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

Proceeding no.	92084642
Party	Plaintiff Traditional Medicinals, Inc.
Correspondence address	JEREMY JOHNSON TRADITIONAL MEDICINALS INC 1400 VALLEY HOUSE DRIVE SUITE 120 ROHNERT PARK, CA 94928 UNITED STATES Primary email: jjohnson@tradmed.com Secondary email(s): jpeterson@tradmed.com, galbers@tradmed.com 707-664-5874
Submission	Motion to Dismiss - Rule 12(b)
Filer's name	Jeremy Johnson
Filer's email	jjohnson@tradmed.com, galbers@tradmed.com, jpeterson@tradmed.com
Signature	/Jeremy Johnson/
Date	07/23/2024
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Registrant also cited §§ 309.03 and 313.03 of the Trademark Trial and Appeal Board Manual of Procedure (“TBMP”). 10 TTABVUE pp. 4 and 5. Yet, as shown in Petitioner’s motion [9 TTABVUE p. 7 fn. 3], none of the cases cited in § 313.03 involved a proceeding against a Supplemental Register registration either. And the same is true for the cases cited in TBMP 309.03.¹ It is a mistake for Registrant to gloss over this distinction because nothing in *Lexmark* suggests that any party has “inherent” entitlement to a cause of action. To the contrary, *Lexmark* requires identification of an interest within the zone of interests of the relevant statute.

Two precedential decisions of the Board make clear that a Supplemental Register registration –standing alone–does not suffice to establish a claim falling within the zone of interests of the Act. It is true, as Registrant argues, that “owners of marks on the Supplemental Register can file oppositions...against marks on the Principal Register.” 10 TTABVUE p. 7. What Registrant misses, however, is that the opposers in those cases, unlike Registrant, did *more* than merely assert their Supplemental Register registration.² They pleaded priority and likelihood of confusion under Section 2(d) – claims that Registrant specifically disavows. *Id.* p. 8. This difference is critical, as explained in *Otter Products LLC v. Baseonelabs LLC*:

[O]pposer cannot prevail...based solely on its Supplemental Register Registration. In fact, to successfully oppose registration of a mark under Section 2(d) of the Act, the opposer must prove he has proprietary rights in the term he relies upon....Here, however, opposer has failed to introduce any evidence that it has proprietary rights in its alleged mark. To the contrary, opposer’s only evidence, its pleaded Supplemental Register Registration, is not evidence of ownership, validity, or the exclusive right to use.

¹ The additional cases cited in TBMP § 309.03 are: *Harry Winston, Inc. v. Bruce Winston Gem Corp.*, 111 USPQ2d 1419 (TTAB 2014) (counterclaimant’s mark approved for registration on the principal register); *Del. Quarries, Inc. v. PlayCore IP Sub, Inc.*, 108 USPQ2d 1331 (TTAB 2013) (same); *Great Seats Ltd. v. Great Seats Inc.*, 84 USPQ2d 1235, 1236 n.3 (TTAB 2007) (addresses standing to defend the cancellation, not standing to bring counterclaim).

² *Otter Products LLC v. Baseonelabs LLC*, 105 USPQ2d 1252, 1253 (TTAB 2012) (priority and likelihood of confusion). The same is true for the non-precedential opinion cited by Registrant, *Krueger Int’l, Inc. v. Okamura Corp.*, 2010 TTAB LEXIS 270, *2 (TTAB 2010). The “something more” that must be alleged (and then proved at trial) varies, of course, by the nature of the cancellation ground asserted. *See AT&T Mobility LLC v. Thomann*, 2020 USPQ2d 53785 * 15 (TTAB 2020) (comparing “standing” requirements under various sections of the Act).

105 USPQ2d 1252, 1255 (TTAB 2012) (internal citations and quotations omitted)(emphasis added). The second precedential decision on point is *Aloe Creme Labs., Inc. v. Bonne Bell, Inc.* 168 USPQ 246 (TTAB 1970), which held that the petitioner's Supplemental Register registration was not enough to establish a claim for cancellation:

The evidence submitted by petitioner...consists solely of a copy of its pleaded Supplemental Register Registration No. 784,195. A registration affected on this register, however, is evidence only of the fact that it issued, and, unlike a registration on the Principal Register, does not constitute prima facie evidence of the "registrant's ownership of the mark" or "of registrant's exclusive right to use the mark in commerce * * *." See: Section 26 of the Trademark Act of 1946....In view of the foregoing, it is clear that petitioner has failed to establish any right to the relief which it seeks.

