


ESTTA Tracking number: **ESTTA829502**

Filing date: **06/27/2017**

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

Proceeding	92065799
Party	Plaintiff Salbro Bottle Inc.
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Date	06/27/2017
Attachments	SALBRO - Response to Motion To Suspend.pdf(210123 bytes )

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

SALBRO BOTTLE, INC.	)	
	)	
Petitioner,	)	Cancellation No. 9265799
	)	
v.	)	
	)	
HILLSIDE PLASTICS, INC.	)	
	)	
Registrant.	)	Mark: 
	)	Registration No. 1605584

**Attorney's Reference: 135713-413282**

Commissioner for Trademarks  
P.O. Box 1451  
Alexandria, Virginia 22313-1451

**PETITIONER'S RESPONSE IN OPPOSITION TO REGISTRANT'S MOTION TO  
SUSPEND**

Petitioner, Salbro Bottle, Inc., respectfully submits its response in opposition to Registrant's Motion to Suspend, pursuant to 37 C.F.R. § 2.127(a).

**ARGUMENT**

The decision to suspend a Board proceeding pending the outcome of another proceeding between the same parties is in the Board's discretion and is not required. 37 CFR § 2.117(a). Petitioner respectfully requests Registrant's Motion to Suspend be denied for two primary reasons. First, the parties in the Cancellation and the civil litigation are not the same. Second, judicial economy is achieved by proceeding with the Cancellation.

**I. The Parties to the Two Proceedings are Different.**

The Code of Federal Regulations provides that when "a *party or parties to a pending case* are engaged in a civil action or another Board proceeding which may have a bearing on the case, proceedings before the Board may be suspended until termination of the civil action or the other

Board proceeding.” 37 CFR §2.117 (emphasis added); see also Trademark Trial and Appeal Board Manual of Procedure (“TBMP”) § 510.02(a). Here, the parties to the pending case are *not the same* as the parties engaged in the civil litigation. Here, the Petitioner is Salbro Bottle, Inc. In the district court litigation, the defendants are Dominion & Grimm USA, Inc. and Dominion & Grimm, Inc. (collectively, “Defendants”). See Exhibit A to Motion to Suspend (“Complaint”). Petitioner is not a party to the pending civil action and the Defendants of the civil pending action are not party to this proceeding.

Registrant incorrectly attempts to conflate Petitioner and Defendants by claiming that this Cancellation and the civil action concern “at bottom, the same allegedly infringing products.” This is immaterial because the potential existence of an allegedly infringing product in a civil action is irrelevant to the outcome of this Cancellation action. Whether the Defendants’ products infringe the trademark rights of Registrant is irrelevant to the question of whether Registrant’s bottle is functional, the only claim at issue in this Proceeding. Further, that Petitioner and Defendants have the same counsel does not presume alignment or mandate suspension of this proceeding. Finally, Registrant’s claim that it plans to take discovery from Petitioner as a third party witness in the civil action cannot be construed as an indication that the Petitioner and Defendants are aligned. By Registrant’s logic, any party in a Board proceeding risks the suspension of its proceeding if the other party calls them as a witness in a civil action, or, as done here, simply represents to the Board they *may* call them as a witness. Registrant cannot unilaterally equate Petitioner with a party to a civil proceeding by asserting its intention to make Petitioner a witness.

## II. Judicial Economy is Served by Continuing with this Cancellation.

Suspension may be favored in certain circumstances in light of the potential for civil actions to provide judicial economy by adjudicating broader issues than the right to registration. TBMP § 510.02(a). Although this is a reasonable policy in some circumstances, Petitioner

respectfully asserts that there is no judicial economy achieved by suspending the present case, but rather, judicial economy is achieved by proceeding with this Cancellation.

The district court litigation asserts claims of trademark infringement, false designation of origin and Massachusetts unfair competition. *See* Complaint. Each count in the civil litigation fails without a valid trademark right. The substantive issue before the Board in the present case is whether Registrant's trade dress is entitled to trademark protections or if it is merely functional. The district court litigation is before a jury. The TTAB's specialized expertise in making determinations as to trade dress functionality and protectability dictates any such decision regarding Registrant's trade dress is more appropriately made by the Board, which is experienced and well versed in this technical area of trademark law, rather than a jury. Ultimately, the TTAB's decision on the issue will provide judicial economy by conserving judicial and party resources while promoting a uniform and efficient adjudication of this dispute.

