IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

SKIPPY, INC.,	)	
	)	
Petitioner,	)	
	)	
	)	Cancellation No. 92061574
v.	)	
	)	
HORMEL FOODS, LLC,	)	
	)	
Respondent.	)	

PETITION TO CANCEL

1. Skippy, Inc., Petitioner, a private Delaware corporation founded in 1932 by celebrity artist Percy Crosby and having a place of business located at 682 Youngstown Pkwy, No. 331, Altamonte Springs, Florida, 32714, hereby petitions this Honorable Board to cancel SKIPPY registration 0504,940 on the grounds that it was fraudulently obtained and has caused, and will continue to cause, irreparable harm to Petitioner's trade name, goodwill, SKIPPY® trademarks, and Petitioner's First Amendment right to redress and due process of law.

2. The registration in question remains contestable by virtue of a ruling by the United States Court of Appeals for the Fourth Circuit, which vacated a judgment of incontestability and held that a false affidavit had been filed in the attempt to make the SKIPPY registration incontestable. *Skippy, Inc. v. CPC Int'l, Inc.*, 674 F.2d 209, 216 (4th Cir. 1982).[1] Ample evidence demonstrates that the affidavit was *intentionally* false, meaning fraudulent, making cancellation imperative. Ever since the

[1] The Addendum appearing immediately after the petition explains in detail why Respondent's anticipated defenses of res judicata, collateral estoppel, compulsory counterclaim, and release do not preclude relief.

Fourth Circuit's ruling, Petitioner has not had a fair opportunity to make the showing of fraud because of serial, erroneous invocations of the vacated judgment as precluding further inquiry. What has not been addressed is that the Lanham Act registration to Rosefield in 1948 was issued in error and is void *ab initio.* This Honorable Board can and should conduct the necessary inquiry, which requires consideration of the story behind Skippy and how its famous name and identity were wrenched away from Petitioner to facilitate the sale of peanut butter – **even while the 1905 Trademark Act was in force.**

3. It is that factor that Respondent and its predecessors have deliberately ignored, knowing that no court, the TTAB, nor Petitioner ever has seen the 1933-34 opposition file denying the right to register SKIPPY, which public file was destroyed in 1965-66. Thus, years of litigation ensued, whereby Rosefield's Lanham Act SKIPPY registration as exclusive owner was incorrectly presumed valid.

4. For ease of reference, the name "Rosefield" will be used to refer to the various assignees of Rosefield, instead of "predecessors of Respondent Hormel Foods." There have been so many mergers of Rosefield to Best Foods, Inc., to CPC Int'l., Inc., to Unilever, and to Conopco, Inc., that it all becomes confusing to track the chain of title of (illusory) ownership to SKIPPY peanut butter.

<u>Background History—A Complex Fraud Conspiracy</u>

5. This Petition has an 81-year history dating to 1933, with a complex conspiracy that was concealed for decades from Petitioner, Percy Crosby's heirs, the courts, the USPTO, and other government agencies. It was not until years later – when Percy Crosby's daughter-administratrix (Joan Crosby Tibbetts) began an in-depth investigation and discovered the extraordinary circumstances behind the false imprisonment of Percy Crosby for the last 16 years of his life in a New York mental hospital (1949-64) – that the fraud cover-up began to unravel.

6. The key discovery in the PTO was two pages showing that Petitioner successfully opposed Rosefield's 1933 application to register SKIPPY for use in marketing peanut butter, when the Examiner of Interferences sustained Petitioner's opposition. *Skippy, Inc. v. Rosefield Packing Co., Ltd.*,

Opposition No. 13,134, decided January 9, 1934 (**Exhibit 1**). However, when the file was ordered, Tibbetts was told in 1976 that it had been destroyed in 1965-66. In January of 1977, she met with C. Morten Wendt, then the PTO Director of Trademark Examinations, to question the destruction. His words were instructive: "The Patent Office is red-faced with embarrassment that the file was destroyed. It never should have happened." He looked at The Lanham Act Rosefield Certificate, No. 0504,940, and said, "*The Patent Office had no authority to issue Rosefield that registration without an assignment from Skippy as opposer.*" He gave her a copy of the Trademark Rules, advised her to hire an attorney to have the mark cancelled, and agreed he would testify. However, when Wendt retired in 1978, unknown to Petitioner, he was hired by Mack Webner of Littlepage & Webner, whose client was Rosefield's assignee, Corn Products Refining Co. ("CPC," Rosefield's SKIPPY assignee). When Skippy, Inc. sued CPC in 1980, Wendt was served a subpoena duces tecum by CPC, but he did not reply or appear at trial.

