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

Proceeding	91195328
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

HardCandy Cases, LLC,

Opposer,

v.

Hard Candy, LLC,

Applicant.

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In Re: Application Serial No. 77700557  
For the Mark: Hard Candy  
Published in the Official Gazette: 02/16/09

Opposition No. 91195328

**APPLICANT HARD CANDY, LLC'S TRIAL BRIEF**

**TABLE OF CONTENTS**

**I. INTRODUCTION.....5**

**II. STATEMENT OF THE ISSUES.....5**

**III. DESCRIPTION OF THE RECORD .....6**

    a. RESPONSE TO OPPOSER’S EVIDENTIARY OBJECTIONS ..... 6

        1. Opposer’s counsel’s objection to Applicant’s counsel’s question to Mr. Falic regarding his understanding of the type of goods covered in Class 009. (Falic Depo. at 10:19-24) (Opp. Tr. Br. 12, § 4.1.2.2) .....6

        2. Opposer’s counsel’s objection to Applicant’s counsel’s question to Mr. Falic regarding whether Hard Candy had the intent to use the HARD CANDY trademark for Class 009 at the time he filed and signed the ‘559 Application.. (Falic Depo. at 11:2-6) (Opp. Tr. Br. 12, § 4.1.2.3).....7

        3. Objection to Applicant’s counsel’s question “Did Hard Candy have a bona fide intention to use the mark in connection with leather goods and purses when you signed and filed this application in March 2009?” (Falic Depo at 13:13-18) (Opp. Tr. Br. at 13, § 4.1.2.4) .....7

        4. Objection to Applicant’s counsel’s question about Applicant’s CEO, Jerome Falic’s understanding of a licensing proposal from the Beanstalk Group which predates the ‘557 Application by one month. (Falic Depo. 16) (Opp. Tr. Br. 14, § 4.1.2.5) .....8

        5. Objection to Applicant’s counsel’s question about Applicant’s CEO, Jerome Falic’s understanding of a licensing proposal from the Beanstalk Group which predates the ‘557 Application by one month. (Falic Depo. at 16) (Opp. Tr. Br. 14, § 4.1.2.6) .....9

        6. Objection to Applicant’s counsel’s question regarding his understanding of an email regarding a proposal Applicant was preparing for a meeting with Walmart. (Falic Depo. at 32) (Opp. Tr. Br. at 32:9-22, §4.1.2.7).....10

        7. Opposer’s objection and motion to strike Mr. Falic’s response to a question regarding the Beanstalk proposal. (Falic Depo. at 44-47, App. Tr. Br. at 18, § 4.1.2.12) .....10

        8. Opposer’s objection to Applicant’s Exhibit 13 (Falic Depo. at 37, App. Tr. Br. at 15, § 4.1.2.8) .....11

    b. OPPOSER’S EVIDENCE ..... 12

    c. APPLICANT’S EVIDENCE ..... 12

**IV. STATEMENT OF RELEVANT FACT.....13**

**V. ARGUMENT.....16**

    a. Bona Fide Intent to Use Standard ..... 16

b. Opposer’s Claim That Applicant Lacked a Bona Fide Intent to Use its HARD CANDY mark for Class 018 Should be Denied As *Opposer has not Presented Any Evidence* Showing Applicant Lacked Bona Fide Intent, and Applicant Has – On the Other Hand – Produced Evidence Corroborating its Bona Fide Intent ..... 17

c. In the Alternative, if the Board Finds that Opposer has Demonstrated a Prima Facie Case that Applicant Lacked a Bona Fide Intent to Use the Mark, Applicant has Come Forward with Sufficient Evidence to Rebut Opposer’s Allegation and Corroborate Applicant’s Bona Fide Intent..... 18

d. Applicant’s “History of Trademark Filings” Does Nothing to Warrant a Denial of the ‘557 Application. .... 22

**VI. CONCLUSION .....26**

**TABLE OF AUTHORITIES**

**Cases**

Boston Red Sox Baseball Club Ltd. P'ship,  
88 U.S.P.Q. 2d 1581 ..... 17

Collagenex Pharmaceuticals, Inc. v. Four Star Partners,  
No. 91150890..... 17

Honda Motor Co., Ltd. v. Friedrich Winkelmann,  
90 U.S.P.Q.2d 1660 ..... 20

Lane Ltd. v. Jackson Int'l Trading Co.,  
33 U.S.P.Q. 2d. 1351 ..... 20, 21

Salacuse,  
44 U.S.P.Q.2d 1415 ..... 23, 24

Spin Master, Ltd. v. Zobmondo Entm't, LLC,  
778 F. Supp. 2d 1052 ..... 20

Wet Seal, Inc. v. FD Management, Inc.,  
82 U.S.P.Q.2d 1629 (Trademark Tr. & App. Bd. February 9, 2007) ..... 19

**Statutes**

15 U.S.C. § 1051(b) ..... 16

99 Trademark Reporter 763 ..... 19

Lanham Act § 1(b) ..... 16

**Other Authorities**

TBMP § 414(11) (3d ed. rev. 2012) ..... 23

## I. INTRODUCTION

Hard Candy, LLC (“Hard Candy”) and/or its predecessors-in-interest have been in business since 1995, selling HARD CANDY branded products in commerce. While the company began as a cosmetics company, it has since expanded to a “lifestyle brand,” which includes cosmetics, fragrances, skin care, apparel, sunglasses, cosmetics bags, iPhone cases and iPad cases, and more, all under the HARD CANDY trademark. (Deposition of Applicant’s CEO, Jerome Falic at 7:15-19; 8:4-5 (hereinafter “Falic Depo.”))

