

IN THE UNITED STATES COURT OF APPEALS  
FOR THE FOURTH CIRCUIT

APPEAL NOS.: 81-1043 and 81-1044

SKIPPY, INC.

v.

CPC INTERNATIONAL, INC.

MOTION OF SKIPPY, INC. FOR (1) TEMPORARY RECALL OF THE MANDATE AND JUDGMENT IN THE CAPTIONED APPEALS TO ENABLE THE COURT TO CONSIDER ISSUING AN ORDER TO THE UNITED STATES PATENT AND TRADEMARK OFFICE PURSUANT TO 35 U.S.C. §1119 IMPLEMENTING ITS MANDATE THEREIN AND (2) FOR ISSUANCE OF SAID ORDER

MOTION

Skippy, Inc. hereby respectfully moves this Court

(1) to grant temporary recall of the mandate and judgment in this case for the limited purpose of considering the issuance of an appropriate order to the Director of the U.S. Patent and Trademark Office regarding the status of U.S. Trademark Registration No. 504,940 as defined by that judgment; and

(2) for issuance of said order.

**THE 1982 RULING  
AND ITS SUBSEQUENT LACK OF IMPLEMENTATION**

This Court's ruling to which this motion is addressed reads as follows:

"...CPC cross claimed against Skippy, Inc. for a declaratory judgment that CPC's trademark rights in the mark Skippy had become incontestable pursuant to 15 U.S.C. §1115. The district court held for CPC, declaring that CPC's right to use the mark had become incontestable and that "said registration shall be and hereafter [sic is] evidence of registrant's exclusive right to use the registered trademark...."

At trial Skippy, Inc. attacked CPC's claim to incontestable rights on grounds of fraud in the procurement of those rights. In June of 1933 Rosefield applied for a federal trademark registration for the mark *Skippy* for peanut butter. Skippy, Inc. opposed Rosefield's attempt to register [sic] *Skippy* for peanut butter. The Patent Office sustained Skippy, Inc's objection to the attempted registration and Rosefield did not appeal rejection of its application. In 1954, as a condition to sale of its business to Best Foods, Rosefield obtained incontestable rights to the mark *Skippy* peanut butter. To obtain these incontestable trademark rights, the president of Rosefield filed an affidavit with the Patent Office stating that there had been no final decision adverse to its rights to register *Skippy*.

Skippy, Inc. claimed that this statement in the affidavit was false since there had been a final decision against the registrability of Rosefield's mark in 1933. The district court held for CPC, finding that the statement in the affidavit was not false. CPC argues that the statutory requirement of no adverse decision to the party's right to register the mark applies only to the federal registration for which the affidavit is being sought (the 1947 registration) and does not include any adverse decisions (the attempted registration in 1933) from other attempts to register the same mark. We are unable to agree with this construction of the statute (15 U.S.C. §1065). Section 1065 requires that the registrant file an affidavit stating that "there has been no final decision adverse to registrant's \* \* \* right to register the [mark]." Unlike other statements required by §1065, the requirement that a party state there be no adverse decisions has no

express time limitation. Absent a specific limitation, we see no reason to impose one. We, therefore, conclude that Rosefield's statement that there had been no final decisions adverse to the registrability of mark was false. Accordingly, that portion of the district court's order granting CPC a declaratory judgment that its rights in the mark Skippy had become incontestable must be vacated.

\* \* \* \*

Except for the district court's declaration that CPC's right to use the mark *Skippy* has become incontestable pursuant to 15 U.S.C. §1115, the resolution of all issues by the district court is affirmed. The declaratory judgment that CPC's right to the mark Skippy has become incontestable is vacated.  
*Skippy, Inc. v. CPC Int'l.*, 674 F.2d 209, 215-216 (4<sup>th</sup> Cir. 1982).

15 U.S.C. §1119, which has been changed since 1982 in only one minor and nonsubstantive respect,<sup>1</sup> presently reads

In any action involving a registered mark the court may determine the right to registration, order the cancellation of registrations, in whole or in part, restore canceled registrations, and otherwise rectify the register with respect to the registrations of any party to the action. Decrees and orders shall be certified by the court to the Director, who shall make appropriate entry upon the records of the Patent and Trademark Office, and shall be controlled thereby.

The mandatory provision of the second sentence of 15 U.S.C. §1119 that "Decrees and orders [of the federal courts] *shall be* certified...." (Emphasis added) to the USPTO is a natural consequence of the concurrent original and appellate jurisdiction conferred by 35 U.S.C. §1121 over the status of federally registered trademarks. By thus requiring strict compliance with this

---

<sup>1</sup> Specifically the term "Commissioner" has been replaced by the word "Director" to conform with the renaming of the chief administrator of the USPTO, in 35 U.S.C. §3, as an Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office, rather than as Commissioner of Patents and Trademarks.

provision, Congress endeavored to insure that the official files of all trademarks retained and controlled by the USPTO, would contain a full and accurate history of any and all actions taken by federal courts that affect the status and validity of their registration.

