

Goodman

**THIS OPINION  
IS NOT A PRECEDENT OF  
THE TTAB**

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

Mailed: October 29, 2012

Cancellation No. 92055519

Cancellation No. 92055569

Cancellation No. 92056294

Ecuabeverage Corporation

v.

Baloru S.A.

**Before Zervas, Wellington and Shaw, Administrative Trademark  
Judges.**

**By the Board:**

These cases now come up on the following motions:

- 1) Petitioner's motions for summary judgment, filed June 4, 2012, in Cancellation No. 92055519 and filed June 20, 2012, in Cancellation No. 92055569;
- 2) Respondent's cross-motions to dismiss, filed June 27, 2012, in Cancellation No. 92055519 and filed July 23, 2012, in Cancellation No. 92055569; and
- 3) Respondent's cross-motions for sanctions, filed June 27, 2012, in Cancellation No. 92055519 and filed July 23, 2012, in Cancellation No. 92055569.

Motions to Dismiss (Cancellation Nos. 92055519 and 920555690

We turn first to the motions to dismiss.

To avoid dismissal, petitioner needs to allege such facts in the petitions to cancel as would, if proved, show (1) that petitioner has standing to petition for

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cancellation of the registered mark and (2) that a statutory ground for cancelling such registration exists. See TBMP § 503.02 (3d ed. rev. 2012) and cases cited therein.

With respect to standing, petitioner must allege facts in the petition to cancel which, if ultimately proven, would establish that petitioner has a "'real interest' in the cancellation proceeding." *Herbko International Inc. v. Kappa Books Inc.*, 308 F.3d 1156, 64 USPQ2d 1375, 1377 (Fed. Cir. 2002) (citing *International Order of Job's Daughters v. Lindeburg & Co.*, 727 F.2d 1087, 220 USPQ 1017, 1020 (Fed. Cir. 1984)); *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d, 1024, 213 USPQ 185, 189 (CCPA 1982). A belief in damage can be shown by establishing a direct commercial interest. *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842 (Fed. Cir. 2000).

In its motion, respondent argues that petitioner has failed to sufficiently allege standing. In particular, respondent argues that petitioner has provided a "formulaic recitation of the element of standing with a conclusory allegation" of damage. Respondent asserts that petitioner does not plead any facts to show a real interest or that it would suffer damages, and petitioner has failed to allege that "Baloru's mark gives rise to a likelihood of confusion with any of Petitioner's marks."

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In response, petitioner argues that it has sufficiently alleged standing and that respondent's arguments are without merit. Petitioner submits that the petitions to cancel show a reasonable basis for damage in view of its allegations of litigation between petitioner and respondent's distributor Brooklyn Bottling of Milton, New York, Inc. ("Brooklyn Bottling") regarding petitioner's use of TROPICAL in the marketing of competing goods.

In the respective petitions to cancel, petitioner has alleged that the term TROPICAL is unregistrable or descriptive and that respondent's marks, Registration No.



3949746 for the mark:

and Registration



No. 4120917 for the mark:

as a whole

are unregistrable, or if registrable, require a disclaimer of the term TROPICAL.

We find that petitioner has adequately alleged a real interest in this proceeding by the allegations that respondent's related company (under Section 5 of the Trademark Act, 15 U.S.C. § 1055), Brooklyn Bottling, and

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petitioner are direct competitors in the soft drink market and both use the term TROPICAL in the marketing and sale of their goods. See e.g., *Stuart Spector Designs Ltd. v. Fender Musical Instruments Corp.*, 94 USPQ2d 1549, 1553 (TTAB 2009) (competitors have standing to oppose registration based on alleged genericness and lack of distinctiveness of product configuration); *Plyboo America Inc. v. Smith & Fong Co.*, 51 USPQ2d 1633, 1634 (TTAB 1999) (direct competitor has standing to oppose on descriptiveness ground having alleged a present or prospective right to use a term descriptively in its business).

Respondent has not argued that the grounds for cancellation are insufficient, and we find that petitioner has adequately pleaded grounds for cancellation in both proceedings. See *Montecash LLC v. Anzar Enterprises, Inc.*, 95 USPQ2d 1060 (TTAB 2010) (partial cancellation by way of entry of disclaimer of generic term available for mark less than five years old); *Kellogg Co. v. Pack'Em Enterprises, Inc.*, 14 USPQ2d 1545 (TTAB 1990) (registration less than five years old may be cancelled on the ground that an undisclaimed portion of the mark is merely descriptive of the identified goods or services and that the mark should not be registered without a disclaimer of that portion).

