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Filing date: **03/10/2005**

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

<b>Proceeding</b>	91125588
<b>Party</b>	Defendant GRACO, INC. ,
<b>Correspondence Address</b>	STEPHEN R. BAIRD WINTHROP & WEINSTINE, P.A. 225 South Sixth Street; Suite 3500 MINNEAPOLIS, MN 55402
<b>Submission</b>	Motion to Suspend for Civil Action
<b>Filer's Name</b>	Samuel T. Lockner
<b>Filer's e-mail</b>	slockner@winthrop.com
<b>Signature</b>	/Samuel T. Lockner/
<b>Date</b>	03/10/2005
<b>Attachments</b>	20050310LtrMtnSuspend.pdf ( 1 page ) 20050310MtnSuspend.pdf ( 4 pages ) 20050310DeclMtnSuspend.pdf ( 10 pages ) 20050310CertSvsMtnSuspend.pdf ( 1 page )

  
WINTHROP WEINSTINE  
ATTORNEYS AND COUNSELORS AT LAW

March 10, 2005

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Commissioner of Trademarks  
**BOX TTAB – NO FEE**  
P.O. Box 1451  
Alexandria, VA 22313-1451

Re: Campbell Hausfeld/Scott Fetzer Co. v. Graco, Inc.  
Opposition No. 91,125,588

Dear Commissioner:

Enclosed for filing in connection with the above-identified matter please find:

1. Applicant's Motion to Suspend;
2. Declaration of Samuel T. Lockner; and
3. Certificate of Service.

Very truly yours,

WINTHROP & WEINSTINE, P.A.



Samuel T. Lockner  
STL/mmr  
Enclosures  
2231081v1

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

CAMPBELL HAUSFELD/SCOTT FETZER CO.	)	Opposition No.: 91/125,588
	)	
	)	Mark: The Color Blue
	)	
vs.	)	Serial No.: 75/621,248
	)	
GRACO, INC.	)	Filed: January 13, 1999
	)	
	)	Published: March 26, 2002
	)	
	)	
	)	

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**APPLICANT’S MOTION TO SUSPEND**

Pursuant to 37 C.F.R. § 2.127(d) and 37 C.F.R. § 2.117(c), Applicant Graco, Inc. (“Applicant”) moves the Trademark Trial and Appeal Board (the “Board”) for an order suspending the above captioned proceeding pending the disposition of Applicant’s Motion to Dismiss filed contemporaneously herewith.

Applicant is filing a motion to dismiss in lieu of an answer to Campbell Hausfeld/Scott Fetzer Co.’s (“Opposer”) Second Amended Notice of Opposition. For that reason, the Board should suspend this proceeding pursuant to 37 C.F.R. § 2.127(d) pending the disposition of Applicant’s Motion to Dismiss. The Board should also suspend this proceeding pursuant to 37 C.F.R. § 2.117(c) based on the following good cause: (1) a pending dispositive motion; and (2) undetermined triable issues.

## STATEMENT OF FACTS

Applicant hereby incorporates by reference the Statement of Facts supplied in Applicant's Motion to Dismiss and Embodied Memorandum in Support of Its Motion dated March 10, 2005.

## ARGUMENT

### **I. Formal Suspension Is Appropriate When a Party Files a Motion to Dismiss.**

"When any party files a motion to dismiss . . . the case will be suspended by the Trademark Trial and Appeal Board with respect to all matters not germane to the motion. . ." 37 C.F.R. § 2.127(d). "[T]he Board will always suspend a case in which a potentially dispositive motion has been filed." *U.S. Olympic Comm. v. Dr. Ing.H.C.F. Porsche AG*, 2001 WL 760043 at \*2 (T.T.A.B. July 6, 2001) (attached to Lockner Declaration as Exhibit A). Indeed, suspension is proper when a party files a motion that is potentially dispositive of only one claim even if other claims subsist. *See id.*

Here, Applicant has moved the Board for an order dismissing one of Opposer's grounds for opposition; specifically, its Section 2(d) claim. (Mot. to Dismiss.) Applicant's motion to dismiss, if granted, will result in disposition of Opposer's Section 2(d) claim. Accordingly, this proceeding should be suspended under 37 C.F.R. § 2.127(d) until such time as Applicant's Motion to Dismiss is decided and the relevant issues are defined.

