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Trademark Trial and Appeal Board
Patent and Trademark Office (P.T.O.)

*1 SYNTEX (U.S.A.) INC.

v.

E. R. SQUIBB & SONS, INC.

Opposition No. 77,553

March 22, 1990

Before Simms, Cissel and [Seeherman](#)

Members

Opinion by [Seeherman](#)

Member

This case now comes up on opposer's motion, filed October 23, 1989, to dismiss applicant's counterclaim to cancel opposer's pleaded Registration No. 966,907 for the mark "TOPSYN" for steroid hormone preparation sold on prescription. On November 17, 1989 applicant filed a brief in opposition to the motion and on November 24, 1989 opposer filed a reply brief.

A brief review of this case is believed appropriate. E.R. Squibb & Sons, Inc. filed an application to register the mark "TOPRIN" for a topical corticosteroid.^[FNI] Registration was opposed by Syntex (U.S.A.) on the ground that it is the owner of the above identified registration; that although opposer does not presently sell its TOPSYN product in the United States, the product continues to be in commerce through pharmacies, drug stores and other distributors of prescription pharmaceuticals; that opposer and its affiliates continue to use the mark in Canada, Mexico and a number of other countries with the result that the mark has achieved the status of a world-famous mark; that opposer has no intent to abandon the mark in the United States; that the parties' goods are advertised and sold through the same channels of trade to the same class of purchasers; and that applicant's mark so resembles opposer's mark as to be likely, when applied to applicant's goods, to cause confusion, mistake or deception.

Applicant, in its answer, admitted that Registration No. 966,907 was attached to the notice of opposition but denied the remaining significant allegations and counterclaimed to cancel Registration No. 966,907 on the ground that opposer is basing the opposition on its registration, the mark of which it has abandoned by discontinuing its use for more than two years with no intent to resume such use. In its reply to the counterclaim, opposer denied that it had abandoned its "TOPSYN" mark.

No testimony was taken by opposer herein and applicant filed a motion to dismiss the opposition under [Trademark Rule 2.132\(b\)](#).

The only evidence of record was opposer's pleaded registration. In our ruling on the motion, we stated as fol-

lows:

In this case, the parties' marks are not identical and the relationship, if any, between the parties' goods is not apparent from the face of opposer's registration. Under the circumstances, we are not persuaded that there is a likelihood of confusion between the parties' marks. Applicant's motion to dismiss the opposition under Rule 2.132(b) is granted and the opposition is accordingly dismissed with prejudice.

Applicant was thereafter allowed time in which to advise the Board as to whether it wished to proceed with its counterclaim. When applicant advised that it did wish to proceed with the counterclaim, trial dates in the counterclaim were rescheduled.

*2 We turn then to opposer's motion to dismiss applicant's counterclaim. In support thereof, opposer states that in view of the Board's finding that there is no likelihood of confusion between the parties' marks, applicant is not damaged by opposer's registration and thus has no standing to maintain the counterclaim.

Applicant, on the other hand, contends that the basis for its counterclaim is that the presence of opposer's mark clouds applicant's legal title to its mark, and that opposer has abandoned its mark, and therefore that applicant has demonstrated a real interest in the counterclaim by virtue of its well-pleaded allegations therein.

In its reply brief, opposer argues that while applicant has pleaded abandonment in the counterclaim, it still has no standing.

The purpose of requiring standing is to prevent litigation where there is no real controversy between the parties, where a plaintiff, petitioner or opposer is no more than an intermeddler. *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 184, 189 (CCPA 1982). See also, *Jewelers Vigilance Committee, Inc. v. Ullenberg Corp.*, 823 F.2d 490; 2 USPQ2d 2021 (Fed. Cir. 1987). In the present case, at the time applicant brought its counterclaim for cancellation, the fact that opposer had asserted its registration against applicant in order to prevent the registration of applicant's mark was sufficient to show, and indeed to prove, a personal interest in the outcome of the proceeding beyond that of the general public. *General Mills, Inc. v. Nature's Way Products, Inc.*, 202 USPQ 840 (TTAB 1979).

The question we must decide here is whether applicant's demonstrated personal interest can be eradicated by opposer's own actions in failing to prosecute its case, resulting in the dismissal of opposer's action against applicant. We think not.