On March 26, 2009, Hard Candy filed a Section 1(b), intent to use application with the US Patent and Trademark Office (“USPTO”) for the mark HARD CANDY under international class 018 leather goods, Serial no. 77/700,557. (Ex. 2 to Falic Depo) (“the ‘557 Application”). The uncontroverted evidence clearly shows that Hard Candy in fact did have, and continues to have, the bona fide intent to use the mark as described in ‘557 Application. As described herein, there is a contiguous string of documentary evidence that tracks Hard Candy’s process in bringing the Hard Candy leather goods into the market – both before *and* after the ‘557 Application was filed, as well as uncontroverted and specific testimony which supports and lends context to the documentary evidence. On the other hand, Opposer – who bears the burden of proof – has failed to provide *any* evidence to support its claim that Applicant did not, and does not, have the bona fide indent to use the Hard Candy mark as described in the ‘557 Application. The Board should deny Opposer’s petition to oppose the ‘557 Application.

## II. STATEMENT OF THE ISSUES

Whether Applicant Hard Candy, LLC had the bona fide intent to use the HARD CANDY mark when it filed the ‘557 Application.

### **III. DESCRIPTION OF THE RECORD**

As described herein, the record in this action is rather one-sided. Despite the fact that Opposer bears the burden of proof, it offers no evidence supporting its claim that Applicant lacked the bona fide intent to use its HARD CANDY mark as described in the '557 Application. Instead, the Board has detailed and uncontroverted trial deposition testimony of Applicant's CEO Jerome Falic, who clearly testifies to Applicant's bona fide intent to use the mark, and who explains the documentary trail of evidence which supports his testimony. Mr. Falic's deposition transcript and exhibits thereto have been previously filed with this Board.

I. February 12, 2014 Testimony deposition transcript of Jerome Falic, CEO of Applicant, Hard Candy, LLC and exhibits thereto.

- a. Opposer's Exhibits A through G
- b. Applicant's Exhibits 1 through 13

II. August 5, 2013 Testimony deposition transcript of Timothy Hickman, CEO of Opposer, and exhibits thereto.

#### **a. RESPONSE TO OPPOSER'S EVIDENTIARY OBJECTIONS**

- 1. Opposer's counsel's objection to Applicant's counsel's question to Mr. Falic regarding his understanding of the type of goods covered in Class 009. (Falic Depo. at 10:19-24) (Opp. Tr. Br. 12, § 4.1.2.2)

Applicant's counsel simply asked Applicant's CEO, Jerome Falic, "What's your understanding of the type of goods that [international class 009] covers?" Opposer's counsel objects to the question because, he states, it "calls for a legal conclusion." However, the question clearly is not seeking Mr. Falic's legal opinion. Instead, it is asking, expressly, for Mr. Falic's *understanding* of what types of goods Class 009 covers. His understanding, rather than any legal

conclusion is important in this case, as Mr. Falic is the individual who signed the ‘559 application on behalf of Applicant. Opposer’s counsel’s objection should be overruled.

2. Opposer’s counsel’s objection to Applicant’s counsel’s question to Mr. Falic regarding whether Hard Candy had the intent to use the HARD CANDY trademark for Class 009 at the time he filed and signed the ‘559 Application.. (Falic Depo. at 11:2-6) (Opp. Tr. Br. 12, § 4.1.2.3)

While Applicant has withdrawn the ‘559 Application, Opposer still argues that it was filed in bad faith and should be used as evidence of lack of bona fide intent for the ‘557 Application. Applicant’s counsel asked Mr. Falic: “At the time that Hard Candy filed this [‘559] application, and you signed it, did Hard Candy have an intent to use its Hard Candy trademark in the category of consumer electronics.” (Falic Depo. at 11:2-5) Mr. Falic, responded, “Yes.” Thereafter, Opposer’s counsel objected, stating: “Objection. Calls for a legal conclusion.” (Id. at 11:7) Mr. Falic is the CEO of Applicant, the individual who signed the ‘559 application, and the only employee or director of Applicant deposed in this matter. The question was clearly not seeking Mr. Falic’s legal opinion, but rather, as he understood it, whether Hard Candy had the bona fide intent to use the mark. The Board should overrule Opposer’s objection, and allow Mr. Falic’s response “Yes” into the record. (Id. at 11:6)

3. Objection to Applicant’s counsel’s question “Did Hard Candy have a bona fide intention to use the mark in connection with leather goods and purses when you signed and filed this application in March 2009?” (Falic Depo at 13:13-18) (Opp. Tr. Br. at 13, § 4.1.2.4)

After establishing that witness, Applicant’s CEO Jerome Falic, understood what “bona fide” meant, Mr. Falic was asked whether Hard Candy actually had the bona fide intent to use the mark when he signed the application. Opposer’s counsel objected “Calls for a legal conclusion.” (Id. at 13:10) The only issue in this proceeding is whether or not Hard Candy had the bona fide intent to use the mark as described in the ‘557 Application. Mr. Falic is the CEO

of Applicant, the individual who signed the application, and the only employee or director of Applicant deposed in this matter. His testimony as to this core issue is not only appropriate, it is necessary in the defense of this proceeding. The undersigned was clearly not seeking Mr. Falic's legal opinion, but rather, as he understood it, whether Hard Candy had the bona fide intent to use the mark. His testimony then expounds greatly as to how and why Hard Candy had the bona fide intent to use the mark as described in the '557 Application. The Board should overrule Opposer's objection, and allow Mr. Falic's response, "Absolutely," into the record. (Id. at 13:19)

