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CITABLE AS PRECEDENT OF  
THE T.T.A.B.**

**UNITED STATES PATENT AND TRADEMARK  
OFFICE  
Trademark Trial and Appeal Board  
P.O. Box 1451  
Alexandria, VA 22313-1451**

DUNN  
Mailed: May 3, 2005

Cancellation No. 92043411

AGRI-PRO ENTERPRISES OF  
IOWA, INC.

v.

DOSATRON INTERNATIONAL

Before Hohein, Hairston, and Chapman, Administrative  
Trademark Judges.

By the Board:

This case comes up on respondent's motion for summary judgment.<sup>1</sup> As a preliminary matter, the Board must decide whether petitioner has standing to seek cancellation of respondent's registration for a mark comprising a configuration of goods following the petitioner's written agreement, made in settlement of litigation with respondent, not to use a confusingly similar configuration.

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<sup>1</sup> Petitioner's consented motion to extend until October 4, 2004 its time to respond to respondent's motion for summary judgment is granted. The Board notes that petitioner's response was filed October 21, 2004. Insofar as respondent has filed no objection to petitioner's late response, the late response will be considered.

Petitioner's motion to amend its response to the motion for summary judgment by supplying a substitute affidavit by Robert Vosloh with information regarding current ownership of petitioner was not contested by respondent and is also granted. See Trademark Rule 2.127(a).

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The Cancellation Proceeding

Agri-Pro Enterprises of Iowa, Inc. (hereafter, Agri-Pro) has petitioned to cancel Dosatron International's (hereafter, Dosatron) registration<sup>2</sup> for the mark described therein as "the three dimensional design for the housing for the inner workings of livestock medicators" for "apparatus and instruments for delivering or controlling measured quantities of liquid or soluble solutions; proportional injectors and medicators" on the grounds of functionality and fraudulent procurement.<sup>3</sup>

In its petition, Agri-Pro alleges that Dosatron's mark embodies a design that is dictated by the function of the medicator; that Dosatron filed a trademark application with the U.S. Patent and Trademark Office ("the Office") for its medicator configuration; that the Office refused registration on the basis that the configuration comprising

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<sup>2</sup> Registration No. 2136600, issued February 17, 1998 under Trademark Act Section 2(f), Section 8 affidavit accepted and Section 15 affidavit acknowledged.

U.S. Patent and Trademark Office Assignment Branch records indicate that on April 12, 2002 the registration was assigned from DSA, S.A. to respondent (Reel 2666, Frame 0061).

<sup>3</sup> Agri-Pro's motion to amend the petition to cancel to add a claim that Dosatron engaged in "vexatious litigation" by filing the trademark application which resulted in Registration No. 2136600 is denied. Agri-Pro is advised that "vexatious litigation" may be a basis for an award of attorneys' fees and costs in federal court, but the Board does not award attorneys' fees or costs [TBMP §502.05 (2nd ed. rev. 2004)] and the "valid ground" for canceling a registration that must be alleged and ultimately proved must be a "statutory ground which negates the [registrant's] right to the subject registration." *Young v. AGB Corp.*, 152 F.3d 1377, 1381, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998).

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the mark is functional, not distinctive, and does not function as a trademark; that Dosatron filed a response with declarations alleging that its "flat top" trade dress was unique in the industry and that competitors' medicators do not resemble Dosatron's medicator; that these declarations were filed "at the same time that a law suit filed by [Dosatron] was pending alleging that [Agri-Pro] was manufacturing and selling a medicator which was confusingly similar to [Dosatron's]"; that Dosatron's district court suit "alleged that [Agri-Pro's] medicator infringed the trade dress in [Dosatron's] registration"; that Dosatron knew of Agri-Pro's medicator when Dosatron falsely claimed that it knew of no other medicators with a similar design; that Agri-Pro is selling a newly-designed medicator which Dosatron "once again" claims infringes on its mark;<sup>4</sup> that Agri-Pro's's medicator "is as different in appearance from Registrant's Mark as it can be without adversely affecting the function of its product"; that "Registrant is illegitimately attempting to use its Mark to prevent fair competition in the medicator field;" that "to the extent that there are any similarities between Petitioner's product and the Registrant's Mark, those similarities are dictated

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<sup>4</sup> Dosatron has filed a motion in U.S. District Court to enforce the settlement agreement. See Agri-Pro's Petition, ¶13, Dosatron's Answer, ¶13.

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by function"; and that Dosatron's registration should be cancelled.