7. Nor did Petitioner's lead counsel comply with his stated intention to disqualify Webner for a conflict of interest. So, when denying Skippy, Inc. injunctive relief and cancellation of Rosefield Reg. 0504,940, the 1980 *Skippy* court was unaware that the registration was void *ab initio* since its date of issue on December 21, 1948, 210 USPQ 589 (E.D. Va. 1980).

Conspiracy By Rosefield Et Al. To Obstruct Justice From 1934 Onward

8. At no time during the Skippy litigation did Petitioner's lead counsel, Stephen Trattner, show his client or the court the letters between Rosefield and its 1933 Chicago counsel, which were found during discovery. But Trattner phoned his client to ask, "Do you have any reason to believe that Rosefield was behind your father's false imprisonment and tax problems?" He refused to let his client see his new evidence, but said, "If Rosefield's counsel could see the letters I'm holding now he'd be turning over in his grave."

9. It was not until 1982 that Trattner was fired, on the advice of counsel for the New York Crosby estate, alleging “egregious misconduct” in that Petitioner found the concealed letters, especially the January 25, 1934 letter (**Exhibit 2**) and Jerome Rosefield’s letter of June 27, 1944 (**Exhibit 3**). The 1934 letter was written two weeks after the Examiner’s decision in favor of Petitioner; it accused Petitioner of coercion and threatened to complain to the Justice Department criminal division, “*should Skippy, Inc. ever attempt to exercise any legal action against our client.”* (italics supplied). Rosefield (then bankrupt) was advised to ignore the adverse decision and to continue using SKIPPY on the promise of being protected. The letter (**Exhibit 3**) from Jerome Rosefield repeats verbatim the above threat after receipt of the 1944 demand letter of Crosby/Skippy counsel (not produced). Rosefield’s request for protection notes, “As you can readily see, the matter is of the greatest importance to us as it threatens all of the effort and progress that we have made during the past ten years.”

10. Subsequent investigation and study of the wide influence of organized crime during the Great Depression – when Percy Crosby used his comic strip to satirize Al Capone and speak out against crime – revealed that Rosefield’s Chicago agent, Mida’s Trademark Bureau, was no ordinary firm specializing in intellectual property. It had mob ties to Prohibition bootleg liquor, and it had filed dozens of trademark applications and groundless oppositions in the PTO. One of its clients was CPC. Mida’s – whose letterhead claimed “17,000 Associates worldwide” and an unlisted number – referred to Rosefield (a former liquor dealer) as a “special friend” of the Bureau.

11. It’s no coincidence that the name and the copyrighted Skippy comic strip theme that Crosby used to criticize Capone was also used by Rosefield on its 1933 label (**Exhibit 4**), and was denied registration in 1934. Rosefield filed the exact same label in 1947 (with the addition of a 1944 copyright notice) that still exists on the register to this day. (**Exhibit 5**). Rosefield’s intent in 1934 and onward was not only to take over and infiltrate Petitioner’s lucrative Skippy licensing business (which included SKIPPY ice cream, candy, bread, and a cereal sponsoring the popular Skippy radio program), but also to

hitch a free ride off the good will Percy Crosby had created. *See*, *e.g.*, the 1932 flyer for "Percy Crosby's SKIPPY Candy Bar" with legal notice (**Exhibit 6**).

<u>Rosefield's Siege of SKIPPY Before Filing Under The Lanham Act</u>

12. In preparation for registering SKIPPY under the Lanham Act after already having been denied the right to do so, Rosefield in 1936 filed SKIPPY applications in all states, claiming as owner a product that was not even sold in those states. Thirty nine states had criminal penalties that Rosefield ignored. In 1939, Rosefield granted a patent license to a Minnesota firm, claiming "exclusive ownership of the trade name Skippy" (its patent expired in 1940). Meanwhile, Mida's delivered on its threat to report Petitioner to the DOJ, falsely alleging tax evasion, and an audit began shortly after the Examiner's decision in the PTO. That false complaint was intended to, and did, cripple Petitioner's income, and was repeated in 1944 with Jerome Rosefield's letter seeking a means to stop Petitioner from filing suit or affording counsel.

13. On or about December 17, 1948, Percy Crosby was suing Rosefield pro se in New York when he (Crosby) made an alleged suicide attempt. Four days later, the PTO issued Rosefield's Certificate No. 0504,940. Crosby was committed to a New York State mental hospital without a hearing, counsel, or due process, and he was adjudicated incompetent. Attorney Rose Stein, whom Rosefield had hired in 1944 to befriend Crosby's wife, made a pretense of helping Petitioner and was very hostile to Crosby, yet took over Skippy, Inc.'s affairs. Her real role (as Tibbetts realized years later, after suing her) was to ensure that Percy Crosby would never be released.

