answer the Petition to Cancel before ruling on the Motion to Suspend. *See* TBMP § 510.02(a). Without an answer in the cancellation action to clarify whether Respondent is using the registration as a trademark, the Board cannot determine “whether the final determination of the other proceedings will have a bearing on the issues before the Board.” *Id.*

CONCLUSION

For the reasons stated above, the Petitioner respectfully requests that the Board deny the Respondent’s Motion to Suspend or, in the alternative, order the Respondent to answer the Petition for Cancellation before ruling on the Motion to Suspend.

Dated this 28th day of May 2009.

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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Response in Opposition to Respondent's Motion to Suspend has been served on Respondent by sending the same by first class mail to:

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Attorneys for Diehl Food Ingredients, Inc.

on the 28th day of May, 2009.

and that the same document was filed electronically on the same day with the TTAB via ESTAA.


Katrina G. Hull

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