4. Objection to Applicant's counsel's question about Applicant's CEO, Jerome Falic's understanding of a licensing proposal from the Beanstalk Group which predates the '557 Application by one month. (Falic Depo. 16) (Opp. Tr. Br. 14, § 4.1.2.5)

Mr. Falic had testified that approximately one month before filing the '557 Application, he had various calls and even a meeting in New York with the Beanstalk Company – a company that “helps develop brands that want to license various products into various retailers.” (Falic Depo. at 15, 16, Ex. 3 thereto) Mr. Falic testified that on February 3, 2009 Beanstalk sent Hard Candy a licensing proposal. (Id) The undersigned asked Mr. Falic, who was the recipient of the proposal, after various phone calls, emails and a meeting, “What did you understand the proposal to be?” (Falic Depo. at 16:12) Opposer's counsel objected: “Objection. The document speaks for itself.” (Id. at 16:13) This objection is inappropriate and should not be upheld. First, Mr. Falic was not asked to interpret the proposal, but rather to testify what was his understanding of the proposal. The document does not speak to what was his understanding of the proposal. Applicant's intentions at the time the '557 Application was filed are relevant to these proceedings. Mr. Falic's response: “The proposal was for them to help me develop – to help us develop Hard Candy, various products of Hard Candy, through a licensing program that it would

help me take directly – direct to retail.” (Id. at 16:17-20) The Board should overrule Opposer’s objection and allow Mr. Falic’s response into the record.

5. Objection to Applicant’s counsel’s question about Applicant’s CEO, Jerome Falic’s understanding of a licensing proposal from the Beanstalk Group which predates the ‘557 Application by one month. (Falic Depo. at 16) (Opp. Tr. Br. 14, § 4.1.2.6)

Again, Mr. Falic had testified that approximately one month before filing the ‘557 Application, he had various calls and even a meeting in New York with the Beanstalk Company – a company that “helps develop brands that want to license various products into various retailers.” (Falic Depo. at 15, 16, Ex. 3 thereto) Mr. Falic testified that on February 3, 2009 Beanstalk sent Hard Candy a licensing proposal. (Id) The undersigned asked Mr. Falic, who was the recipient of the proposal, after various phone calls, emails and a meeting, “What did you understand the proposal to be?” (Falic Depo. at 16:12) (See *supra*) Then, as a follow-up, Mr. Falic was asked whether the products that Beanstalk was proposing to develop through a licensing program “include[d] handbags and purses?” (Falic Depo. at 21) Mr. Falic responded, simply, “Yes.” After he responded, Opposer’s counsel objected: “Objection. The document speaks for itself.” (Id. at 16:23) This objection is inappropriate and should not be upheld. First, Mr. Falic was not asked to interpret the proposal, but rather to testify what was his understanding of the proposal in the context of the previous phone calls and meetings between Hard Candy and Beanstalk. The document does not speak to what was his understanding of the proposal. Applicant’s intentions at the time the ‘557 Application was filed are relevant to these proceedings. The Board should overrule Opposer’s objection and allow Mr. Falic’s response into the record.

6. Objection to Applicant's counsel's question regarding his understanding of an email regarding a proposal Applicant was preparing for a meeting with Walmart. (Falic Depo. at 32) (Opp. Tr. Br. at 32:9-22, §4.1.2.7)

Mr. Falic was asked in his testimony deposition about an email from one of his Hard Candy employees, Neal Seideman, where Mr. Seideman was providing him a "weekly recap." (Falic. Depo. at 32:11-21, Ex. 12 thereto) Mr. Falic is then asked about the content of the email, which discusses an upcoming presentation to Walmart and discusses "the focus for HC accessories is all about KEY ITEMS." (Id) Specifically, Applicant's counsel asked Mr. Falic, "What did this mean as you understood it, key items?" (Id. at 17, 18) Opposer's counsel objects stating: "Objection. Calls for speculation."(Id. at 19) In reviewing the context of the question and language of the question itself, it is clear that Applicant's counsel was not asking Mr. Falic to speculate as to what someone else understood the email to mean. Instead, Mr. Falic was clearly asked what was *his understanding* of the term "key items." He answered, "We were looking for the most important categories under the accessory category to extend Hard Candy in." The testimony continues, without-objection, regarding the photographs attached to the email which include photos of Hard Candy "leather purses." (Id. at 33) Because the question did not call for speculation, the Board should overrule Opposer's objection and allow Mr. Falic's response into the record.

7. Opposer's objection and motion to strike Mr. Falic's response to a question regarding the Beanstalk proposal. (Falic Depo. at 44-47, App. Tr. Br. at 18, § 4.1.2.12)

During his cross-examination of Mr. Falic, Opposer's counsel asked Mr. Falic about the Beanstalk proposal. (Falic Depo. at 44) The following question was asked: "And looking through the document, nowhere in the document does it list leather goods, correct?" (Id) Mr. Falic responded "I'm reviewing to see because I know it was discussed with them. I'm just

seeing [in the document] that they noted it. What they did note is lifestyle brand.... Lifestyle brand for us, which is what they mentioned here covers a broad range of accessories which we had discussed regarding – which were the same items, the handbags, purses, jewelry, watches, and all the items that we were producing for the Hard Candy brand.” (Id. at 44, 45) Opposer’s counsel stated: “Objection. Move to strike. The witness has not answered the question.” (Id. at 45:5,6) Mr. Falic answered the question Opposer’s counsel was asking. Opposer’s counsel was attempting, through his question, to create a narrow, yet unrealistic, reading of the document, when he asked it the document “list[s] leather goods.” Mr. Falic responded by stating that the document refers to a “lifestyle brand,” which Hard Candy and Beanstalk – the only two parties in this communication - understood to include “handbags, purses, jewelry, watches” etc.” This response was in fact responsive to the question and should not be stricken from the record.