14. On February 8, 1968, New York Supreme Court Justice Saypol gave a stinging reprimand to defendant Stein, warning she could be "disbarred" for her unauthorized taking of Skippy property and mismanagement of Percy Crosby's affairs. She was ordered to resign as Skippy president, to assign back to Skippy, Inc. property taken without court approval, and to release plaintiff-administratrix Tibbetts,

Petitioner, and heirs from future controversies and judgments. Notably, the court held that "any Skippy transaction without this court's approval is null and void."

15. Neither the court nor Petitioner knew at the time that 1) defendant Stein was Rosefield's co-conspirator, or 2) that Rosefield's assignee, CPC, was then a silent partner in the New York Supreme and Surrogate Court actions by the Crosby estate. This admission was made nineteen years later to a news reporter at CPC's 1987 annual meeting, when Petitioner Tibbetts and stockholders made a public protest and distributed press releases. One month later, in May of 1987, the TTAB held that Petitioner's Skippy service marks for the name and character would create "inevitable confusion," denied the registrations, and found the applications "void ab initio" in favor of opposer CPC, 3 USPQ 2D 1456. Petitioner did not appeal, but did file a complaint to Congress that the Commissioner had no authority to give protection to the same SKIPPY mark that already had been prohibited registration under the 1905 Act.

Intent To Defraud The USPTO Was Successful

16. The foregoing is intended to show this Honorable Board that the many motions and arguments of CPC et al. and its counsel, Mack Webner, were intended to mislead the Board that Petitioner had no meritorious claim to seek cancellation of Registration 0504,940. Because neither the Board nor Petitioner had the advantage of seeing the original Skippy Opposition file, No. 13,134, or the losing applicant's and its counsel's letters in 1934 plotting to ignore the final decision of the Examiner of Interferences and retaliate against Petitioner, the Board's dismissal with prejudice of Petitioner's Cancellation No. 32, 070 in 2002 was in error. In that decision, it was noted that the 1954 summary of the opposition proceedings was "hearsay." To the contrary, it was the only evidence that CPC grudgingly allowed Petitioner to see while deliberately concealing its own copy of the file (which its in-house counsel, Hanes Heller, admitted possessing in 1977). (**Exhibits 7** and **8**)

17. Thereafter, Heller, acting in concert with CPC management, used threats, intimidation, and extreme duress to demand that Tibbetts sign the option agreement with the now infamous "release clause," and paid Petitioner $25,000 for the option "to get her off our back." The real purpose was to make it appear that Petitioner released Rosefield et al. from any liability for defying the Examiner's 1934 decision, which had been deliberately concealed. CPC, knowing of Petitioner's intent to seek cancellation, used that release as a litigation defense from 1980 onward, knowing full well it was unenforceable and against public policy. (**Exhibit 9**)

18. When Petitioner refused to comply with demands to recognize SKIPPY peanut butter's rights, Tibbetts became the target of intimidation, extortion schemes, death threats, and tortious interference in her relationships with attorneys and licensees. The purpose of such predatory conduct was to disparage and destroy Petitioner's credibility. Fortunately, on the pro bono advice of several attorneys who were convinced that the Skippy litigation beginning in 1980 was rigged (as was the former AUSA In E.D. Va.), Petitioner began researching RICO and anti-trust law to counteract Goliath's bullying.

* * * * * * * *

<u>Respondent</u>

19. Respondent, Hormel Foods, LLC ("Hormel") is registered as a Delaware corporation, with its business located at 1 Hormel Pl., Austin, Minnesota, 55912-3680.

20. On January 3, 2013, Hormel issued press releases of its intent to buy Skippy from Unilever for $700 million. Petitioner filed an immediate protest on its home page "PUBLIC PROTEST" and filed a complaint with the Justice Department Anti-Trust Division and FTC. The complaint noted that neither Rosefield nor its successors ever received an assignment of title and good will from Skippy, Inc. before Rosefield procured its 1948 SKIPPY registration. In particular, Petitioner alleged that Rosefield et al. were using SKIPPY to violate U.S. anti-trust laws, 15 U.S.C. § 1115(b)(7).

21. The sale closed on January 31, 2013 and Hormel recorded the assignments in the PTO while fully aware of the litigation history and Petitioner's website with thousands of visits worldwide. Hormel was also aware that Unilever (seller) had sued to shut down the Skippy website for contempt, alleging that the site violated the "final order" of the court in 651 F. Supp. 62 (E.D. Va. 1986). On appeal, the order was reversed, with the court finding that the case "raises serious First Amendment issues." 214 F.3d 456 (4th Cir. 2000). That decision set a precedent in First Amendment jurisprudence and cyberlaw. CPC decided it was too risky to appeal, having been seen as the bully, or to admit that Petitioner was entitled to payment.

