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

Proceeding	92054165
Party	Plaintiff Eyal Balle
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

EYAL BALLE,	:	
	:	Cancellation No. 92054165
Petitioner,	:	
	:	
v.	:	
	:	
CHILDREN’S APPAREL NETWORK, LTD.,	:	
	:	
Registrant.	:	

**PETITIONER’S REPLY TO REGISTRANT’S RESPONSE TO PETITIONER’S
MOTION FOR SUMMARY JUDGMENT**

Petitioner Eyal Balle (“Petitioner” or “Balle”), by its undersigned counsel, hereby replies to Registrant Children’s Apparel Network, Ltd.’s (“Registrant” or “CAN”) Response to Petitioner’s Motion for Summary Judgment (the “Response”), filed May 2, 2012, and moves for an entry of judgment pursuant to Rule 56 of the Federal Rules of Civil Procedure and 37 C.F.R. § 2.127. Because there are no genuine issues of material fact remaining for trial, Balle is entitled to judgment as a matter of law.

I. SUMMARY OF ARGUMENT

CAN’s Response is based wholly on its unfounded assertion that BABY REBELS and LITTLE REBELS are legal equivalents. However, the undisputed facts and law support the conclusion that CAN cannot tack its use of LITTLE REBELS onto its use of BABY REBELS in its feeble attempt to achieve priority over Balle’s REBELS mark. The LITTLE REBELS registered stylized mark appears different, sounds different, and by CAN’s own admission has a different meaning than that of the BABY REBELS word-only mark. CAN also marketed its goods under the LITTLE REBELS mark to different consumers than those under the BABY REBELS mark. The PTO has never cited CAN’s LITTLE REBELS mark against Balle’s application to register REBELS, although it had two opportunities to do so -- once in 1993 when Balle filed his original application to register the REBELS mark¹ and then a second time in 2009,

¹ Which matured to registration but was subsequently cancelled due to inadvertent failure to file a Section 8 Statement of Use.

when Balle filed its second application to register the REBELS mark. The PTO cited BABY REBELS against Balle's application to register REBELS but has never once cited LITTLE REBELS during the prosecution of either of the REBELS applications.

This proceeding does not concern LITTLE REBELS. CAN's self-serving attempt to frame this issue as one of judicial economy must be rejected. CAN's presumptuous position that Balle would be forced to take inconsistent positions is simply inaccurate. LITTLE REBELS is not a part of this action, is distinguishable from BABY REBELS, Balle has not conducted full discovery on LITTLE REBELS, there are clearly different issues to evaluate with respect to the LITTLE REBELS mark and Balle has not been given the opportunity to assert its host of defenses against any claim that REBELS and LITTLE REBELS are confusingly similar. CAN cannot be permitted to insert a new registration into this proceeding at the eleventh hour.

As Balle has met its burden of proof on priority of use and the likelihood of confusion between the REBELS and BABY REBELS marks, there are no genuine issues of material fact. Hence, the Board should grant Balle's motion for summary judgment and enter judgment against CAN.

II. ARGUMENT

A. LITTLE REBELS Registration Cannot Be Tacked Onto BABY REBELS

CAN's argument that it should be permitted to tack its LITTLE REBELS registration onto its use of BABY REBELS to establish priority lacks merit. CAN cannot show that it has met the TTAB's strict standards for tacking:

A party seeking to "tack" its use of an earlier mark onto its use of a later mark for the same goods or services may do so **only if** the earlier and later marks are **legal equivalents**, or are **indistinguishable from one another**. To meet the legal equivalents tests, the marks must create the **same commercial impression** and cannot differ materially from one another.

Pro-Cuts v. Schilz-Price Enters., Inc., 27 USPQ2d 1224, 1226-27 (TTAB 1993)(emphasis added).

