UNITED STATES DEPARTMENT OF COMMERCE
Patent and Trademark Office
Trademark Trial and Appeal Board
2900 Crystal Drive
Arlington, Virginia 22202-3514

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Mailed: September 24, 2004

Cancellation No. 92043031

North Atlantic Operating Company, Inc.; North Atlantic Trading Company; and National Tobacco Company, L.P.

v.

DRL Enterprises, Inc.

Before Hanak, Quinn, and Walters, Administrative Trademark Judges.

By the Board:

On February 9, 2004, North Atlantic Operating Company, Inc., North Atlantic Trading Company, and National Tobacco Company, L.P. filed a petition to cancel Registration No. 1328866 for the mark shown below

for "cigarette papers", registered pursuant to Trademark Act Section 2(f).[1] On April 30, 2004, in lieu of an answer,

[1] Registration No. 1328866 issued April 2, 1985, alleging use and use in commerce since May 20, 1977, Sec. 8 accepted and Sec. 15 acknowledged.

respondent filed a motion to dismiss for failure to state a claim.[2]

In addition to arguing the insufficiency of petitioners' claim that respondent's mark is generic, respondent argues that petitioners are estopped from challenging respondent's registration because "petitioners have expressly acknowledged DRL'S exclusive rights in, and trademark significance of, DRL'S [mark]". In support thereof, respondent submits an attorney affidavit, two letters from counsel for petitioners, and excerpts from testimony from another proceeding.[3] Where a party submits matters outside the pleadings, the Board generally treats the motion to dismiss as one for summary judgment under Fed. R. Civ. P. 56. However, because respondent has not filed an answer, the affirmative defense of estoppel is not a pleaded issue. A party may not obtain summary judgment on an issue that has not been

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[2] Respondent's motion to extend its time to answer, filed April 12, 2004, is granted as conceded. Trademark Rule 2.127(d). On May 27, 2004, the Board suspended proceedings pending disposition of respondent's motion to dismiss.

Respondent's motion, filed August 19, 2004, to substitute redacted copies of its motion to dismiss, and to keep confidential the original motion, is granted. The parties' stipulated protective order submitted therewith is acknowledged.

[3] In the event that respondent pleads estoppel in its answer and moves for summary judgment on that defense, respondent is advised that the submission of testimony from a prior proceeding must first be approved by the Board on motion. *See* Trademark Rule 2.122(f); TBMP sec. 704.13. If respondent is permitted to introduce the testimony from another proceeding in this proceeding, petitioners are entitled to recall or demand the recall for cross-examination of the witnesses whose testimony has been offered and to rebut the testimony, whether or not petitioners attended the depositions when they were originally taken. Respondent's introduction of the testimony here would merely avoid the need for respondent to retake the same depositions. The relevancy and materiality of the testimony as evidence herein remains subject to challenge by petitioners.

pleaded. *See* Fed. R. Civ. P. 56(a) and 56(b); *Paramount Pictures Corp. v. White*, 31 USPQ2d 1768 (TTAB 1994); and TBMP §528.07. Accordingly, because the issue of estoppel has been raised prematurely, it will be given no further consideration, and the motion will be treated as a motion to dismiss for failure to state a claim.

The Petition to Cancel

In its petition to cancel, petitioners allege that they are engaged in the manufacture, distribution and/or sale of tobacco products, including cigarette papers; that petitioners and third parties engaged in the cigarette paper industry have described in the past and continue to describe cigarette papers by the proper, accurate, and generic designation "1.25"; that cigarette paper products have long been designated by the term "1.25" and other numeric designations which represent the paper's size; that cigarette papers are distributed, advertised, promoted, and/or sold by using size designations; that the meaning of "1.25" and variations thereof in conjunction with cigarette papers is well established and so understood by the trade and relevant consumers; that the designation "1.25" and variations thereof as used by petitioners and others in the trade completely and intentionally describe the specific product with which it is used; that the designation "1.25" is generic for a size of cigarette paper; that registrant should never have obtained a registration because no amount of secondary meaning can turn a

generic term into a registrable one; that registrant submitted no evidence demonstrating that the numerical designation alone had acquired distinctiveness; that the registration injures petitioners and the cigarette paper industry because it appears to create statutory rights with respect to a term used generically by respondent's competitors; and that the registration inhibits the cigarette industry's ability to use the designation, and that the registration should be cancelled.

In support of its motion to dismiss, respondent argues that petitioners have not alleged that respondent's mark is generic; that petitioners merely allege that a component of the mark, the term "1.25" is generic; that petitioners' allegations therefore do not relate to the registered stylized mark that is at issue; and that the petition should be dismissed.

