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UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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Kim

Mailed: December 18, 2007

Opposition No. **91172571**

Taboca AS

v.

Philip Morris USA Inc.

Before Drost, Kuhlke, and Bergsman,
Administrative Trademark Judges

By the Board:

Philip Morris USA Inc. ("applicant") filed an intent-to-use application for the mark TABOKA, in standard character form, for "tobacco, raw or manufactured, including cigars, cigarettes, cigarillos, tobacco for roll your own cigarettes, pipe tobacco, chewing tobacco, snuff tobacco, tobacco substitutes not for medical purposes; smokers' articles, namely cigarette paper and tubes, cigarette filters, tobacco tins, cigarette cases and ashtrays not of precious metals, their alloys or coated therewith; smoking pipes, pocket apparatus for rolling cigarettes, lighters not of precious metals, matches" in International Class 34.[1]

[1] Application Serial No. 78623680, filed May 5, 2005, based on applicant's assertion that it has a bona fide intention to use the mark in commerce. Section 1(b) of the Trademark Act of 1946, 15 U.S.C. §1051(b).

Taboca AS ("opposer") opposed registration of applicant's mark on the ground that the proposed mark TABOKA, as applied to applicant's goods, so resembles opposer's previously used "designation" TABOCA when used in connection with moist smokeless tobacco and snus (a type of moist smokeless tobacco) as to be likely to cause confusion, mistake or deception.

Applicant, in its answer, has denied the salient allegations of the notice of opposition.

This matter now comes up for consideration of applicant's motion for summary judgment (filed February 7, 2007) on the ground that opposer cannot establish priority of use in the term TABOCA before applicant's filing date of May 5, 2005. The motion has been fully briefed.

As an initial matter, we note that neither party has alleged that TABOCA and TABOKA are dissimilar or that the goods of the respective parties are different and/or travel in different channels of trade such that confusion is not likely. Thus, the singular issue to be resolved in the present motion is one of priority of use. Since opposer does not allege actual trademark or service mark use of TABOCA in the United States either before or after the application filing date, we must decide whether there is a genuine issue of material fact regarding opposer's use of

TABOCA as a trade name and the sufficiency of such use to establish priority in favor of opposer.

<u>Legal Standard For Summary Judgment</u>

The purpose of summary judgment is judicial economy so as to dispose of cases where there are no genuine issues of material fact such that movant is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(c). A fact is material if it is relevant and necessary to the outcome of the proceedings. *See Opryland USA Inc. v. The Great American Music Show Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992). A factual dispute is genuine if the evidence of record is such that a reasonable fact finder could return a verdict in favor of the non-moving party. *See Sweats Fashions Inc. v. Pannill Knitting Co.,* 833 F.2d 1560, 4 USPQ2d 1793 (Fed. Cir. 1987)(dispute is genuine "only if, on the entirety of the record, a reasonable jury could resolve a factual matter in favor of the non-movant"). However, a dispute over a fact that would not alter the outcome on the legal issue will not prevent entry of summary judgment. *See, e.g., Kellog Co., v. Pack'Em Enterprises Inc.*, 14 USPQ2d 1545 (TTAB 1990), *aff'd*, 951 F.2d 330, 21 USPQ2d 1142 (Fed. Cir. 1991).

Material Facts

Based on the record before us and for the reasons discussed below, we conclude that summary judgment is warranted in this proceeding because applicant has established that there are no genuine issues of material fact remaining for trial and that it is entitled to judgment dismissing the opposition as a matter of law.

It is well settled that in the absence of any evidence of earlier use, the earliest date upon which applicant may rely for priority is May 5, 2005, i.e., the filing date of its application. *See* 15 U.S.C. §1057(c). *See also Zirco Corp. v. American Tel. & Tel. Co.*, 21 USPQ2d 1542 (TTAB 1991). This is not disputed by either party and it is relative to this date that we consider the evidence of record to determine if there is a genuine issue of material fact as to opposer's claim of priority.

