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

BUO

Mailed: January 10, 2014

Opposition No. 91213067

Margaritaville Enterprises, LLC

v.

Simmons Veterinary Clinic, Inc.

Benjamin U. Okeke, Interlocutory Attorney:

Pursuant to Fed. R. Civ. P. 26(f) and Trademark Rules 2.120(a)(1) and (2), the parties to this proceeding conducted a discovery conference by telephone on January 7, 2014. Opposer, on November 20, 2013, filed a request through ESTTA for Board participation in the conference. Participating in the conference were applicant's counsel, Michael W. Vary and Kristen M. Hoover, opposer's counsel, Joel R. Feldman, and Board interlocutory attorney, Benjamin U. Okeke.

The parties indicated that there is no other pending litigation between them, or any third parties, concerning these marks in federal court or before the Board. The parties had yet to engage in substantive settlement talks,

indicating that to-date counsel had not had direct communication, but that the parties may have had some communication. However, applicant's counsel offered a settlement proposal during the call, to which opposer's counsel, though doubtful of the probability of acceptance, indicated he would discuss with his client.

A. Standard Protective Order

The Board reminded the parties of the automatic imposition of the Board's standard protective order in this case. Trademark Rule 2.116(g). The standard protective order is online at: http://www.uspto.gov/trademarks/process/appeal/guidelines/stndagmnt.jsp.

If the parties wish to add or modify any provisions of the standard protective order, they may negotiate an amended protective agreement, subject to Board approval.

Pleadings

The Board reviewed the pleadings with the parties:

A. Notice of Opposition

Margaritaville Enterprises, LLC ("opposer"), opposes registration of the mark BARKERITAVILLE, in Application Serial Nos. 85751742 and 85920460, filed by Simmons Veterinary Clinic, Inc. ("applicant"), for use in connection with soaps, washes and rinses for pets, pet clothing, dog beds, storage containers and grooming

products for pets, blankets for pets, bandanas, hats, and shirts, stuffed toy animals and dolls, food and water for pets, pet training and exercise services, boarding and kennel services, animal grooming, breeding, and care services, and veterinary services for pets.

Opposer has asserted likelihood of confusion and dilution as its grounds for opposition.

- *Standing*

Opposer has sufficiently pleaded its standing to bring this action by pleading ownership of twenty-two registrations for the marks: MARGARITAVILLE, THE MARGARITAVILLE STORE, JIMMY BUFFETT'S MARGARITAVILLE, and

.[1]

The marks are registered for use with goods and services that are alleged to overlap with those identified in the subject application. Through these allegations, opposer has adequately pleaded a real interest in the outcome of

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[1] Registration Nos. 1641613, 1642132, 1926809, 2463238, 2729442, 2896179, 3002003, 3002006, 3002008, 3002010, 3007784, 3117262, 3117273, 3120801, 3501784, 3855017, 3900886, 3900887, 4012771, 4135785, 4175955, 4339177.

Opposer also claims ownership of Application Serial No. 85654333, for the mark MARGARITAVILLE, filed June 18, 2012.

this proceeding and has therefore pleaded its standing to bring this opposition. *See, e.g., Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842 (Fed. Cir. 2000); *Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982); *Giersch v. Scripps Networks Inc.*, 90 USPQ2d 1020, 1022 (TTAB 2009).

In addition, opposer has adequately pleaded a claim of priority under Trademark Act Section 2(d). *See King Candy Co. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974). Inasmuch as opposer attached printouts from the USPTO's TSDR website showing the current status and title of its pleaded registrations, priority is not an issue in this opposition. *See* Trademark Rule 2.122(d)(1); *Id*.

- *Likelihood of Confusion*

Paragraphs 35-43 of the notice of opposition allege sufficient facts that if proven would entitle opposer to the relief that it seeks under Trademark Act Section 2(d), 15 U.S.C. 1052(d). That is, opposer has alleged the similarity of the applied-for mark with its registered pleaded marks and the relatedness of the goods and services covered by those marks.

Inasmuch as opposer has alleged that registration of applicant's mark is likely to cause confusion, it appears

that opposer's claim of likelihood of confusion is sufficiently pleaded.[2]

- *Dilution*

Paragraphs 44-49 of the notice of opposition allege sufficient facts that if proven would entitle opposer to the relief that it seeks under Trademark Act Section 43(c), 15 U.S.C. 1125(c). That is, opposer has alleged that its registered marks are well known and famous and that they attained such fame before applicant's use of its mark, and that the applied-for mark is similar to its registered pleaded marks.