BABY REBELS and LITTLE REBELS are clearly different in sight, sound, connotation and overall impression. As CAN admits, the BABY REBELS and LITTLE REBELS marks have different significance with respect to the target customers for the different clothing lines marketed under these two

different marks. Compare Registration No. 1,523,581 (“For: boys’ and girls’...”) and Registration No. 3,811,758 (“For: clothing and accessories for infants...”). Two marks that contain different words create “different commercial impressions and hence are not legally identical.” See, e.g., *American Paging, Inc. v. American Mobilphone, Inc.*, 13 U.S.P.Q.2d 2036, 2039 (T.T.A.B. 1989), *aff’d*, 17 U.S.P.Q.2d 1726 (Fed. Cir. 1990) (finding registrant was not permitted to tack on its prior use of the mark AMERICAN MOBILPHONE and star and stripe design to achieve priority of use for AMERICAN MOBILPHONE PAGING with an identical star and stripe design). In short, these marks are not “legal equivalents.”

“[F]or the purposes of tacking, even if the two marks are confusingly similar, they still may not be legal equivalents. Instead, the marks must create ‘the same, continuing commercial impression,’ and the later mark should not materially differ from or alter the character of the mark attempted to be ‘tacked.’” *Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes, Inc.*, 971 F.2d 732, 735 (Fed. Cir. 1992) *citing Van Dyne-Crotty*, 926 F.2d at 1159 (holding that Board properly disallowed “tacking” of priority rights of later acquired nonequivalent mark “CLOTHES THAT WORK. FOR THE WORK YOU DO” onto registered mark; “CLOTHES THAT WORK”).

Applying the legal equivalents test in this case, CAN’s BABY REBELS and LITTLE REBELS marks do not convey the “same, continuing commercial impression” as a matter of law because they are materially different from each other. Indeed, they are composed of different words, *i.e.*, BABY and LITTLE, that do not even have the same meaning. According to CAN, “LITTLE merely describes the age of the little children the garments are designed for” and “BABY describes the age of the infants and babies the garments are designed for.” See *Maleh Dec.*, ¶¶ 2, 3. Further, there are a host of other meanings that may be attributable to “little” in this context. For instance, “little” may also refer to the size of a person or object, or convey a double entendre that those buying the goods are only a little bit rebellious. The PTO agrees, as it required CAN to disclaim “BABY” in its BABY REBELS registration, but did not require a similar disclaimer for “LITTLE” in the LITTLE REBELS registration. See *Heller Dec.*, Exs. F, K (U.S. Trademark Registration Certificate for Registration Nos. 3,811,758; 1,523,581).

The fact that the PTO cited BABY REBELS during the prosecution of the instant REBELS application, but did not ever cite the LITTLE REBELS mark during the prosecution of either (the original or second) of the REBELS applications is further evidence that these marks are not legal equivalents, and tacking would be inappropriate in this case.

CAN has not and cannot present any evidence that its BABY REBELS and LITTLE REBELS marks have been used to create the same continuing commercial impression. First, the LITTLE REBELS mark is registered in stylized form, whereas the BABY REBELS mark is not. CAN presents representative samples of its labels and asserts that its BABY REBELS and LITTLE REBELS labels are “substantially identical [in] visual presentations,” however, it did not provide any evidence as to how long it has been using any of these labels.

Moreover, and possibly most importantly, CAN’s assertions, if taken to be true, completely undermine its argument and overlook a very critical detail: that the LITTLE REBELS labels does not support the underlying registration. In other words, the LITTLE REBELS mark depicted in its registration in which CAN attempts to tack on (shown immediately below):



is entirely different from the labels presented by CAN. *See* Response at 2-3.

Indeed, the LITTLE REBELS registration does not show that REBELS is the dominant portion of the mark, if anything, the term “LITTLE” appears much larger than the term “REBELS.” CAN’s representations are inconsistent and misleading. The mark contained in the LITTLE REBELS registration is what must be considered for the purposes of tacking. It is impossible for the LITTLE REBELS registration to be tacked onto BABY REBELS.