No such order has ever been prepared or certified to the USPTO as a result of this Court's above-quoted March 5, 1982 ruling, either by this Court or by the district court.<sup>2</sup>

By implication, the ruling must be construed in the light of the language of 15 U.S.C. §1065, as meaning *at the very least* that Trademark Registration 504,940 is *not and can never* be "incontestable".

Thus that statute, insofar as here pertinent, provides:

Except on a ground for which application to cancel may be filed at any time under paragraphs (3) and (5) of section 14 [§1064] of this Act, and except to the extent, if any, to which the use of a mark registered on the principal register infringes a valid right acquired under the law of any State or Territory by use of a mark or trade name continuing from a date prior to the date of registration to use such registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce, shall be incontestable: *Provided, That-*

- (1) there has been no final decision adverse to registrant's claim of ownership of such mark for such goods or services, or to registrant's right to register the same or to keep the same on the register; and
- (2) there is no proceeding involving said rights pending in the Patent and Trademark Office or in a court and not finally disposed of; and

---

<sup>2</sup> This Court made no order of remand to the district court for any purpose and, therefore that court lacks power to issue such an order.

(3) an affidavit is filed with the Director within one year after the expiration of any such five-year period setting forth those goods or services stated in the registration on or in connection with which such mark has been in continuous use for such five consecutive years and is still in use in commerce, and the other matters specified in paragraphs (1) and (2) of this section; and

(4) no incontestable right shall be acquired in a mark which is the generic name for the goods or services or portion thereof, for which it is registered.

\* \* \* \*

This Court's ruling correctly recognized that the falsity of the Rosefield affidavit as to condition (1) of 15 U.S.C. §1065 meant that the district court's declaratory judgment could not be permitted to stand. It stops short, however of *expressly* reaching the necessary logical conclusion that, since the requirement of

"no final decision adverse to registrant's right of ownership of such mark for such goods or services, or to registrant's right to register the same or to keep it on the register" (15 U.S.C. §1065)

is a *prerequisite* to incontestability, and one obviously incurable after the fact, Registration 504,940 is, as a matter of law, *irredeemably contestable*.<sup>3</sup>

This Court's ruling does not *explicitly* attach any consequence to the correct conclusion that the Rosefield affidavit is *false as a matter of law* under 15 U.S.C. §1065, in asserting that prior to 1954 there had been no final decision adverse to its right to register *Skippy* as its trademark. In this connection, it is important to recognize that §1065 states the requirement that there be no final adverse decision to the registrant's ownership in or right to register the mark in numbered paragraph (1) and that § 1065's separate paragraph (3) additionally requires that

---

<sup>3</sup> To put this another way, once a final adverse decision exists, there is simply no going back and eradicating it, therefore incontestability is foreclosed by the statute.

this lack of a final adverse decision be stated in an affidavit, and that this Court held both requirements were violated.

### REASONS WHY AN ORDER FROM THIS COURT TO THE USPTO DIRECTOR IS NEEDED

First and foremost, the furnishing of the requested order to the USPTO as already noted, is a mandatory requirement of the second sentence of 15 U.S.C. §1119.<sup>4</sup> That this requirement may have been overlooked through inadvertence in 1982 is not a valid reason for refusal to

---

<sup>4</sup> Counsel for Lipton Investments, Inc., ("Lipton") present holder of record title to Trademark Registration 504,940 and a number of related marks inclusive of the "Skippy" name that depend for viability upon the registration, has erroneously characterized 15 U.S.C. §1119 in a letter dated August 21, 2002 addressed to the Clerk of this Court as "permissive" and said it "does not require that courts take any action." (See Exhibit A attached). This overlooks the clear relationship between §1119 and §1121 of the statute and flies in the face of Congress's use of the mandatory language "Decrees and orders *shall be* certified by the courts to the Director...." (Emphasis added) It is noted that Lipton's counsel is the same person who acted from at least 1980 up to 2000 as counsel for CPC International Inc.

The letter which is Exhibit A resulted from a letter of inquiry dated July 2, 2002 (Exhibit B) addressed by counsel for Skippy, Inc to the Clerk of this Court seeking procedural advice about how best to seek a certified order from this Court implementing a ruling made in 1982. After such counsel was informally advised that either a motion seeking a temporary recall of the mandate in this case to permit entry of such an order could be filed or the Clerk could certify a copy of the opinion to the Director of the USPTO for placement in the file of Trademark Registration 504,940, Skippy, Inc. counsel opted for the second alternative. The Clerk of this Court accordingly wrote a letter dated August 2, 2002 (Exhibit C) to CPC International, Inc. counsel, enclosing a copy of Exhibit B and inquiring about whether there was any objection to the proposed procedure. Exhibit A answers Exhibit C.

