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

Proceeding	91210176
Party	Plaintiff Top Tobacco L.P.
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the Matter of Application No. 85/414,445 TOP TOBACCO, L.P., Opposer, v. NORTH ATLANTIC OPERATING COMPANY, INC., Applicant.	**OPPOSITION NO. 91210176**

OPPOSER'S MEMORANDUM IN OPPOSITION
TO APPLICANT'S MOTION TO STRIKE

The central factual issue in this proceeding is whether Applicant intentionally mischaracterized the products for which it seeks to register its ZIG ZAG mark as "cigar wraps." Top Tobacco contends that there is no such thing as "cigar wraps" and that the products are correctly described as blunt wraps, developed and marketed by Applicant and its affiliate, National Tobacco Company ("NTC"), to for drug use. NTC, which shares officers and directors with Applicant, and which is the exclusive distributor of Applicant's ZIG ZAG "cigar wraps," previously attempted to obtain trademark registrations for secondary marks that appear on the ZIG ZAG "cigar wraps" packaging. The secondary marks are flavor names that suggest drug use, such as BLU JUJU (a slang term for a marijuana cigarette), APPLE BLITZ, PURPLE THUNDER, CHERRY RUSH, and PEACH FRENZY (the "Flavor Marks"). Top Tobacco contends that the character and meaning of the Flavor Marks is probative of the true nature and intended use of Applicant's "cigar wraps." Top Tobacco also contends that NTC's conduct in

seeking registrations for the Flavor Marks is similarly probative of the true nature the products in that it shows an attempt to cloak the blunt wraps with the legitimacy arising from federal registration while concealing their true nature.

Anxious to again postpone or perhaps even avoid discovery into the true nature of its "cigar wraps" and NTC's conduct, Applicant has filed the instant Motion to Strike allegations regarding the secondary Flavor Marks and NTC. However, as detailed below, the allegations bear directly on whether Applicant's products are truly and correctly described as "blunt wraps" that are designed and sold for marijuana use, and hence are not sold for use in lawful commerce. In addition, the allegations also bear directly on whether Applicant intentionally, falsely described its products as "cigar wraps" to obtain the imprimatur of federal registration, and has therefore committed fraud in the prosecution of its application. Both of these legal positions have already been found by the Trademark Trial and Appeal Board to be valid bases for opposing a registration. *See* Consolidated Proceeding No. 92052496. Rather than being impertinent, immaterial or scandalous, therefore, these allegations serve to put Applicant on notice of the factual bases of Top Tobacco's opposition. Applicant's motion to strike should be denied.

I. TOP TOBACCO'S ALLEGATIONS ARE MATERIAL AND NOT PREJUDICIAL.

Because a motion to strike a portion of a pleading under Rule 12(f) is a "drastic remedy … often sought by the movant simply as a dilatory tactic, motions under Rule 12(f) are viewed with disfavor and are infrequently granted." 5C CHARLES ALAN WRIGHT & ARTHUR R. MILLER, FEDERAL PRACTICE AND PROCEDURE § 1380 (3d ed. 1998); *FRA S. p. A., et al v. Surg-O-Flex of America, Inc., et al.*, 194 U.S.P.Q.2d (BNA) 42, 46 (S.D.N.Y. 1976) (citing same); *See also* TBMP § 506.01 ("Motions to strike are not favored."). Matter will be stricken only if it clearly has no possible bearing on any issue in the case and will prejudice the adverse party.

Ohio State University v. Ohio University, 51 U.S.P.Q.2d (BNA) 1289, 1292 (TTAB 1999); *Harsco Corp. v. Electrical Sciences Inc.*, 9 U.S.P.Q.2d (BNA) 1570, 1571 (TTAB 1988). Courts and the Board generally permit any allegations of facts that provide fuller notice of the basis for the claims and aid in giving a full understanding of the complaint as a whole. *See Ohio State University* at 1292 ("[T]he Board…may decline to strike even objectionable pleadings where their inclusion…will provide fuller notice of the basis for a claim."); *Harsco Corp.* at 1571 ("If evidentiary facts are pleaded, and they aid in giving a full understanding of the complaint as a whole they need not be stricken."). Top Tobacco's allegations far surpass this liberal standard.

