UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

EJW

Mailed: May 29, 2013

Opposition No. 91209816

Quantum Test Prep

v.

Solomon Berman

ELIZABETH J. WINTER, INTERLOCUTORY ATTORNEY:

On May 28, 2013, opposer, Quantum Test Prep (represented by Douglas Burda and Kiera Sears), applicant, Solomon Berman (represented by Brendan Shortell of Lambert & Associates), and Elizabeth Winter, the assigned Interlocutory Attorney, participated in a discovery conference regarding this proceeding pursuant to Trademark Rule 2.120(a). This order summarizes the significant points addressed during the conference, and sets forth the Board's orders issued during the conference (see pp. 1, 3-6, and 7, *infra*), and the parties' stipulations agreed to during the conference.

Conference Summary

At the outset, the Board discussed the purpose of the discovery conference under Fed. R. Civ. P. 26(f). The parties then informed the Board that they had not yet engaged in any settlement discussions and that there are no

other related Federal court or Board proceedings. The parties are **ORDERED** to promptly advise the Board should a civil action between the parties be instituted (or a related Board proceeding) so that the Board can determine whether suspension is appropriate.

Pleadings

- *Opposer's Notice of Opposition*

The Board informed the parties that the notice of opposition set forth a sufficient claim of priority and likelihood of confusion based on opposer's allegations of common law use of the mark QUANTUM in the U.S. in connection with "education services, namely, providing classes, counseling, programs, seminars, tutoring, workshops in the field of standardized test preparation."

- *Applicant's Answer and Affirmative Defenses*

The Board advised the parties that applicant's affirmative defenses set forth in paragraphs 5, 6, 7, 8, and 9 were actually in the nature of amplifications of his denials of the salient allegations set forth in the notice of opposition, rather than affirmative defenses, but that said allegations would not be stricken. Matter in a pleading will not be stricken unless it clearly has no bearing upon the issues in the case. *See, e.g., Ohio State University v. Ohio University*, 51 USPQ2d 1289, 1293 (TTAB 1999); and *Harsco Corp. v. Electrical Sciences Inc.*,

9 USPQ2d 1570 (TTAB 1988).

However, insofar as the first affirmative defense (¶1) is untrue, *i.e.*, that the notice of opposition fails to state a claim upon which relief may be granted, said "defense" is hereby **stricken**. *See* Fed. R. Civ. P. 12(f).

Further, for the reasons set forth below, the following defenses are insufficient are also **stricken**:

(a) Regarding affirmative defense no. 2, namely, that "one or more of the marks claimed by Petitioner [*sic*] is descriptive and/or generic and not entitled to protection," said defense, without reference to opposer's goods, fails to state a claim upon which relief can be granted. Specifically, the allegation fails to set forth the basis for the claim. *Cf. M. Polaner Inc. v. the J.M. Smucker Co.*, 24 USPQ2d 1059, 1060 (TTAB 1992) (the Board concluded that petitioner's allegation that the term "Simply Fruit" is merely descriptive as applied to respondent's goods set forth a claim upon which relief may be granted).

(b) Affirmative defenses 3, 10, 12, 13, and 14: bald allegations of fraud or of equitable defenses do not provide sufficient notice of the claims. *See* Fed. R. Civ. P. 8(e)(1); and Trademark Rule 2.106. Further, circumstances of fraud must be pleaded with particularity. Fed. R. Civ. P. 9(b); Trademark Rule 2.116(a). *See In re Bose Corp.*, 530 F.3d 1240, 91 USPQ2d 1938 (Fed. Cir. 2009).