8. Opposer’s objection to Applicant’s Exhibit 13 (Falic Depo. at 37, App. Tr. Br. at 15, § 4.1.2.8)

Prior to the deposition of Mr. Falic, but after the close of discovery, Applicant found an additional document, which shows an entire Hard Candy branded line of leather goods and handbags. The document was immediately produced to Opposer, as required. The document was introduced as Applicant’s Exhibit 13 to Mr. Falic’s Deposition. (Falic Depo. at 37) Mr. Falic testified that the document is a “collection” made to show Walmart “the various designs that we were able to come up with to bring this product category into the assortment of the brand.” (Id. at 38) Opposer’s counsel objected to the introduction of the document, as it was produced after the close of discovery. (Id at 37, 38) Opposer’s counsel *did not* move to strike the document. Opposer’s counsel had the opportunity to cross-examine Mr. Falic about the document, but failed to do so. Finally, Opposer was not unfairly prejudiced in any manner – and in fact does not even plead that it was prejudiced - by the introduction of Exhibit 13 to the Falic

Deposition. For these reasons, the Board should overrule Opposer's objection, and permit the introduction of Exhibit 13 to the record.

**b. OPPOSER'S EVIDENCE**

None. Opposer presents absolutely no evidence that Applicant did not have the bona fide intent to use the Hard Candy Mark as described in the '557 Application.

**c. APPLICANT'S EVIDENCE**

1. Mr. Falic's Uncontroverted Testimony Deposition.
2. February 3, 2009 – Email exchange and licensing proposal from Beanstalk Group to Hard Candy. (Ex. 3 to Falic Depo)
3. March 26, 2009 – the '557 Application. (Ex. 2 to Falic Depo)
4. October 7, 2009 - Email correspondence and leather goods and accessories presentation between Hard Candy and Nu World. (Ex. 4 to Falic Depo)
5. May 24, 2010 – Email between Hard Candy and Nu World including presentation “lifestyle deck” of various new goods including leather goods and handbags. (Ex. 5 to Falic Depo)
6. August 7, 2010 – Licensing term sheet between Hard Candy Master Licensee Nu World and Allegro “to produce cosmetic bags..., and handbags.” (Ex. 6 to Falic Depo)
7. August 2, 2011 – Email correspondence with Supply 26 to manufacture “iPad cases, leather iPad cases and iPhone cases.” (Ex. 7 to Falic Depo)
8. October 19, 2011 - Email correspondence with Supply 26 to manufacture “iPad cases, leather iPad cases and iPhone cases,” specifically exploring location of the Hard Candy logo on the product. (Ex. 9 to Falic Depo)

9. July 30, 2012 – Email correspondence regarding presenting Hard Candy accessories, including leather purses to Walmart. (Ex. 12 of Falic Depo)
10. November 8, 2012 – Email correspondence regarding follow-up on producing iPhone and iPad covers with Life Works. (Ex. 10 to Falic Depo)
11. November 9, 2012 – Email correspondence regarding follow-up on producing iPhone and iPad covers with Life Works and renderings. (Ex. 11 to Falic Depo)
12. Undated presentation to Walmart of Hard Candy handbags. (Ex. 13 to Falic Depo)

#### **IV. STATEMENT OF RELEVANT FACTS**

Hard Candy and its predecessors have been selling HARD CANDY branded products in commerce, including cosmetics, fragrances, skin care and other products since 1995. Hard Candy currently owns U.S. trademark registration nos. 3,696,602, 1,987,262, 2,150,397, 2,666,792, 2,666,793, 2,343,732, 2,552,029, 2,567,186, and 2,362,340, all of which use the mark HARD CANDY, or some variation or abbreviation thereof, and has various intent-to-use applications pending – which reflects the growth in Hard Candy’s business. Today, Hard Candy “has a very extensive cosmetics and fragrance brand..., has other categories such as sunglasses, cosmetic bags and apparel all across Walmart doors... as well as some iPhone cases and iPad cases.” (Falic Depo at 7:15-19; 8:4-5)

On March 26, 2009, Hard Candy filed a Section 1(b), intent to use application with the US Patent and Trademark Office (“USPTO”) for the mark HARD CANDY under international class 018 leather goods, Serial no. 77/700,557. (Ex. 2 to Falic Depo) Almost two months *before* the ‘557 Application was filed, on February 3, 2009, Hard Candy, LLC received a licensing representation proposal from the Beanstalk Group to help Hard Candy develop “various products

through a licensing program” which included “handbags and purses.” (Falic Depo. at 15, 16, Ex. 3 thereto) The cover email to this proposal references a meeting which occurred a week prior in Beanstalk’s offices in New York and various “phone calls and emails.” (Falic Depo. at 15, 16, Ex. 3 thereto) Mr. Falic testified that in the course of his calls, emails and meetings with Beanstalk group (all of which occurred prior to the filing of the ‘557 Application) they “discussed leather handbags purses and many other categories.” (Falic Depo. at 17) Moreover, the proposal discusses “develop[ing] a cross-departmental strategy to present to Walmart brand” and being “excited at the prospect of working together to extend Hard Candy into a lifestyle brand.” (Id. at Ex. 3) Mr. Falic testified that “Lifestyle brand for us, which is what they mentioned [in the proposal] covers a broad range of accessories which we had discussed regarding – which were the same items, the handbags, purses, jewelry, watches and all the items that we were producing for the Hard Candy brand.” (Falic Depo. at 44, 45)