Indeed, Defendants have filed a motion to stay the district court litigation, arguing, *inter alia*, that the TTAB is the appropriate venue to decide whether Registrant's trademark is functional and that the TTAB's "expert[ise], specialized knowledge and experience" has led district courts to stay actions pending the completion of related TTAB proceedings. *See* Exhibit 1 hereto, Motion to Stay in District Court proceeding, citing *inter alia*, *See SEFAC S.A. v. SEFAC, Inc.*, 2015 WL 6103267, at \*3 (E.D. Pa. Oct. 16, 2015) ("Courts have found stays to be appropriate . . . when the issue involves an area of specialized expertise for the TTAB—such as whether a mark is generic."); *Microchip Tech., Inc. v. Motorola, Inc.*, 2002 WL 32332753, \*3 (D. Del. May 28, 2002) (staying district court litigation because "the issue of genericism is within the special expertise of the TTAB.").

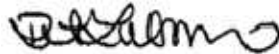
The district court litigation is nascent and it is more efficient to adjudicate the issue presented by this Cancellation at the Board. In the district court litigation, the deadline for

responsive pleadings was extended by agreement of the parties to July 5, 2017, meaning that responsive pleadings have not yet been filed in the civil proceeding, jurisdiction has not yet been established, and no schedule has been set for the litigation. At best, the civil litigation is unlikely to get to trial until at least 2019. Whereas this proceeding is already well underway: an Answer has been filed, the Discovery Conference has occurred and Discovery has opened.

### CONCLUSION

Given that the Parties of the present proceeding are not the same as those in the civil proceeding and that judicial economy will be served by proceeding with this Cancellation because the TTAB is better suited to adjudicate the issue of functionality rather than a jury, Registrant's Motion to Suspend should be denied and this Cancellation should proceed as scheduled.

Respectfully submitted,



Date: June 27, 2017

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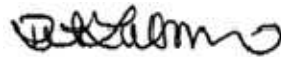
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**CERTIFICATE OF SERVICE**

The undersigned, attorney for Applicant, hereby certifies that this June 27, 2017, she served, by e-mail, a copy of the RESPONSE TO REGISTRANT'S MOTION TO SUSPEND upon

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Rebecca Liebowitz

# **EXHIBIT 1**

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MASSACHUSETTS**

HILLSIDE PLASTICS, INC.,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Civil Action No. 17-30037
	)	
DOMINION & GRIMM USA, INC., and	)	
DOMINION & GRIMM, INC.	)	
	)	
Defendant.	)	

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**DEFENDANTS' MOTION TO STAY**

Defendants Dominion & Grimm, Inc. and Dominion & Grimm USA, Inc. (collectively, “D&G”), through undersigned counsel, request that the Court stay this action pending the resolution of a cancellation proceeding before the Trademark Trial and Appeal Board (“TTAB”) of the U.S. Patent and Trademark Office (“PTO”).

**INTRODUCTION**

Plaintiff Hillside Plastics, Inc. (“Hillside”) is asserting four counts in this litigation, each of which depends on Hillside’s alleged SUGARHILL JUG DESIGN mark (the “Jug Mark”). However, the Jug Mark is already the subject of a cancellation proceeding before the TTAB in which third party Salbro Bottle, Inc. (“Petitioner”) asserts that the Jug Mark is purely functional and not protectable as trade dress. If the TTAB ultimately agrees with the Petitioner and cancels the Jug Mark, that decision would be case dispositive because each count in this litigation fails without a valid trademark right. In light of the TTAB’s specialized expertise to make determinations as to trade dress functionality and protectability, D&G respectfully submits that a



stay of this action pending the TTAB's decision should be granted as it will conserve judicial and party resources while promoting a uniform and efficient adjudication of this dispute.

### STATEMENT OF FACTS

Hillside asserts it owns the Jug Mark (U.S. Trademark Registration No. 1,605,584) for use in connection with blow-molded plastic maple syrup jugs. Dkt. 1 at ¶¶ 9, 14.

