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

Proceeding	92056067
Party	Defendant Mother's Nutritional Center, Inc.
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Date	12/02/2013
Attachments	Respondent's Reply ISO MSJ.pdf(37263 bytes )

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

Ava Ruha Corporation dba Mother’s Market &  
Kitchen,

Petitioner,

v.

Mother’s Nutritional Center, Inc.,

Respondent.

Cancellation No. 92/056,067  
(Cancellation No. 92/056,080 consol)

Reg. No. 3,675,056

Mark: MOTHER’S NUTRITIONAL  
CENTER

Reg. No. 3,675,020

Mark: MOTHER’S (Stylized)

Registration Date: September 1, 2009

**RESPONDENT’S REPLY IN SUPPORT OF ITS MOTION FOR SUMMARY**

**JUDGMENT**

Respondent Mother’s Nutritional Center, Inc. (“Respondent”) hereby submits its reply brief in further support of its Motion for Summary Judgment (the “Motion”) of these consolidated proceedings in its favor, and against petitioner Ava Ruha Corporation dba Mother’s Market & Kitchen (“Petitioner”) on the ground that, as a matter of law, Petitioner’s claims are barred by laches.

**I. INTRODUCTION**

Laches is an equitable defense. Here, the equities favor Respondent. Petitioner objected to Respondent’s marks in February, 1998, and then abandoned its objection, taking no further action until August 2012. Petitioner delayed 14 years after learning about Respondent, and over three years from the date of Respondent’s registrations for its MOTHER’S and MOTHER’S NUTRITIONAL CENTER marks (the “MOTHER’S Marks”) were published for opposition, in taking any action against Respondent.

In the intervening 14 years, Respondent expanded from 13 stores to more than 70 stores, each bearing the name MOTHER'S NUTRITIONAL CENTER. From 2009 to 2012 alone, Respondent spent more than \$7.5 in advertising promoting its MOTHER'S Marks, and the services it offers thereunder, and expanded from 55 stores to 73 stores.

Petitioner offers no reasonable excuse for its delay. It claims that Respondent is encroaching on its business, yet Respondent continues to operate grocery stores focused on the federal supplemental Food Program for Women, Infants and Children (WIC). Petitioner claims that there have been instances of confusion, yet it offers only a single email, which email does not indicate any actual confusion on the part of any consumer.

Petitioner suggests that laches cannot apply because Respondent did not "rely" on Petitioner's silence. Yet, reliance is not required for laches. *Bridgestone/Firestone Research Inc. v. Automobile Club de l'Ouest de la France*, 245 F.3d 1359, 58 U.S.P.Q. 2d 1460, 1464 (Fed. Cir. 2001).

Here, Petitioner unreasonably delayed in taking action, and that delay has prejudiced Respondent. As a matter of law, Petitioner's claims are barred by the laches, and summary judgment should be entered in Respondent's favor.

## **II. PETITIONER'S DELAY IS UNREASONABLE AS A MATTER OF LAW**

Where petitioner has actual knowledge of respondent's business activities under the registered mark, the laches period runs from date of publication – here, June 16, 2009. *See Teledyne Technologies, Inc. v. Western Skyways, Inc.*, 78 U.S.P.Q.2d 1203, 1210 (T.T.A.B. 2006) (where petitioner has actual knowledge of respondent's business activities under the registered mark, laches period runs from date of publication); *see also Christian Broadcasting Network Inc. v. ABS-CBN International*, 84 U.S.P.Q.2d 1560, 1572 (T.T.A.B. 2007) (same).

Petitioner admits that it learned of Respondent's business in February 1998. Declaration of Deborah Rubino ("Rubino Decl."), ¶ 4. Thus, as a matter of law, the period of delay is three years and two months – from June 16, 2009 until August 21, 2012.

Petitioner claims that, although aware of some use by Respondent, it was unaware of the scope of Respondent's use until 2011. Under the circumstances present here, Petitioner's claimed ignorance is not an excuse for its inaction, as it either knew, or should have known, of Respondent's use in or around February 1998. *Christian Broadcasting*, 84 U.S.P.Q.2d at 1572 (calculating laches from date of publication where petitioner should have known about respondent's use). It is undisputed that Petitioner was aware of Respondent, and its use of the MOTHER'S NUTRITIONAL CENTER name and mark since at least as early as February 1998. Rubino Decl., ¶ 4. It is undisputed that, in February 1998, Respondent was already using the MOTHER'S mark, and that, at that time, it was using its mark in connection with the operation of at least 13 WIC grocery stores. Declaration of Juan-Carlos Monaco ("Monaco Decl."), ¶¶ 2-3, 7.

