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

Proceeding	92043031
Party	Defendant DRL ENTERPRISES, INC. Republic Tobacco, Inc. 5100 N. Ravenswood Chicago, IL 60640
Correspondence Address	LEE J. EULGEN NEAL, GERBER & EISENBERG LLP TWO NORTH LASALLE STREET, SUITE 2300 CHICAGO, IL 60602
Submission	Answer
Filer's Name	Antony J. McShane
Filer's e-mail	amcshane@ngelaw.com, hmann@ngelaw.com, nwalker@ngelaw.com
Signature	/Antony J. McShane/
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

NORTH ATLANTIC OPERATING COMPANY, INC.; NORTH ATLANTIC TRADING COMPANY; and NATIONAL TOBACCO COMPANY, L.P.,	)	
Petitioners,	)	Cancellation No. 92043031
DRL ENTERPRISES, INC.,	)	
Registrant.	)	

ANSWER TO PETITIONERS' SECOND AMENDED PETITION TO CANCEL

Registrant DRL Enterprises, Inc., for its Answer to the Second Amended Petition to Cancel filed by Petitioners, North Atlantic Operating Company, Inc., North Atlantic Trading Company, Inc., and National Tobacco Company, L.P., states as follows:

PARAGRAPH 1

> Registrant, DRL Enterprises, Inc. (hereinafter "Registrant") is the owner of Registration No. 1,328,866 for the term 1.25 point (Stylized). The mark is registered in respect of "cigarette papers."

ANSWER TO PARAGRAPH 1

Registrant admits that it owns Registration No. 1,328,866 for cigarette papers. Registrant denies each and every remaining allegation contained in Paragraph 1.

PARAGRAPH 2

> Petitioners are engaged in the manufacture, distribution and/or sale of tobacco and cigarette products and in the promotion and advertising thereof throughout the United States, including, most particularly, cigarette rolling paper products.

ANSWER TO PARAGRAPH 2

Registrant does not know the specific nature of the business operated by each of the three respective legal entities comprising Petitioners. Hence, Registrant does not have sufficient

knowledge upon which to admit or deny the allegations contained in Paragraph 2. Accordingly, Respondent denies each and every allegation contained in Paragraph 2.

PARAGRAPH 3

Petitioners, Registrant, and other third parties engaged in the cigarette rolling paper industry have extensively and continuously manufactured and/or distributed, advertised, promoted and sold in interstate commerce various sizes of cigarette rolling paper products. Such products have been and continue to be properly, accurately and generically described by use of the designation 1.25 and/or its fractional equivalent 1¼ (and other designations such as "1.5", "1.0"). Copies of depictions of such third-party use are annexed as Exhibit A.

ANSWER TO PARAGRAPH 3

Registrant denies each and every allegation contained in Paragraph 3.

PARAGRAPH 4

Cigarette rolling paper products are distributed, advertised, promoted and/or sold by using size designations, much like dress sizes, shoe sizes, etc.

ANSWER TO PARAGRAPH 4

Registrant admits that some cigarette paper distributors distribute different sizes of cigarette papers. Registrant denies each and every remaining allegation contained in Paragraph 4.

PARAGRAPH 5

The meaning and significance of the designation 1.25 when employed in conjunction with cigarette rolling paper products, is well established and so understood by the trade and relevant consumers as designating size.

ANSWER TO PARAGRAPH 5

Registrant denies each and every allegation contained in Paragraph 5.

PARAGRAPH 6

For the reasons herein, the designation "1.25" and its alleged "stylized" version herein was, at least as early as the filing date of the Registrant's Mark, and/or has become and is generic within the meaning of 15 U.S.C. § 1052(e)(1) by reason of the fact that it is understood by the consuming public primarily as the common or class name for a size of cigarette paper that is one and one-quarter

times the "normal" size of cigarette rolling papers. As such, it has been, is and will continue to be a generic term with respect to said cigarette paper products (regardless of the alleged stylization).

ANSWER TO PARAGRAPH 6

Registrant denies each and every allegation contained in Paragraph 6.