Inasmuch as opposer has alleged that registration of applicant's mark is likely to dilute the distinctive quality of opposer's marks, it appears that opposer's claim of dilution is sufficiently pleaded.[3]

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[2] To state a claim of likelihood of confusion under Trademark Act Section 2(d), opposer must merely allege facts from which it may be inferred that applicant's applied-for mark so resembles opposer's previously used or registered marks that it is likely that a potential consumer would be confused or mistaken or deceived as to the source of the services of the applicant and opposer. *See* 15 U.S.C. § 1052(d); *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973); *see also* TMEP § 1207.01.

[3] A claim of dilution under Section 43(c) of the Trademark Act requires a showing that: (1) opposer's distinctive mark would be blurred or tarnished by use of applicant's similar mark; (2) opposer's mark is famous; and (3) opposer's mark became famous prior to the earliest date of use (or constructive use) claimed by applicant. *See* 15 U.S.C. 1125(c); *Trek Bicycle Corp. v. StyleTrek Ltd.*, 64 USPQ2d 1540 (TTAB 2001).

B. <u>Answer</u>

In its answer, applicant denied the salient allegations of the notice of opposition. However, applicant admitted that "some of Opposer's marks have acquired some degree of distinctiveness or fame." Answer, ¶ 44. Additionally, applicant pleaded six "affirmative defenses."

Affirmative defenses, like claims in a notice of opposition, must be supported by enough factual background and detail to fairly place the opposer on notice of the basis for the defenses. *See IdeasOne Inc. v. Nationwide Better Health Inc.*, 89 USPQ2d 1952, 1953 (TTAB 2009); *Ohio State Univ. v. Ohio Univ.*, 51 USPQ2d 1289, 1292 (TTAB 1999) (primary purpose of pleadings "is to give fair notice of the claims or defenses asserted"). A party must allege sufficient facts beyond a tender of 'naked assertion[s]' devoid of 'further factual enhancement,' to support its claims. *Cf. Ashcroft v. Iqbal*, 556 U.S. 662, 663 (2009), *quoting Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007).

Applicant's first "affirmative defense," and its supporting paragraphs (a)-(e), asserting that the marks are "not confusingly similar as measured by the *DuPont* multifactor test," is not an affirmative defense, but is

merely an amplification of applicant's denials and provides fuller notice of how applicant intends to defend this opposition. *See Ohio State Univ.*, 51 USPQ2d at 1292. While this is not an appropriate affirmative defense, the Board does not find it necessary to strike this language from the Answer.

Applicant's second "affirmative defense" asserts that opposer has not shown any injury or damage. However, this is not an affirmative defense, but an attack on opposer's standing. Opposer's standing, i.e. its "real interest" in the matter has been established by its pleading of its registrations. *See Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1844 (Fed. Cir. 2000); *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1027 (Fed. Cir. 1999); *Research in Motion Limited v. Defining Presence Marketing Group Inc.*, 102 USPQ2d 1187, 1190 (TTAB 2012) (pleaded registrations of record). There is no requirement that actual damage be pleaded or proved in order to establish standing or to prevail in an opposition or cancellation proceeding. *See Cunningham*, 55 USPQ2d at 1844.

Accordingly this defense is facially implausible, and is therefore **STRICKEN** and will be given no further consideration.

The third affirmative defense asserted by applicant alleges that opposer's claims are barred due to the fact that applicant's use constitutes fair use. However this affirmative defense is not available in *inter partes* proceedings before the Board. The "fair use" defense of Trademark Act § 33(b)(4), 15 U.S.C. § 1115(b)(4), is a defense available to a defendant in a federal action charged with infringement of a registered mark, and has no applicability in *inter partes* proceedings before the Board, which involve only the issue of registrability of a mark. *See Truescents LLC v. Ride Skin Care LLC*, 81 USPQ2d 1334, 1338 (TTAB 2006).

Accordingly, applicant's third affirmative defense is **STRICKEN** and will be given no further consideration.