Finally, CAN fails to distinguish a single case cited by Balle -- cases that support the conclusion that tacking is not permitted in this case -- and instead relies on inapposite case law. *See* Response at 6-7 (citing *Laura Scudder's v. Pacific Gamble Robinson Co.*, 136 U.S.P.Q. 418, 419-20 (T.T.A.B. 1962) (decided before the USPTO moved towards a stricter standard, *i.e.*, the legal equivalent test) and *Citigroup Inc. v. Capital City Bank Group, Inc.*, 94 U.S.P.Q.2d 1645 (T.T.A.B. 2010) (holding that tacking may only be established where a previously used mark is the “legal equivalent of the mark in question . . . or indistinguishable therefore, and the consumer should consider both as the same mark,” and allowing tacking where “[t]he commercial impression engendered by CAPITAL CITY BANK GROUP is merely a collection of CAPITAL CITY BANKS”). Here, the two marks target different customers and relate to different goods. They cannot therefore be considered indistinguishable from each other or be considered by consumers to be the same mark.

B. Balle Has Met Its Burden Of Proof On Likelihood of Confusion.

CAN argues that Balle may not rely on CAN’s own admissions to meet Balle’s burden of proof that the REBELS and BABY REBELS marks are confusingly similar. *See* Response at 4-5. However, Balle is not merely relying on CAN’s own judicial admissions (discussed, *infra.*), although such judicial admissions are “proof possessing the highest possible probative value.” *See, Hill v. FTC*, 124 F.2d 104, 106 (5th Cir. 1941).

CAN has stated that the REBELS and BABY REBELS marks are confusingly similar in its own judicial admissions in its Answer and its responses to discovery in this proceeding, which to date CAN has not sought to amend or supplement. *See* Heller Dec., Ex. B, (Answer) ¶ 7 (“[CAN] admits that the BABY REBELS and REBELS marks are similar in sound, appearance and meaning; are confusingly similar; and that the goods in [CAN]’s Registration are also related to the goods in [Balle]’s Application.”); *see also Id.*, Ex. C (RFA Set 1 Responses) Request No. 2 and Response No. 2. CAN has likewise admitted that the goods in the CAN’s Registration are also related to the goods in Balle’s application. *See Id.*, (RFA Set 1 Responses) Request No. 3 and Response No. 3. CAN’s argument that these admissions, “were made prior to ANY discovery of Balle or knowledge of Balle’s actual use or

activities are not determinative” (*see* CAN Rep., at 5), is belied by the fact that CAN made these admissions during the course of discovery in this action, and has not sought to supplement or amend this response despite the fact that discovery is now complete.

“[A]n answer to a complaint constitutes an admission.” *E.C. McAfee A/C Bristol Metal Indus. of Canada Ltd. v. United States*, 832 F.2d 152, 154 fn.* (Fed. Cir. 1987) (noting that pleadings are judicial admissions and a party may invoke the language of the opponent’s pleading to render the facts admitted indisputable) (internal citations omitted). Moreover, it is a general rule that “a party is bound by the admissions in his pleadings.” *Best Canvas Products & Supplies, Inc. v. Ploof Truck Lines, Inc.*, 713 F.2d 618, 621 (11th Cir. 1983) (holding that an admission in its pleadings that the cause of action arose in Georgia is binding and conclusive to establish that the cause of action arose in Georgia); *see also State Farm Mutual Automobile Ins. Co. v. Worthington*, 405 F.2d 683, 686 (8th Cir. 1968) (“[J]udicial admissions are binding for the purpose of the case in which the admissions are made including appeals”); *Hill v. FTC*, 124 F.2d 104, 106 (5th Cir. 1941).