Motions for Summary Judgment (Cancellation Nos. 92055519 and 92055569)

We now turn to the motions for summary judgment.

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A party is entitled to summary judgment when it has demonstrated that there is no genuine dispute as to any material fact and that it is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(a). In reviewing a motion for summary judgment, the evidentiary record and all reasonable inferences to be drawn from the undisputed facts must be viewed in the light most favorable to the nonmoving party. *Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542, 1544 (Fed. Cir. 1992).

Respondent has argued that the motion for summary judgment is premature because petitioner served its initial disclosures prior to the deadline for the discovery conference and prior to the deadline for service of initial disclosures.

In response, petitioner argues that this argument regarding timeliness is "disingenuous."<sup>1</sup>

Inasmuch as a party may serve its initial disclosures at any time prior to the deadline for such disclosures under Trademark Rule 2.120(a)(2)<sup>2</sup>, we find the motions for summary judgment are not premature.

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<sup>1</sup> In its motion, petitioner states that it served initial disclosures on May 3, 2012 in Cancellation No. 92055519 and on June 5, 2012 in Cancellation No. 92055569.

<sup>2</sup> The rule sets forth the deadline for making the disclosures i.e., "no later than thirty days after the opening of the discovery period" but puts no restrictions on making the disclosures sooner.

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We now turn to the merits of the motions for summary judgment.

Petitioner's motions for summary judgment are based on an admission made by Eric Miller, President of Brooklyn Bottling. Petitioner argues that Brooklyn Bottling is related to respondent in light of the assignment of the registered trademark TROPICAL PURO SABOR NACIONAL to respondent. Specifically, petitioner relies on a statement made in an affidavit filed in litigation between petitioner and Brooklyn Bottling involving the registered trademark TROPICAL PURO SABOR NACIONAL. The relied upon statement made by Eric Miller is "Brooklyn Bottling is not claiming that Defendant [Ecuabeverage Corporation] cannot use the term 'tropical' to market its product." Petitioner submits that based on this statement, "Baloru, by logical extension, cannot claim exclusivity to use of 'tropical' as an indicia of the source of its goods. . . ."

Respondent has raised a host of arguments regarding this admission including that this statement is inadmissible hearsay, it has not had an opportunity to cross-examine the witness, and petitioner has failed to seek leave of the Board to use this testimony on summary judgment under Trademark Rule 2.122(f).<sup>3</sup>

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<sup>3</sup> Respondent has also made arguments regarding its affirmative defenses, so as to raise a genuine issue, but we note that equitable defenses such as laches, acquiescence, waiver and

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In response, petitioner argues that the affidavit does not constitute testimony, but that if the Board does not agree with this position, then it seeks leave under Rule 2.122(f) to use the affidavit in connection with its motion for summary judgment. Petitioner further argues that the admission is admissible under Fed. R. Evid. 803(15) (document affects an interest in property) and Fed. R. Evid. 801(d)(2) (admission against interest) and that on summary judgment, respondent cannot provide testimony to contradict the admission in order to raise a genuine dispute.

"The Board has construed the term "testimony," as used in 37 CFR § 2.122(f), as meaning only trial testimony, . . . or a discovery deposition which was used, by agreement of the parties." TBMP § 530. Accordingly, the affidavit submitted in the civil litigation does not constitute testimony under Trademark Rule 2.122(f). *Id.*

Even if we were to find the statement of Mr. Miller admissible and probative, it is not binding with respect to the ultimate legal conclusion in this case regarding the unregistrability or descriptiveness of the term TROPICAL as such matters are left for the fact finder. See *Interstate Brands Corp. v. Celestial Seasonings, Inc.*, 576 F.2d 926, 198 USPQ 151 (CCPA 1978) ("*Under no circumstances, may a*

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estoppel are unavailable against genericness or descriptiveness claims. See e.g., *See TBC Corporation v. Grand Prix Ltd.*, 12 USPQ2d 1311 (TTAB 1989).

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*party's opinion, earlier or current, relieve the decision maker of the burden of reaching his own ultimate conclusion on the entire record.*") (emphasis added); *Domino's Pizza, Inc. v. Little Caesar Enterprises, Inc.*, 7 USPQ2d 1359 (TTAB 1988) (opposer's de facto admission of non-descriptiveness considered probative, although not binding, on Board in determination of 2(e)(1) claim). That is, it does not establish that respondent has conceded that the term is descriptive and must be disclaimed, apart from the mark as a whole in the registration.