Only *after* receiving the Beanstalk Group proposal, on March 26, 2009, did Hard Candy, LLC file the ‘557 Application. Although Hard Candy ultimately decided not to engage Beanstalk (Falic Depo. at 17), only six and a half months after filing the ‘557 Application, on October 7, 2009, Applicant received a detailed presentation from *another* licensee, Nu World Beauty, which included handbags and leather goods designed by another licensee for Applicant, Allegro. (Falic Depo. at 18, 19, Ex. 4 thereto, HC000065) “Allegro was a licensee of Hard Candy which produced and sold into Walmart cosmetic bags at the time.” (Falic Depo. at 19) Hard Candy continued developing the concepts of these products and only a few months later, on May 24, 2010 there is a new presentation from Nu World, referred to as a “lifestyle deck,” of various new HARD CANDY branded goods, including leather goods and handbags, to be presented to Walmart. (Ex. 5 to Falic Depo, Falic Depo. at 20) The process continued to move

forward, as evidenced by an August 7, 2010 email where Hard Candy received a licensing term sheet from Allegro “to produce cosmetic bags..., and handbags.” (Falic Depo. at 22, Ex. 6 thereto) Thereafter, in August and October 2011, Applicant corresponded with yet another party – a manufacturer of “iPad cases, leather iPad cases and iPhone cases” – Supply 26, to manufacture those items for Applicant under the Hard Candy brand. (Falic Depo. at 23-27, Ex. 7,8 thereto) In or around July 2012, Applicant had several meetings with Walmart “to present them a range of products” including “leather purses,” as evidenced by internal email correspondence and images of these products which were meant to be “part of the product line for Walmart.” (Falic Depo. at 31-33, Ex. 12 and 13 thereto) Finally, in November 2012, Applicant corresponded with yet another manufacturer of iPhone and iPad cases, Life Works, about producing these products for Applicant under the Hard Candy mark. (Falic Depo. at 29, 30, Ex. 10, 11 thereto) Recently, samples of Hard Candy’s handbags and purses were produced and shown to Walmart (Id. at 35), price points were set for the goods (Id. at 36), and Applicant “recently receive[d] or we are showing some sample purses form Allegro. We are still- we still continue our efforts to show Walmart, but in the meantime we are looking to expand some of the handbags into Duty Free Americas shops.” (Id. at 36, see also, Ex. 10 thereto) A full collection of leather goods, handbags and totes which “we can produce of Hard candy for Walmart” was designed “to show them the various designs that we were able to come up with to bring this product category into the assortment of the brand.” (Id. at 38, Ex. 13 thereto) These documents, along with Mr. Falic’s testimony deposition show a full-fledged effort to find the right licensees, create the right product line, and to find retail outlets to sell the HARD CANDY goods, just as described in the ‘557 Application.

## V. ARGUMENT

Opposer, HardCandy Cases, LLC, has failed to provide *any* evidence to support its claim that Applicant did not, and does not, have the bona fide intent to use the HARD CANDY mark as described in the '557 Application, despite the fact that it bears the burden of proof. On the other hand, the uncontroverted evidence clearly proves that Hard Candy did in fact have, and continues to have, the bona fide intent to use the HARD CANDY mark as described in '557 Application. Applicant has presented a contiguous string of documentary evidence that tracks Hard Candy's process in bringing the Hard Candy leather goods into the market – both before *and* after the '557 Application was filed, which is supplemented and corroborated by the testimony of Applicant' CEO Jerome Falic. Opposer's claim must fail.

### a. Bona Fide Intent to Use Standard

In 1988, Congress amended the Lanham Act to allow intent to use applications ("ITU") under Lanham Act § 1(b) to provide a means of securing rights in a mark before use in commerce. See H.R. Rep. No. 100-1028 at 8-9 (1988). However, Congress also recognized that the new ITU regime presented an opportunity for abuse by applicants attempting to monopolize a vast number of potential marks on the basis of a mere statement of intent to use the mark in the future. S. Rep. No. 100-515 (1988). Therefore, the Lanham Act requires an ITU applicant to have "...a bona fide intention, under circumstances showing the good faith of such person, to use a trademark in commerce..." 15 U.S.C. § 1051(b).

"A determination of whether an applicant has a bona fide intention to use the mark in commerce is an objective determination based on all the circumstances. *Opposer has the initial burden of demonstrating by a preponderance of the evidence that applicant lacked a bona fide intent to use the mark on the identified goods.*" Boston Red Sox Baseball Club Ltd. P'ship, 88

U.S.P.Q. 2d 1581 at \*6 (Trademark Tr. & App. Bd. Sept. 9, 2008) (internal citations omitted) (emphasis added).

Recognizing that an opposer does not always have the information necessary to meet this burden, the Board states that “the absence of *any documentary evidence* on the part of an applicant regarding such intent constitutes objective proof sufficient to prove that the applicant lacks a bona fide intention to use its mark in commerce.” Id. If an opposer meets the initial burden, or if an applicant does not present “any documentary evidence,” then – and only then – does the burden shift to the applicant “to come forward with evidence which would adequately explain or outweigh his failure to provide such documentary evidence.” Id; See also, Collagenex Pharmaceuticals, Inc. v. Four Star Partners, No. 91150890, \*15-16 (Trademark Tr. & App. Bd. Sept. 24, 2003).