This motion is filed in view of Exhibit C and because further consideration of the posture of the official file of Trademark Registration 504,940 has convinced movant Skippy, Inc. that a direct order from this Court is needed in lieu of a certified copy of the Court's 1982 opinion.

furnish it now.<sup>5</sup>

Second, the USPTO, the Trademark Trial and Appeal Board ("TTAB") of which has been seriously misled concerning the effect of this Court's 1982 decision, needs a clear directive from this Court stating in substance that (a) Trademark Registration 504,940 cannot become incontestable under 15 U.S.C. §1065 because this statute's prerequisite (1) cannot be met; (b) the affidavit ostensibly in compliance with both prerequisite (1) of 15 U.S.C. §1065 and the part of prerequisite (3) that refers back to prerequisite (1) is false as a matter of law and (c) the district court's declaratory judgment of incontestability was vacated for these reasons.

The need for this order can best be appreciated from a careful consideration of the

---

<sup>5</sup> The record reflects two well-intentioned but unsuccessful efforts in the district court directed at supplying such an order, to wit:

(1) Upon receipt of this Court's mandate, on March 19, 1982 the trial judge requested counsel for CPC, if it wished, "to prepare an order and submit it to counsel for Skippy, Inc. for approval as to form and then to the undersigned for entry...." (See appended Exhibit D). No response was ever made to this request.

(2) In May of 1986, during the early pendency of Civil Action No. 86-0109-A, *CPC Int'l v. Skippy, Inc.*, before the district court, counsel for Skippy, Inc. moved that court for issuance of a final order in this case. (See Exhibit E hereto). That motion, which CPC counsel opposed (Exhibit F) was denied by District Judge Bryan on May 30, 1986 on the stated ground "that the decision of the United States Court of Appeals for the Fourth Circuit, 674 F.2d 209 (1982) finally resolved the issues in this action and that there is nothing remaining for this court to do...."(Exhibit G)

arguments advanced by CPC in support of its successful request to obtain "correction" of a footnote included in an otherwise unrelated decision of the TTAB made in Consolidated Trademark Oppositions 65,712 and 65,713 in mid-1985, coupled with the fact that the official file of Trademark Registration 504,940 contains *no record* of any nature relating to this Court's 1982 judgment.<sup>6</sup> That official file, however, does reflect the USPTO's *acceptance* in 1954 of the very affidavit this Court later held to be false--thus giving any person who inspects that file the impression that Registration 504,940 remains incontestable *notwithstanding* this Court's contrary 1982 ruling.

In Consolidated Oppositions 65,712 and 65,713, CPC as Opposer relied on Trademark Registration 504,940 to impart standing for it to challenge the prospective registration of two service marks sought by Skippy, Inc., and alleging that this registration had become incontestable.

In the footnote that precipitated CPC's "Request for Correction" (Exhibit H) the TTAB said:

Opposer alleged in the Notice of Opposition that its Reg. No. 504,940 had become incontestable due to the Section 15 Affidavit filed in 1954. However, the parties were involved in a civil action wherein the Court of Appeals for the Fourth Circuit (*Skippy, Inc. v. CPC International, Inc.* 216 U.S.P.Q. 1061) vacated the District Court's declaratory judgment that CPC International Inc.'s right to the mark had become incontestable. *In view of the judgment and order of the Court of Appeals, Opposer's right to use the registered mark is not incontestable under Section 15 of the Statute.* (See Exhibit H, p.1) (Emphasis added).

---

<sup>6</sup> This is probably in part due to this Court's failure to supply a certified order reflecting that judgment, but also is at least arguably due in part to the misrepresentations made by CPC concerning the effect of the Court's decision.



After quoting the challenged footnote, the CPC "Request" boldly asserts that:

"This footnote incorrectly states the result of the Circuit Court decision and, it is respectfully submitted, the Board has exceeded its authority by declaring that Opposer's mark is not incontestable under Section 15 of the Statute".

...The Circuit did not order, nor did it order the District Court to order the Commissioner of Patents and Trademarks to nullify the effect of the affidavit under Section 15 filed by Opposer. (*Id.* at 1)

From this point on, this CPC "Request" first argues, deceptively and without doubt, deliberately, in support of the position that Registration 504,940 remains incontestable, that "vacating" a lower court decision has a *different* effect from "reversing" it.