168 USPQ at 247 (asterisks in original; underlining added). As pointed out in both *Otter Products* and *Aloe Creme*, this result is mandated by the Act itself.

Section 23 of the Act establishes a Supplemental Register for marks that are only "capable" of distinguishing the applicant's goods at some future date, but do not do so at the time of application and registration. 15 U.S.C. § 1091. Because marks on the Supplemental Register do not function as source identifiers, the Act specifies that they also do not constitute evidence of ownership and validity of the mark, *or* of the owner's exclusive right to use the mark in commerce in connection with the specified goods *or* constructive notice conferring a right of priority. 15 U.S.C. § 1094; *Otter Products*, 105 USPQ2d at 1255 (collecting cases).

A plaintiff who relies on nothing more than its Supplemental Register registration has no claim falling within the zone of interests protected by the Act. In the United States, trademark rights arise from use, not registration. *Matal v. Tam*, 137 S.Ct. 1744, 1751-52 (2017); *JBLU Inc. v. U.S.*, 813 F.3d 1377, 1381 (Fed. Cir. 2016). The only interest asserted by Registrant in support of its "defensive counterclaims" is its Supplemental Register registration which is devoid of any of the interests protected by the Act. *Otter Products*, 105 USPQ2d at 1255.

That Registrant’s counterclaims flunk the *Lexmark* test is further illustrated by the lack of any relationship between the relief sought and “damage” to Registrant. If Registrant obtained all the relief it seeks in its counterclaims, Petitioner will continue to own its unchallenged ‘223 registration, its ‘275 registration in the unchallenged Class 005, and its common law rights as the user of the SMOOTH MOVE mark since 1974 for herbal laxative teas. In a recent case, the Board faced a similar situation where a domain name seller filed a genericness cancellation against some, but not all, of the defendant’s ADVENTIST marks. The Board dismissed the case, concluding that, because the defendant would still own ADVENTIST registrations, plaintiff’s “claim of proximate causation (its belief in damage) has ‘no reasonable basis in fact.’” *Philanthropist.com, Inc. v. The Gen. Conf. Corp. of Seventh-Day Adventists*, 2021 USPQ2d 643, * 20-21 (TTAB 2021). The same is true here. Registrant’s counterclaims will not bring Petitioner’s cancellation to an end.

Without a claim “within the zone of interests” of the Trademark Act and without a plausible claim of proximate causation, Registrant’s counterclaims must be dismissed under *Lexmark*.

II. INSUFFICIENTLY PLEADED COUNTERCLAIMS

A. Counterclaim 1 for Cancellation under § 1064(6)

The issue before the Board on Counterclaim 1 is whether or not Registrant has stated a valid cause of action for cancellation by expungement under Section 14(6).³ Expungement cancellation is available if the “registered mark has never been used in commerce on or in connection with some or all of the goods or services recited in the registration.” 15 U.S.C. § 1064(6). It appears that neither the Board nor any court has yet applied or interpreted this new section of the Act.

The plain words of Section 14(6) call for allegations that the registered goods—“herb tea for

³ The nomenclature used in the parties’ briefs to describe Petitioner’s product does not resolve the issue. Petitioner uses the word “tea” [9 TTABVUE p. 9], while Registrant uses the terms “medicinal herbal laxative,” “laxative product,” “medicinal product[,]” and a “product purely medicinal in nature.” 10 TTABVUE pp. 11-12.

food purposes”—have never been on sale in the U.S. But here, the counterclaim reproduced the photographic specimens submitted with Petitioner’ 2021 second renewal application. 7 TTABVUE p. 7 ¶ 10. For Registrant, the salient detail is that the specimens all “show the word ‘laxative’ on the goods and/or the goods’ packaging” *Id.* There is no allegation of anything being false about those specimens. In truth, it would be hard to miss the words “LAXATIVE” and “Constipation” which appear on every specimen. But, more importantly, it is also true that these specimens show a “Wrapped Tea Bag” and a box of “16 Wrapped Tea Bags”:



Figure 1

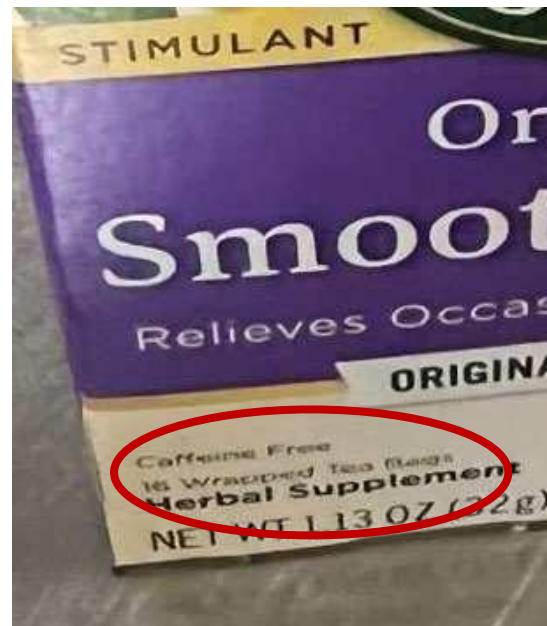


Figure 2

From Specimens of use for Second Renewal submitted 11/12/2021

The full images as shown in the Counterclaim and as submitted to the USPTO are attached.