Further, the fourth "affirmative defense" asserts that opposer's claims are barred due to the parody exception of Trademark Act § 43(c)(3)(A)(ii), 15 U.S.C. § 1125(c)(3)(A)(ii). However, "a parody of a trademark is not an affirmative defense to an infringement charge in the sense that laches or the statute of limitations is an affirmative defense. Rather, "parody" is a way of arguing that there will be no trademark infringement because there will be no likelihood of confusion." J. Thomas McCarthy, 6 McCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 31:153 (4th

ed. 2013). This defense does not function as a stand-alone affirmative defense, but is instead akin to a mere amplification of applicant's denials and may be considered only in the context of the *DuPont* multifactor test and applicant's denials of the likelihood of confusion claim. *See Starbucks U.S. Brands LLC v. Ruben*, 78 USPQ2d 1741, 1754 (TTAB 2006). While this is not an appropriate affirmative defense, the Board does not find it necessary to strike this language from the Answer.[4]

With respect to applicant's fifth affirmative defense alleging the equitable doctrines of estoppel, laches and acquiescence, applicant failed to plead any facts to support its defenses, and therefore, the defenses are insufficiently pleaded. *See* Fed. R. Civ. P. 12(b)(6); *Iqbal*, 556 U.S. at 663. Accordingly, these defenses are **STRICKEN**.

Finally, applicant's sixth "affirmative defense" is facially implausible inasmuch as opposer has made of record

[4] Applicant should note, however, that this "affirmative defense" cannot apply in a matter involving a claim of dilution against a mark sought to be registered as a trademark or service mark, because "[u]nder the statute's plain language, parodying a famous mark is protected by the fair use defense only if the parody is not 'a designation of source for the person's own goods or services.'" *Am. Express Mktg. & Dev. Corp. v. Gilad Dev. Corp.*, 94 USPQ2d 1294 (TTAB 2010) *quoting Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 84 USPQ2d 1969 (4th Cir. 2007). Inasmuch as applicant's applied-for mark must function as a source identifier to be granted registration, this defense is wholly inapplicable to the dilution claim in this proceeding.

status and title copies of its registrations, as well as the ESTTA coversheet included with its notice of opposition and is incorporated with its pleading. These documents contain the information necessary to satisfy the requirements of Trademark Rule 2.106(b)(1).

Accordingly, applicant's third affirmative defense is **STRICKEN** and will be given no further consideration.

Applicant's request, made during the call, for leave to amend its answer as it pertains to its affirmative defense alleging acquiescence is **GRANTED**.[5] Accordingly, applicant is allowed until **January 22, 2014,** to file an amended answer, if any.

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[5] Applicant requested leave to also replead its parody defense. However, that request is made moot by this order, which does not strike the parody language, but clarifies that it will be considered as an amplification of applicant's denials.

The Board cautions applicant to consider carefully the efficacy of maintaining its acquiescence defense. The availability of acquiescence is severely limited in opposition proceedings. In Board opposition proceedings, the time frame used to determine acquiescence starts to run from the time of knowledge of the application for registration (that is, from the time the mark is published for opposition), not from the time of knowledge of use. Additionally, the defense may not apply in a case of likelihood of confusion if it is determined in the case that confusion is inevitable. *See Christian Broad. Network Inc. v. ABS-CBN Int'l*, 84 USPQ2d 1560, 1572 (TTAB 2007).

To plead acquiescence, applicant must allege that opposer expressly or by clear implication consented to, encouraged, or furthered the activities of applicant, in a way that was not objected to. *See Nahshin v. Prod. Source Int'l LLC*, 107 USPQ2d 1257, 1263 (TTAB 2013) *citing Panda Travel, Inc. v. Resort Option Enters., Inc.*, 94 USPQ2d 1789, 1797 fn. 21 (TTAB 2009); Christian Broad. Network Inc., 84 USPQ2d at 1573.

Stipulations/Filings

The parties agreed only to service of submissions by email at this point. The following email addresses are of record:

> Submissions may be served on opposer at the following email addresses:
>
> atltrademark@gtlaw.com, feldmanjoel@gtlaw.com.
>
> Submissions may be served on applicant at the following email addresses:
>
> kmh@mccarthylebit.com, mwv@mccarthylebit.com.

The parties are urged to file all submissions through the Board's Electronic System for Trademark Trials and Appeals (ESTTA), available online at: http://estta.uspto.gov.