### **II. Good Cause Exists To Suspend the Proceeding Until the Board Rules On Applicant's Pending Motion to Dismiss.**

In addition to the Board's clear authority and responsibility to suspend this proceeding under 37 C.F.R. § 2.127(d) because of Applicant's pending Motion to Dismiss, Applicant's Motion to Suspend should also be granted pursuant to 37 C.F.R. § 2.117(c) for good cause.

**A. A Pending Motion to Dismiss Constitutes Good Cause.**

37 C.F.R. § 2.127(d) requires the conclusion that a pending motion to dismiss constitutes “good cause” for suspension pending disposition of the motion. When a party files a potentially dispositive motion, the parties are presumed to know that such a motion will result in the suspension of the proceeding. *Leeds Techs. Ltd. v. Topaz Communications Ltd.*, 2002 WL 1628149 at \*4 (T.T.A.B. July 9, 2002) (attached to Lockner Declaration as Exhibit B). In such a case, the parties have good cause for ceasing to work on the case. *Id.* (“[S]ince parties are presumed to know that the filing of a potentially dispositive motion will result in a suspension order, the filing of such a motion generally will provide parties with good cause to cease or defer activities unrelated to the briefing of such motion”). If good cause exists to cease working on a case, it necessarily follows good cause exists to suspend during the idle period.

Moreover, good cause for suspension has been based on the filing of motions far less material to the outcome of proceedings than a motion to dismiss. For instance, the filing of a non-dispositive motion such as a motion to compel may constitute good cause for suspending a proceeding. *See Jain v. Ramparts Inc.*, 49 U.S.P.Q.2d 1429, 1430 (T.T.A.B. 1998) (granting motion to suspend based on the filing of motions to compel, which constituted good cause for suspension). If non-dispositive discovery motions constitute good cause for suspension, certainly a motion potentially dispositive of an entire claim constitutes good cause.

**B. The Uncertainty of Triable Issues Constitutes Good Cause For Suspension.**

Because the Board has not yet ruled on Applicant’s Motion to Dismiss, the parties presently do not know all the issues to be tried in this proceeding. Indeed, no Answer has been filed to date; thus, the respective positions of each party have not been identified or defined. Absent suspension, the parties would be forced to engage in either costly, inefficient, and

misguided discovery on Opposer's 2(d) claim or proceed tentatively through piecemeal discovery by advancing discovery only on claims other than Opposer's Section (d) claim. Neither of these methods provides a suitable, efficient, and cost-effective manner by which to proceed. Therefore, there is good cause to suspend this proceeding pending the outcome of Applicant's Motion to Dismiss.

**CONCLUSION**

For the foregoing reasons, Applicant respectfully requests that the Board suspend this proceeding pending the disposition of Applicant's motion to dismiss.

Date: March 10, 2005

/s/Samuel T. Lockner  
Stephen R. Baird  
Peter J. Gleekel  
Samuel T. Lockner  
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Attorneys for Graco, Inc.