Applicant has been threatened by opposer with opposer's registration. Applicant, far from being an intermeddler, has been forced into a litigation as the result of opposer's action. While opposer has retired from the lists in this proceeding, its weapon, i.e., its registration, is still a valid force which may be asserted against applicant in the context of a court action or even another proceeding before the Board.^[FN2]

In our view, the fact that opposer has brought an action against applicant and used its registration as a weapon in this proceeding is enough to demonstrate applicant's interest in ensuring that the same registration will not be asserted against it in the future. We note, in this connection, that applicant has alleged that opposer's mark clouds applicant's legal title to its mark.

Our decision herein is strengthened by the policy considerations articulated in previous opinions and which are implicit in the present proceeding. As stated in *Lipton Industries, Inc. v. Ralston Purina Co.*, supra at 213 USPQ 190:

*3 In determining the requirements for standing, we have taken into consideration that no ex parte vehicle for removing “dead” registrations from the register is provided in the statute except for the provisions of Section 8 (15 USC 1058) requiring an affidavit or declaration of use to be filed during the sixth year of its term. There is no procedure for the Commissioner of Patents and Trademarks to initiate action against defunct marks which appear in registrations.

Thus, we believe the public interest is served, contrary to appellant's view, in broadly interpreting the class of persons Congress intended to be allowed to institute cancellation proceedings.

In this case, too, opposer's registration has been attacked on the ground of abandonment. If opposer were able to void applicant's standing by nonprosecution of the opposition, this would defeat the policy stated above. Any time an opposer realized his own registration was vulnerable to attack he could remove the threat by withdrawing his opposition or failing to prosecute, thus leaving dead wood on the register.

It would also be unfair to an applicant who has expended time, effort and money in prosecuting a counterclaim to be denied a resolution of his counterclaim. The unfairness is made manifest when one considers that the opposer was the party who originally brought the proceeding and put the validity of his registration into issue, and who now wishes, again in effect by his own actions, to deprive applicant of standing.

We think that this case differs from the examples described in the dissenting opinion, in that in those scenarios standing was either created by an outside agency or taken away by an outside agency, i.e., a court or the Examining Attorney, or the party asserting standing took some action during the course of a proceeding to deprive itself of standing. Here, the defendant (opposer) by its own action, seeks to take standing away from the plaintiff (applicant).

Accordingly, opposer's motion to dismiss applicant's counterclaim is denied. Trial dates are reset as shown in the accompanying order.

R. F. Cissel

E. J. Seeherman

R. L. Simms

Members, Trademark Trial and Appeal Board

FN1. Serial No. 657,524 filed April 27, 1987 alleging a date of first use of March 27, 1987.

FN2. We note that the dismissal of the opposition in this proceeding would prevent opposer from asserting its registration against the registration that will issue from applicant's present application. However, opposer's registration could be asserted if applicant were to seek to register a variant mark or even the same mark for different goods.

DISSENTING OPINION

Rany L. Simms
Member

I would grant opposer's motion to dismiss applicant's counterclaim because applicant's asserted basis for its

standing in the counterclaim has now disappeared.

In its decision issued August 18, 1989, the Board granted applicant's Rule 2.132(b) motion to dismiss the opposition, finding that opposer had failed to meet its burden of proof by demonstrating a relationship between the goods of the parties, which the Board found not apparent from the face of opposer's pleaded registration and the application. Because the Board was not persuaded that confusion was likely, the Board dismissed the opposition with prejudice. After applicant advised the Board that it wished to proceed with its counterclaim, opposer filed the instant motion to dismiss. Opposer stated:

*4 In that the opposition has now been dismissed, Opposer is no longer in a position to use its TOPSYN registration to challenge the registrability of Applicant's mark. Therefore, the damage alleged by Applicant under 15 U.S.C. Section 14 cannot accrue. Under the circumstances, Opposer respectfully submits that the cancellation counterclaim should properly be dismissed.

In furtherance of its argument, opposer contends that the abandonment ground asserted in applicant's counterclaim is only "relevant" after applicant's standing has been established and that, as a result of the Board's decision, applicant cannot now assert that its mark is likely to cause confusion with opposer's.

Applicant merely asserts that title to its mark will be clouded by the present proceeding. However, as opposer has previously asserted, the termination of the opposition portion of this proceeding removes any cloud upon applicant's title. Applicant's title is clouded, if at all, only by applicant's own pursuit of a meritless petition for cancellation. (Opposer's reply brief, 2)

Opposer argues, therefore, that applicant cannot be damaged by the continued existence of the registration sought to be cancelled.

It is applicant's position, on the other hand, that "the present basis for Applicant's counterclaim for cancellation is not only that the presence of Opposer's mark TOPSYN clouds Applicant's legal title to its mark TOPRIN, but also that Opposer has abandoned the mark upon which it originally based this Opposition. (Emphasis added.)

