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UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Cottee Dairy Products Pty Limited
v.
U.S. Foods & Pharmaceuticals, Inc.

Cancellation No. 30,920

Julie B. Seyler of Abelman Frayne & Schwab for Cottee Dairy Products Pty Limited.

Jordana Thomadsen of Quarles & Brady LLP for U.S. Foods & Pharmaceuticals, Inc.

Before Cissel, Hairston and Bucher, Administrative Trademark Judges.

Opinion by Cissel, Administrative Trademark Judge:

On July 16, 1996, Reg. No. 1,986,849 issued to U.S. Foods & Pharmaceuticals, Inc., a Wisconsin corporation, registering the mark DARI CAL on the Principal Register for "nutritional milk mineral supplements, namely a purified powdered form of milk minerals extracted from whey permeate and/or whey and de-lactosed whey permeate," in Class 5. The registration was based on the claim of use of the mark in commerce since April 1, 1994. The registration includes a

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disclaimer of the exclusive right to use the word "dairy" apart from the mark as shown.

On August 10, 2000, a petition to cancel this registration was filed by Cottee Dairy Products Pty Limited, an Australian corporation doing business in New South Wales. As grounds for cancellation, petitioner alleged that it owned the trademarks DAIRYCAL and DAIRYCAL MILK CALCIUM for "pharmaceutical substances; infants' and invalids' foods; food ingredients in this class including proteins," in Class 5; and "vegetable and meat extracts; milk and other dairy products; food supplements; preserves, pickles, sauces and spices," in Class 29; that it had applied to register these marks in the United States, but that registration had been refused based on the registration it seeks to cancel; that the owner of that registration had abandoned its use of the mark in connection with the products specified in the application; and that petitioner is, and will continue to be, damaged by the existence of this registration.

Respondent's answer denied the essential allegations set forth in the petition to cancel.

A trial was conducted in accordance with the Trademark Rules of Practice. Petitioner submitted a brief on appeal, respondent filed its brief, and petitioner filed a reply brief, but an oral hearing before the Board was not requested.

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The registration was canceled under the provisions of Section 8 of the Act on April 19, 2003, after all the evidence and testimony, as well as the briefs of the parties, had been submitted. In view of the fact that petitioner has not filed a motion to withdraw the cancellation, we have proceeded to decide the proceeding on its merits.

The record includes the registration sought to be canceled, respondent's responses to petitioner's Interrogatories Number 6 and 7, and two depositions, with exhibits, of respondent's president, Rajan Vembu.

During its testimony period, apparently in view of the fact that petitioner is located in Australia, respondent submitted a Notice of Deposition on Written Questions to petitioner. The questions related to petitioner's interest in the mark and whether petitioner could establish that it had a reasonable belief that it would be damaged by respondent's continued registration of the mark. Petitioner objected to all forty-nine of respondent's questions on the basis of relevance, asserting that evidence concerning petitioner's business and its use of its mark was not relevant to the issue of whether respondent had abandoned use of the registered mark.

After its testimony period had closed, petitioner moved to reopen its testimony period for the purpose of making of

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record the file histories of the applications of which petitioner had asserted ownership in the petition to cancel. Petitioner argued that it inadvertently had failed to make them of record during its testimony period, but that the Board should allow their admission at that time. The motion was denied by the Board because petitioner had not established that its failure constituted excusable neglect.

As noted above, petitioner had pleaded that its two applications had been refused registration based on the existence of the registration it seeks to cancel, and that respondent had abandoned use of its registered mark. The first allegation satisfied the requirement to plead standing and the second allegation satisfied the requirement to plead a ground upon which cancellation could be granted.

As respondent points out, however, although the record contains substantial testimony and evidence directed to the issue of abandonment, petitioner never made of record the applications which were the pleaded basis for its claim that it possessed standing, nor did petitioner take any testimony or introduce any other evidence which would prove that petitioner has standing to bring this cancellation proceeding. The belated effort to get these applications into the record having failed, petitioner has not established its standing, so the petition to cancel cannot be granted.

Petitioner argues that even though its pleaded applications were not timely made of record, the Board should consider petitioner to have established its standing and should proceed to the resolution of this action on the merits of petitioner's claim of abandonment. Petitioner, however, confuses whether it properly pleaded its standing with whether it proved its standing. As noted above, petitioner's pleading was a sufficient allegation of standing. It stated petitioner's belief that it would be damaged by the continued existence of respondent's registration and a reasonable basis for that belief, in that petitioner's applications had been refused registration based on the registration. Petitioner did not introduce any evidence or testimony, however, to establish a factual basis for its allegations. It is not enough merely to plead the facts which would constitute standing. Petitioner was obligated to prove the facts that it alleged. *Lipton Industries, Inc. v. Ralston Purina Company*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982).