Dosatron International has filed an answer denying the salient allegations of the petition to cancel and asserting the affirmative defenses that the claim of functionality was barred by the earlier district court litigation between the parties; and that the claim of fraud was barred by petitioner's intentional copying of respondent's configuration, which copying Dosatron alleges was admitted in the district court litigation and resulted in the settlement agreement. At the same time, Dosatron filed a motion for summary judgment on its affirmative defenses,<sup>5</sup> and submitted copies of the pleadings which initiated the civil action action between these parties in the United States District Court for the Middle District of Florida, Tampa Division, and the stipulated order which dismissed that civil action.

*The District Court Action*

On or about June 18, 1996, joint plaintiffs Dosatron International, S.A., D.S.A., S.A., and Dosatron International, Inc., filed a complaint in the United States District Court for the Middle District of Florida, Tampa

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<sup>5</sup> On September 21, 2004, the Board granted Dosatron's motion to amend its motion for summary judgment, originally filed only on the issue of functionality, to add the issue of fraud.

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Division, alleging, *inter alia*, federal trademark infringement by Agri-Pro Enterprises of Iowa, Inc. (petitioner herein), and Robert Vosloh, president and owner, with his children, of petitioner (i.e., Agri-Pro). *Dosatron International, S.A., D.S.A., S.A., and Dosatron International, Inc. v. Agri-Pro Enterprises of Iowa, Inc. and Robert Vosloh*, 96-1199-CIV-T-23B.<sup>6</sup>

Specifically, the complaint alleges that since 1974 plaintiff D.S.A., S.A. manufactured and sold in Europe an "apparatus for delivery of controlled quantities of liquid or soluble solutions," also known as a medicator, in a "unique, distinctive and non-functional shape and trade dress" including "a housing with a flat top, the location and placement of an identifying letter mark in an outline applied to the central body of the unit, and an instruction sheet applied immediately below the trademark"; that since 1979 the medicators have been sold and promoted in the United States; that from 1979 to 1992 defendants were

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<sup>6</sup> While there is a discrepancy between "DSA, SOCIETE ANONYME," the registrant when the district court action was filed, and the joint plaintiffs, there is no dispute that the same entity is involved. The district court complaint alleges that D.S.A., S.A., a French joint stock company, manufactured and sold the medicators in Europe (Complaint, ¶1, ¶8); that Dosatron International, Inc., a Florida corporation, was the exclusive U.S. sales and service affiliate of D.S.A., S.A. (Complaint, ¶2); and that both entities are subsidiaries substantially owned and fully controlled by Dosatron International, S.A. (Complaint, ¶2). Agri-Pro describes the district court action as "a lawsuit filed by DSA and its related companies" (Petition to Cancel, ¶9).

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exclusive U.S. distributors for plaintiffs; that about April 5, 1996 defendants were offering for sale a medicator copied from plaintiffs' medicator; and that such conduct, *inter alia*, infringed plaintiffs' trademark. Defendants' amended answer asserted the affirmative defenses that the trade dress of plaintiffs' medicator was functional, non-distinctive, and possessed no secondary meaning; and that defendants had not copied any protectable feature of plaintiffs' medicator. On March 28, 1997, the district court granted the parties' joint motion for entry of a stipulated order, approved the stipulation of settlement between the parties, and dismissed the case.

The Settlement Agreement

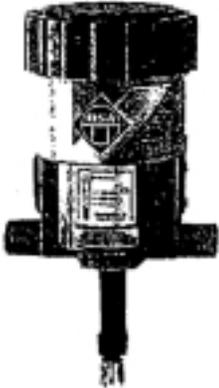
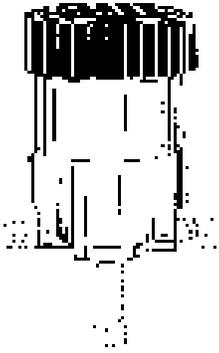
The six-paragraph "Stipulation of Settlement" attached to the district court's order addresses defendants' obligation to cease use of a medicator configuration confusingly similar to plaintiffs's medicator (as set forth in ¶1 below), defendants' manufacture of replacement parts, the dismissal of the district court action, the release of all claims arising from the subject matter of the litigation, the annexation of the agreement to the court order, and the construction of the agreement under the laws of Florida:

1. Defendants, for themselves as well as their respective officers, agents, successors, shareholders, assigns and all persons in active

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concert and participation with them, agree to cease and desist from the manufacture, distribution or sale of any medicator apparatus confusingly similar in appearance to Plaintiffs' medicator apparatus as hereinafter depicted.