First, the challenged allegations bear directly on the central issues in this proceeding. Applicant seeks to strike allegations in Count I relating to the Flavor Marks and to its affiliate NTC (Notice of Opp. ¶¶ 5-13).[1] However, the Flavor Marks are (or were) an integral element of Applicant's ZIG ZAG wraps before they were removed following Top Tobacco's opposition. Top Tobacco alleges that the Flavor Marks suggested to consumers the true, intended use of the products -- JUJU is a colloquial term for a marijuana cigarette; while FRENZY, BLITZ, RUSH, and the others connote an altered state of consciousness. As such, the allegations relating to the Flavor Marks can hardly be described as immaterial or irrelevant. Rather, the allegations are probative of the central issue - whether the mark will be used on products that may not be sold in lawful commerce - which the Board has found sufficient to state a valid basis of opposition in two related proceedings.[2] *See* Notice of Opp. Ex. 2-3. Additionally, NTC's conduct in the

[1] Applicant's motion does not seek to strike the allegations of Count II – False Description and Fraud on the Trademark Office – other than in sweeping calls to disregard the notice of opposition completely. *See* Motion at 3, 6. Thus, by its silence, Applicant concedes the sufficiency and relevance of these factual allegations.

[2] This is the third proceeding addressing the Applicant's ZIG ZAG "cigar wraps." The first involved the flavor names, including BLUE JUJU, CHERRY RUSH, PURPLE THUNDER and APPLE BLITZ. *See* Proceeding No. 92052496. In this proceeding, the Board twice ruled that Top Tobacco's allegations relating to the nature of the putative "cigar wraps" stated a valid basis for opposition, first in denying National Tobacco's motion to dismiss and then in denying its motion for summary judgment. The first proceeding was resolved in Top Tobacco's favor when

proceedings involving the Flavor Marks, namely its withdrawal of the applications for the Flavor Marks (other than STRAIGHT UP) and cancellation of the registrations to avoid discovery into the true nature of the products, bears directly on its intent as well as the nature of the products. (*Id*. ¶¶ 7-10). Evidentiary allegations that also supply background or historical material are generally considered relevant and will not be stricken unless they are unduly prejudicial. *See Fuchs Sugar & Syrups, Inc. v. Amstar Corp.*, 402 F.Supp. 636, 637 (S.D.N.Y. 1975) (noting that "[f]acts bearing upon defendant's 'course of conduct' may carry weight"). Here, Top Tobacco's allegations are more than background; they show a similar course of conduct in attempting to gain the imprimatur of federal trademark registration for the same products. When Top Tobacco challenged registration of the Flavor Marks, NTC filed a motion to dismiss and a motion for summary judgment. After both were denied, with no other way to avoid imminent discovery, NTC retreated and abandoned its applications for the Flavor Marks. Simply put, NTC's course of conduct in avoiding the central issue of the earlier proceedings – the true nature of the ZIG ZAG wraps – is material to an examination of those products in this proceeding.

Second, Top Tobacco's allegations regarding the Flavor Marks and NTC will not unduly prejudice Applicant. Courts generally consider allegations to be prejudicial only if they refer to matters entirely beyond the scope of the case at hand. *See, e.g., Impulsive Music v. Pomodoro Grill, Inc.*, 2008 U.S. Dist. LEXIS 94148 at *8 (W.D.N.Y. 2008) (striking allegations of third-party lawsuit against defendant); *Reiter's Beer Distributors, Inc. v. Christian Schmidt Brewing Co.*, 657 F. Supp. 136, 145 (E.D.N.Y. 1987) (striking allegations involving historical litigation by nonparties and by third parties against defendant). Here, Top Tobacco's allegations concerning the Flavor Marks and NTC bear directly on the central issues in the proceeding. They

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NTC withdrew its applications and surrendered its registrations for the Flavor Marks without consent. The second proceeding, currently pending, involves the mark STRAIGHT UP, which is for an unflavored ZIG ZAG "cigar wrap." *See* Proceeding No. 91203352.

relate to the same products and the same course of conduct. The facts are far too intertwined to be considered unduly prejudicial. Rather, the allegations are wholly material and necessary to gain a complete understanding of the bases for the opposition as a whole.

