ESTTA Tracking number: **ESTTA438121**
Filing date: **10/27/2011**

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

Proceeding	91194188
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Date	10/27/2011
Attachments	Sprinkles Reply ISO Rule 56 Motion.pdf (14 pages)(1053334 bytes)

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

SOFT SERVE, INC. d/b/a SPRINKLES,	)	**Opposition No. 91194188**
	)	Opposition No. 91195669
Opposer/Petitioner,	)	Opposition No. 91195985
	)	Opposition No. 91195986
v.	)	Opposition No. 91196035
	)	Opposition No. 91196061
SPRINKLES CUPCAKES, INC.,	)	Opposition No. 91196087
	)	
Applicant/Respondent.	)	Cancellation No: 92053109
	)	

SPRINKLES CUPCAKES' REPLY IN FURTHER SUPPORT OF MOTION FOR RULE 56(d) CONTINUANCE

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INTRODUCTION

Pursuant to Trademark Trial and Appeal Board Manual of Procedure ("TBMP") § 528.06 and Federal Rule of Civil Procedure 56(d), Applicant/Respondent Sprinkles Cupcakes, Inc. ("Sprinkles"), by and through its undersigned counsel, submits this reply memorandum of law in further support of its request for a continuance enabling affidavits to be obtained, depositions to be taken or other discovery to be undertaken so that Sprinkles can respond fully to the Summary Judgment Motion of Opposer/Petitioner Soft Serve, Inc. ("Soft Serve"). Sprinkles' motion is supported by previously submitted declarations as well as the reply declaration of John Slafsky ("Slafsky Reply Decl.").

In its opposition to this motion Soft Serve does not deny:

- That Soft Serve prepared, but did not file, summary judgment papers as early as April - May 2011;
- That Sprinkles properly and timely noticed depositions of each of the three witnesses identified in Soft Serve's Initial Disclosures, and of Soft Serve's landlord, in early August 2011, well before the Board's discovery deadline;
- That Soft Serve moved for summary judgment almost immediately after receiving deposition notices from Sprinkles, triggering a Board suspension order before any of the depositions could take place;
- That Soft Serve did not make its latest document production until well after the Summary Judgment Motion, when there was no opportunity for Sprinkles to question witnesses about the documents; or
- That Soft Serve failed to amend its Initial Disclosures to identify any of the employees, customers or vendors on whom it is now relying in support of its Summary Judgment Motion.

Nor does Soft Serve disclose that, apparently, it is withholding from production important documents, such as at least one signed witness statement as well as e-mail communications between Soft Serve and the witness about this proceeding. *See* Slafsky Reply Decl.

The discovery process envisioned by Soft Serve is one in which it can pick and choose witnesses and documents to disclose, its witnesses are not subject to pre-trial questioning, it can essentially shut down the discovery process, and the resulting request of an adverse party to proceed with discovery specifically provided for under the rules is considered an "unlimited and lengthy fishing expedition" and "baseless and unprofessional in the extreme." Fortunately, this vision is not reflected in the TBMP, the Federal Rules of Civil Procedure or the case law.

Under well-established law, there needs to be an open exchange of information relevant to disputed matters in this proceeding, and Sprinkles must be allowed to proceed with discovery to which it is entitled. At minimum, Sprinkles must be given an opportunity to conduct depositions, including depositions that were previously scheduled and pending when Soft Serve filed the Summary Judgment Motion. Sprinkles has relied on the Board's earlier scheduling order and should not be precluded from completing necessary discovery simply because Soft Serve filed a pre-emptive motion.

As to the Summary Judgment Motion itself, the Board should dismiss it altogether, either now or after the discovery process is completed.

ARGUMENT

I. SPRINKLES' DISCOVERY REQUESTS HAVE BEEN TIMELY AND PROPER

TBMP § 403 permits parties to take discovery depositions, and to serve interrogatories, requests for production of documents and request for admission on or before the closing date of the discovery period. TBMP § 404 permits parties, in particular, to take depositions of any party or relevant non-party prior to the expiration of the discovery period. The Board set the end of the discovery period in this proceeding as October 7, 2011. Unquestionably, Sprinkles served discovery requests, including deposition notices, well before then. Indeed, at the time of the filing of the Summary Judgment Motion, when Sprinkles' deposition notices had been pending for less than a week, there were 57 days remaining in the discovery period.

Soft Serve nonetheless contends that Sprinkles was not diligent (because, for example, Sprinkles "had the ability to depose [Soft Serve] since the opening of the first discovery period

on May 27, 2010"[1]) and that, as a result of this alleged delay, Sprinkles should forfeit the right to take further discovery. Soft Serve cites no rule or case law in support of its argument; nor could it. Here, the Board has ordered a specific schedule for the pre-trial discovery period, Sprinkles has relied on that schedule, and Soft Serve should not be allowed to unilaterally short-circuit the schedule with two months to go.