- b. Opposer’s Claim That Applicant Lacked a Bona Fide Intent to Use its HARD CANDY mark for Class 018 Should be Denied As *Opposer has not Presented Any Evidence Showing Applicant Lacked Bona Fide Intent, and Applicant Has – On the Other Hand – Produced Evidence Corroborating its Bona Fide Intent*

The sole basis for HardCandy Cases, LLC’s opposition is its allegation that Applicant did not have the bona fide intent to use its mark at the time the Application was filed. (See, Opposer’s Trial Brief (“Opp. Tr. Br.”) Opposer’s claim must fail however, since Opposer has failed to satisfy the burden of proof necessary to support its single allegation. Specifically, Opposer has failed to present a prima facie case of lack of bona fide intent because Opposer has not shown *any* affirmative evidence that Applicant possessed a wrongful intent. Moreover, Opposer cannot honestly argue that Applicant does not have any evidence supporting its own bona fide intent, as the record is replete with such evidence.

In fact, when CEO of Opposer, Timothy Hickman was asked at deposition “what information did HardCandy Cases have to reach the reasonable belief that at the time of filing

[the '557 Application], Applicant Hard Candy did not have a bona fide intent to use its mark in connection with the goods listed in the application?" Mr. Hickman response made clear that Opposer had no such information. He testified that "with the scope of how much was claimed, it did appear that it was unreasonable to think that Hard Candy, a cosmetics company, was going to actively pursue all of these different areas that were beyond the scope of a typical cosmetic company." (Hickman Depo. at 30, 31) In other words, the only basis for Opposer's claim that Applicant did not have the bona fide intent to use the HARD CANDY mark as described in the '557 Application is that it "appeared" "unreasonable" that Applicant would pursue leather goods. Contrary to this "appearance," however, the documentary and testimonial evidence demonstrate the contrary, as detailed herein. Opposer's claim that Applicant lacked the requisite bona fide intent, which is its only basis for this Opposition, must be denied.

- c. In the Alternative, if the Board Finds that Opposer has Demonstrated a Prima Facie Case that Applicant Lacked a Bona Fide Intent to Use the Mark, Applicant has Come Forward with Sufficient Evidence to Rebut Opposer's Allegation and Corroborate Applicant's Bona Fide Intent.

Opposer relies on the argument that Applicant produced insufficient documentary evidence to support or corroborate its bona fide intent. (Opp. Tr. Br. 24-29) Opposer's claim fails because Applicant has, in fact, provided significant evidence and testimony corroborating its intent.

Applicants may successfully corroborate their bona fide intent using a wide range of available types of evidence. For instance, the Board has deemed the following facts to be indicative of the presence of a bona fide intent to use: performing preparatory graphic design work or labeling on sales material for a product; using a mark in test marketing; testimony regarding informal, unwritten business plans or market research; obtaining necessary regulatory permits; obtaining a correlative domain name for the mark or setting up a website; making

contacts with individuals who might help develop a business; correspondence mentioning the planned use of the mark; attempts to find licensees. See, Edelman, Proving Your Bona fides - Establishing Bona Fide Intent to Use under the U.S. Trademark (Lanham) Act, 99 Trademark Reporter 763, 781-782 (May-June 2009)(citations omitted). For example, in Wet Seal, Inc. v. FD Management, Inc., 82 U.S.P.Q.2d 1629 (Trademark Tr. & App. Bd. February 9, 2007), the Board recognized that a showing that an applicant has the capacity to produce the goods in question “affirmatively rebuts” an opposer’s claimed lack of bona fide intent. The Wet Seal at \*39 (“[I]t is clear from Mr. Rolleston’s testimony that applicant had the capacity to market and/or manufacture shampoos and color products, having produced them in the past under different marks, which would tend to affirmatively rebut any claim by opposer regarding applicant’s intent.”) Here, the evidence shows that Applicant clearly has the “capacity” to have goods under International Class 018 produced and sold in commerce, has prepared graphic design work as a precursor to producing the goods, has explored various licensees, created samples and pitched the product to the nation’s largest retailer, who already carries many of Applicant’s products. (Falic Depo. at 14, Exs.3 – 13 thereto) In fact, Applicant’s licensee for “cosmetics bags, cosmetics cases and handbags,” Allegro, created samples of the goods at issue for Applicant to present to Walmart. (Falic Depo. at 22, Ex. 6 thereto) Moreover, Applicant is currently selling, through licensees, several similar items, including “cosmetic bags..., as well as some Iphone cases and iPad cases” under the HARD CANDY mark (Falic Depo. at 8)

In an attempt to avoid Applicant’s evidence, Opposer fails to even mention Mr. Falic’s testimony deposition in its trial brief and simply discards all but one piece of documentary evidence presented by Opposer, by baldly arguing that this evidence is “not capable of demonstrating Applicant’s bona fide intent to use the mark at the time of filing” because those

documents are dated after the date of the '557 Application. (Opp. Tr. Br. 30) However, case law does not support Opposer's statement that the Board cannot consider documentary evidence dated *after* the date of filing of the '557 Application.