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

CAMPBELL HAUSFELD/SCOTT FETZER )	Opposition No.: 91/125,588
CO. )	
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Commissioner for Trademarks  
2900 Crystal Drive  
Arlington, VA 22202-3513

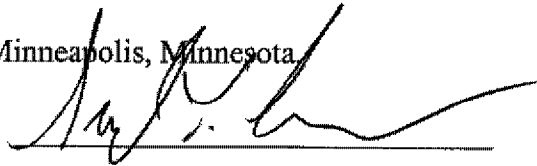
**DECLARATION OF SAMUEL T. LOCKNER**

COMES NOW, Samuel T. Lockner, to state and declare as follows:

1. I am an attorney with the law firm of Winthrop & Weinstine, P.A. representing the Applicant in the above-referenced matter and I am competent to testify to the matters stated herein. I possess personal knowledge as to the information set forth below.
2. A true and correct copy of *U.S. Olympic Comm. v. Dr. Ing.H.C.F. Porsche AG*, 2001 WL 760043 (T.T.A.B. July 6, 2001) is attached as Exhibit A.
3. A true and correct copy of *Leeds Techs. Ltd. v. Topaz Communications Ltd.*, 2002 WL 1628149 (T.T.A.B. July 9, 2002) is attached as Exhibit B.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed this 10th day of March, 2005, at Minneapolis, Minnesota



Samuel T. Lockner

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

\*1 UNITED STATES OLYMPIC COMMITTEE

v.

DR. ING.H.C.F. PORSCHE AG

Opposition No. 111,654

July 6, 2001

Before Cissel, Wendel and Holtzman

Administrative Trademark Judges.

**Exhibit A**

By the Board:

This case now comes up on the following motions:

- a) Applicant's contested motion (filed August 19, 1999) to strike portions of the notice of opposition;
- b) Opposer's consented motion (filed September 8, 1999) to extend its time to respond to applicant's motion to strike;
- c) Opposer's contested motion (filed March 10, 2000) to suspend;
- d) Applicant's contested motion (filed March 15, 2000) to dismiss under Trademark Rule 2.132(a); and
- e) Opposer's uncontested motion (filed February 1, 2001) to amend the notice of opposition.

Motion to Strike

Opposer's consented motion to extend its time to respond to applicant's motion to strike is hereby approved.

Applicant has moved to strike paragraphs 11 and 16 and certain portions of paragraph 4 and the "wherefore" clause from the notice of opposition. The relevant clauses are set out as follows:

4. Registration of Applicant's mark PAN AMERICANA, being a close approximation of USOC's PAN AMERICAN marks set forth in paragraphs hereafter, would be a violation of Sections 2(a) and 2(d) of the Lanham Act.

11. Registration of Applicant's mark will dilute the distinctiveness of the Pan American Marks and reduce the value of the goodwill associated therewith.

16. As a second and additional ground for opposition and based on the following facts, Opposer alleges and asserts that the mark PAN AMERICANA falsely suggests a connection with Opposer within the meaning of Section 2(a) of the Lanham Act.

WHEREFORE, Opposer believes that it is and will be damaged by registration of the mark PAN AMERICANA, Application Serial No. 74/712,067 and opposes registration thereof under §§ 2(a) and 2(d) of the Lanham Act.

Applicant argues that because the opposition includes a claim of likelihood of confusion under Section 2(d) of the statute, opposer is barred from also opposing based on false suggestion of a connection under Section 2(a) of the statute. As opposer correctly argues however, citing Institut National Des Appellations d'Origine v. Brown-Forman Corporation, 47 USPQ2d 1875 (TTAB 1998), these claims may be pleaded together.

Applicant also maintains that opposer has not sufficiently pleaded a ground of dilution. In response, opposer indicates that paragraph 11 "is intended to demonstrate the depreciation in value of Opposer's marks and not as a claim of dilution under state of federal laws. Accordingly, relief under any theory of dilution is not sought by Opposer. Since there is no claim of dilution in the Notice of Opposition, it is inappropriate to request the Board to strike the same."

Inasmuch as claims of likelihood of confusion and false suggestion of a connection may be pleaded in tandem, and because opposer is not advancing a dilution claim, applicant's motion to strike the statements referenced above is hereby denied.

#### Motion To Suspend pending Disposition of Applicant's Motion To Strike

\*2 Opposer filed its motion to suspend after the close of its testimony period. In essence, applicant argues that opposer has not made a showing of excusable neglect, which is the standard required for reopening discovery and testimony periods.