II. SOFT SERVE'S FILING OF A SUMMARY JUDGMENT MOTION SHOULD NOT FORESTALL DISCOVERY

Declarations filed in support of the Summary Judgment Motion are dated during April and May 2011. Soft Serve elected, however, not to file the Summary Judgment Motion until August 11, 2011, three months later and only days after Sprinkles served a series of deposition notices.

As set forth in Sprinkles' moving papers, the Summary Judgment Motion is rich with disputed questions of material fact. The Board is well-positioned to deny the Summary Judgment Motion now, or alternatively, after the discovery process is completed.

Soft Serve would have the Board believe that there is something inconsistent about Sprinkles seeking further discovery and at the same time highlighting defects in the Summary Judgment Motion. There is not. Rule 56(d) motions, by their nature, identify specific facts and tie them to arguments against summary judgment. *See Resolution Trust Corp. v. North Bridge Assoc's, Inc.*, 22 F.3d 1198, 1203 (1st Cir. 1994) (a Rule 56(d) motion "should set forth a plausible basis for believing that specified facts, susceptible of collection within a reasonable time frame, probably exist; and it should indicate how the emergent facts, if adduced, will influence the outcome of the pending summary judgment motion"). Movants may challenge summary judgment at the same time. *See, e.g., Ware v. Nicklin Assoc's, Inc. et al.*, 580 F. Supp.

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[1] This statement and others like it in Soft Serve's brief are particularly misleading, insofar as they fail to note that this proceeding has been suspended five times, for a total period of about eight months, during which time Sprinkles was not permitted to proceed with depositions or other discovery.

2d 158, 166-68 (D.D.C. 2008) (granting 56(d) motion where movant also opposed summary judgment on the merits).[2]

III. THE BOARD SHOULD SET A 75-DAY PERIOD FOR COMPLETION OF DISCOVERY

To re-open the discovery process and place the parties back where they were before Soft Serve filed its Summary Judgment Motion, the Board should set a 75-day period for completion of discovery. At the time of the filing of the Summary Judgment Motion, there remained 57 days in the discovery period, and Sprinkles had already prepared and made arrangements for a number of depositions. Sprinkles will need time to make such arrangements again, to set schedules with third parties, and then to proceed as initially planned. Seventy-five days is a reasonable time period.

Soft Serve contends that Sprinkles "is not in need of, and thus is not entitled to, additional discovery . . . ." In fact, the following issues are outstanding:

a. Discovery Outstanding and Not Responded To

The depositions pending at the time of the Board's suspension order were of (i) Soft Serve's principal, Thomas Orban, (ii) Soft Serve pursuant to Rule 30(b)(6), (iii) Saira Haider and Aaron Yoches, ex-Soft Serve employees identified in Soft Serve's Initial Disclosures and (iv) Soft Serve's landlord, Zuckerman Gravely Management. These depositions now need to go forward.

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[2] The cases cited by Soft Serve in this regard are distinguishable. *Nature's Way Prods., Inc. v. Nature's Herbs, Inc.*, 9 U.S.P.Q.2d 2077, 2081 (TTAB 1989), is a case in which a party opposing summary judgment, without moving under Rule 56(d) or filing any declaration indicating that further discovery was essential, sought additional depositions. In *Dyneer Corp. v. Automotive Prods., plc*, 37 U.S.P.Q.2d 1251, 1253 (TTAB 1995), the Rule 56(d) motion was apparently based entirely upon the desire to depose the opposer's president, but the movant had not sought to take that deposition during its own testimony period and had instead waited until the opposer's testimony period. The facts of this proceeding are not remotely close to these cases.

b. Discovery Belatedly Produced

Sprinkles received Soft Serve's latest document production on or about September 15, 2011, over a month after the filing of the Summary Judgment Motion. Sprinkles has not had an opportunity to question any Soft Serve or third-party witnesses about these documents. The Board should permit Sprinkles to do so.

c. Declarants Supporting Summary Judgment Motion

Soft Serve was required under TBMP § 401.02 to make initial disclosures of each witness "that [it] may use to support its claims . . ." and was required under TBMP § 408.03 to supplement these pre-trial disclosures during the course of this proceeding. At no time before the Summary Judgment Motion, however, did Soft Serve identify in its disclosures any of the four employee-declarants on which it is now relying: Benson Panga, Glyeb Koumasinski, Julianna Kariman or Juliet Hope.[3] Soft Serve must revise its disclosures and Sprinkles should be allowed to depose these witnesses during the discovery phase. *See Byer Cal. v. Clothing for Modern Times Ltd.,* 95 U.S.P.Q.2d 1175 (TTAB 2010) (pretrial disclosures still must be revised even where identity of witnesses disclosed in discovery responses).