Defendants D&G specialize in the production and sale of maple grove equipment and distribution of accessories and packaging products, including blow-molded plastic jugs. *See id.* at ¶ 18. For several years, D&G sold blow-molded plastic jugs that were manufactured by Hillside (*id.* at ¶18) and other third party manufacturers, such as Les Cruchons J.U.G.S. Inc. In 2016, D&G included in its catalog a blow-molded plastic jug manufactured by Petitioner Salbro that is the subject of this litigation. *Id.*

Hillside asserted infringement of its Jug Mark through demand letters. On March 31, 2017, Petitioner Salbro petitioned the TTAB to cancel Hillside's federal registration for the Jug Mark on the grounds that the claimed trade dress is purely functional. *See Salbro Bottle, Inc. Petition for Cancellation, CANCELLATION 9265799 (March 31, 2017) (Ex. 1 hereto, generally and at ¶ 4).* The Cancellation proceeding is currently pending before the TTAB and the parties have advanced to discovery. *See Notice of Institution and Schedule, CANCELLATION 9265799 (April 6, 2017) (Ex. 2 hereto, at p. 1 and 3).*

On the same day that Petitioner Salbro initiated the cancellation proceedings, Hillside filed the instant action against D&G. Dkt. 1. Defendants now move to stay this case pending the resolution of the trademark cancellation proceeding before the TTAB.

### LEGAL STANDARD

“A court's right to stay a proceeding is inherent in its power to control its own docket.”

*Amersham Int'l v. Corning Glass Works*, 108 F.R.D. 71, 71–72 (D. Mass. 1985) (citing *Landis v. North American Corp.*, 299 U.S. 248, 254 (1936)). The decision of whether to grant a stay “calls for the exercise of judgment, which must weigh competing interests and maintain an even balance.” *Landis*, 299 U.S. at 254–255. A stay is warranted if “it would conserve party and judicial resources . . . [and] avoid potentially inconsistent judgments.” *New Balance Athletic Shoe, Inc. v. Converse, Inc.*, 86 F.Supp.3d 35, 37 (D. Mass. Feb. 18, 2015).

### ARGUMENT

D&G submits that the Court should stay this action in order to permit the TTAB to resolve the dispositive issue of whether the trade dress elements claimed in Hillside’s Jug Mark are purely functional. Specifically, the Court may stay this action by invoking the doctrine of primary jurisdiction, which “comes into play whenever enforcement of the claim requires the resolution of issues which . . . have been placed within the special competence of an administrative body.” *See Driving Force, Inc. v. Manpower, Inc.*, 498 F. Supp. 21, 24 (E.D. Pa. 1980); *see also Texace, Inc. v. Borda*, 383 F.2d 607, 608 (3rd Cir. 1967).

Because the TTAB regularly decides issues of trade dress functionality, such a determination would materially aid this Court in adjudicating the instant action. Indeed, if the TTAB determined that Hillside’s Jug Mark is purely functional, that would warrant dismissal of Hillside’s lawsuit. Furthermore, a stay would not harm or prejudice Hillside as the instant action is still in the initial pleading stages and the need for this Court to determine remedies is not urgent as the allegedly infringing product was only advertised in the United States, but not sold. Dkt. 1 at ¶¶ 21-23.

**I. Under the Doctrine of Primary Jurisdiction, Practical and Legal Considerations Support a Stay of this Litigation.**

In the interests of judicial economy and the orderly resolution of this dispute, this Court should stay this action under the doctrine of primary jurisdiction. Application of the doctrine of primary jurisdiction is appropriate when there is a need for an initial consideration of issues by an agency with specialized knowledge. *United States v. W. Pac. R.R. Co.*, 352 U.S. 59, 63–64 (1956). The doctrine exists to promote uniformity and judicial efficiency by allowing an agency with specialized knowledge to first consider the administrative issues presented in a civil action. *Id.* No set formula exists for determining whether to apply the doctrine; rather, each case turns on whether “the reasons for the existence of the doctrine are present and whether the purposes it serves will be aided by its application[.]” *Id.* at 64.

The TTAB has developed unique and specialized knowledge relating to trademark registration issues, including trade dress functionality. In the instant action, a determination by the TTAB that the Jug Mark is functional, if adopted by the Court, would be dispositive of Hillside’s claims, which all turn on Hillside owning a protectable mark.<sup>1</sup> Thus, invoking the doctrine of primary jurisdiction would promote greater efficiency, uniformity, and fairness.