Opposer asserts that applicant's motion to strike is potentially dispositive of the case and, therefore, the Board should have suspended under Trademark Rule 2.127(d). While the Board will always suspend a case in which a potentially dispositive motion has been filed, proceedings in such a case are not formally suspended until the Board issues a suspension order. Because applicant's motion to strike is potentially dispositive of opposer's claim under Section 2(a), opposer's motion to suspend is hereby granted as well taken; and proceedings now are considered to have been suspended pending decision on applicant's motion to strike. See Trademark Rule 2.127(d). Accordingly, dates are reset below.

#### Motion To Dismiss under Trademark Rule 2.132(a)

In view of the Board's decision herein to consider proceedings suspended pending decision on applicant's motion to strike, applicant's motion to dismiss under Trademark Rule 2.132(a) for failure to prosecute is hereby denied.

#### Motion to Amend Notice of Opposition

Opposer's motion to amend its notice of opposition is hereby granted as conceded. See Trademark Rule 2.127(a). In view thereof, opposer's amended notice of opposition is accepted. See Trademark Rule 2.107.

A copy of the amended notice of opposition is forwarded herewith to counsel for applicant. (See Trademark Rule 2.119).

Applicant is allowed until forty days from the mailing date stamped on this order to file an answer to the amended notice of opposition.

Accordingly, proceedings herein are resumed and trial dates, including the close of discovery, are reset as follows:

THE PERIOD FOR DISCOVERY TO CLOSE:	October 15, 2001
30-day testimony period for party in position of plaintiff to close:	January 13, 2002
30-day testimony period for party in position of defendant to close:	March 14, 2002
15-day rebuttal testimony period for plaintiff to close:	April 28, 2002

2001 WL 760043 (Trademark Tr. & App. Bd.)  
(Cite as: 2001 WL 760043 (Trademark Tr. & App. Bd.))

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.

\*3 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.

The Board apologizes for the delay in acting on this case.

2001 WL 760043 (Trademark Tr. & App. Bd.)

END OF DOCUMENT

C

\*1 THIS OPINON IS CITABLE AS PRECEDENT OF THE T.T.A.B.

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)  
LEEDS TECHNOLOGIES LIMITED

v.

TOPAZ COMMUNICATIONS LTD.

Opposition No. 123,449

Mailed: July 9, 2002

Before Hohein, Hairston and Rogers

Administrative Trademark Judges

By the Board:

**Exhibit B**

GOODMAN

Leeds Technologies Limited (hereinafter "Leeds"), a United Kingdom corporation, filed a notice of opposition on June 18, 2001, alleging that application Serial No. 75/773,337 for the trademark LIP STICK filed by Topaz Communications Ltd. (hereinafter "Topaz") on August 11, 1999, currently based on Section 44(e), is void ab initio since Topaz's claim of Section 44(d) priority is based on a United Kingdom application (No. 2,188,474) which Topaz does not own.

In particular, Leeds alleges that Leeds and Topaz entered into a joint venture agreement in 1999 in which Topaz agreed to assign all "right, title or interest" in the U.K. trademark registration for LIP STICK to Leeds; that Topaz renounced all rights to the U.K. trademark LIP STICK or any other trademark application for the mark LIP STICK upon assignment to Leeds; and that Topaz filed its U.S. application for the trademark LIP STICK knowing that it did not own U.K. registration no. 2,188,474 and falsely claiming that it had a bona fide intent to use the trademark LIP STICK in the United States.

On August 24, 2001, applicant filed its answer, denying the salient allegations of the notice of opposition.

This case now comes up on the following motions:

- 1) opposer's motion, filed October 4, 2001, for judgment on the pleadings;
- 2) opposer's motion, filed October 4, 2001, to suspend discovery pending disposition of its motion for judgment on the pleadings; and
- 3) applicant's motion, filed December 12, 2001, to amend application Serial No. 75/773,337, the subject application in this proceeding, to "reinstate" [FN1] its intent-to-use basis under 15 U.S.C. Section 1051(b) as an additional basis for the application. [FN2]

The motions are fully briefed.