In this regard, the "Request" says:

The effect of an order to vacate is to put the parties in the same position as they were before the vacated judgment was granted. '[T]he effect of vacating the judgment below is to take away from it any precedential effect. *Troy State University v. Seafarers' Int'l Union*, 398 F.2d 281, 283 (5<sup>th</sup> Cir. 1968)'

The argument made in this quotation is based upon a cited case which does not exist as such. The case appearing at the cited volume and page has a different caption and, moreover, does *not* contain the quoted statement. The argument was repeated in Exhibit I, a "Reply to Applicant's Memorandum in Opposition", from which it becomes clear that CPC was relying upon a composite of *two* cases--i.e., *Lebus v. Seafarers' Int'l Union*, 398 F.2d 281, 283 (5<sup>th</sup> Cir. 1968) and *Troy State University v. Dickey*, 402 F.2d 515, 516 (5<sup>th</sup> Cir. 1968)--both of which vacated lower court judgments that became *moot* during the pendency of appeals.

In both instances, *no* analogy to this Court's vacating of the district court's declaratory

judgment of incontestability can properly or fairly be drawn. This Court vacated a district court ruling that it held to be *wrong* as a matter of law, *rather* than one that had become moot. Nevertheless, the CPC arguments in Exhibits H and I had the effect of convincing the TTAB that by "vacating" rather than "reversing" the district court judgment, this Court had failed to pass upon the incontestability of Trademark Registration 504,940 and had left it open to be resolved in another case at another time.<sup>7</sup>

Taking this deceptive tack also enabled CPC in Exhibit H to resurrect the very argument which had succeeded in the district court but was expressly overruled in this Court--i.e., that 15 U.S.C. §1065 (1) applies only to final decisions adverse to the precise application for registration under review and does not encompass final adverse decisions refusing prior

attempts to register the same mark. In this regard, Exhibit H, the "Request for Correction" states:

---

<sup>7</sup> Exhibit J is the Skippy, Inc. Opposition to the "Request for Correction". It recognizes and argues that this Court *necessarily* held that Trademark Registration No. 504,940 had *not* become incontestable, but it does not appreciate the artificial distinction that CPC was attempting to make between "vacating" a lower court decision and "reversing" it and hence offers no rebuttal.

CPC also repeated the same deceptive line of argument, that the effect of vacating a judgment is to return the matter to which it applied to the *status quo ante* in Exhibit E, its opposition to the Skippy, Inc. May 1986 motion in the district court seeking entry of a final order. In that instance, the argument received no credence, as the Court's ruling (Exhibit D) clearly shows.

“...While there are no decisions on point regarding Section 15, it is clear that if the registration is appropriate, and the Fourth Circuit did not find that the registration was not appropriate, then the language of Section 15 must be applicable only to the registration to which the affidavit applies. Further, the provisions of §15 are new with the 1946 Act and it speaks to the Principal Register and “registration under this Act.” While the Circuit Court disagreed that the affidavit only applies to the registration, it did not find that the affidavit was fraudulent, merely that it contained a false statement.

For whatever reason, the Circuit Court did not render an order for the nullification of the incontestability of Opposer’s registration nor did it reverse the District Court nor remand to the District Court on the incontestability question nor instruct the District Court to notify the Commissioner relative to the incontestability question. All that the Circuit Court ordered was the vacation of the Trial Court’s judgment that the rights were incontestable.

The TTAB’s ruling (Exhibit K) on the “Request for Correction” reveals a complete acceptance by that tribunal of CPC’s assessment of what this Court ruled. Exhibit K deletes the final sentence of the challenged footnote.<sup>8</sup>

Movant Skippy, Inc. has located no precedents of this Court that specifically consider the meaning of “vacated” as opposed to “reversed”. Resort to Black’s Law Dictionary, Sixth Ed. (West Publishing Co., 1990) shows that the words, “vacate”, “reverse” and “overrule” all have the same essential meaning. Thus, “vacate” means “To annul, to set aside, to cancel or rescind”; “reverse” means “To overthrow, vacate, set aside, make void, annul, repeal or

---

<sup>8</sup> I.e., the sentence saying:

“In view of the judgment and order of the Court of Appeals, Opposer’s right to use the registered mark is not incontestable under Section 15 of the Statute.”

revoke" and "overrule" means "to supersede, annul, reverse, make void, reject by subsequent action or decision". Exhibit L is a compendium from the cited work of the title page and pages 1104, 1119 and 1548 on which these definitions appear.

## CONCLUSION

An order from this Court pursuant to 15 U.S.C. §1119, certified to the Director of the USPTO is needed to ensure that, at the very least, the official file of Trademark Registration 504,940 fully reflects its *contestable* status as established by this Court's 1982 judgment and mandate.

Movant therefore requests that this motion be granted and that the requisite order be issued.

Respectfully submitted,

---

Mary Helen Sears  
Counsel for Appellant  
The M.H. Sears Law Firm, Chartered  
910 Seventeenth Street, N.W., Suite 800  
Washington, D.C. 20006  
Telephone: (202) 463-3892  
Telecopy: (202) 463-4852