(c) With respect to the affirmative defenses of acquiescence and estoppel set forth in paragraphs 4, 13 and 14, the answer fails to set forth sufficient factual allegations in support of the required elements for such defenses. Acquiescence requires allegations of three elements: (1) that plaintiff actively represented that it would not assert a right or a claim; (2) that the delay between the active representation and assertion of the right or claim was not excusable; and (3) that the delay caused defendant undue prejudice. *Coach House Restaurant Inc. v. Coach and Six Restaurants Inc.,* 934 F.2d 1551, 19 USPQ2d 1401, 1404 (11th Cir. 1991), *cited in, Double J of Broward Inc. v. Skalony Sportswear GmbH*, 21 USPQ2d 1609, 1613 n.3 (TTAB 1991).[1]

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[1] *For information purposes only, the Board provides the following general information about the defense of acquiescence:* Acquiescence is a type of estoppel that is based upon the plaintiff's conduct that expressly or by clear implication consents to, encourages, or furthers the activities *of the defendant*, to which the plaintiff has made no objection. *Christian Broadcasting Network Inc. v. ABS-CBN Int'l*, 84 USPQ2d 1560, 1573 (TTAB 2007) (emphasis added) (internal citations omitted). "A plaintiff will not be permitted to stop conduct that it fostered or tolerated, where the result would be prejudicial to the defendant." *Id.* at 1573. *See also Big Bear Bigfoot 4x4 Inc. v. Bear Foot Inc.,* 5 USPQ2d 1444, 1448 (TTAB 1987) (Although timely oppositions were filed, the Board held that estoppel was created where opposer knew of applicant's prior use of the involved marks and was silent for an inordinate period of time, while applicant acted on the silence to build up its business and good will associated with its marks); *CBS, Inc. v. Man's Day Publishing Company, Inc.*, 205 USPQ 470, 473-44 (TTAB 1980) ("[A]cquiescence is a type of estoppel which constitutes a ground for denial of relief upon a finding of conduct on plaintiff's part that amounts to an assurance by the plaintiff to the defendant, either express or implied that plaintiff will not assert his trademark rights against the defendant.").

(d) With respect to the defenses of laches set forth in paragraph 12, said defense is generally unavailable in an opposition proceeding.[2] *See, e.g., National Cable Television Association v. American Cinema Editors Inc.*, 937 F.2d 1572, 19 USPQ2d 1424, 1432 (Fed. Cir. 1991); *Coach House Restaurant Inc. v. Coach and Six Restaurants Inc.*, 934 F.2d 1551, 19 USPQ2d 1401, 1404-05 (11th Cir. 1991); and *Turner v. Hops Grill & Bar Inc.*, 52 USPQ2d 1310, 1312 n.3 (TTAB 1999) ("the U.S. Court of Appeals for the Federal

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However, in cases where equitable defenses have been pleaded and proved, it is also necessary for the Board to decide whether the question of likelihood of confusion is inevitable or reasonably debatable because the equitable defenses of laches and acquiescence are barred if confusion is inevitable. *Ultra-White Co., Inc. v. Johnson Chemical Industries, Inc.,* 465 F.2d 891, 175 USPQ 166, 167 (CCPA 1972); *Reflange Inc. v. R-Con International,* 17 USPQ2d 1125, 1131 (TTAB 1990)*; Hitachi Metals International v. Yamakyu Chain Kabushiki,* 209 USPQ 1057, 1069 (TTAB 1981). This is so because any injury to the defendant caused by the plaintiff's delay is outweighed by the public's interest in preventing confusion. *Turner v. Hops Grill & Bar, Inc.,* 52 UPSQ2d 1310, 1313 (TTAB 1999), *citing, Coach House Restaurant Inc. v. Coach and Six Restaurants Inc.,* 934 F.2d 1551, 19 USPQ2d 1401, 1409 (11th Cir. 1991). Nonetheless, the defense will be considered where likelihood of confusion is reasonably in doubt. *Bigfoot 4x4 Inc. v. Bear Foot Inc.*, 5 USPQ2d at 1448. *See also States Steamship Company v. States Marine Int'l, Inc.*, 183 USPQ 561, 566 (TTAB 1974).