We turn first to opposer's motion for judgment on the pleadings. In support of its motion, opposer argues that there is no genuine issue of material fact that applicant was not the owner of the foreign application at the time of filing its

involved application and, therefore, application Serial No. 75/773,337 is void. Opposer further argues that applicant admits in its answer that applicant assigned the U.K. application upon which the Section 44(d) priority claim is based to opposer; that applicant has made "no well-pleaded factual allegations which raises [sic] an issue of fact"; and that none of applicant's affirmative defenses contains "well-pleaded factual allegations which raise issues that would prevent the Board from ruling in opposer's favor" or "call into question the undisputed fact that applicant did not own the U.K. application at the time it filed the [U.S.] application claiming priority."

\*2 In response, applicant argues that there are genuine issues placed in dispute by the parties' pleadings; that applicant denied in its answer "that opposer had acquired rights in the U.K. mark prior to applicant's filing of the U.S. application or that opposer had acquired any rights to the mark in the United States"; [FN3] that applicant's denials in its answer to the notice of opposition "left material issues--such as the timing, execution, scope, effect and enforceability of the document appended as exhibit A to the notice of opposition ... open for discover"; and that when the pleadings "taken as a whole" are considered, they raise issues that preclude entry of judgment on the pleadings.

In reply, opposer argues that regardless of the denials included by applicant in its answer, the admissions made in paragraphs 2, 3 and 5 of applicant's answer [FN4] "resolve this proceeding", and therefore, judgment on the pleadings is appropriate.

A motion for judgment on the pleadings is designed to provide a means of disposition of a case when the material facts are not in dispute and judgment on the merits can be achieved by focusing on the pleadings. [FN5] See Fed. R. Civ. P. 12(c). For purposes of the motion, all well-pleaded factual allegations of the nonmoving party are assumed to be true, and the inferences drawn therefrom are to be viewed in a light most favorable to the nonmoving party. Wright & Miller, Federal Practice and Procedure: Civil 2d Section 1368 at 524 (1990). A motion for judgment on the pleadings will only be granted when the moving party establishes that no material issue of fact remains to be resolved and that it is entitled to judgment as a matter of law. See, e.g., Baroid Drilling Fluids, Inc. v. Sun Drilling Products, 24 USPQ2d 1048 (TTAB 1992). An unresolved material issue of fact may result from an express conflict on a particular point between the parties' respective pleadings or from defendant's pleading of new matter and affirmative defenses in its answer. Wright & Miller, supra Section 1368, at 527. Thus, a plaintiff may not secure a judgment on the pleadings when the answer raises issues of fact that, if proved, would defeat plaintiff's claim. See e.g., Austad v. U.S. 386 F.2d 147 (9th Cir. 1967).

Upon consideration of the parties' arguments and the pleadings, we find that material issues of fact are raised by the express conflict between the parties' pleadings as well as by defendant's pleading of affirmative defenses in its answer.

In this case, applicant has denied in full paragraph 1 and paragraphs 7 through 12 of the notice of opposition and denied in part paragraphs 2 through 6 of the notice of opposition. Additionally, applicant has pled 11 affirmative defenses. At a minimum, applicant's partial denial of paragraphs 2 through 4 of the opposition, which relate to opposer's allegations of the assignment of rights to, and ownership of, the U.K. application at the time of applicant's filing of the U.S. application, are sufficient to raise a genuine issue of material fact.

\*3 Accordingly, opposer's motion for judgment on the pleadings is denied.

Turning next to opposer's request to suspend, opposer has requested that discovery be suspended pending disposition of the motion for judgment on the pleadings. In response, applicant argues that opposer's motion should be denied because opposer's failure to timely serve its discovery responses after the filing of opposer's motion for judgment on the pleadings was an act of bad faith. Specifically, applicant asserts that opposer's responses were due on October 10, 2001, and that, without waiting for a ruling from the Board, opposer's counsel "unilaterally decided not to answer the outstanding discovery requests."