22. Hormel's general counsel refused to discuss settlement to prevent further litigation, insisting that Hormel acquired a "valid title" to SKIPPY that dated back to 1933.

Petitioner's President Seeks Whistleblower Protection

23. In April of 2014, Joan Crosby Tibbetts filed a complaint with the SEC Office of Whistleblower, pursuant to 18 U.S.C. § 1513(e), as amended under the Sarbanes Oxley Act of 2002 § 1107 ("SOX"). On giving notice to Hormel, Tibbetts received no reply. This statute makes it a crime to interfere with an informant's livelihood in retaliation for truthful reporting of actual or possible wrongdoing.

24. The SEC special counsel was interested in Petitioner's complaint years earlier, stating, "If you can prove statutory authority to have CPC's Skippy mark cancelled, we will ask the Justice Department to investigate. . . . If the facts in your complaint are correct, it could empty CPC's back wallet pocket."

25. Neither Rosefield nor its successors ever had disclosed to the SEC that Rosefield's public offering, based on its SKIPPY registration, was permeated with fraud and in violation of the 1933 and 1934 Securities Exchange Acts. Instead, Percy Crosby's administratrix was targeted with threats and

years of malicious prosecution to cripple and destroy her livelihood – not unlike the predations against her father, which culminated in his confinement.

Hormel Files 3 SKIPPY Applications Under 18 U.S.C. § 1001

26. In July of 2014, Hormel filed 3 SKIPPY applications, claiming ownership of 0504,940 as assignee and stating the first date of use as February 1, 1933. SN 86/330000, 86/338555 and 86/337880 (the last, for SKIPPY YIPPEE, was filed under § 1(b) as ITU).

27. These applications are the latest evidence of a continuous pattern in restraint of trade to harass and interfere with Petitioner's policing efforts. Respondent's CEO told the press and investors the plan "to take Skippy out of the jar" and to use the name for other product licensing. Since 1927, the licensing of SKIPPY and its persona was the sine qua non of Petitioner's business and Percy Crosby's talents and skills.

28. Petitioner filed three Letters of Protest in September of 2014 (denied), a Request to Reconsider (denied), and Petition to the Director pursuant to 37 CFR § 2.146(a)(3) and (5), citing "extraordinary circumstances." It was also denied, advising Petitioner to file an inter partes claim in the TTAB, which granted a request for 90-day extension to oppose. As the extension expired on April 1, a timely request for 60-day extension was filed, but denied.

29. Since a petition to cancel under § 1064(3) can be asserted at any time (as under § 13 of the 1905 Act), and since cancellation is mandatory if there is fraud or if a registration was issued contrary to the prohibitions of an earlier Act (such as § 5(b), which prohibited Rosefield's application in 1934), Petitioner does not expect that this fourth attempt to cancel Reg. 0504,940 will result, as before, in dismissal "with prejudice."

Petitioner's Standing

30. In this Petition, Joan Crosby Tibbetts serves in her dual role as administratrix of the Percy Crosby Estate and as president of Skippy, Inc. Her fiduciary duties to the estate and to Skippy, Inc.

began on March 25, 1965, when the Surrogate Court of New York County granted her Letters of Administration. (Under New York law, she is an officer of the court.)

31. In view of the foregoing, it is clear that Petitioner has a real and serious interest in seeking long-overdue redress and repose from a serious miscarriage of justice and denial of due process.

Grounds For Cancellation Of Registration 0504,940

a) Rosefield Packing Co., aided and abetted by its Chicago counsel, knowingly and willfully filed the identical SKIPPY application in July, 1947, swearing that no other person, firm, or corporation had the right to the name, thereby deliberately withholding knowledge from the examiner that the Examiner of Interferences in 1934 already had denied Rosefield the right to register Petitioner's entire corporate name.

b) Rosefield also knew at the time of its application that Percy Crosby was suing Rosefield pro se in a New York court (which file CPC refused to produce, captioned *P. L. Crosby v. Rosefield: Skippy Infringement*) (italics supplied).

c) Rosefield also knew that Percy Crosby's alleged suicide attempt occurred four days before the PTO issued Certificate No. 0504,940, which was reported on national radio news. After the decision of the Examiner of Interferences in 1934, Rosefield showed malice and reckless indifference to the life and career of the celebrated creator of "Skippy," making no effort at restitution for willful infringement before Percy Crosby's death in 1964.