Petitioner argues that we should impute standing to it because ["r]espondent consistently acted as if Petitioner had a real interest in the proceeding" (brief, p. 5) by, among other things, proceeding with the trial depositions of Mr. Vembu without challenging petitioner's standing. Additionally, petitioner argues that its standing is

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established by the testimony of Mr. Vembu to the effect that when petitioner's representatives visited respondent in Wisconsin, they sought a business relationship with respondent and offered to purchase respondent's trademark.

As respondent points out, petitioner cites no legal precedent for the notion that respondent's actions in continuing to defend its registration somehow constitute a concession that the petitioner had established the facts upon which its claim of standing is based. Furthermore, neither a legal basis nor a rational one is provided for the argument that by making an offer to buy respondent's trademark, petitioner could somehow vest itself with standing to cancel the registration of the mark. As respondent points out, if this were the rule, any person or entity could establish its standing to cancel any registration by simply offering to purchase the mark at any time prior to filing the Petition to Cancel. Such a rule would allow any entity, no matter whether or not it actually had a reasonable basis for believing it would be damaged by the continued existence of a registration, to slip past the threshold issue of standing easily without meeting the legal requirements of Section 14 of the Lanham Act.

In view of the fact that petitioner has not proved the facts upon which its allegation of standing is based, petitioner cannot prevail in this cancellation proceeding.

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In an effort to provide a complete ruling on all the matters before us, however, we will address briefly the issue of abandonment which would have been before us if petitioner had proved its standing.

Simply put, the record demonstrates that although respondent has maintained the hope and desire to have the product identified in the registration produced and to market it under the registered mark to customers throughout the world, respondent has never sold any product bearing the mark in transactions that could accurately be characterized as commercial transactions. While it is true that over the years, several different batches of product were produced and provided in containers bearing the registered mark to potential customers and others for testing and evaluation, there have been no commercial sales of goods bearing the mark. Even the specimens of use provided with the application that matured into the challenged registration are plainly labeled "Product Sample For Analysis Only." Mr. Vembu's testimony is clear that although respondent wanted to have the product produced and to market it on a commercial scale, for a number of reasons which he explains in detail, this never happened.

Ordinarily, cases where abandonment is the central issue involve an interruption or discontinuance of the use of the mark. In the case at hand, however, we have no

evidence that the mark was ever used in a commercial transaction, as opposed to a shipment of a sample for evaluation, testing or "development." Mr. Vembu testified that several prospective purchasers expressed their willingness to place orders, but that respondent was never able to arrange for production on a commercial scale. The parties to which samples of respondent's product were shipped usually paid only for the shipping expenses, but even when they may have paid for the product itself, the transaction was not in the ordinary course of commerce for these products, to be used by the purchaser or resold to the ultimate user, but rather the shipment was only a sample for evaluation purposes. Even if the two sample shipments in 1995 could be construed as commercial transactions, such shipments were never followed up with orders for commercial quantities of product. "Trademark rights are not created by sporadic, casual and nominal shipments of goods bearing a mark. There must be a trade in the goods sold under the mark or at least an active and public attempt to establish such a trade." *Procter & Gamble Co. v. Johnson & Johnson Inc.*, 205 USPQ 697, 715 (SDNY 1979).

When asked whether there has ever been any commercial sale in the United States of products which incorporate the mark, Mr. Vembu answered, "No, not yet, but soon will be." (May 23, 2002 Vembu deposition, p. 16).

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In that respondent did not demonstrate any use of its mark in commerce, much less that the years of non-use constitute discontinuance of use with the intent to resume use, if petitioner had established its standing to bring this action, the record would have supported granting the petition to cancel.

One additional issue needs to be discussed. In its brief, respondent argued that on December 7, 2001, petitioner voluntarily wound up its business and was placed into liquidation. Submitted in support of this contention were copies of what respondent asserts are the minutes of a meeting of petitioner's creditors which took place on December 18, 2001. Also submitted was a copy of what is purported to be the account and statement of the liquidator. Respondent argued that these documents are records available from the Australian Securities and Investments Commission, and that as such, they constitute records of which the Board may take judicial notice.

We decline to do so. These documents are not the type of evidence of which we take judicial notice under Rule 201 of the Federal Rules of Evidence. Their validity is not something we can readily verify, nor is it clear to us what their significance under Australian law might be. Moreover, their submission with respondent's brief is not just manifestly untimely, it is improper. Respondent did not

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move to reopen its testimony period or otherwise move to allow these materials to be made of record at this late juncture. Accordingly, they have not been considered.

DECISION: Because the petitioner has not proved its standing, the petition to cancel is dismissed.