Further, with respect to the issue of delay, in an opposition proceeding, similar to the laches defense, the earliest date the equitable defense of acquiescence begins to run is the date that the mark is published for opposition. *See Krause v. Krause Publications Inc.*, 76 USPQ2d 1904 (TTAB 2005). *Cf. National Cable Television Association v. American Cinema Editors Inc.*, 937 F.2d 1572, 19 USPQ2d 1424, 1432 (Fed. Cir. 1991); *DAK Industries, Inc. v. Daiichi Kosho Co., Ltd.*, 25 USPQ2d 1622 (TTAB 1992); and *Turner v. Hops Grill & Bar Inc.*, 52 USPQ2d 1310, 1312 (TTAB 1999).

[2] The elements of laches are (1) unreasonable delay in assertion of one's rights against another; and (2) material prejudice to the other attributable to this delay. *See Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes Inc.*, 971 F.2d 732, 23 USPQ2d 1701

Circuit has held that in trademark opposition and cancellation proceedings, laches begins to run when the mark in question is published for registration").

(e) Regarding affirmative defense number 11, by which applicant seeks to set forth a defense under Section 18 of the Trademark Act, applicant has failed to specifically set forth the restriction sought and has not alleged how any such proposed restriction would avoid a likelihood of confusion. In view thereof, applicant's allegations related to Section 18 fail to state a defense for which relief can be granted. *See Eurostar Inc. v. "Euro-Star" Reitmoden GmbH & Co.*, 34 USPQ2d 1266, 1271 (TTAB 1994), wherein the Board set forth the elements for stating a proper claim for partial cancellation or restriction of a registration under Section 18, *cited in IdeasOne, Inc. v. Nationwide Better Health, Inc.*, 89 USPQ2d 1952, 1953 (2009). A plaintiff must plead that the proposed restriction will avoid a likelihood of confusion and that the defending party is not using the mark on the goods or services being deleted or "effectively excluded" from the registration at issue. *Eurostar* at 1271. For pleading purposes, a Section 18 claim or defense must be specific enough in nature so that the adverse party has fair notice of the restriction being sought. *Id. See also ProQuest Information and Learning Co. v. Island*, 83 USPQ2d

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(Fed. Cir. 1992).

1351, 1353-54 (TTAB 2007) (applicant had failed to state with precision how restriction of its own application would aid in avoidance of confusion); and *Penguin Books Ltd. v. Eberhard,* 48 USPQ2d 1280, 1286-87 (TTAB 1998) (applicant's counterclaim for partial cancellation found at final hearing insufficient to avoid confusion, and alternative restriction raised for first time during briefing rejected as untimely).

ORDER: Applicant is allowed until **TWENTY DAYS** from the mailing date of this order to submit an amended answer, if any, comprising sufficient defenses of acquiescence, estoppel, and/or fraud, if applicable, failing which this proceeding shall move forward solely on the allegations set forth in affirmative defense paragraphs 5, 6, 7, 8, and 9, which were not stricken.

Parties' Stipulations

(1) The parties agreed that they would serve documents filed with the Board or otherwise on the adverse party by electronic mail.

(2) The parties also agreed to send to each other proof of first use of their respective marks in commerce no later than June 21, 2013.

There are various other stipulations to which the parties may agree during the pendency of the proceeding. By way of example, the parties may agree or stipulate *in writing* to the following measures to facilitate the progress

of this proceeding:

- Discovery depositions may be taken by telephone and/or video conference;
- Discovery depositions may be submitted in lieu of testimony depositions;
- The parties may agree to allow additional time to respond to discovery requests;[3]
- Matter that is otherwise improperly submitted by a notice of reliance may be introduced by a notice of reliance;
- That a party may rely on its own discovery responses;
- Testimony affidavits of witnesses may be submitted instead of testimony depositions;
- That documents are deemed authenticated; and/or
- That a notice of reliance can be filed after the testimony periods are closed.