“[I]n determining the sufficiency of documentary evidence demonstrating bona fide intent, the Board has held that *the Trademark Act does not expressly impose “any specific requirement as to the contemporaneousness of an applicant's documentary evidence corroborating its claim of bona fide intention.* Rather, the focus is on the entirety of the circumstances, as revealed by the evidence of record.” Honda Motor Co., Ltd. v. Friedrich Winkelmann, 90 U.S.P.Q.2d 1660 (Trademark Tr. & App. Bd. Apr. 8, 2009) (emphasis added). “Under our precedent, the fact that these documents were created seven months after the trademark application was filed is not dispositive.” Id. Similarly, in Lane Ltd. v. Jackson Int'l Trading Co., the Board found that “correspondence, which occurred in October-December 1992, was sufficiently contemporaneous to the application filing date in January 1992 to serve as corroboration of the applicant's declaration in the application of a bona fide intention to use the mark in commerce...” 33 U.S.P.Q. 2d. 1351, 1355 (Trademark Tr. & App. Bd. 1994); see also Spin Master, Ltd. v. Zobmondo Entm't, LLC, 778 F. Supp. 2d 1052, 1063 (C.D. Cal. 2011) (“the Court may consider evidence arising after the application in determining intent, so long as it is ‘sufficiently contemporaneous’ to the application filing date. In a November 1997 email, Heimberg urged Gomberg to “get our games sold,” demonstrating an intent to in fact pursue a “Would you rather ... ?” game a mere five months after the July 1997 ITU application)

Therefore, it is clear that there is no specific requirement as to the contemporaneous of an applicant's documentary evidence corroborating its claim of bona fide intention. The Board's focus should, instead, be on the entirety of the circumstances. The evidence here, as described

below shows a company going through great efforts to create, produce and sell HARD CANDY branded products under International Class 018 –to add to its growing list of goods sold under that mark. Much of Applicant’s bona fide intentions are corroborated by documentation related to its attempts to locate a licensee and/or manufacturer for these products, as it has done for all of the other products it sells under the Hard Candy mark. Efforts to locate a licensee have been held to be sufficient evidence of an applicant’s bona fide intent to use. See, Lane Ltd. (“[A]pplicant’s claim of bona fide intention is corroborated by its attempts to locate a non-U.S. licensee who could export tobacco to the United States under the new SMUGGLER mark, especially in view of applicant's principal's prior successful use of that same strategy in connection with the previous SMUGGLER mark.”)

Here, Mr. Falic stated unequivocally that at the time of filing the ‘557 Application, it “absolutely” had – and continues to have - “a bona fide intent to use the mark in connection with leather goods and purses.” (Falic Depo. at 13) Mr. Falic went on to testify about the steps it has taken to use the mark in commerce, including but not limited to, discussing the context and circumstances around each piece of documentary evidence. (See *infra*) (see generally, Falic Depo.)

The documentary evidence shows that two months *before* the ‘557 Application was filed, Applicant had meetings and phone conferences with the Beanstalk Group to help Hard Candy develop products under Class 018 (Falic Depo. at 15, 16, Ex. 3 thereto); that on February 3, 2009, Hard Candy received a licensing representation proposal Beanstalk Group, which included “leather handbags, purses and other categories.” (Id) (Falic Depo. at 15-17, Ex. 3 thereto) The documentary evidence which postdates the ‘557 Application, simply shows a concerted continuation of this effort, which corroborates that Hard Candy “absolutely” had the bona fide

intent to use the HARD CANDY mark as described in its '557 Application at the time the application was filed. This evidence includes receiving various other proposals and design options for the goods (Falic Depo. at 18, 19, Ex. 4 thereto, Falic Depo. at 20, Ex. 5 thereto, Falic Depo. at 22, Ex. 6 thereto, Falic Depo. at 23-27, Ex. 7, 8, Falic Depo. at 29, 30, Ex. 10, 11 thereto) and even presented Walmart – who already carries all of Hard Candy's other goods, the Class 018 products on various occasions. (Falic Depo. at 31-33, Ex. 12 and 13 thereto)

The Board should not look at each document in a vacuum, but rather as evidence of the broader circumstances. An email with licensing terms, for example, is not produced without prior phone calls and/or meetings, as explicitly evidenced in the case of the Beanstalk proposal. (See, Ex. 3 to Falic Depo.) Similarly, a proposal with images of products is preceded by creative development of those images. These documents should simply serve as landmarks which, as described in Mr. Falic's testimony, evidence the ongoing and arduous process in which Hard Candy has been involved – since prior to the filing of the '557 Application – to bring these goods to market. These documents and Mr. Falic's uncontroverted testimony reveal the circumstances which clearly support Mr. Falic's testimony that Hard Candy, in fact, had, and still has, the bona fide intent to use its HARD CANDY mark in commerce, as described in the '557 Application. The Board should deny Opposer's request that it refuse the registration to Application Serial No. 77/700557.

- d. Applicant's "History of Trademark Filings"  
Does Nothing to Warrant a Denial of the '557 Application.

Rather than presenting evidence of Applicant's lack of a bona fide intent to use the HARD CANDY mark as described in the '557 Application, as required, Opposer argues that Applicant's prior trademark filings for other goods "indicate a pattern and practice of filing applications that lack a bona fide intent, providing further proof that registration must be denied

due to Applicant’s inequitable conduct.” (Opp. Tr. Br. 32) First and foremost, this Board has already ruled that evidence related to Applicant’s other applications and marks are irrelevant to this proceeding. After considering a motion to compel regarding the 175 requests for production served by Opposer – 148 of which related to other applications of Applicant – this Board found in its December 31, 2012 Order denying the motion that:

[T]he Board feels compelled to comment on the nature of opposer’s discovery requests, many of which are improper and excessive under the circumstances of this matter. In particular, opposer has propounded 175 requests for production of documents, 148 of which relate to a mark and/or goods that are not involved in these proceedings. For instance, these proceedings involve the following goods, which are identified in the opposed applications, Serial Nos. 77700557 and 77700559, respectively...