As noted in *Hill v. FTC*, “judicial admissions are proof possessing the highest possible probative value. Indeed, facts judicially admitted are facts established not only beyond the need of evidence to prove them, but beyond the power of evidence to controvert them. **A fact admitted by answer is no longer a fact in issue.**” *Id.*, at 106 (emphasis added). Thus, CAN’s judicial admission that the marks are confusingly similar satisfies the burden of proof.

Moreover, in connection with Balle’s attempt to register the REBELS mark, the Examiner cited CAN’s BABY REBELS registration against Balle, and found that “there exists a likelihood of confusion between applicant’s proposed mark, REBELS, for “Footwear” and BABY REBELS (Reg. No. 3811758), for “[c]lothing and accessories for infants....” *See* Heller Dec., Ex. I (December 15, 2010 U.S. Trademark Office Action for Serial No. 77/783,154). The PTO compared the marks for “similarities in their appearance, sound, meaning or connotation and commercial impression” and found “that potential purchasers of the applicant’s and registrant’s goods/services are likely to erroneously believe that they emanate from a common source which is the entirety of the applied-for mark.” *Id.*

Finally, the relevant *DuPont* factors² weigh in Balle's favor.³ BABY REBELS and REBELS are confusingly similar as to appearance, sound, connotation and commercial impression. Both marks are for related goods in Class 25 and are sold through similar trade channels. Therefore, even if CAN's judicial admissions were not enough to carry Balle's burden of proof on likelihood of confusion, the *DuPont* factors favor the determination that there is a likelihood of confusion between the REBELS and BABY REBELS marks.

C. Balle Has Met Its Burden On Priority.

CAN's bald assertion that "Balle does not present any evidence of use" is belied by the evidence presented to the Board with Balle's Motion. In a sworn, signed and undisputed declaration, Eyal Balle testified that "Balle owns common law rights to the REBELS mark for use with footwear that date back to 1993." See Balle Dec., ¶ 2. Additionally Eyal Balle testified that "Balle first used his REBELS mark in commerce at least as early as October 1, 1993 and has been using its REBELS mark continuously since that time." *Id.*, ¶ 3. CAN admits that its use of BABY REBELS did not begin until 1995. See Heller Dec., Ex. D (RFA Set 2 Responses) Request No. 5 and Response No. 5. CAN also admits that the goods

² The *DuPont* factors are: (1) the similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression; (2) the similarity or dissimilarity and nature of the goods or services as described in an application or registration or in connection with which a prior mark is in use; (3) the similarity or dissimilarity of established, likely-to-continue trade channels; (4) the conditions under which and buyers to whom sales are made, i.e., "impulse" vs. careful, sophisticated purchasing; (5) the fame of the prior mark (sales, advertising, length of use); (6) the number and nature of similar marks in use on similar goods; (7) the nature and extent of any actual confusion; (8) the length of time during and conditions under which there has been concurrent use without evidence of actual confusion; (9) the variety of goods on which a mark is or is not used (house mark, "family" mark, product mark); (10) the market interface between applicant and the owner of a prior mark; (11) the extent to which applicant has a right to exclude others from use of its mark on its goods; (12) the extent of potential confusion, i.e., whether de minimis or substantial; and (13) any other established fact probative of the effect of use. *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 1361 (C.C.P.A. 1973).

³ Not all thirteen factors are given similar weight or are even relevant in every case, and any one factor may be controlling in a given case. *In re Majestic Distilling Co.*, 315 F.3d 1311, 1315 (Fed. Cir. 2003) (citing *In re Dixie Restaurants Inc.*, 105 F.3d 1405, 1406-07 (Fed. Cir. 1997); see also *Jewelers Vigilance Com., Inc. v. Ullenberg Corp.*, 853 F.2d 888, 893 (Fed. Cir. 1988) (holding that the question of likelihood of confusion "is resolved by considering a variety of factors, each of which may play a more dominant role depending on the particular circumstances of the respective uses"); *Giant Food, Inc. v. Nation's Foodservice, Inc.*, 710 F.2d 1565, 1571 (Fed. Cir. 1983) (discounting an absence of actual confusion because "different factors may play dominant roles from case to case").

in CAN's Registration are also related to the goods in Balle's Application. *See* Heller Dec., Ex. C (RFA Set 1 Responses) Request No. 3 and Response No. 3. Therefore, CAN's statement must be rejected in favor of the undisputed evidence that Balle has priority.