Discussion

In order to withstand a motion to dismiss for failure to state a claim, a plaintiff need only allege such facts as would, if proved, establish that (1) the plaintiff has standing to maintain the proceeding, and (2) a valid ground exists for cancelling the registration. The pleading must be examined in its entirety, construing the allegations therein liberally, as required by Fed. R. Civ. P. 8(f), to determine whether it contains any allegations which, if proved, would entitle plaintiff to the relief sought. *See Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982);

Kelly Services Inc. v. Greene's Temporaries Inc., 25 USPQ2d 1460 (TTAB 1992); and TBMP sec. 503.02. A competitor using the same term clearly has an interest in the outcome of a cancellation proceeding beyond that of the public in general, and thus has standing. *Nobelle.com LLC v. Qwest Communications International Inc.*, 66 USPQ2d 1300 (TTAB 2003).

We turn then to the issue of whether petitioners have pleaded a valid ground for cancellation of a mark comprising a numeric designation in stylized form. Where, as here, a mark is over five years old, its registration can only be challenged on the grounds stated in Section 14 of the Trademark Act, such as, "if the registered mark becomes the generic name for the goods or services…" 15 U.S.C. § 1064(3). The law is clear that a generic claim is not limited to word marks, but may be pleaded against marks comprising stylized terms. The Board's primary reviewing court has held that "[T]he term 'generic name' as used in 15 U.S.C. §1064(3), must be read expansively to encompass anything that has the potential but fails to serve as an indicator of source, such as names, words, symbols, devices, or trade dress. Any narrower interpretation of 'generic name' would allow incontestable trademarks other than names that become generic to retain incontestable status despite their inability to serve as source designators." *Sunrise Jewelry Mfg. Corp. v. Fred S.A.*, 175 F.3d 1322, 50 USPQ2d 1532 (Fed.Cir. 1999).

As shown above, the registered mark, which was registered pursuant to a claim of acquired distinctiveness, is a stylized version of the numeric designation “1.25” which includes the word “POINT” within the decimal point. The petition to cancel the registered mark addresses only the generic meaning of the numeric designation “1.25”. The petition makes no allegations regarding the remainder of the mark. There is no reference to design, display, stylization, or commercial impression. There is no reference to the word “POINT”. The allegations in the petition to cancel relate strictly to the competitive need for those in the cigarette paper industry to employ the term “1.25”. If petitioners believe that respondent is no longer entitled to a registration of the stylized mark including the designation “1.25”, petitioners must file an amended petition for cancellation of the registration which includes allegations which relate to the stylization of the mark and the word “POINT.”

Respondent’s motion to dismiss for failure to state a claim is granted, and petitioners are allowed until 30 days from the mailing date on this order to submit an amended pleading which asserts a valid ground for cancellation of the respondent’s mark, failing which the petition to cancel will be dismissed.

Respondent is allowed 30 days from the date of service of the amended petition to cancel to file its answer.

Related Proceedings

This cancellation is one of twelve proceedings between these parties involving the registrability of marks comprising numeric designations in typeset or stylized form, used on cigarette papers, or intended to be used on cigarettes.[4] Proceedings in the consolidated opposition have been suspended pending the receipt of acceptable pleadings in each cancellation. At that time, the Board will consider whether to consolidate the petition(s) to cancel with the consolidated opposition. *See* Fed. R. CIF. P. 42(a). If the twelve proceedings are consolidated, the Board will schedule a joint discovery period, and joint trial dates.

The parties are hereby ordered to advise the Board of any other pending related cases on an ongoing basis.

Respondent's motion to dismiss for failure to state a claim is granted, and petitioners are allowed until 30 days from the mailing date on this order to submit an amended pleading, failing which the petition to cancel will be dismissed.

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[4] Petitioners have filed a petition to cancel each of respondent's three registered marks (1.0, 1.25. and 1.5 in styled form) on the ground that the marks are generic as used on cigarette papers (Cancellation Nos. 92042927, 92042928 and 92043031).

In nine oppositions, now consolidated, petitioners have alleged that the designations 1.0, 1.25, 1.5, and 2.0 are merely descriptive or generic, deceptively misdescriptive, or that registration should be refused because DRL Enterprises committed fraud in its attempt to procure registration of the involved marks by misrepresenting its rights to those marks. Each opposed application claims one or more of the prior registrations which are the subject of the cancellation proceedings. (Opposition Nos. 91158276 (parent), 91158552, 91158568, 91158696; 91158816; 91158978; 9115980; 91158981; and 91159360).

If an amended petition to cancel is filed, respondent is allowed 30 days from the date of service to file its answer. Proceedings are otherwise suspended.

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