It is also undisputed that Respondent has been using the MOTHER'S Marks continuously since they were adopted in 1995. Monaco Decl., ¶¶ 2-3. The first use date claimed in Respondent's trademark applications is *at least as early as* May 2007. Petitioner suggests this claimed first use date is evidence that Respondent ceased all use of its mark between 1998 and 2007. First, claiming use "at least as early as" May 2007, is no evidence at all that the mark was not in use prior to May 2007. Moreover, Respondent is *not* precluded from establishing a use date earlier than that claimed in the registration. Here, Respondent has submitted competent evidence establishing an earlier use date, and Petitioner does not offer *any* controverting evidence. Monaco Decl., ¶¶ 2-3

Instead, Petitioner suggests Mr. Monaco is not competent to offer testimony regarding the company, or its use of the MOTHER'S Marks. Mr. Monaco, however, is the Chief Financial Officer of Petitioner, and, by virtue of his position with the company, has adequate foundation to testify regarding the company's use the MOTHER'S Marks, its expansion, and its advertising expenditures. *Id.* at ¶ 1. The MOTHER'S Marks are the *name* of Respondent's company, and the *name* of its stores. Respondent's services are grocery services focused on the WIC program. Monaco Decl., ¶ 2. If Respondent's stores were operating, then Respondent was "using" the MOTHER'S Marks for the registered services. Surely, as Chief Financial Officer, Mr. Monaco is competent to offer testimony about when his company was operating grocery stores. Indeed, Petitioner offers *no evidence or authority* for its suggestion that Mr. Monaco is not competent to testify about the length of Respondent's use of the MOTHER'S Marks, or Respondent's expenditures, or Respondent's expansion.<sup>1</sup>

Despite learning of Respondent's use of MOTHER'S NUTRITIONAL CENTER in 1998, Petitioner claims that it was not aware of the scope of Respondent's use of MOTHER'S until 2011, and that, until 2011, it believe that Respondent's use of the MOTHER'S Marks was very limited, perhaps only a single store. Rubino Decl., ¶ 4, 8. The undisputed facts, however, are that Respondent's use of *both* of the MOTHER'S Marks, however, has been open and continuous, *and expanding*, since it adopted the marks in 1995. Monaco Decl., ¶¶ 2-3, 6-10. In February 1998, Respondent was operating 13 stores in Southern California. *Id.* at 7. By July 2009, Respondent had expanded to 55 stores. *Id.* at ¶ 8. By August 2012, Respondent had expanded to at least 73 grocery stores. *Id.* at ¶ 9.

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<sup>1</sup> For these same reasons, Petitioner's evidentiary objections to Mr. Monaco's declaration, which attack virtually all of his testimony on the grounds that it lacks foundation, should be overruled. Mr. Monaco is an officer of Respondent, and is competent to testify about Respondent history, to review and authenticate documents from its files, to testify about its expansion, and to testify about its advertising expenditures.

Any reasonable investigation of Petitioner, whether conducted in 1998, 2009, or 2012, or at any point in between, would have revealed the nature and extent of Respondent's use of the MOTHER'S Marks. Petitioner knew or should have known about the scope of Respondent's use at least as early as February 1998, when it *admits* it learned about Respondent's use. That it apparently took no action to discover the nature and scope of Respondent's business for more than 14 years is not a reasonable excuse for its delay in taking action.

Nor is Petitioner's argument that, until 2011 when Respondent filed a lawsuit against a third-party, Petitioner "believed" had Respondent when, in 1998, Respondent argued that confusion was unlikely. At issue here, is whether Petitioner unreasonably delayed in taking action against Respondent. Here, it undisputed that, following its February 1998 letter, Petitioner took *no action* against Respondent, or its use or registration of the MOTHER'S or MOTHER'S NUTRITIONAL CENTER marks until August 21, 2012, more than 14 years later, and more than three years after the registrations were published for opposition. Here, as a matter of law, Petitioner's delay is unreasonable.