PARAGRAPH 7

The foregoing allegations are also borne out and proven, *inter alia*, and in part, by the frequency with which the designation 1.25 and similar variations are disclaimed, i.e, no claim being made to the exclusive right to their use, in trademark registrations granted by the Patent and Trademark Office. *See* Exhibit B.

ANSWER TO PARAGRAPH 7

Registrant denies each and every allegation contained in Paragraph 7.

PARAGRAPH 8

Even Registrant's mark which has the same stylization as the instant mark, its Registration No. 1,481,006 pertaining to the "mark" 1.0 was required by the Examining Attorney there to disclaim rights to the "1.0" portion of its mark.

ANSWER TO PARAGRAPH 8

Registrant states that the exclusive right in the term 1.0 is disclaimed in Registration No. 1,481,006. Registrant denies each and every remaining allegation contained in Paragraph 8.

PARAGRAPH 9

Petitioner claims herein the numerical portion of the instant mark is and was generic (and, therefore, should have required a disclaimer), but also that the "stylized" version thereof cannot be seen by the Patent and Trademark Office of by any consumers differently – that is, simply as a "blown up" version of the generic, (including also the obvious generic word "point" designating a decimal point.).

ANSWER TO PARAGRAPH 9

Registrant denies each and every allegation contained in Paragraph 9.

PARAGRAPH 10

Indeed, Registrant should never have obtained a registration. Registrant's

"mark" simply consists of the size designation 1.25 made larger and printed in a stylized manner and incorporating the word point in much smaller letters (about 30 times smaller than the size of the numerals 1.25) within the decimal point. However, merely "inflating" the appearance of a generic term does not remove it from that category and should not have made Registrant's "mark" registrable. The word "point" appearing as it does within a decimal point merely designates that which it is, namely, a decimal point. Consequently, neither the word "point" nor the "fat font," add any registrable elements to the number, which is merely a size designation.

ANSWER TO PARAGRAPH 10

Registrant denies each and every allegation contained in Paragraph 10.

PARAGRAPH 11

In the course of the prosecution of this application, Registrant, in support of its 2(f) claim, submitted "evidence" to the examining attorney consisting, *inter alia*, money spent on print and radio advertisements, and of approximately 16 sworn statements attesting to the distinctiveness of the "trademark."

ANSWER TO PARAGRAPH 11

Registrant admits that it submitted substantial evidence of distinctiveness in support of the application that resulted in Registration No. 1,328,866, and which established secondary meaning in the mark. Registrant denies each and every remaining allegation contained in Paragraph 11.

PARAGRAPH 12

However, none of the sworn statements — and none of Registrant's Section 2(f) evidence at all — provided any secondary meaning attained by the stylized mark at issue. In fact, none of the sworn statements refer to the stylized mark.[1]

ANSWER TO PARAGRAPH 12

Registrant denies each and every allegation contained in Paragraph 12.

PARAGRAPH 13

The print ads Registrant submitted in support of its application showed the

[1] In fact, none of the Exhibit A "logos" referred to by all of the affiants were attached to the Affidavits. Consequently, there is no way to actually know of what those logos consisted, or if in fact, they were actually seen by the affiants.

stylized mark together with Registrant's other marks and never alone.

ANSWER TO PARAGRAPH 13

Registrant admits that the print ads submitted in support of its application showed the mark at issue as well as several of Registrant's other marks, but nevertheless showed successful use and promotion of the mark at issue. Registrant denies each and every remaining allegation contained in Paragraph 13.

PARAGRAPH 14

Moreover, the radio advertisements submitted in support of Registrant's Section 2(f) claim cannot have supported any claim of distinctiveness.[2] As the mark consists of an allegedly "stylized" version of a numerical designation, such a stylized mark could not have been "shown" in a radio ad. Thus the radio ads provide no indication any secondary meaning attached to the stylized mark at issue.

ANSWER TO PARAGRAPH 14

Registrant denies each and every allegation contained in Paragraph 14.

PARAGRAPH 15

Since Registrant submitted no evidence demonstrating that the instant mark as a whole, without connection to Registrant's other marks, had acquired distinctiveness, this fact alone should also give rise to the cancellation of the trademark. Consequently, for this additional reason, Petitioners assert that the Examining Attorney erred in granting Registrant the original registration.