A. Material Facts Prior To Applicant's Filing Date

We look first to those facts concerning events and activities that occurred prior to the filing date to which there is no genuine issue:

1. Opposer was established in Norway on April 2004 [Quinn deposition, p.19]
2. On or about July 26, 2004, a confidential presentation concerning the European snus market

was made in Greenwich, Connecticut by opposer to Darren Quinn in his capacity as an employee of International Smokeless Tobacco Company Inc. ("ISTC"), a Delaware corporation with international experience in the smokeless tobacco market [Quinn deposition, pp.7-12, 45-48]

3. On or about October 15, 2004, opposer entered into a confidential agreement, i.e., Strategic Alliance Agreement, with Global Strategy Advisors, Inc. ("GSAI"), a one-man New York corporation comprising Darren Quinn, for consulting services relating to the marketing, product development and business development of smokeless tobacco products for the Norwegian marketplace. [Quinn deposition, pp.52-57]

4. Sometime between December 2004 and January 2005, Darren Quinn was appointed to opposer's Board of Directors pursuant to the aforementioned Strategic Alliance Agreement [Quinn deposition, p.55]

5. Opposer had no advertising in the United States prior to May 5, 2005 [Quinn deposition, p.70]

6. Opposer did not participate in any trade shows in the United States prior to May 5, 2005 [Quinn deposition, p.70]

7. Opposer had no sales of smokeless tobacco anywhere in the world under TABOCA prior to May 5, 2005 [Quinn deposition, p.70]

8. Opposer was not registered to do business in the United States prior to May 5, 2005 [Quinn deposition, p.36]

9. Opposer was not registered before any state or federal organization in the United States prior to May 5, 2005 [Quinn deposition, p.36]

10. Opposer was not a member of any United States trade organization prior to May 5, 2005 [Quinn deposition, p.36]

B. Material Facts Subsequent To Applicant's Filing Date

We now turn to those facts concerning events and activities that occurred after the filing date to which there is no genuine issue.

1. Sometime between September 2005 and October 1, 2005, Darren Quinn was hired by opposer as its chief executive officer [Quinn deposition, pp.13 and 25]

2. On or about January 2006, a confidential presentation concerning the snus market was made to R.J. Reynolds Tobacco Company ("RJRT") in Winston-Salem, North Carolina [Quinn deposition, pp. 83-84]

3. On or about June 9, 2006, opposer entered into a confidential agreement, i.e., Strategic Relationship Agreement, with RJRT for (a) non-exclusive distribution of snus products in the United States through RJRT's catalogs and price lists, (b) contract manufacturing of snus products in the United States and (c) product stewardship[2] and testing of snus products in the United States. [Quinn deposition, pp. 87-94]

4. As of January 5, 2007 (the date of the Quinn deposition)[3], RJRT had not commenced distribution of any TABOCA product. [Quinn deposition, pp. 87-88]

5. As of January 5, 2007, RJRT had not manufactured any TABOCA product nor notified opposer of its ability to produce any TABOCA products. [Quinn deposition, pp.89-92]

6. As of January 5, 2007, the only services provided by RJRT under the Strategic Relationship Agreement has been product testing. [Quinn deposition, p.93]

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[2] The nature of the "stewardship" services appears to include quality assurance, regulatory consulting and "such other services as may be agreed upon by the parties."

[3] We note that the first page of the deposition incorrectly cites Friday, January 5, 2006 rather than 2007, as the date of the deposition.

Discussion

Section 2 of the Trademark Act, 15 U.S.C. §1052, states in relevant part:

> No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it
>
> . . . .
>
> (d) Consists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive . . . .

Based on this provision, an opposer may preclude registration of the same or similar mark for the same or similar goods based on prior use of a mark <u>or trade name</u> in the United States. Indeed, "an opposer need not establish prior use of a notation as a trademark to preclude a subsequent user from registering the same or a similar term for the same or closely related goods." *TuTorTape Laboratories, Inc. v. Halvorson*, 155 USPQ 268 (TTAB 1967). Thus, we agree with opposer that prior use of a term as a trade name is a proper basis to demonstrate priority of use to successfully preclude the registration of the same or similar term for the same or related goods under Section 2(d) of the Trademark Act. However, we do not find that the facts alleged by opposer in this proceeding are sufficient to establish priority of use in the United States for the reasons set forth below.