Nevertheless, Applicant argues that the allegations pertaining to NTC are immaterial and irrelevant. Of course, this ignores the fact that the Applicant and NTC work together to promote and sell the ZIG ZAG branded "cigar wraps." Applicant and NTC are both subsidiaries of the same parent company (Notice of Opp. ¶ 5), and as Applicant admits in its motion, they act together to promote and sell the ZIG ZAG wraps. Motion at 5 ("Applicant is fully able to justify the sale of each and every product it, ***and indeed its affiliates*** sell …") (emphasis added). Further, the two affiliates also acted jointly in Top Tobacco's opposition to the Flavor Marks (*see* Consolidated Opposition No. 91194926 *and* Consolidated Cancellation No. 92052496) by submitting a declaration of "an employee of applicant/respondent [National Tobacco Company] and ***Brand Director for Zig-Zag*** products" in support of NTC's motion for summary judgment. *See* Notice of Opp. Ex. 3 at 2, n.2 (emphasis added). Although ownership of the marks associated with the ZIG ZAG "cigar wraps" is divided between Applicant and NTC, they act in concert when marketing, branding, and seeking to gain trademark rights in connection with the wraps. In fact, the Brand Director for ZIG ZAG, the mark at issue here, is an NTC employee. Accordingly, the allegations relating to Applicant's co-actor NTC's actions in connection with the promotion and sale of the ZIG ZAG "cigar wraps" at issue here bear directly on Top Tobacco's claims.

Finally, Applicant also asserts that Top Tobacco's allegations are "ambiguous and unclear" regarding what mark is being opposed and with respect to which goods. *See* Motion at 2. This position borders on the absurd. Top Tobacco's Notice of Opposition expressly states that

it "believes it would be damaged by registration of the mark ZIG ZAG for use in connection with 'cigar wraps,' and therefore opposes the same." Notice of Opp. at 1. The ESTTA Notice of Opposition form clearly states that "cigar wraps" are the only goods opposed in the instant application. *See Hunt Control Systems Inc. v. Koninklijke Philips Electronics N.V.*, 98 U.S.P.Q.2d (BNA) 1558, 1561 (TTAB 2011) (noting that the ESTTA form, along with any attached supplementary elaboration of the basis for the opposition, serves as the complaint in an opposition proceeding).

Top Tobacco's allegations relating to the secondary Flavor Marks that appear on the Applicant's ZIG ZAG "cigar wrap" packaging and the related proceedings between Top Tobacco and Applicant's close affiliate are probative of how the wraps are designed, sold and used, e.g. for use in making marijuana cigarettes. The allegations do not prejudice Applicant because they refer to other proceedings closely related to the current matter. Rather, the allegations provide substantial additional detail that puts Applicant on notice of the specific facts that Top Tobacco alleges establish that Applicant's "cigar wraps" are actually blunt wraps.

II. TOP TOBACCO'S ALLEGATIONS ARE NOT SCANDALOUS.

Applicant relies on conclusory statements and inapposite authority to argue that paragraphs 14 to 24 of Top Tobacco's Notice serve only to "paint Applicant in a scandalous light." Motion at 4-6. An allegation is considered "scandalous" when it "unnecessarily reflects on the moral character of an individual or states anything in repulsive language that detracts from the dignity of the court." 2 JAMES W. MOORE ET AL., MOORE'S FEDERAL PRACTICE § 12.37(3) (3rd ed. 2010). Courts will strike so-called scandalous material only if it is irrelevant and immaterial to the issues in the case. *Id.*; *Ohio State University,* 51 U.S.P.Q.2d at 1292.