The filing of a potentially dispositive motion, such as the motion for judgment on the pleadings here, does not automatically suspend a case, inasmuch as proceedings are not suspended until the Board issues a suspension order. See SDT Inc. V. Patterson Dental Co., 30 USPQ2d 1707 (TTAB 1994). See also TBMP Section 510.03. However, since the parties are presumed to know that the filing of a potentially dispositive motion will result in a suspension order, the filing of such a motion generally will provide parties with good cause to cease or defer activities unrelated to the briefing of such motion.

Accordingly, while proceedings had not been officially suspended by the Board at the time opposer's discovery responses were due, the Board, in this instance, will consider proceedings suspended retroactive to the date of filing of opposer's motion for judgment on the pleadings, and opposer will have an opportunity to serve its responses to applicant's discovery as indicated below.

We now turn to applicant's motion to "reinstate" its Section 1(b) basis. The Board has jurisdiction over the application and will determine the propriety of applicant's proposed amendment. See Trademark Rule 2.133(a). The Board construes applicant's motion as a post-publication request to add a Section 1(b) basis, pursuant to Trademark Manual of Examining Procedure (3rd Ed. 2002), § 806.03 and Trademark Rules 2.35(b) and 2.133(a). [FN6]

In support of its motion to add the Section 1 (b) basis for registration, applicant states that the proposed amendment "relates back to the time of the original filing" of application Serial No. 75/773,337 since the application was originally based both upon intent-to-use under Section 1(b) and upon Section 44(e), with a claim of priority under Section 44(d); that the amendment does not materially change the mark or the specification of goods; and that the amendment will cause no undue prejudice.

In response, opposer argues that applicant is attempting to reinstate the Section 1(b) basis to a void application; that applicant's application as filed with both the Section 44(e) (with a claim of priority under Section 44(d)) and Section 1(b) bases is void ab initio due to applicant's lack of ownership of the foreign application; that applicant has cited no authority to support its motion to reinstate its Section 1(b) basis after its prior deletion; and that allowing such an amendment would "create an improper precedent and unduly prejudice opposer."

\*4 In reply, applicant argues that applications may be amended after publication to add any statutory basis for registration; that opposer "cannot and does not claim prejudice from reinstatement of the intent-to-use basis"; that "intent-to-use the trademark LIP STICK is one of the issues" raised by opposer in its notice of opposition that is disputed by the parties, inasmuch as paragraph no. 8 of the notice of opposition which alleges that applicant falsely claimed a bona fide intention to use the mark LIP STICK, has been denied by applicant; and that the intent-to-use basis under Section 1(b) "furnishes a separate and independent ground for the application which does not depend upon ownership of the foreign mark."