### **III. THERE IS NO PROGRESSIVE ENCROACHMENT**

Here, there is no progressive encroachment. The instant case is not like *Jansen Enterprises, Inc. v. Rind*, 85 U.S.P.Q. 2d 1104 (TTAB 2007). In *Jansen*, the defendant expanded its use of its mark beyond the narrow services identified in its trademark registration. *Id.* at 1118. Here, however, Respondent has not done so. Rather, Respondent has continued to offer the same services it has always offered, and the same services identified in its registrations – sale of foods on the WIC authorized food list.

Since 1995, Respondent has operated grocery stores focused on the federal supplemental Food Program for Women, Infants and Children (WIC). Monaco Decl., ¶ 2. As a WIC vendor,

Respondent must carry all of the products on the WIC authorized food list. The food list changes from time to time, and, when it does, Respondent changes its inventory to comply with its obligations as a WIC vendor. However, while it now operates over 70 stores, Respondent's business is still grocery stores focused on the federal WIC program, just as identified in its registrations. *Id.*

Moreover, Petitioner has no actual evidence of actual confusion. The "evidence" it does offer, a hearsay email from an unidentified source inquiring about a possible store opening, in no way suggests that the sender is confused between the parties businesses. Indeed, the only mention of Respondent in the communication at all is in Petitioner's response. Even if Petitioner's sole email were evidence of actual confusion, a single incident of confusion does not prove or suggest a likelihood of confusion. *International Ass'n of Machinists & Aero. Workers v. Winship Green Nursing Ctr.*, 103 F.3d 196, 41 U.S.P.Q.2d 1251 (1st Cir. 1996).

Moreover, the parties have co-existed in Southern California for nearly 20 years, and they have co-existed for nearly three years since Petitioner discovered Respondent's so-called "encroachment." Yet, in all that time, Petitioner can point to only a single instance in which a customer was even potentially confused by the parties' marks. A single instances of confusion over this extended period "supports the inference that there is no likelihood of confusion." *Cosmetic Dermatology and Vein Centers of Downriver P.C. v. New Faces Skin Care Centers Ltd.*, 54 U.S.P.Q.2d 1250, 2000 WL 423352 (E.D. Mich. 2000) (one isolated instance of actual confusion over a four year period of co-existence "supports the inference that there is no likelihood of confusion." ).<sup>2</sup>

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<sup>2</sup> See also *Nutri/System, Inc. v. Con-Stan Industries, Inc.*, 809 F.2d 601, 1 U.S.P.Q.2d 1809 (9th Cir. 1987) (where parties co-exist and have high volume of business, several misdirected letters are trivial"); *Homeowners Group, Inc. v. Home Marketing Specialists, Inc.*, 931 F.2d 1100, 18 U.S.P.Q.2d 1587 (6th Cir. 1991) ("Where the parties have been doing business in the same area for some time and where they have advertised extensively, isolated instances

As a matter of law, the doctrine of progressive encroachment does not excuse Respondent's unreasonable delay in taking action.

#### **IV. RELIANCE OR "NEXUS" IS NOT REQUIRED FOR LACHES**

Despite Respondent's continuous investment in its MOTHER'S Marks over the course of Petitioner's more than 14 year delay, Petitioner claims that laches may not be found because Respondents did not *rely* on Petitioner's inaction. However, "reliance on petitioner's delay in filing a petition for cancellation is not a requirement for laches." *Christian Broadcasting Network Inc. v. ABS-CBN Int'l*, 84 U.S.P.Q.2d 1560, 1573 (TTAB 2007); *see also Bridgestone/Firestone Research Inc. v. Automobile Club de l'Ouest de la France*, 245 F.3d 1359, 58 U.S.P.Q. 2d 1460, 1464 (Fed. Cir. 2001). "Prejudice . . . may be as simple as the development of goodwill built around a mark during petitioner's delay." *Christian Broadcasting Network*, 84 U.S.P.Q.2d at 1573.

In *Bridgestone*, the Federal Circuit overturned a TTAB decision requiring "specific evidence of reliance" to establish a laches defense. *Bridgestone*, 58 U.S.P.Q. 2d at 1464. The *Bridgestone* court explained: "The Board's requirement of 'specific' evidence of 'reliance' . . . could relate to proof of estoppel, *but it does not apply to laches.*" *Id.*<sup>3</sup> Where, as here, "there has been an unreasonable period of delay . . . , economic prejudice . . . may ensure whether or not the