In assessing whether Registrant has stated a claim under Section 14(6), it is important to note what allegations are not made. Registrant does not allege that these specimens of use are fraudulent. Or that the photographs were altered. Or that there is anything other than tea inside the packaging. It does not allege that Petitioner’s tea is used in anything other than the normal way (insert bag in cup, cover with boiling water, steep, squeeze and remove bag, drink). It does not allege that these are photographs of products sold somewhere other than the United States. Or that

the products depicted in the specimens are mis-labeled or unlawful in any way. It does not allege that Petitioner hid from the USPTO that its SMOOTH MOVE product was a *laxative* tea (indeed the words “laxative” and “constipation” appear more prominently and more often than the word “tea”). It does not allege any inability to find advertising for Petitioner’s product. To the contrary, the counterclaim specifically alleges that “Petitioner advertises and promotes its SMOOTH MOVE products as laxatives, for the purpose of relieving constipation.” *Id.* p. 6 ¶ 8. Registrant alleges no inability to find Petitioner’s product on sale in the United States, but, instead, describes the warning printed on Petitioner’s SMOOTH MOVE packaging. *Id.* pp. 7 – 8 ¶¶ 12 and 13.

In sum, Registrant alleges none of the evidence identified by the USPTO as being germane to expungement of a mark “never used” in U.S. commerce.⁴

In lieu of these expected allegations, Registrant ties its claim that Petitioner “never used” its SMOOTH MOVE mark to classification decisions made by the USPTO over the past 20 years to register and renew Petitioner’s mark in Class 30. Registrant maintains that Class 30 is for “staple foods” and that none of Petitioner’s products qualify in this class because: none of Petitioner’s SMOOTH MOVE products “serve any objectively meaningful food purposes, as the term ‘food’ is ordinarily understood” *or* is “intended to be used by consumers as food or for food purposes, as those terms are ordinarily understood” *or* is “used as food or for any meaningful food purposes, as those as those terms are ordinarily understood” *and* that “[n]o reasonable, relevant consumer would think or believe that Petitioner’s SMOOTH MOVE products constitute food or serve any meaningful food purposes, as those terms are ordinarily understood.” *Id.* p. 8 ¶¶ 15–21 (emphasis

⁴ See USPTO implements the Trademark Modernization Act | USPTO <https://www.uspto.gov/trademarks/laws/2020-modernization-act>. The guidance lists submissions of evidence such as: Wayback Machine® searches, lack of U.S. presence; lack of importation information; statements that sales are limited to places outside the U.S.; nonuse on multiple big sales platforms or in specialized stores when appropriate; regulatory databases; digitally altered specimens and other improper behavior (such as the inability to make a purchase on a website, superimposing a trademark on third-party goods, and offers to sell the U.S. trademark registration on foreign websites).

added). The counterclaim states that “Petitioner has never used the SMOOTH MOVE mark in commerce in ... Class 030” because its products “are not staple foods” but, rather, “laxatives for constipation relief.” *Id.* p. 9 ¶¶ 21–23.⁵

As a matter of law, these allegations do not state a claim under the TMA’s new cancellation by expungement provision. The purpose of the TMA amendments is “to clear registrations from the trademark register for marks for which proper use in commerce was not made.” H.R. Report 116-645 at 8. Of particular concern, was the “recent rise in fraudulent trademark applications” and “fraudulent claims of use with suspicious and/or fake specimens.” *Id.* at 10. The House Report also confirms that the TMA did not create a new or different test for use in commerce:

“Use in commerce” has a single definition in the Lanham Act. Thus, “use in commerce” in the bill follows that definition, and a registrant’s evidence of use must be consistent with that definition, including the case law interpreting the term.

Id. at 14. Section 45 of the Act defines “use in commerce” as “the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right to the mark.” 15 U.S.C. § 1127. In addition, the mark must be “placed...on the goods or their containers” and the goods “sold or transported in commerce” “which may lawfully be regulated by Congress.” *Id.* Notably absent from the definition of “use in commerce” is any reference to classification.

