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

Proceeding	91212680
Party	Plaintiff Frito-Lay North America, Inc.
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Attachments	Opposer's Cross Motion for Summ. J. on Standing and the Affirmative Defenses of Laches, Waiver, Acquiescence, and Estoppel.pdf(29732 bytes )

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
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FRITO-LAY NORTH AMERICA, INC.,	§
	§
Opposer,	§
	§ Opposition No. 91212680 (parent)
v.	§ Opposition No. 91213587
	§
REAL FOODS PTY LTD,	§
	§
Applicant.	§

**OPPOSER’S CROSS-MOTION FOR SUMMARY JUDGMENT ON STANDING AND THE AFFIRMATIVE DEFENSES OF LACHES, WAIVER, ACQUIESCENCE, AND ESTOPPEL**

Given that Opposer Frito-Lay North America, Inc. is one of the largest snack food manufacturers in the United States, there is no genuine dispute that Opposer has a real interest in ensuring that another snack food manufacturer does not appropriate to its exclusive use generic or descriptive terms for snack food products that Opposer makes or that are within Opposer’s natural area of expansion. In addition, putting aside the fact that discovery in this matter has revealed a complete lack of evidence supporting the alleged equitable defenses asserted by Applicant Real Foods Pty Ltd, those same equitable defenses are unavailable as a matter of law because (1) equitable defenses cannot defeat genericness and descriptiveness grounds, and (2) this is a promptly instituted opposition proceeding. For these reasons, Opposer moves that the Board enter summary judgment that Opposer has standing to pursue its claims against Applicant and that Applicant cannot prevail on its asserted defenses of laches, waiver, acquiescence, and estoppel.

**Summary Judgment Standard**

Summary judgment is appropriate when “the movant shows that there is no genuine dispute as to any material fact and that the movant is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(a). Evidence available at summary judgment to show either the absence or presence of a genuine factual dispute can come from several sources, including written disclosures, disclosed documents, depositions, produced documents, declarations, answers to requests for admission, interrogatory answers, trademark registrations, printed publications, and official records. *See* Fed. R. Civ. P. 56(c); 37 C.F.R. §§ 2.122,

2.127(e)(2). In addition, the pleadings and the file of the subject application are automatically in evidence without any action required by the parties. *See* 37 CFR § 2.122(b); *Rocket Trademarks Pty. Ltd. v. Phard S.p.A.*, 98 USPQ2d 1066, 1070 (TTAB 2010). The Board may grant summary judgment against a party who cannot establish an element essential to that party's claim and on which that party will bear the burden of proof at trial. *Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986).

### **Undisputed Material Facts**

1. Opposer has been engaged in the manufacture and sale of snack foods for over fifty years and is now one of the largest manufacturers of snack foods in the United States. Opposer makes and sells a variety of snack food products made of corn and/or rice. Opposer also manufactures a variety of products, including crackers, for which "thins" is used on packaging as a generic product descriptor. App. 3173-75.<sup>1</sup>

2. Opposer owns a number of trademark registrations and has pending a number of trademark applications covering "crackers" and "crisp bread." App. 2622-2731.

3. Applicant seeks to register CORN THINS for "crispbread slices predominantly of corn." Appl. 1,<sup>2</sup> Jan. 19, 2012, Serial No. 79111074.

4. Applicant seeks to register RICE THINS for "crispbread slices primarily made of rice." Appl. 1, Jan. 10, 2013, Serial No. 85820051.

5. Dictionaries define "crispbread" as a type of "cracker." *See* Office Action 33, May 2, 2012, Serial No. 79111074; Office Action 4, Nov. 20, 2012, Serial No. 79111074.

6. Applicant's RICE THINS application published for opposition on May 28, 2013, and Opposer timely instituted an opposition on September 25, 2013. OG Publication Confirmation, May 28,

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<sup>1</sup> "App." indicates that the evidence is in the appendix to Opposer's Response to Applicant's Motion for Summary Judgment.

<sup>2</sup> Matters in the application file are referenced by page number as appearing in the USPTO TSDR Case Viewer.

2013, Serial No. 85820051; Notice of Opp'n, Sept. 25, 2013, Opp'n No. 91212680. Opposer timely filed an Amended Notice of Opposition on November 1, 2013.