***Therefore, opposer’s discovery requests related to other goods of applicant are irrelevant to the claims in these proceedings. See TBMP § 414(11) (3d ed. rev. 2012).***

(Emphasis added).

Second, Opposer’s reliance on Salacuse is unpersuasive. The sole case upon which Opposer relies for its argument that Applicant’s filing history should lead the Board to conclude that it did not have the bona fide intent to use the HARD CANDY mark as described in the ‘557 Application is Salacuse v. Ginger Spirits, 44 U.S.P.Q. 2d 1415 (Trademark Tr. & App. Bd. Sept. 12, 1997). There, however, the Board found that prior intent-to-use applications were relevant because the petitioner’s priority claim was based solely on “constructive use” arising from these prior-filed – but still pending – intent-to-use applications. The Board denied petitioner’s summary judgment motion as to priority, finding that there was an issue of fact related to whether those relied upon applications were *void ab initio* if respondent were able to prove at trial its contention that petitioner lacked bona fide intent to use these marks. The Board also noted that although the applicant may be entitled to constructive use as priority, this priority is contingent upon the maturing of his prior filed applications into registrations, and not merely

their pendency. Moreover, this was simply a finding on a motion for summary judgment and was not meant to be a finding related to whether the petitioner in fact did or did not have the bona fide intent to use those marks; in fact, the Board went out of its way in the opinion to state: “We hasten to add that *nothing in this opinion should be construed as such a finding*; the issue must be resolved at trial.” Salacuse, 44 U.S.P.Q.2d 1415 at fn. 9 (Trademark Tr. & App. Bd. Sept. 12, 1997) (emphasis added). Therefore, the “opinion” in Salacuse is inapposite in this action.

Third, the history of this very proceeding is very telling. This action commenced upon the consolidation of two identical Oppositions filed by Opposer, one related to Applicant’s ITU application for consumer electronics (Serial no. 77/700559, the “‘559 Application”), and the instant opposition to Applicant’s application for leather goods. Upon coming to the realization that “it could be a very long time before we bring out electronics... [Hard Candy, LLC] decided to withdraw [the application]” (Falic Depo. at 11) However, Mr. Falic made clear that at the time the ‘559 Application was filed, Hard Candy *did* have the intent to use it for consumer electronics. (Falic Depo. at 10) Applicant’s withdrawal of the ‘559 Application, if anything, is evidence of the good-faith manner in which Applicant operates. When circumstances changed, Applicant withdrew its ‘559 Application.

Fourth, even if the Board finds it appropriate and relevant to review Applicant’s – and Applicant’s predecessor(s) in interest – prior trademark applications, any finding or conclusion that can be drawn from that review can in no way negate the specific and uncontroverted evidence that Applicant had, and continues to have, the bona fide intent to use its HARD CANDY mark as described in the ‘557 Application. The Board’s opinion in Salacuse certainly does not state otherwise.

Finally, Opposer’s counsel’s argument in this section should be stricken as counsel is simply testifying – without any support – in support of its argument, stating without any support from the record that:

- “Applicant is a large company, while Opposer is comparatively small.”
- “Applicant has greater financial resources to suppress smaller companies with a smaller budget.”
- “Applicant has engaged in a practice of hindering and bullying legitimate trademark holders from freely using their marks.”
- “Applicant has driven up costs for ... others to fight for the free use of their marks in commerce.”

(Opp. Br. at 34). There is no evidence in the record regarding Applicant’s Applicant’s relative size to Opposer, Applicant’s financial resources, Opposer’s financial resources, Applicant’s “practice of... bullying legitimate trademark holders,” or Applicant driving up costs for others. Additionally, Opposer’s counsel argues, without presenting or relying on any evidence, that Applicant’s history (or that of its predecessor(s)-in-interest) of trademark filings was “frivolous” in any manner, let alone a “pattern and practice of filing frivolous trademark applications in an effort to suppress legitimate trademark applicants.” (Opp. Tr. Br. at 35) Rather than present evidence, Opposer would like the Board to take its word for it. These arguments are simply improper and baseless testimony of counsel and, as such, should be stricken under Rule 12(f). For these reasons, the Board should reject Opposer’s argument that “Applicant’s history of trademark filings... indicate a pattern and practice of filing applications that lack a bona fide intent.” As such, the Board should deny Opposer’s request to deny Hard Candy’s ‘557 Application.

## **VI. CONCLUSION**

Opposer has failed to meet its burden of proof to sustain the notice of opposition. There is simply no evidence calling into doubt Applicant's bona fide intent to use the HARD CANDY mark on the goods identified in the '557 Application. In any event, Applicant, Hard Candy, LLC presented specific and uncontroverted evidence, both testimonial and documentary, that it in fact did – and still does – have the bona fide intent to use the HARD CANDY mark as identified in the '557 Application. Opposer's opposition should be denied.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

IT IS HEREBY CERTIFIED that a true and correct copy of the foregoing was served on this 14<sup>th</sup> day of July, 2014, by electronic mail and by First Class Mail, proper postage upon:

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s/ Gabriel Groisman