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of actual confusion are not conclusive or entitled to great weight in the determination."); *Alchemy II v. Yes! Entertainment Corp.*, 844 F. Supp. 560, 30 U.S.P.Q.2d 1770, n.12 (C.D. Cal. 1994) ("[F]ifteen phone calls inquiring about a [toy] product during the Christmas season is de minimis, and in fact to be expected."); *Petro Shopping Centers L.P. v. James River Petroleum*, 130 F.3d 88, 44 U.S.P.Q.2d 1921 (4th Cir. 1997) ("In light of its huge volume of commerce, [plaintiff's] meager evidence of actual confusion is at de minimis."); *D & J Master Clean, Inc. v. Servicemaster Co.*, 181 F. Supp. 2d 821, 828 (S.D. Ohio 2002) (two misdirected phone calls per week out of average of 550 calls is only 0.36% and does not support a finding of actual confusion.); *Nautilus Group, Inc. v. ICON Health and Fitness, Inc.*, 372 F.3d 1330, 71 U.S.P.Q.2d 1173, 64 Fed. R. Evid. Serv. 687 (Fed. Cir. 2004) (Four misdirected phone calls out of thousands is a "relatively small number" which is "too unreliable to establish actual confusion."); *George & Co. LLC v. Imagination Entertainment Ltd.*, 575 F.3d 383, 398, 91 U.S.P.Q.2d 1786 (4th Cir. 2009) (Evidence of four instances of confusion was at most de minimis in light of the "huge sales volume.").

plaintiff overtly lulled the defendant into believing that the plaintiff would not act, or whether or not the defendant believed that the plaintiff would have grounds for action.” *Id.*

“Economic prejudice” arises not from the reliance on a plaintiff’s inaction, but rather, “arises from investment in and development of the trademark, and the continued commercial use and economic promotion of a mark over a prolonged period.” *Id.* Moreover, “the longer the use and the lengthier the period of delay, the lighter the burden of showing economic prejudice in support of the defense of laches.” *Id.*, citing *Hot Wax, Inc. v. Turtle Wax, Inc.*, 191 F.3d 813, 821, 52 USPQ2d 1065, 1072 (7th Cir. 1999).

Here, there is no question that Respondent invested in and developed goodwill in its MOTHER’S Marks during Petitioner’s period of delay. Petitioner does not dispute that in the more than 14 years between when it first learned of Respondent’s use of the MOTHER’S Marks, and when it sought cancellation of Respondent’s registrations, Respondent has grown from a chain of 13 stores to a chain of more than 70 stores. Monaco Decl., ¶ 7-10. Petitioner does not dispute that in the more than three years that have elapsed between publication of Respondent’s registrations for opposition, and the filing of the instant proceedings, that Respondent has expanded by nearly 20 stores. *Id.* Petitioner does not dispute that, in the time that elapsed between publication of the registrations and the filing of the instant proceedings Respondent spent more than \$7.5 million to advertise and promote its MOTHER’S Marks. *Id.* at ¶ 10.

Moreover, the MOTHER’S Marks are not “secondary” marks, ancillary to Respondent’s business, and easily replaced. Rather they are Respondent’s very *name*. The name that has appeared on Respondent’s first store, and of the 72 stores that followed. The name that appears

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<sup>3</sup> See also *Trans Union Corp. v. Trans Leasing International, Inc.*, 200 U.S.P.Q. 748, 756 (TTAB 1978) (prejudice occurs where senior user takes action after the junior user builds up its business and goodwill around a mark); *Teledyne Technologies, Inc. v. Western Skyways, Inc.*, 78 U.S.P.Q.2d 1203, 1211 (T.T.A.B. 2006) (

in all of Respondent's advertising and promotional materials. They are an essential aspect of Petitioner's business.

**V. OPPOSITION TO REQUEST FOR DISCOVERY UNDER FED. R. CIV. P. 56(d)**

First, Rule 56(d) authorizes discovery only if Petitioner is unable to present fact essential to justify its opposition. Here, however, Petitioner has opposed the Motion. Where a party responding to a motion for summary judgment "files a combined request for Fed. R. Civ. P. 56(d) discovery and response on the merits of the motion, the Board ordinarily will deem the Fed. R. Civ. P. 56(d) discovery request moot, and decide the summary judgment motion on the merits thereof."

Moreover, here, the primary basis for seeking additional discovery under Rule 56(d) appears to be to depose Respondent's CFO Juan-Carlos Monaco. First, as noted above, and in his declaration, Mr. Monaco is the CFO of Respondent, and is, therefore, competent to offer testimony on the years Respondent has operated, as well as Respondent's expansion, and advertising expenditures.