Throughout this proceeding, the parties should review the Trademark Rules of Practice and the Trademark Board Manual of Procedure ("TBMP"), online at: http://www.uspto.gov/trademarks/process/appeal/index.jsp.

The Board expects all parties appearing before it to comply with the Trademark Rules of Practice and where applicable, the Federal Rules of Civil Procedure, online at: http://www.law.cornell.edu/rules/frcp/.

Accelerated Case Resolution (ACR)

In view of the relatively straightforward issues presented in this opposition, the Board believes this case

is well-suited for resolution by accelerated case resolution (ACR). The parties indicated some interest in pursuing ACR, including the possibility of a bifurcated proceeding dealing with the likelihood of confusion claim prior to, and separate from, the dilution claim. The Board encourages the parties to discuss a modified proceeding and schedule that may be more time and cost efficient for the parties. In modifying the proceeding the parties may seek to: 1) stipulate to facts, e.g. the relatedness of the goods and services; 2) limit the number of interrogatories, document requests, and depositions allowed during the proceeding; 3) stipulate that discovery depositions may be taken by telephone or video conference; 4) stipulate that the parties may submit declarations or affidavits in lieu of oral testimony at trial; or 5) stipulate that the parties forego trial and oral hearing and submit summary judgment briefs accompanied by any evidence, which may be submitted in the form of declarations or affidavits and stipulate that the Board may resolve any genuine disputes of material fact and issue a final ruling based on the parties' ACR submissions.

The parties are directed to review the Board's website regarding ACR at:

http://www.uspto.gov/trademarks/process/appeal/TTAB_ACR_Options.jsp; and http://www.uspto.gov/trademarks/process/appeal/Accelerated_Case_Resolution__ACR__notice_from_TTAB_webpage_12_22_11.pdf.

If the parties agree to pursue ACR after exchange of disclosures or discovery (or wish to further discuss their options), they should notify the interlocutory attorney, preferably within **SIXTY DAYS** from the opening of the discovery period.

Contested Motions

The parties are reminded that uncooperative behavior during the discovery process will not be well-taken. *See HighBeam Mktg. LLC v. Highbeam Research LLC*, 85 USPQ2d 1902 (TTAB 2008); *Sunrider Corp. v. Raats*, 83 USPQ2d 1648, 1654 (TTAB 2007) (parties have a duty to cooperate in resolving discovery issues). The Board requires the parties to make a good-faith effort to resolve all discovery issues prior to filing a motion to compel seeking relief from the Board. *See* TBMP Section 408.01(c).

Similarly, the parties should confer before filing any motion to extend or suspend these proceedings. If either party files an unconsented motion to extend or suspend in this case, the moving party must contact the Board interlocutory attorney assigned to the case by telephone

upon filing so that such motion can be resolved promptly by telephone conference.

Schedule

The parties were reminded that the next significant due date is January 26, 2014, when the parties' initial disclosures are due.[6] *See* Fed. R. Civ. P. 26(a)(1)(A)(i) and (ii) regarding required initial disclosures. Neither the service of discovery requests nor the filing of a motion for summary judgment (except on the basis of *res judicata* or lack of Board jurisdiction) should occur until the parties have exchanged their initial disclosures as required by Fed. R. Civ. P. 26(f). *See* Trademark Rules 2.120(a)(3) and 2.127(e)(1).

The Board again thanks the parties for their participation in the conference. As a final matter, the Board reminds the parties of their duty to conduct themselves with decorum and courtesy and encourages open communication between the parties during this proceeding.

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[6] Applicant's counsel requested an extension of time to file initial disclosures, and a resetting of dates, to allow the parties to consider the possibility of pursuing ACR. However, the Board is unconvinced of the efficacy of delaying the proceeding to discuss ACR, until the parties have conferred and agreed that they do indeed both wish to pursue ACR. The parties are encouraged to discuss whether they wish to pursue ACR as the matter proceeds. In the event the parties do agree to pursue ACR, they should promptly contact the Board and proceedings can be suspended at that point for a teleconference to set up an ACR proceeding, and modified schedule.

Trademark Rule 2.192; *MySpace Inc. v. Mitchell*, 91 USPQ2d 1060, 1062 n.4 (TTAB 2009).

Dates remain as set in the Board's October 18, 2013 order instituting this proceeding.

In each instance, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.l25.

Briefs shall be filed in accordance with Trademark Rule 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.l29.