ANSWER TO PARAGRAPH 15

Registrant denies each and every allegation contained in Paragraph 15.

PARAGRAPH 16

The subject trademark registration owned by Registrant is injurious to Petitioners, and indeed to the cigarette rolling paper product industry and trade as a whole, because it has appeared to create statutory rights in Registrant with respect to a common descriptive designation used generically by Registrant and its competitors. The mark's "stylization" does nothing to change this as it consists simply of the size designation in "blown up" font (and includes the

[2] Registrant did not include the transcripts of the radio advertisements so for this reason alone, no credence at all should have been given to them.

generic word "point" within the decimal point used in the size designation). Moreover, it provides Registrant with false *prima facie* presumptions attending registration rights, in derogation of the established and continuing rights of Petitioners and others in the business to use descriptively, prominently and otherwise the designation 1.25 (regardless of the manner in which it is presented), in its ordinary and descriptive sense in connection with the distribution, packaging, promotion, advertising, publicity and sale of their own products. Furthermore, continued registration as a trademark of the generic term 1.25 (even as depicted in a large, stylized version with the word POINT in a font 30 times smaller within the decimal point) has created the erroneous, misleading and false impression that only Registrant's goods may be sold bearing that designation, where, as here, the design is inseparable from the generic designation.

ANSWER TO PARAGRAPH 16

Registrant denies each and every allegation contained in Paragraph 16.

PARAGRAPH 17

For the foregoing reasons, continued registration of Registration No. 1,328,866 is causing Petitioner and the trade and industry in general damage on a continuing basis by, *inter alia,* inhibiting competition in the sale of both the particular goods at issue and related products and endangers the freedom of the public, the trade and industry to use the designation at issue. Therefore, to preserve competitive needs and avoid the erroneous claim of exclusive right by way of continued registration or otherwise to the use of the generic term by Registrant, albeit in "stylized" format, Petitioners therefore request that this Petition for Cancellation be sustained and that the registration of the generic designation "1.25 point (Stylized)" be cancelled.

ANSWER TO PARAGRAPH 17

Registrant denies each and every allegation contained in Paragraph 17.

AFFIRMATIVE DEFENSES

First Affirmative Defense

Petitioners' claims are barred by the doctrine of acquiescence on the grounds that Petitioners have previously acknowledged (a) that Registrant's mark is neither generic for, nor descriptive of, Registrant's smokers' articles, and (b) Registrant's ownership of, and rights in, its marks 1.0, 1.25 and 1.5 for smokers' articles.

Second Affirmative Defense

Petitioners' claims are estopped on the grounds that Petitioners previously acknowledged (a) that Registrant's mark is neither generic for, nor descriptive of, Registrant's smokers' articles, and (b) Registrant's ownership of, and rights in, its marks 1.0, 1.25 and 1.5 for smokers' articles.

Third Affirmative Defense

Petitioners' claims are barred by the doctrine of unclean hands on the grounds that Petitioners previously acknowledged (a) that Registrant's mark is neither generic for, nor descriptive of, Registrant's smokers' articles, and (b) Registrant's ownership of, and rights in, its marks 1.0, 1.25 and 1.5 for smokers' articles.

Respectfully submitted,

/Antony J. McShane/
One of the Attorneys for Registrant
DRL Enterprises, Inc.

Antony J. McShane
Lee J. Eulgen
Hillary A. Mann
Neal, Gerber & Eisenberg LLP
Two North LaSalle Street
Suite 2200
Chicago, IL 60602
(312) 269-8000

Date: June 6, 2006

CERTIFICATE OF SERVICE

I, Hillary A. Mann, state that I served a true and correct copy of the foregoing Answer to Petitioners' Second Amended Petition to Cancel via Federal Express on the following counsel of record on June 6, 2006.

Mark J. Speciner
COWAN, LIEBOWITZ & LATMAN, P.C.
1133 Avenue of the Americas
New York, NY 10036

/Hillary A. Mann/
Hillary A. Mann

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