Section 2(d) of the Trademark Act of 1946, 15 U.S.C. §1052(d), refers to trade names "previously used in the United States." Opposer contends that the threshold for a showing of trade name use is a low one. For instance, opposer asserts that "appearance of a trade name on stationary [sic], business forms, proposals, and agreements" or the representation of "a term as a trade name during contract negotiations with potential clients" is the type of trade name use sufficient to support a finding of priority. Opposer's Memorandum in Opposition to Applicant's Motion for Summary Judgment at 10 ("Opposer's Brief"). We do not agree.

In order to "vest rights in [a] designation in the user which are superior to any rights that a subsequent user may acquire in a confusingly similar term notwithstanding that the later party's use has been as a trademark," a party must demonstrate "[p]rior use of a notation as the salient feature of a trade name in connection with the sale or advertising of goods or prior use of a notation in advertising or other promotional activities connected with the publicizing and offering for sale of goods or services providing that this use was of such nature and extent as to create an association by the purchasing public of the goods or services with the user thereof." *TuTorTape Laboratories, Inc. v. Halvorson*, *supra* at 270. *See also T.A.B. Systems v. PacTel Teletrac*, 77 F.3d 1372, 37 USPQ2d 1879, 1882-83 (Fed. Cir. 1996)("activities claimed to constitute analogous use must have substantial impact on the purchasing public").

Based on the record before us, opposer has failed to establish any facts that demonstrate such use in the United States as would create an association by the purchasing public of the relevant goods with opposer. For instance, opposer relies on confidential meetings with Darren Quinn as an employee of ISTC and as the owner of GSAI to establish priority of use in the United States. These meetings are not sufficient to create prior use rights because they were all confidential and for the purpose of assisting opposer in establishing a presence in the snus market in Norway and Sweden. It is apparent from opposer's presentation to ISTC that opposer approached ISTC in its role as the international arm of U.S. Smokeless Tobacco Company ("UST") for assistance in marketing its products in Norway and Sweden.[4] Mr. Quinn describes his role in these meetings as

[4] In describing ISTC's interaction with UST, Mr. Quinn notes, "Yes, we would report back in to U.S. Smokeless Tobacco, so we would work hand-in-hand and try to understand some of the ongoings of how items are promoted in the United States and apply some of those learnings to the international markets." [Quinn deposition, pp.8-9].

follows: "[A]s a representative of ISTC, my role was to develop business globally, meaning outside of the United States. That focus, as far as ISTC, was Scandinavia. That was my focus. And Taboca may well have provided the vehicle to get ISTC started up back again in the Scandinavian business." [Quinn deposition, p.73]. Indeed, opposer ultimately hired Mr. Quinn for his experience in international promotion.[5] Thus, opposer's activities in approaching the international arm of a U.S. tobacco company and its ultimate hiring of a person with international marketing experience rather than domestic experience demonstrate opposer's efforts to market its products in Europe, not the United States.

The following evidence of opposer's activities prior to the filing date of the opposed application further point to opposer's intent to enter and establish itself in the Scandinavian snus market rather than the United States market:

E-mail of 4/23/2004 from Tom Ruud to Darren Quinn:

> Dear Mr. Quinn,
> . . .

[5] Mr. Quinn describes his experience in international promotion as follows: "[I]n terms of international sales, I worked closely with many of the market managers throughout the globe and, during the course of the time, would assist in developing promotional events such as bar programs, sampling programs." [Quinn deposition, p.7].

Taboca AS is a new company aiming for the number two position in the Scandinavian snus (wet tobacco/snuff) market. As said we are initially thinking of launching in Norway, and then, after evaluating, launching in Sweden.