As Applicant - Petitioner has demonstrated a real interest in the proceeding based on its well-pleaded allegations in the counterclaim, and since Opposer - Registrant has admitted nonuse of its TOPSYN mark for at least two years, Opposer's motion to dismiss the counterclaim should be denied. (Applicant's opposition, 3 - 4)

I believe it is helpful in analyzing the merits of opposer's motion to dismiss to summarize briefly applicant's counterclaim. The salient allegations are that applicant has been and is now using the mark sought to be registered for a topical corticosteroid, that its application was published and that opposer filed the instant opposition on the basis of likelihood of confusion, and that opposer has abandoned its registered mark by discontinuing use of the mark for a period of more than two years with no intent to resume use. Finally, applicant asserts:

9. Petitioner [applicant] is being damaged by continuance of the registration for TOPSYN because Respondent [opposer] is basing the allegations in its Notice upon the registration; therefore, unless the registration is cancelled, Respondent will continue the opposition against Petitioner and cloud Petitioner's legal title to its mark TOPRIN.

As I view applicant's counterclaim, its real interest (standing) in the counterclaim is based upon the fact that opposer's registration is being asserted against it in the notice of opposition. Unless the registration is cancelled, applicant asserts, opposer will continue the opposition against applicant and thereby "cloud" applicant's right to register. However, the Board has found that opposer's registered mark and applicant's mark are not likely to cause confusion and has dismissed the opposition with prejudice. Our decision in the opposition is a final one on the merits, operates as a bar to relitigation before us and is, at this date, probably unappealable. See

Chesebrough-Pond's Inc. v. Faberge, Inc., 618 F.2d 776, 205 USPQ 888, 89, (CCPA 1980) Therefore, the only basis set forth in applicant's counterclaim for its standing has now been removed; that is, the allegation that opposer is preventing applicant from getting a registration on the basis of opposer's pleaded registration is no longer true. Applicant will soon be issued a registration. In view of the finding of no likelihood of confusion and the dismissal of the opposition with prejudice, a new set of circumstances is now before the Board. Opposer's registration is no longer being asserted against applicant. In my view, in order for applicant to continue its counterclaim, applicant must now have a separate and viable basis for its standing. Its counterclaim now asserts no such independent basis and, accordingly, I would grant opposer's motion to dismiss.

*5 A party's standing or real interest in a proceeding is more than a legal concept — its purpose is to prevent litigation where there is no real controversy between the parties. *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982). Or, in the Board's words, the requirement for standing is “to preclude meddlesome parties from instituting proceedings as self-appointed guardians of the purity of the Register.” *Norac Co. v. Occidental Petroleum Corp.*, 197 USPQ 306, 320 (TTAB 1977). It is incumbent on a plaintiff to plead and prove that it possesses standing to challenge a registration. This requirement has its statutory basis, in the case of petitions to cancel (which is what a counterclaim to cancel really is), in Section 14 of the Act. This section sets forth the requirement with respect to standing of a cancellation plaintiff (“any person who believes he is or will be damaged by the registration of a mark on the principal register...”). Our reviewing court has stated that this belief must have some reasonable basis in fact. *Universal Oil Products Co. v. Rexall Drug and Chemical Co.*, 463 F.2d 1122, 174 USPQ 458, 459-60 (CCPA 1972). It is a threshold inquiry directed solely to the interest of the plaintiff. *Lipton*, supra, 213 USPQ at 188.

Of course, the pleading lays the foundation for standing and, if a party does not plead facts sufficient to show a personal interest in the outcome, it should be dismissed for failure to state a claim. *Lipton*, id. If no real interest has been pleaded, a party has not

alleged such a personal stake in the outcome of the controversy as to assure the concrete adverseness which sharpens the presentation of issues upon which the court so largely depends (*Baker v. Carr*, 369 U.S. 186, 204 (1962))

Standing is an element that must be present in every case, either created by the circumstances of a registration's being used against a party or expressly stated in the pleading and the subject of proof. Standing must not only be present at the pleading stage but, of course, must be present at any time the question of the plaintiff's real interest is before the Board. Facts regarding the legitimate personal interest are a part of the plaintiff's case and must be proved. *Lipton*, supra, 213 USPQ at 189. The following illustrations may help demonstrate why I believe this applicant no longer has standing to seek cancellation of opposer's pleaded registration.