**A. Issues of Trade Dress Functionality, like Trademark Genericism, Are Within the TTAB’s Specialized Expertise, and Would Aid Adjudication of the Instant Action.**

The TTAB’s “expert[ise], specialized knowledge and experience” in the area of trademark genericism have led district courts to stay actions pending the completion of related TTAB proceedings. *See SEFAC S.A. v. SEFAC, Inc.*, 2015 WL 6103267, at \*3 (E.D. Pa. Oct. 16,

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<sup>1</sup> Whereas the issue of functionality is a threshold matter for determining trade dress protection and thus, may have a dispositive effect on Hillside’s claims in the instant action, the reverse is not true. That is, Hillside’s claims in the instant action have no bearing on the TTAB’s determination of functionality. *See Zip Dee, Inc. v. Dometic Corp.*, 900 F. Supp. 1004, 1010 (N.D. Ill. 1995) (“Because functional product configuration cannot be trademarked, functionality is a threshold inquiry for an examiner.”).

2015) (“Courts have found stays to be appropriate . . . when the issue involves an area of specialized expertise for the TTAB—*such as whether a mark is generic.*”) (emphasis added); *Microchip Tech., Inc. v. Motorola, Inc.*, 2002 WL 32332753, \*3 (D. Del. May 28, 2002) (holding that application of the doctrine of primary jurisdiction would not be improper “because the TTAB is often called upon to determine whether a commonly-used word or term is generic, *the issue of genericism is within the special expertise of the TTAB.*”) (emphasis added).

“In trade dress law, the inquiry into functionality resembles the genericness inquiry in trademark law; the two doctrines share essentially the same underlying rationale, preserving competition.” *Duraco Prods, Inc. v. Joy Plastic Enterprises Ltd.*, 40 F.3d 1431, 1442 (3d Cir. 1994). “Thus, just as generic trademarks may be copied freely, functional trade dress may also be copied freely—because both are important for preserving effective competition.” *Id.* Because the trade dress functionality analysis is the counterpart to trademark genericism, and such inquiries are traditionally within the TTAB’s special expertise, this Court should find invoking the doctrine of primary jurisdiction most appropriate here.

Although the First Circuit has yet to rule on motions to stay where a cancellation proceeding based on genericism or functionality was pending before the TTAB,<sup>2</sup> other courts have invoked the doctrine under such facts. For example, in *Microchip Tech.*, the court stayed an infringement action pending a cancellation proceeding by the TTAB. 2002 WL 32332753 at \*3.

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<sup>2</sup> Cases that have considered such motions in the First Circuit dealt with the inapposite basis for cancellation of no confusion and fraud, both of which could be impacted by the pending litigation, as opposed to functionality and genericism that are not impacted by litigation related to claims of infringement. *See PHC, Inc. v. Pioneer Healthcare, Inc.*, 75 F.3d 75 (1st Cir. 1996) (reviewing district court’s decision to invoke the doctrine of primary jurisdiction where a cancellation proceeding was pending before the TTAB on grounds of confusion); *Shire City Herbals, Inc. v. Mary Blue*, 2015 WL 5437091 (D. Mass. Sept. 15, 2015) (ruling on motion to stay pending cancellation proceeding before the TTAB based on plaintiff’s fraudulent trademark application).

After Microchip sued Motorola for infringement of its mark, Motorola initiated a TTAB proceeding seeking cancellation of the mark on the grounds that it was generic. *Id.* at \*1. Even though the TTAB initially suspended those proceedings pending the federal case, the district court nevertheless stayed the action, holding that “the issue of genericism is within the special expertise of the TTAB” and that the court would give deference to the TTAB’s findings on that issue. *Id.* at \*3; *see also Nat’l Mktg. Consultants, Inc. v. Blue Cross and Blue Shield Ass’n*, 1987 WL 20138 at \*2 (N.D. Ill. Nov. 19, 1987) (granting stay); *Kemin Indus., Inc. v. Watkins Prod., Inc.*, 1974 WL 20194, at \*2 (D. Minn. July 8, 1974) (granting stay).

Just as in *Microchip Tech.*, the trade dress functionality inquiry essentially resembles that of genericism, and thus, such issues are within the TTAB’s special expertise. This Court should stay this matter so as to allow the TTAB to apply its specialized expertise to the issues of whether the Jug Mark is functional and not protectable.

