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UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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Mailed: February 27, 2017

Cancellation No. 92062923

Topiclear, Inc.

v.

K & N Distributors

**Before Taylor, Masiello, and Hightower,
Administrative Trademark Judges.**

Petitioner seeks to cancel the registered mark TROPIC CLAIR PLUS,¹ in standard character form, for “cosmetics” in International Class 3. As grounds for cancellation, Petitioner alleges that there is a likelihood of confusion with its earlier used and registered marks² and that the underlying application and resulting registration are “void and unlawful ... because there was no lawful use in commerce due to the failure of the Registrant to designate on its packaging or container as

¹ Registration No. 4818656, issued September 22, 2015 under Section 1(a), reciting June 1, 2015 as the date of first use and first use in commerce.

² Petitioner pleads ownership of the following registrations (1) Registration No. 4260606, for the mark TOPICLEAR, issued December 18, 2012, for various cosmetics; (2) Registration No. 4162009, for the mark TOPICLEAR COLLECTION, issued June 19, 2012, for various non-medicated cosmetics and skin care products; (3) Registration No. 4158690, for the mark TOPICLEAR GOLD, issued June 12, 2012, for various non-medicated cosmetics and skin care products; and (4) Registration No. 4256759, for the mark TOPICLEAR PARIS, issued December 11, 2012, for various cosmetics.

received by the ultimate purchaser, the country of origin of the products as required by federal law (19 CFR §134.11)....”

Respondent denied the salient allegations in its answer.³

This case now comes up for consideration of Petitioner’s fully-briefed motion (filed November 30, 2016) for summary judgment on the ground of fraud and on the ground that Respondent’s use of the mark is unlawful under Section 304 of the Tariff Act of 1930, 19 U.S.C. § 1304, which requires that products that are imported into the United States must be conspicuously and indelibly marked in English to indicate to the ultimate purchaser the country of origin of the product. To the extent the claim of fraud was not pleaded in the petition to cancel, and since motions for summary judgment may not be brought on an unpleaded claim, summary judgment on the ground of fraud is denied. *See* TBMP § 527.08(a) (Jan. 2017).⁴ We will only consider the motion with respect to the claim that Respondent’s use of its mark at the time of registration was “unlawful.”

In support of its motion, Petitioner argues that “it is clear from the record that Registrant’s use of its mark was unlawful under the federal law”; that Section 304 of the Tariff Act of 1930, 19 U.S.C. § 1304, requires that products that are imported into the United States must be marked in English to indicate to the ultimate purchaser the country of origin; that the phrase “ultimate purchaser’ is defined as

³ The Board acknowledges receipt of Petitioner’s signed copy of its pleading filed on November 30, 2016 as well as Respondent’s answer filed on December 5, 2016.

⁴ Respondent’s stipulated request to extend its time to file a response brief (filed on December 29, 2016) is granted. The Board has considered Respondent’s substituted declaration filed on January 26, 2017.

the last United States person who will receive the goods in the form in which it was imported”; that in response to Petitioner’s Interrogatory No. 15, Respondent “indicated that its goods were manufactured in the Cote d’Ivoire (the Ivory Coast)” and in response to Interrogatory No. 16 Respondent “stated that the notification of the country of manufacture appeared on the master box for the products”; that Petitioner infers this “to be the shipping container and not the individual containers that the ultimate customer will see”; that Petitioner’s personal “inspection of the packaging of the products in issue fails to show the country of origin”; that Respondent’s specimen that was submitted with its application also “is devoid of any indication of the country of origin”; that the Board and the federal courts have “consistently held that to qualify for federal registration, the use of a mark in commerce must be ‘lawful’”; and “there is no genuine dispute as to any material fact and the Petitioner is entitled to judgment as a matter of law.”

Summary judgment is appropriate only when there is no genuine dispute as to any material fact and the moving party is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(a). The Board may not resolve issues of material fact; it may only ascertain whether a genuine dispute regarding a material fact exists. *See Lloyd’s Food Products, Inc. v. Eli’s, Inc.*, 987 F.2d 766, 25 USPQ2d 2027, 2029 (Fed. Cir. 1993); *Olde Tyme Foods, Inc. v. Roundy’s, Inc.*, 961 F.2d 200, 22 USPQ2d 1542 (Fed. Cir. 1992). A factual dispute is genuine if, on the evidence of record, a reasonable fact finder could resolve the matter in favor of the non-moving party. *Opryland USA Inc. v. Great American Music Show Inc.*, 970 F.2d 847, 23 USPQ2d 1471, 1472 (Fed.

Cir. 1992); *Olde Tyme Foods, Inc.*, 22 USPQ2d at 1544. The non-moving party may not rest on the mere allegations of its pleadings and assertions of counsel, but must designate specific portions of the record or produce additional evidence showing the existence of a genuine dispute of material fact for trial. In general, to establish the existence of disputed facts requiring trial, the non-moving party “must point to an evidentiary conflict created on the record at least by a counterstatement of facts set forth in detail in an affidavit by a knowledgeable affiant.” *Octocom Systems Inc. v. Houston Computer Services Inc.*, 918 F.2d 937, 16 USPQ2d 1783, 1786 (Fed. Cir. 1990) (citing *Barmag Barmer Maschinenfabrik AG v. Murata Machinery, Ltd.*, 731 F.2d 831, 221 USPQ 561, 564 (Fed. Cir. 1984)).

For the reasons explained below, we find that Petitioner has failed to sustain its burden of demonstrating the absence of any genuine dispute of material fact, or that it is entitled to judgment as a matter of law on its claim of unlawful use in commerce.