7. Applicant's CORN THINS application published for opposition on June 23, 2013, and Opposer timely instituted an opposition on November 15, 2013. OG Publication Confirmation, June 23, 2013, Serial No. 79111074; Notice of Opp'n, Nov. 15, 2013, Opp'n No. 91213587.

8. In its pleadings, Applicant: (a) denied that registration of CORN THINS and RICE THINS would be a source of damage and injury to Opposer and (b) asserted as affirmative defenses that Opposer's claims are barred by the doctrine of laches and by the doctrines of waiver, acquiescence, and estoppel. Answer ¶¶ 18, 27, 28, Nov. 12, 2013, TTABVUE No. 7, Opp'n No. 91212680; Answer ¶¶ 18, 27, 28, Nov. 12, 2013, TTABVUE No. 4, Opp'n No. 91213587.

9. Applicant has no documents that support its affirmative defenses of laches, waiver, acquiescence, and estoppel. App. 2763.

10. Applicant bases its laches, acquiescence, waiver, and estoppel defenses on its long standing use of CORN THINS without objection by Opposer, Opposer's lack of action against SunFoods, LLC's application and registration for CORN THINS, and Opposer's prior registrations for CRISP'N THIN and GOLDEN THINS. App. 2749-51.

11. Applicant has no agreements, oral or written, with anyone regarding use of the term THINS. App. 2747, 2761.

12. Applicant has no affirmative grounds to rebut Opposer's standing, instead simply asserting that Opposer has not established it. App. 2749, 2762.

13. Opposer's former CRISP'N THIN and GOLDEN THINS registrations were cancelled years before Applicant filed its CORN THINS and RICE THINS applications. *See* U.S. Reg. Nos. 144349, 1488000.

14. Applicant took nearly three years after the publication of SunFoods LLC's applications for CORN THINS and RICE THINS to institute cancellation proceedings. App. 2746.

## Argument

### **A. There is no genuine dispute that Opposer has standing**

To establish standing, an opposer must demonstrate that it has a real interest in the proceeding and a reasonable basis for its belief of damage. *See Ritchie v. Simpson*, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999). An opposer may do so in an opposition based on genericness or descriptiveness by showing that it is engaged in the manufacture or sale of the same or related goods as those listed in the defendant's application, so that the opposer would have the right to use the purported mark in a descriptive or generic manner. *Nature's Way v. Nature's Herbs*, 9 USPQ2d 2077, 2080 (TTAB 1989); *Ferro Corp. v. SCM Corp.*, 219 USPQ 346, 352 (TTAB 1983); *see also Binney & Smith Inc. v. Magic Marker Indus., Inc.*, 222 USPQ 1003, 1010 (TTAB 1984).

Here it is undisputed that Opposer is engaged in the manufacture and sale of a variety of snack foods, including crackers and products made of rice and/or corn, and owns numerous trademark registrations and applications covering crackers and crisp bread. Thus, crispbreads made of rice and crispbreads made of corn, each a type of cracker made with ingredients that Opposer uses, would be within the normal zone of expansion of Opposer's business. *See Binney & Smith*, 222 USPQ at 1010. Opposer has also used the terms CORN, RICE, and THINS in a generic or descriptive manner with its products. Thus, Opposer's belief that it has a present or prospective right to use the terms "rice thins" and "corn thins" as common, generic names for its current or prospective products is reasonable. Moreover, as its discovery responses demonstrate, Applicant lacks any affirmative basis for arguing otherwise concerning Opposer's interest in this proceeding. Lacking any factual dispute on this issue, the Board should grant summary judgment in favor of Opposer's standing.