The configurations involved in the cancellation proceeding are set forth below:

		
Dosatron's medicator (settlement agreement)	Agri-Pro's newly-designed medicator <sup>7</sup>	Dosatron's Registration No. 2136600

Discussion

The purpose of summary judgment is one of judicial economy, that is, to save the time and expense of a trial where no genuine issue of material fact remains and more

<sup>7</sup> Agri-Pro's medicator, known as the ProDose II, is depicted in an advertisement submitted as an exhibit to Dosatron's Motion for Summary Judgment, filed July 29, 2004. Agri-Pro refers to the same exhibit in describing the appearance of its new medicator. See Agri-Pro's Opposition to Dosatron's Motion for Summary Judgment, filed October 21, 2004, p. 6.

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evidence than is already available in connection with the summary judgment motion could not reasonably be expected to change the result. *Pure Gold, Inc. v. Syntex (U.S.A.), Inc.*, 739 F.2d 624, 222 USPQ 741 (Fed. Cir. 1984). Summary judgment may be entered "after adequate time for discovery and upon motion, against a party who fails to make a showing sufficient to establish the existence of an element essential to the party's case, and on which the party will bear the burden of proof at trial." *Celotex Corp. v. Catrett*, 477 U.S. 317, 322, 106 S.Ct. 2548, 91 L.Ed. 2d 265 (1986).

For a petitioner to prevail in a cancellation proceeding, it is incumbent upon that party to show that (1) it possesses standing to challenge the continued presence on the register of the subject registration and (2) there is a valid ground why the registrant is not entitled under law to maintain the registration. *Young v. AGB Corp.*, 152 F.3d 1377, 1379, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998); *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 1026 213 USPQ 185, 187 (Fed. Cir. 1982). Thus, standing is a "threshold" issue which must be addressed by the Board, whether or not it has been raised by the parties. *Lipton Industries, Inc. v. Ralston Purina Co.*, *supra*, at 1028. See *Ritchie v. Simpson*, 170 F.3d 1092, 1093-1094, 50 USPQ2d 1023, 1024 (Fed. Cir. 1999) ("The question in this case is

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not whether the marks ... constitute immoral or scandalous matter, thus precluding their registration under the law. Rather, the issue is the narrower one of whether [plaintiff] is entitled to come before the Board and raise that question"); *Mentor H/S, Inc. v. Medical Device Alliance, Inc.*, 240 F.3d 1016, 1018-19, 57 USPQ2d 1819, 1821 (Fed. Cir. 2001) ("the issue of whether an exclusive licensee [lacks standing] is jurisdictional and, therefore, is not waived by a party's failure to raise the issue in the district court"). If the plaintiff is unable to establish its standing to bring its claims, the Board need not reach the merits of the case, but may enter judgment for the defendant. *Celotex Corp. v. Catrett, supra*, at 326 ("[C]ourts are widely acknowledged to possess the power to enter summary judgments sua sponte, so long as the losing party was on notice that she had to come forward with all of her evidence").

Trademark Act Section 14 provides, in relevant part, that "[a] petition to cancel a registration of a mark, stating the grounds relied upon, may...be filed...by any person who believes that he is or will be damaged...by the registration of a mark on the principal register..." As the Board's primary reviewing court has observed: "The purpose of requiring allegations that demonstrate standing is to preclude meddlesome parties from instituting proceedings as

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self-appointed guardians of the purity of the Register. However, a party who demonstrates a real interest in the proceeding has standing to litigate even though ultimately its allegation that he is or will be damaged is refuted." *Lipton Industries, Inc. v. Ralston Purina Co., supra*, at 1027 (citations omitted).

There is no question that Agri-Pro had standing prior to settlement of the district court litigation, when it and Dosatron sold similar medicators. "Assertion of a competitive need to use the subject matter of the mark is sufficient to allege the necessary "real interest" in the proceeding. See *Saint-Gobain Abrasives, Inc. v. Unova Industrial Automation Systems, Inc.*, 66 USPQ2d 1355, 1357 (TTAB 2003) ("plaintiff has alleged the interest necessary to bring these proceedings by asserting its competitive uses of stripes and bands in various colors including the colors yellow and blue on abrasive wheels and disks"); *M-5 Steel Mfg. Inc. v. O'Hagin's Inc.*, 61 USPQ2d 1086, 1094 (TTAB 2001) ("opposer, a competitor of applicant in the roof vent business, has standing to oppose applicant's attempt to register these marks for roof vents.").

