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

Proceeding	92045258
Party	Defendant KIMBERLY-CLARK WORLDWIDE, INC. KIMBERLY-CLARK WORLDWIDE, INC. 401 NORTH LAKE STREET NEENAH, WI 54956
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Innovative Healthcare, Inc.)	
)	
Petitioner,)	
)	Cancellation No. 92045258
v.)	Mark: MISCELLANEOUS DESIGN
)	Reg. No. 2,596,539
Kimberly-Clark Worldwide, Inc.)	
)	
Registrant.)	
_____)	

**REPLY IN SUPPORT OF REGISTRANT’S MOTION
TO SUSPEND FURTHER PROCEEDINGS**

Registrant Kimberly-Clark Worldwide, Inc. (“Kimberly-Clark”) submits this memorandum of law in reply to Petitioner’s Response to Registrant’s Motion to Suspend Further Proceedings (“Response”) filed by Petitioner Innovative Healthcare, Inc. (“Innovative”).

I. INTRODUCTION

Innovative’s Response is directly at odds not only with the facts of the pending proceedings, but also with the mountain of jurisprudence in which the Trademark Trial and Appeal Board (“Board”) routinely stays itself in favor of an action pending in a U.S. district court whenever doing so would “have a bearing on the issues before the Board.” In fact, the present proceeding is *precisely* the type of situation anticipated by the Board’s policy of granting such motions to suspend pending disposition of a civil action involving the same marks.

Despite Innovative’s hollow protestations to the contrary, one need only review the Answer of Innovative Healthcare Corporation to Plaintiff’s Complaint for Trademark Infringement, Unfair Competition, Trademark Dilution and Deceptive Trade Practices (“Answer”) filed by Innovative in the district court proceeding to see that the validity of Kimberly-Clark’s federal trademark registration for its

COLOR PURPLE design mark, U.S. Reg. No. 2,596,539 (“’539 Registration”), is squarely at issue in that proceeding. Innovative’s Third and Fifth Defenses rest upon the alleged functionality of Kimberly-Clark’s COLOR PURPLE mark and Innovative’s allegations of fraudulent procurement of the ‘539 Registration, the identical issues raised in the current Cancellation proceeding.

Nor is this a case where Kimberly-Clark is seeking to “escape” a ruling by the Board on Innovative’s Motion for Summary Judgment. Simply put, when Kimberly-Clark filed its Motion to Suspend Further Proceedings (“Motion”), there *was* no Motion for Summary Judgment to “escape.” Instead, Innovative filed its Motion for Summary Judgment *after* Kimberly-Clark’s Motion, in a transparent attempt to avoid having to answer for its infringement of Kimberly-Clark’s COLOR PURPLE marks in district court.

Perhaps the most important factor favoring grant of Kimberly-Clark’s Motion, however, is the fact that Kimberly-Clark is currently being harmed by Innovative’s continued offer for sale of purple-colored gloves, and will continue to be harmed if the Board sanctions Innovative’s attempts to stall the district court proceedings. Importantly, the district court has broader jurisdiction to decide issues relating to Kimberly-Clark’s claims for infringement and dilution of its three federally registered trademarks – the COLOR PURPLE mark, covered by the ‘539 Registration; the mark PURPLE NITRILE, covered by U.S. Registration No. 2,533,260; and the mark PURPLE NITRILE-XTRA, covered by U.S. Registration No. 2,593,382. Such claims are beyond the jurisdiction of the Board, and cannot be adjudicated in the current proceeding. In contrast, Innovative’s claims regarding the invalidity of the ‘539 Registration are fully within the competence and the jurisdiction of the district court, and have already been placed squarely before the district court as a result of Innovative’s Answer in that proceeding.

Further, any decision by the district court regarding the validity of Kimberly-Clark’s trademark registration would be binding on the Board, but not vice versa. Accordingly, all that would be

accomplished by a stay of these proceedings would be a delay of the adjudication of Kimberly-Clark's trademark infringement claims, as well as duplication and a waste of the parties' resources and those of the Board. Kimberly-Clark therefore urges the Board to grant Kimberly-Clark's Motion.