Example A: A petitioner seeks cancellation of a registration which has been cited against it by the Examining Attorney handling petitioner's application to register a potentially conflicting mark. Before trial, the Examining Attorney reconsiders his refusal and decides to withdraw the reference. Or, instead of the withdrawal of the cited reference by the Examining Attorney, the petitioner decides to abandon its application for registration. In both of these cases, unless the petitioner has pleaded an independent basis for its standing, the withdrawal of the reference or the abandonment of the application erases petitioner's real interest in seeking cancellation of the registration. See *Lipton*, supra, 213 USPQ at 189-190 (where the court noted that a registrant whose registration is cited against a petitioner's application could seek to attack the legitimacy of petitioner's application or “in some other way negate [petitioner's] interest. . . . However, the legitimacy of the petitioner's activity from which its interest arises will be presumed in the absence of evidence to the contrary.”) Moreover, we would find a petitioner to be

without standing where he pleads only that the defendant's registration might operate as a bar to registration by petitioner if petitioner should apply for registration.

***6** Example B: A conglomerate opposes the attempted registration of a mark on the ground of mere descriptiveness, asserting that it has a right as a competitor to use this merely descriptive term. During the pendency of the opposition proceeding, the opposer sells off its competing business, the business in connection with which it had asserted that it had a right to use the term descriptively. This opposer, who had standing to oppose at the time the opposition was filed, has subsequently lost its standing.

Example C: A plaintiff opposes a mark on the ground of priority and likelihood of confusion and has asserted as its standing its ownership of a conflicting mark. During the course of the opposition proceeding, a civil court permanently enjoins opposer's use of its mark as a result of a suit brought by a third party possessing superior rights. Here, too, the opposer has lost its real interest in this proceeding because it no longer has a real interest in its mark.

Example D: A plaintiff opposes a mark on the ground of priority and likelihood of confusion. However, a court has ruled that the plaintiff has no proprietary rights in the asserted mark. Because of the doctrine of collateral estoppel, opposer is barred from asserting proprietary rights in its asserted mark before the Board and therefore has no standing to oppose registration by applicant of a conflicting mark. See [Uziel Gal v. Israel Military Industries](#), 230 USPQ 669, 674 (TTAB 1986), aff'd unpub'd, Appeal No. 87-1076 (Fed. Cir. June 24, 1987).

Here, the majority deviates from our practice of requiring standing by permitting this applicant (as plaintiff) to go to trial even though the attacked registration is no longer being asserted against applicant. What the majority seems to say is that, although this opposition has been dismissed with prejudice, the possibility of a civil action by this opposer is enough to give applicant standing to seek cancellation. I disagree. There is absolutely no evidence in this case that such a suit has been threatened. Indeed, opposer's action in this proceeding where it relied only on a pleaded registration and took no testimony tends to support the belief that opposer is not seriously interested in further pursuing this matter. Speculation on the part of the majority concerning what might happen should not be the basis for a party's standing. Rather, I would require the assertion of either actual civil litigation or a reasonable apprehension of a law suit, based upon some tangible threat. See [Carx Service Systems, Inc. v. Exxon Corporation](#), 215 USPQ 345, 352 n. 17 (TTAB 1982) (involving a cease and desist letter). See also [Warth v. Seldin](#), 422 U.S. 490, 499 (1974) ("some threatened or actual injury resulting from putatively illegal action."). Moreover, even if there were such a reasonable apprehension of a civil action, I believe that we should require a party in the position of plaintiff (applicant herein) to assert and prove this basis for its standing. The majority allows this applicant to seek cancellation without any such allegation. Nor, apparently, will any proof of applicant's standing be required at trial.

***7** The solution in this case is simple. We should give applicant leave to amend its counterclaim to assert an independent basis for its standing. One may legitimately ask what harm is being done by this requirement. If, in fact, opposer has sued or threatened to sue applicant to enjoin its use of the mark here sought to be registered, applicant could so plead and prove that allegation at trial. I do not believe that this practice places a substantial roadblock in the path of a party who has a real interest in seeking cancellation of opposer's registration. On the other hand, the benefit to be gained by such a practice is readily apparent. We should not be needlessly saddled with a cancellation proceeding where applicant as plaintiff has obtained a legal determination that the mark asserted against it and which it seeks to cancel is not likely to cause confusion with its mark. Applicant's sole basis for pursuing the counterclaim at this time may be, for all we know, vindictiveness on the part of a competitor.

