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

Baxley

Mailed: June 4, 2009

Cancellation No. 92045172

Herbaceuticals, Inc.

v.

Xel Herbaceuticals, Inc.

Before Quinn, Rogers and Cataldo,
Administrative Trademark Judges

By the Board:

On March 12, 2009, Xel Herbaceuticals, Inc. ("Xel") filed a motion for summary judgment, seeking cancellation of petitioner/counterclaim defendant Herbaceuticals, Inc.'s ("HCI") pleaded Registration No. 2585974 and of its unpleaded Registration No. 2822094, both on the ground that the component word HERBACEUTICALS is generic,[1] and to suspend pending disposition of that motion.

[1] Both registrations are for the mark HCI HERBACEUTICALS, INC. and design in the following form,

Registration No. 2585974 is for "cosmetics, namely body and facial skin lotions, creams and powders, body and facial skin

On March 19, 2009, Registration No. 2585974 was cancelled based on HCI's failure to file a declaration or affidavit under Trademark Act Section 8, 15 U.S.C. Section 1058, by the statutory deadline therefor. That same day, the Board issued an order wherein it stated that, because Xel neither counterclaimed to cancel Registration No. 2822094 nor submitted a filing fee for such a counterclaim, the Board would not entertain a motion for summary judgment for cancellation of Registration No. 2822094. In addition, in view of the cancellation of Registration No. 2585974, the Board allowed HCI twenty days in which to show cause why such cancellation should not be deemed to be the equivalent of a cancellation by request of HCI without the consent of Xel, and should not result in entry of judgment against HCI, as provided by Trademark Rule 2.134(a), on the counterclaim, as to that registration. The Board otherwise suspended this case.

In response to the order to show cause, HCI contends that the failure to file a Section 8 declaration to maintain

---

cleansers, bath oils and beads, shampoos and conditioners" in International Class 3.

Registration No. 2822094 is for "retail and wholesale distributorship services in the field of homeopathic preparations, cosmetics, dietary supplements and wellness products" in International Class 35. This registration issued on March 16, 2004 and alleges December 31, 1986 as the date of first use anywhere and December 31, 1987 as the date of first use in commerce. The registration includes a disclaimer of INC. and a claim of acquired distinctiveness under Trademark Act Section 2(f), 15 U.S.C. Section1052(f), with regard to the word HERBACEUTICALS.

the registration was the result of inadvertence and mistake and that HCI could easily have made the required statements in a Section 8 declaration; that, because HCI's current attorneys did not prosecute the *ex parte* examination of the application resulting in Registration No. 2585974, the attorneys had not entered the due date for the Section 8 declaration in their docketing system despite being retained to file the petition to cancel Xel's registration; and that HCI's attorneys usually send to their clients regular reminders in connection with deadlines regarding their clients' registrations. Based on the foregoing, HCI contends that it should not be penalized for the inadvertent mistake in not filing the Section 8 declaration, and that judgment should not be entered against HCI on the counterclaim. HCI included a copy of a declaration under Trademark Act Sections 8 and 15, 15 U.S.C. Sections 1058 and 1065, signed by its general manager, that it contends that it could have filed, but for the mistake and inadvertence.

In opposition to HCI's response, Xel contends that, because HCI's deadline for filing its Section 8 and 15 declaration in Registration 2585974 was statutory, HCI cannot overcome its failure to meet that deadline by filing the Section 8 and 15 declaration in response to the order to show cause; that HCI has failed to submit any evidence to establish good cause why judgment should not be entered

against it; and that, in the Section 8 and 15 declaration that HCI submitted with its response, HCI committed fraud by falsely averring that "that there is no proceeding involving [Registration No. 2585974] pending and not disposed of ... in the Patent and Trademark Office." Accordingly, Xel asks that the Board enter judgment in its favor on the counterclaim.

In reply, HCI contends that it did not submit the Section 8 and 15 declaration to maintain Registration No. 2585974, but rather to show that HCI could have met the use standards necessary to maintain that registration; that its failure to file the Section 8 and 15 declaration was the result of a "convergence of errors;" and that it has filed a new application to register the mark in the cancelled registration.[2] As exhibits to its reply brief, HCI included a declaration of its attorney, in which she describes her firm's docketing practices, and a declaration of HCI's general manager, in which he avers to use of the mark in Registration No. 2585974 for at least the past five years and to HCI's current attorneys having sent reminders

[2] HCI also advances arguments responsive to Xel's fraud arguments, but both the arguments and responses thereto are irrelevant, since HCI's Section 8 & 15 "filing" was not filed with the USPTO as a maintenance document but only as an exhibit, to illustrate a point made in a response to an order to show cause. We need not, therefore, address Xel's attempt to obtain judgment on a claim of fraud against a registration for which it had only filed a counterclaim alleging genericness, or review HCI's arguments on the fraud issue for correctness.

regarding deadlines in connection with other trademark registrations and HCI's failure to receive any such reminders in connection with Registration No. 2585974.

When a counterclaim defendant's registration becomes cancelled under Trademark Act Section 8, 15 U.S.C. Section 1058, the Board may issue an order requiring such defendant to show cause why such cancellation should not be deemed to be the equivalent of a cancellation by request of such defendant without the consent of the adverse party and should not result in entry of judgment under Trademark Rule 2.134(a) against the counterclaim defendant. In the absence of a showing of good and sufficient cause, the Board may enter judgment against such defendant. See Trademark Rule 2.134(b). The Board will find a showing of good and sufficient cause why judgment should not be entered against a counterclaim defendant under Rule 2.134(b), where the Board finds that such defendant has not acted deliberately in not filing the Section 8, and as part of an effort to avoid entry of judgment on the merits of the claim lodged against its registration. See *C.H. Guenther & Son Inc. v. Whitewing Ranch Co.*, 8 USPQ2d 1450 (TTAB 1988); *Abraham's Seed v. John One Ten*, 1 USPQ2d 1230 (TTAB 1986); TBMP Sections 535 and 602.02(b) (2d ed. rev. 2004).

Under the circumstances herein, we find that HCI has adequately shown that it failed to file its Section 8

declaration due to the failure to docket the due date for such declaration and that such docketing failure is the result of inadvertence and mistake. That HCI's docketing failure was the result of inadvertence and mistake is further supported by its statement that it has filed a new application to register the subject mark. Accordingly, the order to show cause is hereby aside.

In view of Xel's opposition to HCI's response to the order to show cause, we presume that Xel wishes to go forward with its motion for summary judgment in the pleaded counterclaim to cancel HCI's Registration No. 2585974.[3] Accordingly, HCI is allowed until thirty-five days from the mailing date of this order to respond to Xel's motion for summary judgment.

Proceedings herein otherwise remain suspended.

[3] If Xel wishes to have its counterclaim dismissed without prejudice, it should notify the Board accordingly within twenty days of the mailing date set forth in this order.