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

| Proceeding | 92044828 |
|---------------------------|--|
| Party | Defendant Active Organics, Inc. Active Organics, Inc. 1097 Yates St. Lewisville, TX 75057 |
| Correspondence Address | ANTHONY H. HANDAL BROWN RUDNICK BERLACK ISRAELS LLP 7 TIMES SQUARE NEW YORK, NY 10036 |
| Submission | Motion to Suspend for Civil Action |
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| Signature | /s/AHH |
| Date | 06/30/2006 |
| Attachments | actiseamotion.pdf (5 pages)(97860 bytes) actiseadoc.pdf (30 pages)(647298 bytes) |



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

In the matter of Trademark Registration No. 2,788,713

| June 30, 2006 Date: |
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MOTION TO STAY AND/OR SUSPEND PROCEEDINGS

The Registrant, Active Organics, Inc. ("Active Organics"), a corporation duly organized and existing under the laws of Texas and having its headquarters at 1097 Yates Street, Lewisville, Texas, hereby moves to stay and/or suspend these proceedings pursuant to Trademark Rule 2.117 (37 C.F.R. § 2.117). The parties hereto are currently parties to a parallel civil action pending in the United States District Court for the Eastern District of Texas, Sherman Division (the "District Court") entitled Active Organics, Inc. v. Natural Thoughts, Inc., Case No.



4:06cv254 (the "Parallel Action"). It is believed that a final determination of the civil action will bear on and likely resolve the issues before the Board. A copy of Active Organics' Complaint in the Parallel Action is attached hereto as <u>Exhibit A</u>. In support of this motion, Active Organics states as follows:

- 1. The Parallel Action involves claims by Active Organics against the Petitioner in this proceeding, Natural Thoughts, Inc. ("Natural Thoughts"). Active Organics has asserted claims of trademark infringement, dilution, false designation of origin and unfair competition under federal and state law against Natural Thoughts, arising out of Natural Thoughts' use of marks that are likely to cause confusion with Active Organics' registered and common-law trademarks.
- 2. Of particular relevance to this proceeding, Active Organics has sought an order of judgment from the District Court that the above referenced federal trademark registration owned by Active Organics is valid at law and infringed by Natural Thoughts and that Natural Thoughts be enjoined from making and selling and otherwise infringing upon the trademarks of Active Organics. See Ex. A, Prayer for Relief ¶ (f), page 15. In other words, the registrability of the Active Organics' mark at issue in this proceeding is also at issue in the Parallel Action.
- 3. Pursuant to Rule 2.117, "Whenever it shall come to the attention of the Trademark Trial and Appeal Board that a party or parties to a pending case are engaged in a civil action ... which may have a bearing on the case, proceedings before the Board may be suspended until termination of the civil action[.]" 37 C.F.R. § 2.117(a). Based on the foregoing, it would promote the economical and efficient resolution of the current dispute between the parties for the Board to stay this proceeding pending the conclusion of the Parallel Action. As the Commissioner of Patents and Trademarks has stated,

Since the Trademark Trial and Appeal Board is an administration tribunal vested with authority to hear and decide only those controversies specifically defined in



the Trademark Act of 1946 its jurisdiction could not extend to all of the controversies in issue in the Federal District Court. Consequently, judicial economy warrants a consolidation of issues, including those which may be presented for determination by the Board or which may have a bearing on an issue before the Board, into one forum vested with the authority to hear all issues presented. It is not unreasonable, in such a case, that proceedings be stayed in the administrative tribunal pending the final disposition of issues by the other forum.

The Other Telephone Co. v. Conn. Nat'l Tel. Co., Inc., 181 U.S.P.Q. 779, 782 (Comm'r 1974) ("Other Telephone II") (affirming Board's stay of opposition proceeding pending resolution of civil action).

- 4. Accordingly, the Board has previously stayed proceedings where the relief requested in a parallel action would have a bearing on issues before the Board. See, e.g., Marie Claire Album S.A. v. Kruger GmbH & Co. KG, 29 U.S.P.Q.2d 1792 (T.T.A.B. 1993) (suspending opposition proceedings before Board pending determination of validity of applicant's trademarks in foreign civil action); General Motors Corp. v. Cadillac Club Fashions, Inc., 22 U.S.P.Q.2d 1933, 1936-37 (T.T.A.B. 1992) (suspending cancellation proceeding pending conclusion of federal civil action between parties, where federal action would be determinative of issues before the Board).
- 5. It is not necessary to await an answer in the Parallel Action before staying this proceeding, as the impact of the Parallel Action on this proceeding is apparent from the face of Active Organics' Complaint. See Ex. A; General Motors, 22 U.S.P.Q.2d at 1936-37 (suspending cancellation proceeding notwithstanding claim that complaint in civil action was not properly served); The Other Telephone Co. v. Conn. Nat'l Tel. Co., Inc., 181 U.S.P.Q. 125, 126 (T.T.A.B. 1974) ("Other Telephone I") (civil action has begun upon filing of complaint; it is not necessary that answer be filed before Board may determine effect of civil action upon opposition proceeding in considering opposer's motion to stay).



6. It is also more efficient to stay this proceeding than to seek a stay of the Parallel Action, because the issues and relief that are the subject of the civil action are broader than the subject matter of this proceeding and "while a decision of a Federal District Court would be binding on the Patent Office, a decision by the Trademark Trial and Appeal Board would be merely advisory with respect to the disposition of issues presented in a Federal District Court."

Other Telephone II, 181 U.S.P.Q. at 782; see also Goya Foods, Inc. v. Tropicana Products, Inc., 846 F.2d 848, 853-854 (2d Cir. 1988) (PTO determinations not binding upon district court; also, where district court action involves not only issues of registrability but also claims of infringement or claims for declaration of non-infringement, interest in prompt adjudication of parties' rights outweighs deference to pending TTAB proceedings); Maritz, Inc. v. CyberGold, Inc., 947 F. Supp. 1328, 1337 (E.D. Mo. 1996) (denying stay of court action pending resolution of Board opposition proceeding, where such a stay would cause delay and Board proceeding would not resolve issues in litigation).



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