D. The Likelihood Of Confusion Between LITTLE REBELS And REBELS Is Irrelevant In This Proceeding.

With a notable lack of authority or evidence, CAN purports to set forth Balle's intentions and positions and argues that Balle is looking to take inconsistent positions with respect to BABY REBELS and LITTLE REBELS. *See* Response at 5-6. As previously stated, the LITTLE REBELS mark is not at issue in this proceeding and any rights that CAN asserts with respect to its LITTLE REBELS mark must be separately assessed as it has no bearing whatsoever in this proceeding. BABY REBELS and LITTLE REBELS are entirely different marks. The PTO clearly agrees with Balle's position, since it required CAN to disclaim "BABY" in its BABY REBELS registration, but did not require a similar disclaimer for "LITTLE" in the LITTLE REBELS registration. *See* Heller Dec., Exs. F, K (U.S. Trademark Registration Certificate for Registration Nos. 3,811,758; 1,523,581). Nor did the PTO cite the LITTLE REBELS registration against Balle's application to register REBELS while it did cite BABY REBELS. *See* Heller Dec., Ex. I (U.S. Trademark Office Action for Serial No. 77/783,154).

The relevant inquiry for this proceeding is whether there are proper grounds to cancel the BABY REBELS mark in view of the fact that 1) Balle has priority of use with its REBELS mark and 2) there is a likelihood of confusion between the REBELS and BABY REBELS marks.⁴ Because the undisputed evidence supports both of these findings, summary judgment for Balle should be granted in this case.

E. Judicial Estoppel Does Not Apply Here.

CAN argues that Balle should be judicially estopped from taking inconsistent positions with respect to its LITTLE REBELS and BABY REBELS marks. *See* Response at 7-8. Judicial estoppel

⁴ CAN argues the dispute should be heard at a single time in context, (*see* Response at 6), but CAN should not be permitted to insert the LITTLE REBELS registration into this proceeding. CAN has no procedural or substantive grounds for doing so, especially on a motion for summary judgment where Balle did not conduct full discovery on LITTLE REBELS and where Balle has no procedural avenue to assert a host of defenses it could assert in an opposition proceeding.

precludes a party from taking a position in a case which is “clearly inconsistent” to a position they have taken in earlier legal proceedings. *New Hampshire v. Maine*, 532 U.S. 742, 749 (2001) (“This rule, known as judicial estoppel, ‘generally prevents a party from prevailing in one phase of a case on an argument and then relying on a contradictory argument to prevail in another phase.’”) (quoting *Pegram v. Herdrich*, 530 U.S. 211, 227 n.8 (2000)). LITTLE REBELS and BABY REBELS are entirely separate marks (*e.g.*, dissimilar in sight, sound, connotation and overall impression), with separate uses, separate registrations, and must be addressed in separate proceedings. Balle’s position with respect to BABY REBELS has absolutely no bearing on any position (including defenses) that it may or may not take with respect to LITTLE REBELS, an entirely distinct mark, and any position Balle may later assert cannot unilaterally and dismissively be considered inconsistent by CAN.⁵

In any event, Balle has not found any case in which the doctrine of judicial estoppel is applied prospectively, before the Board can review the relevant facts to make such an extreme legal determination. CAN’s attempt to devise procedural and substantive rules to support its arguments, while ignoring the evidence and law before this Board is unfounded and inappropriate. The simple and supported conclusion in this proceeding is that Balle is entitled to summary judgment based on its priority of use and an admitted likelihood of confusion between the marks at issue in this case.