In prior cases, the Board has denied motions to add or substitute a new statutory basis for registration after publication because Office policy did not allow such amendments. The rationale was that acceptance of such an amendment would be disruptive to the orderly examination of subsequent applications and would be unfair to third parties who need to know the asserted basis or bases for registration, with certainty, at the time of publication, so that they can weigh their own rights against those of the applicant and make informed judgments as to whether to oppose. Goodway Corp. v. International Marketing Group Inc., 15 USPQ2d 1749 (TTAB 1990); Sherlock's Home Inc. v. Tippling House Ltd., 10 USPQ2d 1709 (TTAB 1989); Societe Des Produits Marnier Lapostolle v. Distillerie Moccia S.R.L., 10 USPQ2d 1241 (TTAB 1989). However, these decisions pre-date the Commissioner's decision in In re Monte Dei Maschi Di Siena, 34 USPQ2d 1415 (Comm'r Pats. 1995), which changed the Office's policy towards post-publication amendments to add or substitute a basis, as well as recent amendments to the Trademark Rules. In In re Monte, the Office allowed an applicant, after publication, to add a Section 44(e) basis for registration via a petition to the Commissioner. The Commissioner granted the request but also stated that post-publication changes to basis/bases of an application (not involved in a Board proceeding) require permission of the Commissioner obtained via petition and require republication of the mark. [FN7] See TMEP § 806.03(a). Such Office practice was codified on October 30, 1999. See Trademark Law Treaty Implementation Act Changes (to the Trademark Rules of Practice and Procedure), published in the Federal Register at 64 FR 48900 (Sept. 8, 1999) and in the Official Gazette at 1226 TMOG 103 (Sept. 28, 1999); and Trademark Rule 2.35. In light of In re Monte and the change in Office Practice allowing post-publication amendments to add or substitute a basis, followed by reexamination, when necessary [FN8], and republication, the Board's previous decisions regarding such amendments no longer appear to be good law. See also Botanical Interests Inc. v. Primavera, Ltd., supra, n. 7 (post-publication substitution of basis from Section 1(a) to Section 1(b) allowed under recent amendments to Office rules). Accordingly, post-publication amendments to the basis for an application, pursuant to Trademark Rules 2.35 and 2.133(a), are now allowed.

\*5 In light of the above, we defer further consideration of applicant's motion to add an additional basis for its application until final decision. See Botanical Interests Inc., supra; Space Base Inc. v. Stadis Corp., 17 USPQ2d 1216 (TTAB 1990). Consequently, the parties should be permitted to conduct discovery on this matter and argue these issues at trial. Accordingly, opposer is allowed until THIRTY DAYS from the mailing date of this order to amend its pleading to set forth an alternative or hypothetical ground as an additional basis for opposition, in anticipation of the possibility that, at final hearing, we will grant applicant's amendment to add a Section 1(b) basis to the application. [FN9]

Upon receipt of an amended pleading, the Board will set applicant's time to file an amended answer. Proceedings are resumed. The parties are allowed until THIRTY DAYS from the mailing date stamped on this order to serve responses to any outstanding discovery requests. Trial dates, including the close of discovery, are reset as follows:

DISCOVERY PERIOD TO CLOSE:	November 6, 2002
30-day testimony period for party in position of plaintiff to close:	February 4, 2003
30-day testimony period for party in position of defendant to close:	April 5, 2003

15-day rebuttal testimony period for party in position of  
plaintiff to close:

May 20, 2003

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 Rule 2.125(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.

FN1. Applicant deleted the Section 1(b) basis prior to the mark being published for opposition. Section 1(b) was an additional basis for the application upon filing.

FN2. With regard to this motion, opposer filed, on January 31, 2002, a motion for extension of time to respond, which we construe as a motion to reopen. Inasmuch as applicant has indicated that it will not object thereto, the motion to reopen is granted, and opposer's response to applicant's motion has been considered.

FN3. Opposer has alleged in paragraph no. 4 of the notice of opposition that the parties entered into a joint venture agreement in 1999 in which applicant assigned all U.K. trademark rights for the mark LIP STICK to opposer and that the agreement also covered the assignment of U.S. rights to the mark LIP STICK. Paragraph no. 4 states, in part, that "the parties to the Joint Venture Agreement intended Leeds Technologies to have all rights to the mark, including rights in the United States." Applicant has denied paragraph 4 of opposer's notice of opposition.

FN4. Paragraph 2 of applicant's answer admits that "applicant executed a document, a copy of which is attached as exhibit A to the Notice of Opposition, pertaining to an agreement to assign to opposer certain rights in the United Kingdom to a United Kingdom trademark for which applicant had applied for registration in the United Kingdom. The terms of exhibit A of the Notice of Opposition speak for themselves." Paragraph 3 of applicant's answer states that "the terms of exhibit A to the Notice of Opposition speak for themselves." In paragraph 5 of applicant's answer, applicant "admits that applicant filed the subject United States application."