d. Other Discovery Issues Raised by Summary Judgment Motion

As set forth in Sprinkles' moving papers, there are countless disputed issues of material fact in the Summary Judgment Motion. Soft Serve's dismissal of the numerous specific questions highlighted by Sprinkles as either "asked and answered" or untimely does not stand up to scrutiny. The fact that Soft Serve may have disclosed *some* self-selected documents and information does not mean the discovery process is complete. These examples of disputed issues of material fact are illustrative:

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[3] Soft Serve's opposition papers question Sprinkles' statement in its motion that "none of these four witnesses had previously been identified by Soft Serve." This statement was intended to refer specifically to Soft Serve's written disclosures.

Soft Serve asserts that key documents about which Sprinkles seeks to ask deposition questions -- Soft Serve's permit application to the Maryland Department of Health and Human Services, Soft Serve's invoice for a "Sprinkles" sign, and a corporate transaction between Soft Serve and Million, Inc. -- are not essential to Sprinkles' summary judgment response. Opposition at 10. In fact, these open questions bear directly on the question of Soft Serve's alleged trademark priority. Soft Serve is relying on such documents in support of the Summary Judgment Motion but is unwilling to subject them to questioning.

Soft Serve argues that Sprinkles' questions surrounding historical pricing, classes of purchasers, advertising, actual confusion, and geographic scope are not essential to the Summary Judgment Motion. Opposition at 11-12. Indeed, it is crystal-clear that these questions are all key factors in the Board's *Dupont* analysis, that they are germane to the Summary Judgment Motion and that Sprinkles is entitled to discover information about them.

Soft Serve suggests that it has already answered the important question regarding when it stopped using its prior business name of "ICBY." Opposition at 9. In fact, there is no clarity on this issue and available information is inconsistent with Soft Serve's discovery responses to date.

According to Soft Serve, Sprinkles "has pursued no discovery relating to [laches, acquiescence, waiver and estoppel] in the year and a half that has elapsed since the opening of discovery in these proceedings" and therefore discovery on these defenses should be cut off. Opposition at 6. In fact, Sprinkles discovery demands dating back to June 11, 2010 are full of questions directly related to each of these defenses. *See, e.g.,* Interrogatories 25 and 34 and Requests for Production 28, 30, 38, 39, 45 and 60 (Sept. 14, 2001 Slafsky Decl., Exhs. 6-7).

IV. THE BOARD SHOULD SET A SUBSEQUENT 30-DAY PERIOD FOR SPRINKLES TO OPPOSE THE SUMMARY JUDGMENT MOTION

Even the presently available evidence indicates that the Summary Judgment Motion lacks merit, and that disputed issues of material fact exist. The Board is well positioned to deny the motion now; however, should the Board prefer to await a more developed record before ruling

on the motion, Sprinkles should be afforded 30 days following the completion of discovery to file opposition papers.

V. THE BOARD SHOULD DIRECT THE PARTIES TO MAKE EXPERT DISCLOSURES WITHIN 30 DAYS

At the time of the filing of the Summary Judgment Motion, neither party had made expert disclosures, and the deadline for doing so was 27 days away. The Board should direct the parties to disclose experts, if any, within 30 days (from the date of the Order regarding this Rule 56(d) motion or from the date of the order lifting suspension, if later).

VI. THE BOARD SHOULD DIRECT SOFT SERVE TO PRODUCE ALL DOCUMENTS RESPONSIVE TO SPRINKLES' DISCOVERY DEMANDS

There is reason to be concerned that Soft Serve may be withholding from production important documents related to this dispute. According to statements from an ex-employee of Soft Serve, one of the three witnesses identified in Soft Serve's Initial Disclosures, she has reviewed and signed a factual statement related to this matter and she has had e-mail exchanges with both Soft Serve and its counsel. Such documents are clearly responsive to Sprinkles' discovery demands dating back to as early as June 11, 2010 (*e.g.*, "All documents relating to communications with third parties other than your legal counsel concerning this trademark dispute"). No such documents have been produced by Soft Serve to Sprinkles, with respect to this particular witness or any other witness. *See* Slafsky Reply Decl.

The Board should direct Soft Serve to produce all documents responsive to Sprinkles' discovery demands well before the first of any depositions in this matter.