### **B. Applicant's equitable defenses are legally insufficient in an opposition based on genericness, lack of trademark capability, or mere descriptiveness.**

Despite Applicant's indiscriminate hurling of affirmative defenses in its Answers, the equitable defenses of laches, acquiescence, waiver, and estoppel are deficient in this opposition. It is well settled that these equitable defenses are not available in an opposition where the plaintiff contends that a mark is

generic or merely descriptive. *Loglan Inst., Inc. v. Logical Language Grp., Inc.*, 22 USPQ2d 1531, 1534 (Fed. Cir. 1992) (affirming Board’s rejection of unclean hands, estoppel, fraud, acquiescence, and waiver because the public interest in removing generic marks from the register outweighed the defense); *Callaway Vineyard & Winery v. Edsley Capital Grp. Inc.*, 63 USPQ2d 1919, 1923 (TTAB 2002) (rejecting equitable defenses on a claim of mere descriptiveness); *Southwire Co. v. Kaiser Aluminum & Chem. Corp.*, 196 USPQ 566, 573 (TTAB 1977) (holding that “applicant’s attempt to interject equitable defenses in this proceeding is not well founded” because of the public interest). Here, the grounds for opposition are precisely the same types of claims for which equitable defenses are foreclosed by binding precedent. Accordingly, on that basis alone, the Board should grant summary judgment on the equitable defenses.

**C. Applicant cannot meet its burden of proof on the pleaded affirmative defenses of laches, acquiescence, waiver, and estoppel.**

Even if this were an opposition in which laches, acquiescence, waiver, or estoppel were a valid defense, Applicant would still fail here. These equitable defenses are affirmative defenses on which Applicant bears the burden of proof. *Turner v. Hops Grill & Bar Inc.*, 52 USPQ 2d 1310, 1312 (TTAB 1999). Based on its discovery responses, Applicant does not have relevant evidence to support any of these defenses.

**1. Applicant’s laches defense fails because there has been no unreasonable delay on the part of Opposer**

“A *prima facie* defense of laches requires a showing of (1) unreasonable delay in asserting one’s rights against another, and (2) material prejudice to the latter as a result of the delay.” *Id.* at 1312 (citing *Lincoln Logs Ltd. v. Lincoln Pre-cut Log Homes, Inc.*, 23 USPQ2d 1701, 1703 (Fed. Cir. 1992)). In determining whether delay was unreasonable, the delay is measured from the date of publication of the mark, not any earlier date or any date of use of the mark. *Nat’l Cable Television Ass’n v. Am. Cinema Editors Inc.*, 19 USPQ2d 1424, 1431 (Fed. Cir. 1991). “This rule effectively eliminates the defense of laches from an opposition proceeding.” 3 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 20:35, at 20-102 (4th ed. 2014).

Here, Opposer timely instituted oppositions within four months after publication of the RICE THINS application and a mere two months after publication of the CORN THINS application. These short time periods do not rise to the level of undue delay. *See, e.g., Nat'l Cable Television Ass'n*, 19 USPQ2d at 1424 (finding no undue delay when petitioner did not file for cancellation of mark for two years after registration). Further, it is disingenuous for Applicant to assert laches against Opposer when Applicant failed to assert its rights in its prior proceeding against SunFoods' for nearly *three years*. Opposer's decision not to take action against SunFoods is irrelevant because, as Applicant has no agreements, written or oral, with SunFoods regarding use of the marks RICE THINS or CORN THINS, Applicant is not in privity with SunFoods and thus cannot claim equitable defenses based on conduct of Opposer toward SunFoods. *See, e.g., Plus Prods. v. General Mills, Inc.*, 188 USPQ 520, 522 (TTAB 1976); *Textron, Inc. v. Gillete Co.*, 180 USPQ 152, 154 (TTAB 1973). Further, Applicant's alleged period of *use* of CORN THINS and RICE THINS is not the relevant time period for establishing laches in an opposition proceeding. Finally, Applicant provides no basis for any alleged prejudice incurred during the actual relevant timeframe. Accordingly, Applicant cannot prevail on its laches defense.

**2. Opposer has not acquiesced to or waived its right to oppose Applicant's applications**

"Acquiescence involves the plaintiff's implicit or explicit assurances to the defendant which induce reliance by the defendant." *Conan Props., Inc. v. Conan's Pizza, Inc.*, 752 F.2d 145, 153 (5th Cir. 1985). The elements of acquiescence are: (i) implicit or explicit assurances by Opposer to the Applicant; (ii) reliance by Applicant; and (iii) undue prejudice to Applicants caused by such reliance. *Abraham v. Alpha Chi Omega*, 708 F.3d 614, 624 (5th Cir. 2013). The defense of waiver, if it is even applicable in the trademark context, consists of "intentional relinquishment of a right actually known, or intentional conduct inconsistent with claiming that right." *Reservoir, Inc. v. Truesdell*, 1 F. Supp. 3d 598, 611 (S.D. Tex. 2014); *accord Adidas Am., Inc. v. Payless Shoesource, Inc.*, 529 F. Supp. 2d 1215, 1256 (D. Or. 2007). *But see Pandora Jewelers 1995, Inc. v. Pandora Jewelry, LLC*, 703 F. Supp. 2d 1307, 1313 n.7 (S.D. Fla. 2010) (refusing to address waiver because "the waiver defense has no root in trademark law").