See TBMP §§ 403.01, 501, 704.03(b) and 705 (3d ed. rev. 2012).

[3] Parties must inform the Board, by stipulation or motion, any time they agree to modify their obligations under the rules governing disclosures and discovery, as well as when they agree to modify deadlines or schedules that involve disclosures, discovery, trial or briefing. *See* TBMP §§ 403.01 and 501.02 (3d ed. rev. 2012).

Initial Disclosures

The next deadline after pleadings are closed is the due date for initial disclosures. Should the parties seek additional information on initial disclosures, they may obtain additional information at the following sources: http://www.uspto.gov/trademarks/process/appeal/RULES08_01_07.pdf and to http://edocket.access.gpo.gov/2006/pdf/06-197.pdf, or to http://www.uspto.gov/trademarks/process/appeal/RULES01_17_06.pdf. *See* Notice of Final Rulemaking ("Miscellaneous Changes to Trademark Trial and Appeal Board Rules") in the Federal Register, 72 Fed. Reg. 147 (August 1, 2007) and 71 Fed. Reg. 2498, 2501 (January 17, 2006). As a reminder, the parties are obligated to provide "core information", that is, identify the names of individuals who might who have extensive knowledge and might testify to support claims or defenses, and the location and type of documents that the disclosing party may use to support its claims or defenses.

Initial disclosures **SHOULD NOT** be filed with the Board. Initial disclosures have to be in writing and signed and served on the other party.

Electronic and Other Evidence Issues

The parties were reminded that each party has a duty to preserve material evidence and to avoid spoilation of

evidence.[4] Additionally, the Board has held that electronically-stored information (ESI) must be produced unless the data is not reasonably accessible because of undue burden or cost.[5]

Other Important Issues

The parties were reminded that the Board's standard protective order applies to this proceeding and may be modified by the parties in writing; and that a motion for summary judgment may not be filed, nor may any discovery be served until the party seeking to serve discovery has served its initial disclosures. The Board requested that the parties discuss and modify as needed the standard protective agreement insofar as opposer is not represented by counsel.

Additionally, ***should the parties seek to engage in settlement negotiations, a consented motion to suspend***

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[4] "While a litigant is under no duty to keep or retain every document in its possession ... it is under a duty to preserve what it knows, or reasonably should know, is relevant in the action, is reasonably calculated to lead to the discovery of admissible evidence, is reasonably likely to be requested during discovery and/or is the subject of a pending discovery request." *Healthcare Advocates, Inc. v. Harding, Earley, Follmer & Frailey, et al.*, 497 F.Supp.2d 627, 639 (E.D.Pa. 2007) (addressing law firm's failure to preserve temporary electronic files).

[5] *See Frito-Lay North America, Inc. v. Princeton Vanguard, LLC*, 100 USPQ2d 1904 (TTAB 2011) ("ESI must be produced in Board proceedings where appropriate, notwithstanding the Board's limited jurisdiction and the traditional, *i.e.*, narrow, view of discovery in Board proceedings" (internal citations omitted). However, a "party need not provide discovery of [ESI] from sources that the party identifies as not reasonably accessible because of undue burden or cost." *See* TBMP § 404.02 (October 2012).

should be filed in order to keep the trial schedule from moving forward.

Accelerated Case Resolution (ACR)

In view of the issues before the Board in this proceeding, the Board referred the parties to its ACR procedure and to the Board's website regarding ACR (see http://www.uspto.gov/trademarks/process/appeal/Accelerated_Case_Resolution__ACR__notice_from_TTAB_webpage_12_22_11.pdf). By way of example only, the parties may also view ACR related orders in the following cases: 92054446 (see no. 20 in case history); and 91199733 (see nos. 12 and 18 in case history).

Summary; Trial Dates Remain the Same

As discussed, applicant is allowed until **TWENTY DAYS** from the mailing date of this order to file an amended answer.

Trial dates remain as set forth in the Board's institution order mailed on March 18, 2013.

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