Because the TMA uses Section 45’s “use” definition, cancellation by expungement requires allegations that the registrant’s specimens of use were not “bona fide” or not “in the ordinary course of trade.” Here, Registrant makes no such allegations against Petitioner.

The newly added expungement provisions of the Act were not meant to serve as a mechanism to review the Office’s classification decisions. Classification is not even a mandatory feature of registration. Instead, Section 30 of the Act provides that the Office “may establish a classification

⁵ The words “staple foods” do not actually appear in the list of classes in the Federal Register. 37 C.F.R. § 6.1.

of goods and services, for convenience of Patent and Trademark Office administration, but not to limit or extend the applicant’s or registrant’s rights.” 15 U.S.C. § 1112 (emphasis added). The penalty of expungement is properly applied—and limited—to registrations issued for marks “never used” in U.S. commerce. In such cases, the fault lies with the party who “never used” the mark. The penalty of expungement would not be proper for any errors in classification, which statutorily exists “for convenience” of Office administration. Moreover, it is for the Office to control the meaning and scope of its various classes. Having classification controlled by how terms like *food* are “ordinarily understood” would promote neither “convenience” nor orderly “administration.”⁶

In the absence of any allegations of fraud, fakery, extraterritoriality, mislabeling, or other improper behavior, as a matter of law, cancellation by expungement under Section 14(6) does not apply. Counterclaim 1 must be dismissed for failure to state a cause of action.

B. Counterclaims 2 and 3 under § 1068 of the Act

Registrant’s Response on Counterclaims 2 and 3 confirms why Petitioner’s motion to dismiss must be granted. Registrant writes:

Petitioner essentially debates the merits of the case by presenting a series of questions and immediately answering them, while speculatively guessing what Registrant might deny or allege in this proceeding.”

10 TTABVUE p. 18. That is precisely the point. The Supreme Court in *Iqbal* and *Twombly* made clear that no party should be left “guessing” what its opponent “might deny or allege.”

The counterclaim offers no details as to how the modified identification of goods reduces a “likelihood of confusion.” And Registrant’s response does not explain how its “Affirmative Pleadings” for Petitioner’s unmodified registrations would *change* if Registrant were granted the

⁶ To offer one example: Many people would “ordinarily understand” raw broccoli spears sold in a bag in the produce section of their grocery store to be *raw* vegetables (registrable in class 31), but the Office classifies them as *processed* vegetables (registrable in class 29).

requested modifications of Petitioner’s registrations under § 18 of the Act (15 USC § 1068). Even with Registrant’s requested modification, both parties will still be selling teas since Registrant filed no counterclaim against Petitioner’s Registration No. 1,258,223 for “Herbal teas for use as a laxative” or against Petitioner’s Registration No. 2,520,275 in Class 005 for “medicinal herb teas.” This makes for a lot of guessing as to how the requested modification would avoid a likelihood of confusion. More than “guessing” is required to establish a plausible claim for relief and to survive a motion to dismiss. *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009).

Conclusion

In sum, the Response filed by Registrant Smooth Teas LLC (“Registrant”) confirms that its counterclaims should be dismissed both for lack of entitlement to a statutory cause of action and for failure to plead the necessary elements of its alleged grounds for cancellation.

Dated this 23rd day of July 2024.

TRADITIONAL MEDICINALS, INC.

/Jeremy M Johnson/
Jeremy Johnson, Esq.
CA Bar # 266647
1400 Valley House Drive, Suite 120
Rohnert Park, CA 94928
Phone: 800-543-4372 / 707.823.8911
Email: jjohnson@tradmed.com

*Attorney for Petitioner,
Traditional Medicinals, Inc.*

CERTIFICATE OF SERVICE

The undersigned attorney hereby certifies that a true and correct copy of the foregoing Notice of Appearance has been served on counsel of record for Registrant, Smooth Teas, LLC via e-mail to:

Sergiy M. Sivochek
docket@sivochek.com and sivochek@sivochek.com

This 23rd day of July 2024.

/Jeremy M. Johnson/

Attachment to Petitioner's Reply Brief



Figure 1: Specimen of Use

Submitted to USPTO November 12, 2021 in Application for Second Renewal Pleading and included in Registrant's Counterclaim [10 TTABVue p. 7 ¶ 10]



Figure 2: Specimen of Use

Submitted to USPTO November 12, 2021 in Application for Second Renewal Pleaded and included in Registrant's Counterclaim [10 TTABVue p. 7 ¶ 10]