d) Jerome Rosefield submitted an intentionally fraudulent § 15 affidavit in 1954, swearing "there has been no final decision adverse to registrant's claim of ownership," when, only 10 years earlier in 1944, he had written his attorney to find a way to thwart Percy Crosby.

e) In 1955, with Rosefield's Skippy sale to Best Foods, Inc., Jerome Rosefield became president of Best Foods' "Skippy Division" and a director. Best Foods was advised before the acquisition not to reveal its knowledge of the adverse 1934 decision if there was a future challenge to the validity of Rosefield's title to SKIPPY. The silence and denial continue to this date.

f) In 1964, ten months before Crosby's death, Rosefield et al., through a Chicago third party, tried to buy all Skippy assets without approval of the custodial New York court. This scheme was to prevent the Crosby estate from learning of Rosefield's Skippy enterprise. The plan failed because Percy Crosby died on that very date.

g) Destruction and/or concealment of key documents, including Skippy 1933-34 Opposition file 13,134.

h) Threatening Crosby administratrix with reprisal, or death, if she tried to cancel Rosefield registration, including filing groundless lawsuits.

i) Concealing knowledge that Reg. 0504,640 was void *ab initio,* but renewed 3 times.

j) It is against public policy to register a mark procured by fraud.

k) Fraud on the USPTO is a serious offense, not a private dispute.

WHEREFORE, Petitioner requests that this Honorable Board enter an Order that 1) cancels SKIPPY registration 0504,940 as procured by fraud, illegal, contrary to public policy, and thus null and void *ab initio*, 2) strikes SKIPPY registration 0504,940 from the register, and 3) grants such other and further relief that the Board deems warranted.

Respectfully submitted, Date: May 19, 2015

/s/

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ADDENDUM:

PETITIONER'S ARGUMENTS ARE NOT PRECLUDED BY EARLIER PROCEEDINGS

It is necessary to address the likelihood that Respondent and/or the Board will disregard Petitioner's arguments on the belief that they are precluded by res judicata or other, similar doctrines stemming from prior proceedings on these matters. This is a mistake for a variety of reasons, the first being that the January 9, 1934 decision by the Examiner of Interferences in favor of Petitioner constitutes the first ruling that is entitled to deference, yet which never has received it. Even if that ruling were again disregarded – which it should not be – there remains no valid basis to deny Petitioner's arguments the full and fair consideration they deserve.

A. <u>No Res Judicata</u>

Res judicata (also known as claim preclusion) prevents the assertion of a claim following judgment on the merits in a prior suit between the parties (or their privies) based on the same cause of action. "For the doctrine of res judicata to be applicable, there must be: (1) a final judgment on the merits in a prior suit; (2) an identity of the cause of action in both the earlier and the later suit; and (3) an identity of parties or their privies in the two suits." *Martin v. Am. Bancorporation Retirement Plan*, 407 F.3d 643, 650 (4th Cir. 2005) (citation omitted).

Petitioner concedes that Respondent is the successor in interest to the same mark at issue in earlier legal proceedings involving Petitioner, and therefore Respondent is "in privity" with the prior holders of the mark in those proceedings, primarily CPC. *See, e.g.*, *In re Jeter*, C/A No. 08-07872-HB, 2011 Bankr. LEXIS 4717, at *12 (Bankr. D.S.C. Dec. 2, 2011). Petitioner does <u>not</u> concede, however, being precluded from seeking cancellation of the mark. The reason is straightforward: the U.S. Court of Appeals for the Fourth Circuit vacated the judgment of the U.S. District Court for the Eastern District of Virginia finding that Respondent's mark was incontestable. The Fourth Circuit found as a matter of law that Rosefield had submitted a false affidavit when applying to the Patent Office to make the mark incontestable, leaving Petitioner free to pursue its fraud theory thereafter. *Skippy, Inc. v. CPC Int'l, Inc.*, 674 F.2d 209, 216 (4th Cir. 1982), *vacating in part Skippy, Inc. v. CPC Int'l, Inc.*, No. 80-250-A, 1980 U.S. Dist. LEXIS 16876 (E.D. Va. Nov. 24, 1980) ("*Skippy I*"). Thereafter, the only thing Petitioner had to prove was that Rosefield knew the affidavit was false when submitting it. This is not difficult to do; ample evidence demonstrates that the affidavit was intentionally false, meaning fraudulent, making cancellation imperative. *See Robi v. Five Platters, Inc.*, 918 F.2d 1439, 1444 (9th Cir. 1990) (citing *Skippy*, 674 F.2d at 216). Yet every tribunal in which Petitioner has sought to make this showing after the 1982 ruling has been unwilling to entertain it. There is no justification for this, and it is long past time for the serious question of fraud to be considered.