E-mail of 5/12/2004 from Ruud to Quinn:

. . . As the Norwegian authorities now are in the forefront on anti-smoking, we view it as interesting to start our launch in Norway, and then hopefully, take our learning to Sweden at a later stage, i.e. within 24 months.

Taboca AS is aiming for a 15-25% market share in Norway, and a 10-15% market share in Sweden.

Taboca would request UST to;

a) support on developing/blend a snus/wet tobacco product
b) production and canning/packaging
c) shipment to Norway/Nordic

Confidential Presentation to Quinn/ISTC (July 26, 2004)

INTRODUCTION
. . . As smoking is prohibited in bars and restaurants in Norway, and soon will be in Sweden, we are aiming for launching a new snus brand; taboca.

Establishing a brand in the less competitive Norwegian market could be a vehicle for a European market launch, when and if, the EU again opens up for snus.

MISSION
Establish Scandinavia's second largest snus company and prepare for European launch!

Establish marketing proposition for European market leadership!

> STRATEGY
> Taboca AS has decided to first establish their Taboca brand in Norway. The competition within the Swedish market is heavy at the moment, and we see no reason for spending our resources in a market with many new players jockeying for position. Norway could be an excellent vehicle for a European launch, and we will aim for a pan-European launch when, and if, the European Council drop [sic] the snus prohibition Q4 2004. With the younger Taboca brand, Taboca could play a major role in the European snus industry.

Confidential Strategic Alliance Agreement between Taboca AS and GSAI

> . . . Taboca is positioned to develop, manufacture, distribute and market smokeless tobacco products intended for the Norwegian marketplace.
> . . .
> WHEREAS, GSAI . . . specifically wishes to utilize the expertise and investment capital of Taboca . . . to jointly develop, manufacture and market the Product for potential global markets, specifically Norway.

Unexecuted Confidential Disclosure Agreement between Taboca AS and ISTC

> . . .
> WHEREAS, the parties hereto contemplate that certain of the INFORMATION may be used for discussions pertaining to the Scandinavian retail and distribution environment.

Neither the confidential meetings nor the confidential agreements establish prior use of TABOCA "as the salient feature of a trade name in connection with the sale or advertising of goods" or use "of such nature and extent as to create an association by the purchasing public of the goods or services with the user thereof". *TuTorTape Laboratories, Inc. v. Halvorson*, *supra* at 270. All of opposer's activities have been exploratory and preparatory in nature and the use of TABOCA in connection therewith was not "in a manner calculated to come to the attention of the public." *American Hydrotherm Corporation v. Hydrotherm, Inc.,* 164 USPQ 143, 148 (TTAB 1969). The record is clear that opposer has neither advertised nor sold[6] any goods under the TABOCA designation in the United States. In fact, to the extent that opposer's products bearing the TABOCA designation are of Cuban origin, they are precluded from the U.S. market due to the U.S. trade embargo against Cuba.

In light of the uncontested facts regarding opposer's use of TABOCA, opposer has not shown that there is a genuine issue of material fact sufficient to support opposer's use of TABOCA as a trade name in the United States prior to the

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[6] The single sale in 2006 of a can bearing the TABOCA designation through an Internet company, i.e., Northerner.com, was not authorized by opposer ("we made it clear that our distribution agreement is for the territory of Sweden only. But what retailers or what customers of our distributor do with the product after it goes into their hands is out of Taboca's control" [Quinn deposition, p.60]) and, to the extent that the product is of Cuban origin, was illegal in view of this country's trade embargo against Cuba. Therefore, such a sale by a third-party hardly qualifies as use of the designation in the United States. See Quinn deposition, pp. 57-61, 77-78.

filing date of the application at issue.[7] In view thereof, applicant's motion for summary judgment is granted.

Decision: The opposition is dismissed with prejudice.

[7] Opposer's references to press releases and news reports outside of the U.S., the registration of marks containing the term TABOCA in foreign trademark offices, the registration of a foreign domain name with a top-level domain of .NO, the existence of business cards and stationery and the creation of sample packaging that were never distributed in the U.S. are not material and insufficient to vest opposer with priority over applicant's mark.