Here, Top Tobacco's allegations are not directed to the moral character of Applicant, nor do they contain vulgar language. Rather, the allegations relate to the proper description of the

products associated with the ZIG ZAG mark, which as previously recognized by the Board constitutes a valid basis upon which to oppose its registration. *See* Notice of Opp. Ex. 2-3. Moreover, even if the allegations could be considered a reflection on Applicant (and not its products), they would be necessary to state the basis of opposition. Indeed, in its prior rulings, the Board affirmed that the same factual allegations supported Top Tobacco's well-pled claims of unlawful use and fraud. *Id*. Though Applicant may not want to face the factual allegations set forth in the notice, its reticence does not make the facts irrelevant or scandalous. *See, e.g., Gateway Bottling, Inc. v. Dad's Rootbeer Co.*, 53 F.R.D. 585, 588 (W.D. Penn. 1971) (declining to strike allegations as scandalous and noting that the "facts here may be unpleasant … but the same is true of many facts of life which are entitled to be pleaded as relevant to a cause of action").

Applicant's cited authority also fails to support its threadbare contention that Top Tobacco's allegations are scandalous. In *Feinberg v. Katz,* the court struck allegations of defendants' failure to pay taxes from a complaint alleging a different crime, defendants' misappropriation of their company's assets. 2002 U.S. Dist. LEXIS 13771 at *63-4 (S.D.N.Y. 2002). In *Dannenberg v. ABC Carpet,* the court struck allegations concerning cessation of the plaintiff's workers' compensation benefits and his settlement of a disability benefits claim, not as scandalous, but as unnecessary to state his claim for discrimination based on disability. 1996 U.S. Dist. LEXIS 10679 at *5 (S.D.N.Y. 1996). Similarly, in *Impulsive Music v. Pomodoro Grill*, as noted above, the court struck an allegation concerning a pending third-party lawsuit against the defendants on the basis of materiality and prejudice, not scandalousness. 2008 U.S. Dist. LEXIS 94148 (W.D.N.Y. 2008). None of cases is analogous here. Top Tobacco's factual

allegations contain neither unnecessary character assassination nor vulgar language. Rather, the allegations are wholly relevant and material, forming the crux of Top Tobacco's claims.

Applicant takes particular issue with paragraph 24 of the notice, in which Top Tobacco alleges that Applicant's so-called "cigar wraps" violate a number of state and municipal bans on flavored tobacco products and blunt wraps. Applicant argues, without support, that the allegation mischaracterizes the nature of Applicant's goods and that its goods are different from those subject to the bans Top Tobacco cites. Yet, the true nature of Applicant's goods is exactly the question of fact at the heart of this matter. Applicant's self-serving conclusory statement that its goods are not blunt wraps does not make it so, nor does it make Top Tobacco's allegations scandalous.

CONCLUSION

Top Tobacco supports its claims with factual allegations that pertain to the central issues in this matter, do not unduly prejudice Applicant and do not contain scandalous matter. Top Tobacco's allegations relating to the Flavor Marks that appear (or appeared) on the Applicant's ZIG ZAG "cigar wraps" packaging show that those marks suggest to consumers that the wraps are actually unlawful blunt wraps. In addition, the allegations as to related proceedings between Top Tobacco and Applicant's close affiliate NTC reveal a course of conduct in which Applicant and its affiliate have filed dilatory motions rather than risking discovery into the wraps' true nature. Top Tobacco's allegations cannot prejudice Applicant because the other proceedings involve the same products, the same issues and the same course of conduct. Finally, Top Tobacco's allegations are not scandalous because they reflect on the nature of Applicant's products, not its moral character, and do not contain vulgar language. Rather, the allegations are essential to state Top Tobacco's basis for application, relevant to the central issues in this matter,

and necessary to provide a full understanding of the opposition as a whole. Applicant's motion should be denied accordingly.

Respectfully submitted,

TOP TOBACCO, L.P.

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Dated: November 6, 2013

CERTIFICATE OF SERVICE

I, Antony J. McShane, an attorney, state that I caused a true and correct copy of the foregoing **Opposer's Memorandum In Opposition To Applicant's Motion To Strike** to be served upon:

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via U.S. Mail, first class, postage-prepaid, on November 6, 2013.

/Antony J. McShane /
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