As to the supposed preclusive effect of *Skippy I*, "a judgment that has been vacated on appeal is thereby deprived of all preclusive effect, both as to res judicata and collateral estoppel." *Baltimore Luggage Co. v. Samsonite Corp.*, 727 F. Supp. 202, 208 (D. Md. 1989) (citation omitted). Any doubt on this point has been resolved by CPC itself, who opposed remand to the district court following the Fourth Circuit's vacatur by arguing in part as follows:

- "A vacated judgment or order puts the parties in the same position as they were before trial."
- "In the captioned case, the circuit court vacated the district court judgment that CPC's trademark was incontestable. The vacation [sic] places the parties in the same position they were in before trial."
- "The purpose of vacating a decision below is 'so that it will spawn no legal consequences.'" (citation omitted)
- "'The effect of vacating the judgment below is to take away from it any precedential effect.'" (citation omitted)
- "'[V]acated findings have no vitality as precedent or <u>res</u> <u>judicata</u> in other litigation.'" (citation omitted)
- "The issue in a vacated judgment is 'alive' for another trial to the extent that it is not foreclosed by the doctrine of <u>res</u> <u>judicata</u>. The issue may be retried in a subsequent suit."

CPC Opp. to Final Order, attached hereto as **Exhibit 10**.

There was a second judicial proceeding in 1986 before the same district court that had decided *Skippy I*, specifically to address CPC's accusation that Petitioner was infringing on the mark by licensing the use of the SKIPPY name and imagery in conjunction with the sale of peanuts. *CPC Int'l, Inc. v. Skippy, Inc.*, 651 F. Supp. 62 (E.D. Va. 1986) ("*Skippy II*"). The adjudication of *Skippy II*, however, also does not prevent Petitioner from seeking cancellation, for an infringement dispute concerns distinct facts and issues that are not preclusive of a cancellation proceeding. *See Jet, Inc. v. Sewage Aeration Sys.*, 223 F.3d 1360, 1364 (Fed. Cir. 2000) ("This array of differences in transactional facts conclusively demonstrates that claim preclusion cannot serve to bar a petition for cancellation based upon an earlier infringement proceeding.") (multiple citations omitted).

In 2002 there was yet another decision by the same court, which erroneously cited *Skippy I* as precluding Petitioner from seeking to cancel the mark held by one of CPC's successors in interest. *Skippy, Inc. v. Lipton Invs., Inc.*, 345 F. Supp. 2d 585 (E.D. Va. 2002), *aff'd*, 74 Fed. Appx. 291 (4th Cir. 2003) ("*Skippy III*"). This was despite the Fourth Circuit's 1982 holding that Petitioner indeed could seek cancellation, achieving in one fell swoop the rejection of the law of the case and the denial of Petitioner's right to a full and fair opportunity to assert its claim. Moreover, the court in *Skippy III* should have conducted a de novo review of the entire record, which it did not do. *See Timex Group USA, Inc. v. Focarino*, 993 F. Supp. 2d 606 (E.D. Va. 2014) (finding fault with *Skippy III* and citing *Swatch AG v. Beehive Wholesale, LLC*, 12-2126, 739 F.3d 150, 2014 U.S. App. LEXIS 255, (4th Cir. Jan. 7, 2014). "**Redetermination of issues is warranted if there is reason to doubt the quality, extensiveness, or fairness of procedures followed in prior litigation**." *Kremer v. Chem. Constr. Corp.*, 456 U.S. 461, 481, 102 S. Ct. 1883, 1897 (1982) (emphasis added). There is every reason to doubt the quality, extensiveness, and fairness of the prior proceedings here, for Petitioner had a right to make arguments seeking cancellation of the mark on the basis of fraud, but the courts turned a blind eye to them.