The relinquishment must “manifested in an unequivocal manner” before waiver will attach. *Adidas*, 529 F. Supp. 2d at 2007.

Applicant’s claims of acquiescence and waiver fail. Applicant admits that it has no documents to support its claims of acquiescence and waiver and does not have any agreements with anyone regarding use of the marks RICE THINS and CORN THINS. It also has put forth no facts which create a genuine issue as to the existence of any assurances given or intentional relinquishment of a right to oppose a trademark application. Opposer’s registrations for CRISP’N THIN and GOLDEN THINS are immaterial. Not only are they are not assurances made to Applicant, they were cancelled years before Applicant filed its applications. Further, the fact that Opposer did not disclaim a term in a prior application has no bearing on the meaning of that term at the present date. *See, e.g., De Walt, Inc. v. Magna Power Tool Corp.*, 129 USPQ 275, 279 (CCPA 1961) (“Trademark rights are not static. A word or group of words not descriptive today may, through usage, be descriptive tomorrow.”). Therefore, Applicant has not shown a genuine issue of fact as to the elements necessary to support its claims that Opposer’s action should be barred by the doctrines of acquiescence or waiver.

**3. Applicant has shown no relevant conduct by Opposer on which its estoppel defense may be based.**

Similar to the other equitable defenses, “The elements of equitable estoppel are (1) misleading conduct, which may include not only statements and action but silence and inaction, leading another to reasonably infer that rights will not be asserted against it; (2) reliance upon this conduct; and (3) due to this reliance, material prejudice if the delayed assertion of such rights is permitted.” *Lincoln Logs*, 23 USPQ2d at 1703. Estoppel, while a distinct defense, turns in this case on essentially the same facts as Applicant’s claims of laches, acquiescence, and waiver.

As is the case with its other asserted affirmative defenses, Applicant’s estoppel claim falls flat beginning with the first element. In support of its estoppel defense, Applicant offers only the facts it asserts to support its other defenses. These facts continue to be insufficient and irrelevant. Applicant’s prior use of the marks is irrelevant to the affirmative defense of estoppel in this proceeding as it is not tied

to Applicant's registration of the marks. Opposer's alleged inaction with regards to SunFoods is not applicable because Applicant is not in privity with SunFoods. *See, e.g., Plus Prods.*, 188 USPQ at 522; *Textron, Inc.*, 180 USPQ at 154. Finally, Opposer's prior registrations are immaterial as they are not tied to Applicant's registration of RICE THINS or CORN THINS. Because there has been no conduct on the part of Opposer which satisfies the first element of estoppel, there can be no showing of the second and third elements, which depend upon the first. Thus, there is no genuine issue of fact as to the affirmative defense of estoppel and a grant of summary judgment on the issue is appropriate.

### **Conclusion**

There is no genuine dispute that Opposer has standing to oppose these applications. In addition, Applicant's kitchen-sink approach to asserting equitable defenses is insufficient to bar Opposer's claims. These defenses fail as a matter of law against Opposer's grounds for opposition, and for want of sufficient evidence to create a genuine issue of material fact. Summary judgment that standing is established and that these affirmative defenses are insufficient will clarify and simplify issues for trial and allow the parties and the Board to focus on the true factual disputes in this case. Opposer respectfully requests such an order.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that a true copy of the foregoing OPPOSER'S CROSS-MOTION FOR SUMMARY JUDGMENT ON STANDING AND THE AFFIRMATIVE DEFENSES OF LACHES, WAIVER, ACQUIESCENCE AND ESTOPPEL was served via overnight courier on counsel for Applicant at the address below on March 12, 2015:

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