[FN1] With respect to the policy consideration in removing deadwood from the register, a registration will be cancelled after the sixth year if a registrant fails to file an affidavit of continued use, and after the tenth year if no affidavit or declaration of continued use in commerce (renewal application) is submitted. [15 USC 1059](#) (as amended, effective November 16, 1989). As a result of the Trademark Revision Act, deadwood is now removed more rapidly than in the past. In the case of opposer's pleaded registration, a renewal affidavit under Section 9 of the Act must be filed in three years.

Moreover, it is not seen how dismissal of applicant's counterclaim will be unfair to it because no trial has yet been held on applicant's charge of abandonment.^[FN2] Applicant filed its Rule 2.12(b) motion upon the closing of opposer's testimony period.

While the majority distinguishes the examples cited in this opinion, I believe that those are distinctions without a difference. The salient similarity is that in these kinds of cases a party has lost standing or its real interest in the case because of a decision by this Office or by some action on the part of the plaintiff. As a result of losing a real interest in pursuing this matter, such as by a Board or court decision finding no likelihood of confusion, the defendant has been transformed by operation of law into an "intermeddler," who generally no longer possesses a bona fide reason to proceed. Of course, if this is not the case, all that I would require is an amendment to the pleading setting forth an independent basis or reason for proceeding. It is incorrect, as the majority has stated, that opposer has taken standing away from applicant by its own action—failure to prosecute this case. Technically speaking, opposer has not failed to prosecute this case but has chosen to make of record only its pleaded registration. It is not the opposer who has taken standing away from applicant but, rather, the Board by its decision holding no likelihood of confusion has created a situation where there is no real controversy remaining to be resolved. Of course, as the Lipton case teaches, the purpose of standing is to prevent the litigation where there is no real controversy. Here, our final decision dismissing the opposition with prejudice deprives the applicant of a reasonable basis for its belief in damage. Applicant, whose mark is not likely to cause confusion with opposer's, no longer has a personal interest in the outcome.

*8 The majority also states that an opposer may withdraw his opposition or fail to prosecute whenever he realizes his own pleaded registration is vulnerable to attack. Of course, our rules mandate the entry of judgment against an opposer and dismissal of the opposition with prejudice in such a situation, unless applicant consents. Such a judgment would have res judicata effect.

Finally, applicant's argument that its charge of abandonment creates a "basis" for going forward with the counterclaim is without merit. What we are talking about is applicant's standing to proceed and not the ground for cancellation. We must draw a distinction between facts creating standing and facts stating a ground or cause of action. Contrary to applicant's argument, a plaintiff should not be found to have standing by virtue of the complaint alone. Lipton, *supra*, [213 USPQ at 188](#).

FN1. If no suit or threat of legal action has been lodged against applicant, and opposer does file an action in the future, applicant of course will be free at that time to assert any defense, including the ground of abandonment of opposer's registered mark. If applicant's charge of abandonment is true, any subsequent use by opposer in an attempt to revive its abandoned mark will be in vain. That is to say, once a mark has been abandoned, it may be cancelled even after its holder resumes commercial use. *AmBRIT Inc. v. Kraft Inc.*, [812 F.2d 1531](#), [1 USPQ2d 1161](#), [1178](#) (11th Cir. 1986), *Mission Dry Corp. v. 7-Up Co.*, [193 F.2d 201](#), [86 USPQ 263](#), [264](#) (CCPA 1951) and *Conwood Corp. v. Loews Theatres, Inc.*, [173 USPQ 829](#) (TTAB 1972).

FN4. The majority states that it would be unfair to an applicant who has expended time, effort and money in prosecuting a counterclaim to be denied a resolution of his counterclaim.

Ellen J. Seeherman

Trial dates, beginning with applicant's testimony period as plaintiff in the counterclaim, are reset as indicated below.

Testimony period for E. R. Squibb and Sons, Inc. as plaintiff in the counterclaim to close: (opening thirty days prior thereto)

May 21, 1990

Testimony period for Syntex (U.S.A.) Inc. as defendant in the counterclaim to close: (opening thirty days prior thereto)

July 20, 1990

Rebuttal testimony period for E. R. Squibb and Sons, Inc. as plaintiff in the counterclaim to close (opening fifteen days prior thereto)

September 4, 1990

Briefs on final hearing ([Trademark Rule 2.128](#)) shall become due as follows:

E. R. Squibb and Sons, Inc. as plaintiff in the counterclaim:

November 2, 1990

Syntex (U.S.A.) Inc. as defendant in the counterclaim:

December 3, 1990

Reply brief for E. R. Squibb and Sons as plaintiff in the counterclaim:

December 18, 1990

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