Moreover, the current petition relies in large part on evidence that Petitioner did not possess and could not have obtained on prior occasions, including the proceedings before this Board from 1982 to 1987 when Petitioner sought to register its own SKIPPY marks and was opposed by CPC. This serves as an independent basis to deny preclusive effect to those proceedings and to *Skippy III*. *See Saladino v. United States*, 62 Fed. Cl. 782, 792 (2004) (citing *Doe v. Allied-Signal, Inc.*, 985 F.2d 908, 914 (7th Cir. 1993); *Stone v. Williams*, 970 F.2d 1043, 1055 (2d Cir. 1992); *Guerrero v. Katzen*, 774 F.2d 506, 508 (D.C. Cir. 1985)). Further still, res judicata will not apply if the failure to assert a prior claim was the result of fraud, concealment, or misrepresentation of pertinent facts. *See Plotzker v. Lamberth*, Civil No. 3:08cv00027, 2008 U.S. Dist. LEXIS 86198, at *8-*9 (W.D. Va. Oct. 22, 2008) (citations omitted). This is especially true where misconduct by a party (such as CPC, as explained above herein) substantially changes the posture of a case. *Sarhan v. Dep't of Justice*, 2014-3197, 2015 U.S. App. LEXIS 5807, at *3 (Fed. Cir. Apr. 10, 2015) ("An exception to the doctrine of res judicata exists where there has been fraud, concealment, or misrepresentation by a party.") (citing *Anderson v. Dep't of Transp.*, 46 M.S.P.R. 341, 349 (1990), *aff'd*, 949 F.2d 404 (Fed. Cir. 1991)). As elaborated in *Anderson*, "under this exception, the [Merit Systems Protection] Board has the authority to reopen and reconsider a final decision that it has rendered, even after several years have passed, where there has been fraud, concealment, or misrepresentation by a party before the Board. Such circumstances shift the balance from the 'desirability of finality' to 'the public interest in reaching the right result,' . . . and thus warrant reopening and reconsideration." *Id.* at 349 (citation omitted).

Even the U.S. Court of Appeals for the Federal Circuit has held that res judicata does not apply when there has been an effective denial of due process stemming from another party's misconduct. *Pactiv Corp. v. Dow Chem. Co.*, 449 F.3d 1227, 1232-33 (Fed. Cir. 2006) (citing Restatement (Second) of Judgments § 26, cmt. j). The decades-long misconduct by Respondent's predecessors in interest – as detailed above herein – crippled Petitioner's ability to bring a full challenge to the mark's legitimacy, making it even more improper to treat the earlier proceedings as definitive or preclusive. The collusion of Petitioner's former counsel, Stephen M. Trattner, with CPC to hinder Petitioner is yet another aggravating factor that renders res judicata inapplicable here. *See* Restatement (Second) of Judgments § 42(1)(e), cmt. f ("[A] judgment is not binding on the represented person where it is the product of collusion between the representative and the opposing party, or where, to the knowledge of the opposing party, the representative seeks to further his own interest at the expense of the represented person. Where the representative's management of the litigation is so grossly deficient as to be apparent to the opposing party, it likewise creates no justifiable reliance interest in the adjudication on the part of the opposing party.").

B. <u>No Collateral Estoppel</u>

Collateral estoppel (also known as issue preclusion) is related to res judicata but slightly more demanding, consisting of five elements: 1) the issue sought to be precluded is identical to one previously litigated; 2) the issue was actually determined in the prior proceeding; 3) the issue's determination was a critical and necessary part of the decision in the prior proceeding; 4) the prior judgment is final and valid; and 5) the party against whom collateral estoppel is asserted had a full and fair opportunity to litigate the issue in the previous forum. *See Westmoreland Coal Co. v. Sharpe*, 692 F.3d 317, 331 (4th Cir. 2012).

Again, as to the supposed preclusive effect of *Skippy I*, "a judgment that has been vacated on appeal is thereby deprived of all preclusive effect, both as to res judicata and collateral estoppel." *Baltimore Luggage*, 727 F. Supp. at 208 (D. Md. 1989). At no point after *Skippy I* was the issue of fraud actually determined in a proceeding, in disregard of the Fourth Circuit's holding that it could be; the subsequent decisions merely cited *Skippy I* and wrongly refused to consider the issue whenever Petitioner raised it.

Even if it were shown that an outright refusal to consider and rule on the merits of an issue constitutes "actual determination" of that issue for purposes of collateral estoppel, many of the same exceptions addressed above with regard to res judicata apply with equal force here. *See Kremer*, 456 U.S. at 481; *Saladino*, 62 Fed. Cl. at 792; *Pactiv*, 449 F.3d at 1232-33 (citing Restatement (Second) of Judgments § 26, cmt. j); Restatement (Second) of Judgments § 42(1)(e), cmt. f.

C. No Bar Related To Compulsory Counterclaims

The Respondent and/or the Board might disregard Petitioner's cancellation petition on the belief that Petitioner had a duty to raise it as a counterclaim in prior proceedings, either in court or before the Board itself. This again is a mistake.

The 1986 infringement action by CPC in *Skippy II* did not obligate Petitioner to raise a counterclaim to cancel the mark, either under Rule 13(a) of the Federal Rules of Civil Procedure or under Trademark Rule 2.106(b)(2)(i), since an infringement claim is too distinct from a cancellation claim. *See Nasalok Coating Corp. v. Nylok Corp.*, 522 F.3d 1320, 1324-26 (Fed. Cir. 2008).

