

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451
General Contact Number: 571-272-8500

CME

Mailed: July 1, 2015

Cancellation No. 92055738

J J Holand Limited

v.

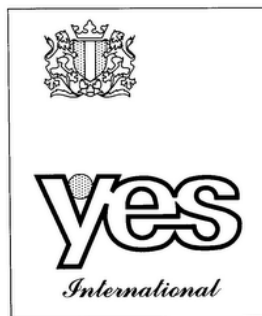
Potomac Tobacco Company Limited

**Before Kuczma, Gorowitz, and Hightower,
Administrative Trademark Judges.**

By the Board:

On June 11, 2012, Petitioner filed a consolidated petition to cancel the following registrations:

- Registration No. 3409520 for the mark YES, in typed format,¹ for “cigarettes and matches” (the “520 Registration”); and
- Registration No. 3418779 for the mark below, also for “cigarettes and matches” (the “779 Registration”):



¹ Before November 2, 2003, “standard character” drawings were known as “typed” drawings. A mark in typed format is the legal equivalent of a standard character mark.

The '520 Registration was cancelled on November 14, 2014 based on Respondent's failure to file a Section 8 affidavit. The '779 Registration was cancelled on December 5, 2014 for the same reason. Accordingly, on February 2, 2015, the Board issued an order (the "Show Cause Order") allowing Respondent twenty days to show cause why such cancellations should not be deemed to be the equivalent of cancellations by request of Respondent without the consent of Petitioner, and should not result in entry of judgment against Respondent.

This case now comes up on Respondent's response to the Show Cause Order, filed February 23, 2015, and Petitioner's response thereto, filed March 16, 2015.² The Board has considered all of the parties' arguments and presumes the parties' familiarity with the factual bases for their filings, and does not recount the facts or arguments here, except as necessary to explain the decision.

Trademark Rule 2.134(b) provides that the owner of a trademark registration who has permitted a registration that is the subject of a cancellation proceeding to become cancelled may, "show cause why such cancellation or failure to renew should

² Petitioner's response includes a certificate of mailing indicating that the response was deposited with the U.S. Postal Service "as first class mail" on March 16, 2015. We question whether the response actually was deposited with the U.S. Postal Service given that *pro se* Petitioner is located in Thailand, but because Respondent has not raised this issue we have considered Petitioner's response as timely filed.

Petitioner is reminded that a certificate of mailing may be used only for papers deposited with the U.S. mail service. *See* Trademark Rule 2.197. Moreover, the Board strongly encourages parties to file all papers through ESTTA, which operates in real time (Eastern Time controls the filing date) and provides a tracking number that the filing has been received. For assistance in using ESTTA, call 571-272-8500.

not be deemed to be the equivalent of a cancellation by request of respondent without the consent of the adverse party and should not result in entry of judgment against respondent....”³ If Respondent submits a showing that the cancellation or expiration was the result of an inadvertence or mistake, judgment will not be entered against it. *See C.H. Guenther & Son, Inc. v. Whitewing Ranch Co.*, 8 USPQ2d 1450, 1452 (TTAB 1988); TBMP § 602.02(b) (2014).

In response to the show cause order, Respondent states that: (1) it has not abandoned and has no intent to abandon the involved marks for cigarettes and, in fact, has continued to sell and distribute cigarettes in connection with the involved marks “in numerous countries around the world,” Respondent’s Response, pp. 1-2; (2) its failure to file Section 8 affidavits was “inadvertent” and it “now believes that it could and should have filed the affidavits with a showing that its nonuse is due to special circumstances beyond the owner’s control that excuse nonuse,” *id.* at p. 1; (3) “it was forced to discontinue sales of its YES and YES INTERNATIONAL cigarettes in the United States” because it “was unable to fulfill the requirements established under the Tobacco Master Settlement Agreement (MSA)” which rules “are constantly changing,” *id.* at pp. 1-2; (4) its nonuse of the involved marks also “is the result of the backlog of applications before the Food and Drug Administration” (“FDA”), *id.* at p. 1; and (5) it “is finalizing the last few demands of the FDA and expects to be able to resume sales and distribution of its YES and YES

³ In its response, Petitioner references “excusable neglect,” but Respondent must only show good and sufficient cause as to why judgment should not be entered against it.

INTERNATIONAL cigarettes in the United States by the summer of 2015.” *Id.* at p. 2.

Notwithstanding Petitioner’s arguments to the contrary, we find that the foregoing statements are sufficient to show good cause as to why Respondent did not file Section 8 affidavits in connection with the involved registrations for cigarettes. Respondent, however, has not shown good and sufficient cause for its failure to file Section 8 affidavits in connection with matches. Respondent has not explained, and we cannot discern, how the requirements of the FDA and the MSA might impede its sale of matches, and Respondent has not provided any other reason for its failure to file Section 8 affidavits with respect to matches. Moreover, while Respondent expressly stated that it has not abandoned the involved marks for cigarettes, the response is conspicuously silent as to whether Respondent has abandoned its marks for matches.

In view of the foregoing, the Show Cause Order is discharged with respect to cigarettes only, and judgment is entered against Respondent with respect to matches. Petitioner is allowed until **THIRTY DAYS** from the mailing date of this order to inform the Board whether it wishes to: (1) go forward with the cancellation proceeding to determine the merits of Petitioner’s claims with respect to cigarettes; or (2) have the proceeding dismissed, without prejudice, as moot.⁴ *See* TBMP § 535 and cases cited therein.

⁴ Respondent requests that the cancellation proceeding be dismissed as moot on the ground that Petitioner cannot demonstrate harm because the involved registrations are no longer a bar to registration of Petitioner’s later-filed application for the mark YES!, as alleged in the amended petition for cancellation. Respondent’s Response at p. 2. This argument, however,

Proceedings otherwise remain suspended.

ignores that Petitioner has pleaded a plausible claim for priority and likelihood of confusion. See Board's order of August 22, 2013, p. 4. Such allegations are sufficient to plead that Petitioner has a real interest in this proceeding and a reasonable basis for its belief in damage. See *Giersch v. Scripps Networks Inc.*, 90 USPQ2d 1020, 1022 (TTAB 2009); *Green Spot (Thailand) Ltd. v. Vitasoy International Holdings Ltd.*, 86 USPQ2d 1283, 1285 (TTAB 2008). Accordingly, Respondent's request that the cancellation proceeding be dismissed as moot is **DENIED**.

Respondent's request that the proceeding be dismissed without prejudice "for the purpose of saving the unnecessary expenditure of anymore time or energy by the Board or the parties" is similarly **DENIED**. Respondent's Response, p. 3. In circumstances such as these, it is the Board's practice to allow the petitioner to decide whether it wishes to pursue the proceeding or have it dismissed without prejudice. See *Marshall Field Co. v. Mrs. Fields Cookies*, 11 USPQ2d 1154, 1156 (TTAB 1989).