⁵ For example, any action brought by CAN for cancellation of the REBELS mark would be barred by the doctrine of laches due to CAN’s unreasonable delay in asserting its rights causing Balle to suffer material prejudice as a result of the delay. *See Land O’ Lakes, Inc. v. Hugunin*, 88 U.S.P.Q.2d 1957 (T.T.A.B. 2008); *Aquion Partners L.P. v. Aquion Partners L.P.*, 43 U.S.P.Q.2d 1371, 1373 (T.T.A.B. 1997) (holding that there is no inequity in allowing applicant to assert, and attempt to prove, defense of laches, since mark which applicant now seeks to register was published for opposition and thereafter was registered for 20 years, until its expiration in 1991 for failure to renew, without objections from opposer.) (citations omitted). Moreover, an “opposer’s failure to object to a prior registration of the same mark for substantially the same goods” may also trigger the period of delay for a laches claim. *Id.* Balle has continuously been using its mark in commerce for 18 years. If CAN is permitted to now assert its LITTLE REBELS registration against Balle after sitting on its rights for 18 years, Balle would be severely prejudiced. In the 18 years Balle has been using his REBELS mark he has spent a significant amount of time, money and resources building his brand. A timeline of these relevant events is attached as Exhibit A.

III. CONCLUSION

As Balle has shown that it has priority of use with its REBELS mark, the Registrant has admitted to a likelihood of confusion between the REBELS and BABY REBELS marks and Balle has shown that there is a likelihood of confusion between these marks, and because Registrant's arguments attempting to tack on use of an unrelated and entirely different mark are completely without merit and irrelevant to these proceedings, there are no genuine issues of material fact. Accordingly, Balle respectfully requests that the Board grant its Motion for Summary Judgment and sustain the Cancellation of Registration No. 3,811,758.

Respectfully submitted,

GREENBERG TRAURIG, LLP

Dated: May 16, 2012

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that he is one of the attorneys for Petitioner Eyal Balle in the above-captioned action, and that on the date which appears below she served a true and accurate copy of the foregoing PETITIONER'S REPLY TO REGISTRANT'S RESPONSE TO PETITIONER'S MOTION FOR SUMMARY JUDGMENT upon Registrant Children's Apparel Network, LTD. by causing a copy thereof to be served by First Class Mail, postage pre-paid, to Petitioner's attorneys to the following address:

AMSTER, ROTHSTEIN & EBENSTEIN LLP
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and by e-mail transmission to the following email addresses:

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Dated: May 16, 2012



EXHIBIT A

DATE	TIMELINE OF EVENTS
00/00/1987	CAN's claimed first use of LITTLE REBELS
02/07/1989	LITTLE REBELS Registered: Reg. No. 1,523,581
10/01/1993	Balle's first use in commerce of REBELS mark
11/22/1993	Balle filed (first) REBELS Reg. No. 1,966,107 (Registered on April 9, 1996)
03/07/1994	CAN's predecessor-in-interest, Cradle Togs, Inc. filed Application Serial No. 74/497,873 for BABY REBELS (first use anywhere 3/20/1995) (Registered on 1/16/1996) Reg. No. 1,949,540
04/12/1995	CAN's predecessor-in-interest, Cradle Togs, Inc. claimed first use in commerce BABY REBELS
01/16/1996	BABY REBELS Registered: Reg. No. 1,949,540.
04/09/1996	REBELS Registered: Reg. No. 1,966,107
10/19/2002	CAN's First BABY REBELS Registration cancelled
01/11/2003	Balle's First REBELS Registration was cancelled
02/20/2009	CAN filed a second application for BABY REBELS (Registered on 6/29/2010) Reg. No. 3,811,758
07/16/2009	Balle filed Application Serial No. 77/783,154 for REBELS
6/29/2010	BABY REBELS Registered: Reg. No. 3,811,758