Additionally, Federal Rule 13(a) is worded to require a counterclaim "**against an opposing party[.]**" There is no allowance for parties "in privity" as with res judicata, so the fact that Respondent was not a party to any of the relevant proceedings makes Respondent ineligible to cite Rule 13(a) against Petitioner. *See Youell v. Grimes*, 203 F.R.D. 503, 507-08 (D. Kan. 2001). The Fourth Circuit once considered this issue and likewise refused to apply Rule 13(a) to bar a claim where the opposing parties in the two proceedings were not identical. *Fullerton Aircraft Sales & Rentals, Inc. v. Beech Aircraft Corp.*, 842 F.2d 717, 722-23 (4th Cir. 1988). The court stated in dicta that there might be an exception if, for example, a corporation and its president had an identity of interests that made them effectively the same party, thereby allowing one of them to assert preclusion to bar a claim in the second proceeding despite not having participated in the first one. Respondent has no such identity of interests with a party in the former proceedings, and thus no basis to assert preclusion on these grounds.

As for CPC's opposition to Petitioner's registration efforts before this Board, Respondent and/or the Board might reason that Trademark Rule 2.106(b)(2)(i) obligated Petitioner to raise a counterclaim of cancellation at that time. Once again, Respondent was not a party to those proceedings, which again makes the counterclaim bar inapplicable because the Board is obligated to use the same approach discussed above with regard to Federal Rule of Civil Procedure 13(a), as follows: "Except as otherwise provided, and wherever applicable and appropriate, procedure and practice in inter partes proceedings shall be governed by the Federal Rules of Civil Procedure." 37 C.F.R. § 2.116(a). Moreover, many of the grounds for the current petition were unknown during prior Board proceedings, again relieving Petitioner of raising them in a counterclaim at that time. *See Zawod v. SIA "Baltmark Invest"*, 1:12cv515 (JCC/IDD), 2013 U.S. Dist. LEXIS 168317, at *29-*30 (E.D. Va. Nov. 26, 2013). Last but not least, CPC argued in those very proceedings that the Fourth Circuit's decision for Petitioner was irrelevant, stating that "the incontestability of [CPC's] mark has no relevance to the opposition proceedings." CPC Response, Aug.21, 1982 **(attached hereto as Exhibit 11)**. It would violate basic principles of judicial estoppel for Respondent to argue that Petitioner had a duty to assert a counterclaim regarding the mark's contestability in the earlier proceedings – after all, Respondent's predecessor-in-interest (CPC) argued that this was inappropriate, and CPC gained an advantage and ultimately prevailed to Petitioner's detriment. *See Nat'l Union Fire Ins. Co. v. Allfirst Bank*, 282 F. Supp. 2d 339, 348 (D. Md. 2003) ("The doctrine of judicial estoppel precludes a party from asserting a position inconsistent with a position successfully taken by the same party or a party in privity in a prior lawsuit."); *see also Data Gen. Corp. v. Johnson*, 78 F.3d 1556, 1565 (Fed. Cir. 1996) ("The doctrine of judicial estoppel is that where a party successfully urges a particular position in a legal proceeding, it is estopped from taking a contrary position in a subsequent proceeding where its interests have changed.").

D. <u>No Bar Related To Petitioner's Release Of CPC</u>

Finally, Respondent and/or the Board might conclude that Petitioner waived its rights to seek cancellation by executing a release in favor of CPC. There are serious questions regarding the release's validity, as the release was most likely procured by fraud and duress. Yet even assuming that the release is irreproachable, Respondent was not a party to it and has no right to invoke it, since it is in favor of CPC alone and contains no language extending the release to CPC's assignees, transferees, or anyone else. *See* **Exhibit 9**. Under the law of both New Jersey and Virginia (where the two parties resided), a release applies according to its plain language and *only* to the stated beneficiary thereof. *See Potomac Ins. Co. of Ill. ex rel. OneBeacon Ins. Co. v. Pennsylvania Mfrs.' Ass'n Ins. Co.*, 73 A.3d 465, 477-78 (N.J. 2013); *Berczek v. Erie Ins. Group*, 529 S.E.2d 89, 90-91 (Va. 2000).

E. <u>Conclusion</u>

This petition concerns serious matters that have not been given the serious consideration they deserve. Ever since the Fourth Circuit held *as a matter of law* that Rosefield's 1954 affidavit regarding the subject mark was false, and that Petitioner had a right to assert fraud to cancel the mark, Petitioner has run into a brick wall of disregard. The question facing the Board is simple yet fundamental: will it examine whether there is a fraudulent mark on the rolls, or will it place another brick in the wall to shield a suspect mark from scrutiny?