CONCLUSION

For the foregoing reasons, the Board should order a continuance enabling affidavits to be obtained, depositions to be taken or other discovery to be undertaken so that Sprinkles can respond fully to the Summary Judgment Motion filed by Soft Serve. In particular, the Board should set a 75-day time period (from the date of the Order regarding this Rule 56(d) motion or from the date of the order lifting suspension, if later) for Sprinkles to complete the discovery

described above and set a subsequent 30-day time period for Sprinkles to oppose the Summary Judgment Motion; the Board should direct the parties to make expert disclosures within 30 days (from the date of the Order regarding this Rule 56(d) motion or from the date of the order lifting suspension, if later); and the Board should direct Soft Serve to produce all documents responsive to Sprinkles' discovery demands well before the first of any depositions in this matter.

Dated: October 27, 2011

Respectfully Submitted,

WILSON SONSINI GOODRICH & ROSATI
Professional Corporation

By: _____
JOHN L. SLAFSKY
HOLLIS BETH HIRE

Attorneys for Applicant
SPRINKLES CUPCAKES, INC.

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

SOFT SERVE, INC. d/b/a SPRINKLES, Opposer/Petitioner, v. SPRINKLES CUPCAKES, INC., Applicant/Respondent.	)	**Opposition No. 91194188** Opposition No. 91195669 Opposition No. 91195985 Opposition No. 91195986 Opposition No. 91196035 Opposition No. 91196061 Opposition No. 91196087 Cancellation No: 92053109

REPLY DECLARATION OF JOHN SLAFSKY

1. I am an attorney at Wilson Sonsini Goodrich & Rosati, P.C., counsel for Applicant/Respondent Sprinkles Cupcakes, Inc. ("Sprinkles") in this matter. I have personal knowledge of the facts in this declaration, and, if called as a witness, I could competently testify to them.

2. Soft Serve's November 4, 2010 Supplemental Disclosures identify Saira Haider as an individual "having information that may be used to support [Soft Serve'] claims."

3. On August 10, 2011, Sprinkles served on Saira Haider a Notice of Deposition Upon Written Questions.

4. On October 10, 2011, in response to her messages, I spoke with Saira Haider about the Notice of Deposition on Written Questions that had been served. I explained that this deposition was suspended in view of a Board order.

5. During this phone discussion Ms. Haider volunteered that in May 2011 she had reviewed and signed a factual statement in connection with this proceeding. She also mentioned that she had exchanged e-mail messages with Soft Serve's principal, Thomas Orban, and with Soft Serve's counsel concerning this dispute, particularly during Spring 2011.

6. Sprinkles has not received from Soft Serve any document signed by Ms. Haider or copies of any e-mails messages to or from her related to this dispute.

7. Sprinkle's Requests for Production of Documents served on Soft Serve on June 11, 2010 include, among other things, this document demand: "All documents relating to communications with third parties other than your legal counsel concerning this trademark dispute."

I declare under penalty of perjury that the foregoing is true and correct. Executed at Palo Alto, California on October 26, 2011.

John L. Slafsky

CERTIFICATE OF SERVICE BY MAIL

I, Elvira Minjarez, declare:

I am employed in Santa Clara County. I am over the age of 18 years and not a party to the within action. My business address is Wilson Sonsini Goodrich & Rosati, 650 Page Mill Road, Palo Alto, California 94304-1050.

I am readily familiar with Wilson Sonsini Goodrich & Rosati's practice for collection and processing of correspondence for mailing with the United States Postal Service. In the ordinary course of business, correspondence would be deposited with the United States Postal Service on this date.

On this date, I served:

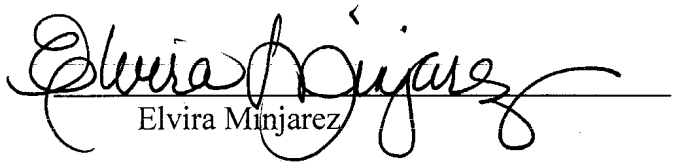
1. **SPRINKLES CUPCAKES' REPLY IN FURTHER SUPPORT OF MOTION FOR RULE 56(d) CONTINUANCE**

2. **REPLY DECLARATION OF JOHN SLAFSKY**

on each person listed below, by placing the document described above in an envelope addressed as indicated below, which I sealed. I placed the envelope for collection and mailing with the United States Postal Service on this day, following ordinary business practices at Wilson Sonsini Goodrich & Rosati.

Thomas J. Vande Sande
Hall & Vande Sande, LLC
10220 River Road, Suite 200
Potomac, Maryland 20854

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed at Palo Alto, California on October 27, 2011.



Elvira Minjarez