Moreover, the facts set forth in Mr. Monaco's declaration are unremarkable, merely listing the volume of advertising expenditure, the dates of use, and the number of stores open at various dates. Petitioner offers no evidence to suggest that any of the listed facts are untrue or inaccurate. As noted above, Petitioner's reliance on the claimed use dates in Respondent's registrations is *not* evidence that mark was not in use prior to those claimed dates. Moreover, it defies credulity to believe, as Petitioner suggests, that contrary to Mr. Monaco's uncontroverted testimony, Respondent did not operate continuously from 1995 to the present, but instead, opened 13 stores between 1995 and 1998, then cease operations entirely, and then, in 2007, began operating again and opened 73 stores between 2007 and 2012.

As also noted above, reliance is not required for laches, so there is no need for Petitioner to obtain discovery relating to whether Respondent relied on Petitioner protracted period of inaction in deciding to continuously invest in its business.

Petitioner claims that its delay is justified because it waited until after Respondent began to transition into the greater promotion of health food products. Yet, it simultaneously claims that it has no evidence that Respondent has made such a transition, or when such a transition happened. Nor are the details of a lawsuit between Respondent and a third-party relevant to Petitioner's opposition to Respondent's Motion.

The request for discovery under Fed. R. Civ. P. 56(d) should be denied.

**VI. CONCLUSION**

For the reasons stated herein, and for all the reasons stated in Respondent's Motion, the Motion should be granted and summary judgment should be entered in Respondent's favor.

Dated: December 2, 2013

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CERTIFICATE OF SERVICE

It is hereby certified that one (1) copy of the foregoing **RESPONDENT'S**  
**REPLY IN SUPPORT OF ITS MOTION FOR SUMMARY JUDGMENT** is being sent via  
U.S. mail to Petitioner Ava Ruha Corporation dba Mother's Market & Kitchen's attorney of  
record as follows:

Stephen Z. Vegh  
Stetina Brunda Garred & Brucker  
75 Enterprise, Suite 250  
Aliso Viejo, CA 92656

Dated: December 2, 2013



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Esther Silverman

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
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Ava Ruha Corporation dba Mother’s Market & Kitchen,

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Mark: MOTHER’S NUTRITIONAL CENTER

Reg. No. 3,675,020

Mark: MOTHER’S (Stylized)

Registration Date: September 1, 2009

**EVIDENTIARY OBJECTIONS**

Respondent Mother’s Nutritional Center, Inc. (“Respondent”) hereby submits its Evidentiary Objections to Declaration of Deborah Rubino in support of its Motion for Summary Judgment (the “Motion”) of these consolidated proceedings in its favor, and against petitioner Ava Ruha Corporation dba Mother’s Market & Kitchen (“Petitioner”) on the ground that, as a matter of law, Petitioner’s claims are barred by laches.

1. Paragraph 8: “In view of Respondent’s understanding that the Mother’s Nutritional Center name was being used at only one store location in southern California . . .”

Objection: Lacks foundation. Respondent had no such understanding, nor does Ms. Rubino have any foundation to testify as to what Respondent’s understanding was.

2. Paragraph 11: First sentence

Objection: Irrelevant; the complaint speaks for itself.

3. Paragraph 11: Third sentence

Objection: Irrelevant; mischaracterizes evidence; the referenced documents speak for themselves.

4. Paragraph 11, Exh. C:

Objection: Irrelevant.

5. Paragraph 12: First and second sentences

Objection: Mischaracterizes evidence; the referenced document speaks for itself; improper opinion testimony; legal conclusion; argumentative; hearsay.

6. Paragraph 12, Exh. D:

Objection: Hearsay; lacks foundation; email sender is unidentified.

7. Paragraph 13: First and second sentences.

Objection: Lacks foundation; mischaracterizes Respondent's advertising and sales.

Dated: December 2, 2013

/S/ JESSICA BROMALL SPARKMAN

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CERTIFICATE OF SERVICE

It is hereby certified that one (1) copy of the foregoing **EVIDENTIARY OBJECTIONS** is being sent via U.S. mail to Petitioner Ava Ruha Corporation dba Mother's Market & Kitchen's attorney of record as follows:

Stephen Z. Vegh  
Stetina Brunda Garred & Brucker  
75 Enterprise, Suite 250  
Aliso Viejo, CA 92656

Dated: December 2, 2013



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Esther Silverman