The question is whether Agri-Pro continues to have standing after settlement of the district court litigation. Agri-Pro's petition to cancel (which makes no mention of the settlement agreement) alleges no interest in this proceeding

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other than its interest, as a competitor of Dosatron selling similar medicators, in using the subject matter of Dosatron's mark. As set forth above, Agri-Pro alleges that its claim of damage is based on Dosatron's claim that Agri-Pro's "newly designed" medicator infringes Dosatron's medicator configuration mark; that Dosatron's medicator configuration mark "embodies a design that is dictated by the function of the medicator;" and that Dosatron "is illegitimately attempting to use its Mark to prevent fair competition in the medicator field." Agri-Pro does not dispute that there are similarities between its newly designed medicator and Dosatron's medicator; in fact, to the contrary, Agri-Pro contends that "to the extent that there are any similarities ... those similarities are dictated by function"; and that Agri-Pro's medicator "is as different in appearance from Registrant's Mark as it can be without adversely affecting the function of its product."

By the terms of the settlement agreement which was approved by the district court, Agri-Pro agreed "to cease and desist from the manufacture, distribution or sale of any medicator apparatus confusingly similar in appearance to Plaintiffs' medicator apparatus." Because the issue affects Agri-Pro's standing, the Board has jurisdiction to decide whether, under the settlement agreement between the parties and the district court order, Agri-Pro is contractually

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barred from using a configuration confusingly similar to Dosatron's configuration. *Kimberly-Clark Corp. v. Fort Howard Paper Co.*, 772 F.2d 860, 863, 227 USPQ 36, 38 (Fed. Cir. 1985). The Board may consider "the agreement, its construction, or its validity if necessary to decide the issues properly before [the Board]." See *M-5 Steel Mfg. Inc. v. O'Hagin's Inc.*, *supra*, at 1094; quoting *Selva & Sons, Inc. v. Nina Footwear, Inc.*, 705 F.2d 1316, 1324, 217 USPQ 641, 647 (Fed. Cir. 1983). *Accord*, 2 J. McCarthy, McCarthy on Trademarks and Unfair Competition, §18:82 (4<sup>th</sup> ed. 2004) ("Many consent agreements also embody a promise not to use a trademark in a certain format or on a certain line of goods. Such agreements are routinely upheld and enforced.").

The interpretation of the settlement agreement is governed by Florida contract law, under which the interpretation of the agreement is a question of law for the court, and "words ... are to be given their plain and ordinary meaning." *Schwartz v. Florida Bd. of Regents*, 807 F.2d 901, 905 (11th Cir. 1987); *Somerset Pharmaceuticals, Inc. Gunster, Yoakley, Valdes-Fauli & Stewart v. Kimball*, 49 F. Supp.2d 1335 (M.D. Fla. 1999). Here, we find that the ordinary meaning of the settlement agreement established the terms by which the parties no longer use the same or similar medicator configurations, with the result that Agri-Pro

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obtained a release of Dosatron's claims for damages caused by Agri-Pro's alleged infringement of Dosatron's medicator configuration; that Dosatron obtained Agri-Pro's agreement to cease use of a confusingly similar medicator; and that both parties were released from any claims arising from Dosatron's continued use of its medicator configuration, depicted in the agreement and the subject matter of the district court action giving rise to the agreement.

Clearly, Agri-Pro cannot maintain that it is entitled, after entering into the settlement agreement, to use the configuration depicted in Dosatron's registration, or one confusingly similar thereto. *Vaughn Russell Candy Co. v. Cookies in Bloom Inc.*, 47 USPQ2d 1635, 1638 (TTAB 1998). There is no reservation of Agri-Pro's right to make, distribute or sell a medicator confusingly similar in appearance to Dosatron's medicator so long as the confusingly similar elements are those elements which Agri-Pro alleges are functional. Such a construction would belie the ordinary meaning of the agreement.

We find that, as a matter of law, Agri-Pro is prohibited by the plain terms of the settlement agreement from use of "any medicator apparatus confusingly similar in appearance to Plaintiffs' [Dosatron's] medicator apparatus."

We emphasize that this order does not decide whether Dosatron's mark comprising the configuration is functional

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or was fraudulently obtained. This order is limited to the finding that Agri-Pro may not bring these claims because its earlier agreement to cease use of a confusingly similar configuration removes Agri-Pro's "real interest" in seeking cancellation of Dosatron's registration, and thus precludes Agri-Pro from having standing to challenge the registrability of Dosatron's mark.

In conclusion, inasmuch as Agri-Pro is barred by the settlement agreement and the district court order from use of a medicator configuration confusingly similar to Dosatron's medicator configuration, we find that there is no genuine issue of material fact as to Agri-Pro's lack of standing to bring a petition to cancel. Fed. R. Civ. P. 56(c).

Accordingly, Dosatron's motion for summary judgment is granted; judgment is entered against petitioner based on its lack of standing; and the petition to cancel is denied.

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