**B. A Determination that the Jug Mark is Functional and Not Protectable Will Be Dispositive of Hillside’s Complaint, Thus Promoting Judicial Efficiency.**

A determination by the TTAB that the Jug Mark is purely functional would be dispositive of this action. This is because the viability of each of the Complaint’s counts depends on whether Hillside’s Jug Mark is protectable. As here, invoking the doctrine of primary jurisdiction is most appropriate where a finding by the TTAB would be dispositive of all the plaintiff’s claims. *See SEFAC S.A. v. SEFAC, Inc.*, 2015 WL 6103267 at \*3 (“Courts have found stays to be appropriate if the TTAB’s decision is dispositive of all claims, *such as when all of a party’s claims depend upon the validity of a trademark[.]*”) (emphasis added). Such a disposition would conserve party and judicial resources, resulting in greater efficiency and fairness.

That there are ancillary issues in this litigation that might not be decided by the TTAB proceeding should not preclude a stay of this case. *Nat’l Mktg. Consultants, Inc. v. Blue Cross*

*and Blue Shield Ass'n*, 1987 WL 20138 at \*2 (N.D. Ill. Nov. 19, 1987) (“Although the [critical issue regarding the mark] is not the sole issue presented before this court, the TTAB’s determination will be a material aid in ultimately deciding the remaining issues in this case. It is sufficient that an administrative agency’s decision will ultimately be a material aid in resolving the pending litigation to invoke the doctrine of primary jurisdiction.”); *Kemin Indus., Inc. v. Watkins Prod., Inc.*, 1974 WL 20194, at \*2 (D. Minn. July 8, 1974) (“While in this case there are issues that cannot be ruled upon by the Patent Office, the determination of the threshold question of the ownership of the mark lies particularly within their field of expertise. They would know best the criteria for ownership and that seems to be the key. If that question were resolved in favor of plaintiff and the trademark cancelled, the other issues would be disposed of in a very short time by this Court.”). For example, in *Microchip Tech.*, the plaintiff alleged federal and common law trademark infringement, false designation of origin, trademark dilution, unfair competition, and deceptive trade practices. The plaintiff argued that the doctrine of primary jurisdiction was not appropriate where there were other issues not before the TTAB. The court disagreed, holding “[i]n this case, a determination that the ‘PIC’ designation is generic, if adopted by the Court, would be dispositive of all of Microchip’s claims, as each claim depends on Microchip owning a valid trademark.” 2002 WL 32332753 at \*3.

As in *Microchip Tech.*, Hillside has alleged similar claims of federal trademark infringement, trademark dilution, false designation of origin, and state law unfair competition. *See generally* Dkt. 1. Whether the Jug Mark is functional – and thus not protectable – goes to the core of each claim. The TTAB’s opinion on functionality, if adopted by the Court, would be dispositive of all Hillside’s claims, because each depends on Hillside owning valid trade dress.

**II. A Stay of this Action Will Cause No Undue Prejudice to Hillside.**

Staying this action will not unduly or unfairly prejudice Hillside. The cancellation proceeding has already advanced to discovery (Ex. 2). Here, the Defendants' response to the Complaint is due (by extension) on July 5 (Dkt. 16) and further litigation deadlines under Rules 26 and 16 would follow thereafter. Indeed, TTAB discovery closes in December 2017, and a ruling by the TTAB is anticipated by Fall 2018.

Further, the allegedly infringing design claimed in the Complaint was only advertised in the United States, but not sold (Dkt. 1 at ¶¶ 21-23), and there is no indication that Hillside needs imminent relief.

Finally, staying this action should not cause any undue delay, but rather will advance the ultimate resolution and disposition of the issues before this Court.

**CONCLUSION**

For the foregoing reasons, Defendants respectfully request that this action be stayed pending the outcome of the TTAB cancellation proceedings.

**LOCAL RULE 7.1(a)(2) CERTIFICATION**

The undersigned counsel certifies that they conferred with counsel for Plaintiff and the parties were unable to resolve or narrow the issues raised by this Motion to Stay, which Hillside opposes.

Dated: June 26, 2017

Respectfully submitted,

/s/ Matthew C. Hurley  
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**CERTIFICATE OF SERVICE**

I hereby certify that this document filed through the ECF system will be sent electronically to the registered participants as identified on the Notice of Electronic Filing (NEF) and paper copies will be sent to those indicated as non-registered participants on the date of electronic filing.

*/s/ Matthew C. Hurley* \_\_\_\_\_  
Matthew C. Hurley