FN5. While exhibit A attached to opposer's pleading is not a matter outside the pleading, we have not considered opposer's exhibit A in determination of this motion inasmuch as under our rules such an exhibit to a pleading is not considered evidence on behalf of a party unless identified and introduced as an exhibit during a testimony period. See Trademark Rule 2.122(c). Additionally, applicant's exhibits filed in response to the motion for judgment on the pleadings have not been considered in our determination of the motion as they are matters outside the pleadings. See TBMP Section 504.03, citing Fed. R. Civ. P. 12(c), and Dunkin Donuts of America Inc. v. Metallurgical Exoproducts Corp., 840 F.2d 917, 6 USPQ2d 1026 (Fed. Cir. 1988).

FN6. Though applicant refers to "reinstatement" rather than "addition" of the basis, the considerations presented by the motion to amend are the same as those presented by any attempt to add a basis to an application after publication.

FN7. An amendment to add or substitute a basis is allowed provided that applicant has a continuing valid basis for registration. TMEP § 806.03. Whether applicant's Section 44 basis is valid is a question not now before us. In the event the Section 44 basis is proven defective or should applicant choose to delete the Section 44 basis, we will consider the amendment to "add" Section 1(b) to be a de facto post-publication substitution of basis. As the comments and responses to the Trademark

Law Treaty Implementation Act Changes to the Trademark Rules of Practice and Procedure make clear, the Office will presume an intent-to-use basis is a valid continuing basis at the time of filing, provided there is no contradictory evidence in the record. See comments to Trademark Rule 2.35(c), Federal Register at 64 FR at 48904 (Sept. 8, 1999) and in the Official Gazette at 1226 TMOG 103 (Sept. 28, 1999). See e.g., Botanical Interests Inc. v. Primavera, Ltd., \_\_\_ USPQ2d \_\_\_ (Opposition No. 107,262, TTAB, March 21, 2002) (question to be considered at final hearing in opposition proceeding with regard to unconsented motion to amend from Section 1(a) to Section 1(b) basis is whether applicant had a "continuing valid basis to retain the original filing date i.e., bona fide intention to use the mark at the time it filed its application".)

FN8. In *In re Monte*, reexamination was needed to ensure that Section 44 requirements were met, but when amendment to the filing basis is in a case before the Board and the change is either from Section 1(a) to Section 1(b) or from Section 44 to Section 1(b), re-examination may not always be necessary. However, in a case where applicant loses its priority filing date because the Section 44 basis has been proven defective, re-examination is required since an application may have been filed by a third party after the priority date but before the amended filing date of applicant's application, which would now be the actual filing date of the application. In such a case, re-examination is necessary so that a search of office records can be conducted by the Examining Attorney to determine if conflicting application(s) exist, which would be those trademark applications which may not have been cited initially by the Examining Attorney due to applicant's earlier, now invalid, Section 44(d) priority filing date. For the same reason, republication under Section 1(b) is also required.

FN9. The issues to be determined at trial include whether applicant's Section 44 basis was valid at the time applicant filed its application, and with regard to applicant's motion to amend, whether applicant had a continuing valid basis under Section 1(b), that is, a bona fide intent-to-use the mark in commerce at the time of filing and to date. We note in this regard that the Office presumes applicant had a continuing intent-to-use the applied-for mark in commerce from the actual, as opposed to priority, filing date of its application. Thus, it will be opposer's obligation to plead and prove any claim it has regarding applicant's presumed intent-to-use and whether the presumptive intent-to-use was in good faith, i.e., bona fide.

If applicant's motion to amend its basis for registration to add a Section 1(b) basis to application Serial No. 75/773,337 is granted by the Board, and unless opposer prevails in this opposition proceeding on all its current or anticipated claims, the application will be forwarded to Publication and Issue for republication. We note that re-examination of the application will occur (as indicated in n. 8, supra) in the event of a loss of applicant's Section 44(d) priority filing date so that a new search of potential conflicting marks can be conducted.