As stated in *Satinine Societa v. P.A.B. Produits*, 209 USPQ 958 (TTAB 1981) (“*Satinine*”), the Board will find use of a mark in commerce unlawful only when a court or government agency having competent jurisdiction under the involved statute has previously made a finding of non-compliance or where there has been a *per se* violation of the statute at issue. See also *General Mills Inc. v. Health Valley Foods*, 24 USPQ2d 1270 (TTAB 1992); *Kellogg Co. v. New Generation Foods, Inc.*, 6 USPQ2d 2045 (TTAB 1988). In addition, the *Satinine* decision states that there must be some nexus between the use of the mark and the alleged violation before

the unlawfulness in commerce can be said to result in the invalidity of a registration. *See Satinine*, 209 USPQ at 967. As pointed out in a concurring opinion in the *Satinine* case, while some unlawful uses are of such a nature (e.g., use of a mark in connection with an illegal drug) that it would be unthinkable to register a mark, other uses should not result in refusal of registration (or cancellation of a registration) because of some purely collateral defect. *Id.* (Kera, J., concurring).

In the instant case, Petitioner has not pointed to any determination by a court or U.S. governmental agency that has found Respondent's mark to be noncompliant with the Tariff Act of 1930 and there is a genuine dispute of material fact as to whether a *per se* violation of the federal code provision has occurred. In addition, a genuine dispute of material fact exists as to whether such a violation is sufficiently material in nature as to constitute "unlawful use in commerce" warranting cancellation of Respondent's registration. In other words, Petitioner has failed to demonstrate the absence of a genuine dispute of material fact that Respondent's purported failure to designate its product's country of origin on its label would render use of Respondent's mark in commerce unlawful.

In view thereof, we deny Petitioner's motion for summary judgment.⁵

⁵ The parties should note that the evidence submitted in connection with the motion for summary judgment is of record only for consideration of the motion. To be considered at final hearing, any such evidence must be properly introduced in evidence during the appropriate trial period. *See Levi Strauss & Co. v. R. Josephs Sportswear Inc.*, 28 USPQ2d 1464 (TTAB 1993). In addition, the fact that we have identified and discussed only a few genuine disputes of material fact as a sufficient basis for denying the motion for summary judgment should not be construed as a finding that these are necessarily the only disputes which remain for trial.

Proceedings herein are resumed. Dates are reset as follows:

Expert Disclosures Due	3/22/2017
Discovery Closes	4/21/2017
Plaintiff's Pretrial Disclosures Due	6/5/2017
Plaintiff's 30-day Trial Period Ends	7/20/2017
Defendant's Pretrial Disclosures Due	8/4/2017
Defendant's 30-day Trial Period Ends	9/18/2017
Plaintiff's Rebuttal Disclosures Due	10/3/2017
Plaintiff's 15-day Rebuttal Period Ends	11/2/2017

In each instance, a copy of the transcript of testimony, together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.

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NOTICE: CHANGES TO THE TRADEMARK TRIAL AND APPEAL BOARD ("BOARD") RULES OF PRACTICE WILL BE EFFECTIVE JANUARY 14, 2017.

The USPTO published a Notice of Final Rulemaking in the Federal Register on October 7 2016, at 81 F.R. 69950. It sets forth **several** amendments to the rules that govern *inter partes* (oppositions, cancellations, concurrent use) and ex parte appeal proceedings.

For complete information, the parties are referred to:

- The Board's home page on the uspto.gov website:
<http://www.uspto.gov/trademarks-application-process/trademark-trial-and-appeal-board-ttab>
- The final rule:
<http://www.uspto.gov/sites/default/files/documents/81%20FR%2069950.pdf>
- A chart summarizing the affected rules and changes:
http://www.uspto.gov/sites/default/files/documents/RulesChart_01_14_17.pdf

For **all** proceedings, including those **already in progress on January 14, 2017**, some of the changes are:

- All pleadings and submissions must be filed through ESTTA. Trademark Rules 2.101, 2.102, 2.106, 2.111, 2.114, 2.121, 2.123, 2.126, 2.190 and 2.191.
- Service of all papers must be by email, unless otherwise stipulated. Trademark Rule 2.119.
- Response periods are no longer extended by five days for service by mail. Trademark Rule 2.119.
- Deadlines for submissions to the Board that are initiated by a date of service are 20 days. Trademark Rule 2.119. Responses to motions for summary judgment remain 30 days. Similarly, deadlines for responses to discovery requests remain 30 days.
- All discovery requests must be served early enough to allow for responses prior to the close of discovery. Trademark Rule 2.120. Duty to supplement discovery responses will continue after the close of discovery.
- Motions to compel initial disclosures must be filed within 30 days after the deadline for serving initial disclosures. Trademark Rule 2.120.
- Motions to compel discovery, motions to test the sufficiency of responses or objections, and motions for summary judgment must be filed prior to the first pretrial disclosure deadline. Trademark Rules 2.120 and 2.127.
- Requests for production and requests for admission, as well as interrogatories, are each limited to 75. Trademark Rule 2.120.
- Testimony may be submitted in the form of an affidavit or declaration. Trademark Rules 2.121, 2.123 and 2.125
- New requirements for the submission of trial evidence and deposition transcripts. Trademark Rules 2.122, 2.123, and 2.125.

- For proceedings **filed on or after January 14, 2017**, in addition to the changes set forth above, the Board's notice of institution constitutes service of complaints. Trademark Rules 2.101 and 2.111.

This is only a summary of the significant content of the Final Rule. All parties involved in or contemplating filing a Board proceeding, regardless of the date of commencement of the proceeding, should read the entire Final Rule.