II. FACTS OF THE CASE

On July 22, 2003, Kimberly-Clark's predecessors-in-interest, Safeskin Corporation ("Safeskin") and Kimberly-Clark Corporation ("K-C Corp.") (Safeskin and K-C Corp. are collectively referred to as "K-C"), wrote to Innovative to protest its infringement of K-C's rights in its COLOR PURPLE trademarks through Innovative's unauthorized sale and importation of purple-colored protective gloves. *See* Declaration of Anna Kurian Shaw ("Shaw Decl.") at ¶ 2. While the parties were engaged in settlement correspondence, K-C separately filed a complaint with the International Trade Commission ("ITC") on October 23, 2003, seeking a general exclusion order barring the importation of protective gloves that infringed its COLOR PURPLE Marks. *See* Shaw Decl. at ¶ 3. Following the institution of a Section 337 investigation by the ITC, K-C was granted a general exclusion order on December 22, 2004. *See* Shaw Decl. at ¶ 4.

As part of the parties' ongoing correspondence, on September 7, 2005, K-C informed Innovative of the ITC's entry of a general exclusion order, and in the same correspondence reiterate its opposition to Innovative's continued sale of purple-colored gloves. *See* Shaw Decl. at ¶ 5. Without responding to K-C's correspondence, on October 11, 2005, Innovative filed the current petition to cancel Kimberly-Clark's '539 Registration. *See* Shaw Decl. at ¶ 6.

A few months later, after the Board resumed the present proceedings, Kimberly-Clark filed the district court action on June 19, 2006, asserting claims for federal trademark infringement, federal unfair competition, federal trademark dilution, violations of the Georgia Uniform Deceptive Trade Practice Act and the Georgia Antidilution Statute, and Georgia common law trademark infringement and unfair

competition based on Innovative's sale of purple-colored gloves (Innovative calls them "lavender" – a shade of purple), which infringe and dilute three of Kimberly-Clark's federally registered trademarks. In its Complaint, Kimberly-Clark sought a permanent injunction against further infringement and dilution of its COLOR PURPLE Marks by Innovative, as well as compensatory and treble damages, costs and attorney's fees. *See Shaw Decl. at ¶ 8.* Despite Innovative's claims that "Petitioner voluntarily ceased importation of 'purple' gloves and pale 'lavender' gloves" (Response at p. 4), as of May 15, 2006, Innovative was still offering its purple-colored NitriDerm brand gloves for sale on its web site at www.ihsfgloves.com. *See Shaw Decl. at ¶ 7, Ex. A.* In fact, Innovative's web site is *still* offering for sale the purple-colored NitriDerm gloves. *See Shaw Decl. at ¶ 14, Ex. C.*

At the time Kimberly-Clark filed its Complaint in the district court litigation, Innovative had done absolutely nothing to advance the current proceeding. Nor has it undertaken any action to advance the current proceeding since the filing of Kimberly-Clark's Complaint. In fact, Innovative has never served a single interrogatory, document request, or any written discovery at all in the current proceeding. Quite simply, Innovative has not taken *any* affirmative steps to prosecute its cancellation claims before the Board. *See Shaw Decl. at ¶ 9.* Accordingly, on June 26, 2006, Kimberly-Clark filed the present Motion, requesting the Board to stay this proceeding until the district court proceeding concludes. *See Shaw Decl. at ¶ 10.* In a transparent attempt to somehow bolster its opposition to Kimberly-Clark's Motion by urging that some allegedly substantive motion is before the Board, Innovative filed with its Response a motion for summary judgment. *See Shaw Decl. at ¶ 11.* This was without the benefit of its having taken any discovery whatsoever regarding the highly factual issues of functionality and fraud raised in the motion for summary judgment. *See Shaw Decl. at ¶ 12.*

On July 21, 2006, Innovative filed its Answer in the district court proceeding. *See Shaw Decl. at ¶ 13, Ex. B.* In its Answer, Innovative asserted various affirmative defenses, including the following:



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