In view of the above, we find that, at a minimum, genuine disputes of material fact remain before we can decide that the registration must be cancelled absent a disclaimer of the term TROPICAL. In particular, the issue of whether TROPICAL is a descriptive term remains in dispute. In view thereof, petitioner's motions for summary judgment are denied.<sup>4</sup> For the same reason, respondent's one paragraph request that the Board grant summary judgment to respondent as non-movant is also denied. See *The Clorox Co. v. Chemical Bank*, 40 USPQ2d 1098 (TTAB 1996) (Board may sua sponte enter summary judgment for non-moving party if

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<sup>4</sup> The fact that we have identified and discussed a certain genuine dispute of material fact as a sufficient basis for denying petitioner's motions for summary judgment should not be construed as a finding that this is necessarily the only issue which remains for trial.

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there are no material facts in dispute and judgment is appropriate as a matter of law).

Motions for Sanctions (Cancellation Nos. 92055519 and 92055569)

We now turn to respondent's motions for sanctions.

Respondent argues that petitioner's arguments on summary judgment "can only be characterized as an assertion of acquiescence," an affirmative defense, which is not a ground for cancellation and that the motions for summary judgment were filed in bad faith and for harassment.

In response, petitioner argues that the Rule 11 motions are frivolous and procedurally flawed.

Fed. R. Civ. P. 11(c)(2) provides a twenty-one day "safe harbor" provision which allows a party or attorney to correct or withdraw a challenged submission. Respondent failed to comply with the "safe harbor" provision of Fed. R. Civ. P. 11.

Inasmuch as respondent failed to follow the safe harbor provision of Rule 11, the motions for Rule 11 sanctions are denied. TBMP § 527.02.

Consolidation (Cancellation Nos. 92055519, 92055569 and 92056294)

The Board has reviewed the above-identified proceedings and finds that the proceedings involve the same parties, similar marks and similar questions of law and fact. Accordingly, in the interest of judicial economy, the Board

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finds consolidation of the proceedings appropriate. See Fed. R. Civ. P. 42(a) and TBMP § 511.

The parties are also involved in Cancellation Nos. 92051197 and 92051242, which are presently consolidated with Cancellation No. 92056294<sup>5</sup> (involving a different party defendant). That consolidated proceeding is presently suspended for the civil action involving petitioner and Brooklyn Bottling. Motions to dismiss are also pending in those consolidated proceedings but presently deferred until resumption after conclusion of the civil action. We have determined that we shall not consolidate Cancellation Nos. 92055519, 92055569 and 92056294 with the earlier consolidated Board proceedings, Cancellation Nos. 92051197, 92051242 and 92056294, due to the pending motions and different procedural posture of the earlier consolidated proceedings. However, such consolidation may be revisited at a later date, if appropriate.

Accordingly, Cancellation Nos. 92055519, 92055569 and 92056294 are hereby consolidated and may be presented on the same record and briefs. The record will be maintained at the Board in Cancellation No. 92055519 as the "parent" case,

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<sup>5</sup> The parties have jointly sought to sever Cancellation No. 92051263, which motion is deferred.

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but all papers filed in these cases should include all proceeding numbers in ascending order.<sup>6</sup>

Proceedings are resumed.

The due date for answer in Cancellation No. 92056294 remains as set, which is **November 18, 2012**. Dates in the consolidated proceeding are reset to follow the discovery conference, disclosure, discovery and trial schedule of the most junior case, Cancellation No. 92056294.

Time to Answer Cancellation No. 92056294	11/18/2012
Deadline for Discovery Conference	12/18/2012
Discovery Opens	12/18/2012
Initial Disclosures Due	1/17/2013
Expert Disclosures Due	5/17/2013
Discovery Closes Consolidated Cases	6/16/2013
Plaintiff's Pretrial Disclosures Due	7/31/2013
Plaintiff's 30-day Trial Period Ends	9/14/2013
Defendant's Pretrial Disclosures Due	9/29/2013
Defendant's 30-day Trial Period Ends	11/13/2013
Plaintiff's Rebuttal Disclosures Due	11/28/2013
Plaintiff's 15-day Rebuttal Period Ends	12/28/2013

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

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

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<sup>6</sup> The parties are ordered to advise the Board of any related inter partes proceedings at the Board.