

This opinion is not a
Precedent of the TTAB

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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CME

Mailed: August 19, 2015

Cancellation No. 92060342

Healthy Directions, LLC

v.

*Celebrus, LLC d/b/a ARIIX*¹

Before Bucher, Taylor, and Shaw,
Administrative Trademark Judges.

By the Board:

This case now comes up on Petitioner's motion for summary judgment, filed March 23, 2015. The motion is fully briefed.

Background

Petitioner has filed a petition for cancellation of Respondent's Supplemental Register Registration No. 4570100 for the mark **OMEGA-Q**, in standard characters, for "nutritional supplements."² In its petition for cancellation, Petitioner alleges prior common law use and registration of the

¹ The "declaration" that Respondent submitted in support of its opposition to Petitioner's motion for summary judgment indicates that Celebrus, LLC is now known as ARIIX, LLC. Respondent, however, has not filed a motion to substitute or join ARIIX, LLC as a party defendant in this proceeding and no assignment or change of name has been recorded with the Assignment Recordation Branch of the Office. Accordingly, we continue to identify Respondent as Celebrus, LLC d/b/a ARIIX.

² Filed February 1, 2013; amended to the Supplemental Register October 16, 2013; issued July 15, 2014; based on a claim of use of July 4, 2011.

mark **Omega Q Plus** for “nutritional supplements,”³ and that use of Respondent’s mark is likely to cause confusion therewith. In its answer, Respondent admits that it did not commence use of its mark prior to the filing date of the application underlying Petitioner’s pleaded registration. *See* Answer, ¶ 9; *see also id.* at ¶¶ 8 and 10-11. Respondent denies the remaining salient allegations and asserts five “affirmative defenses.” We address each of Respondent’s affirmative defenses in turn below.

Respondent’s Affirmative Defenses

The Board may strike from a pleading any insufficient defense, or any redundant, immaterial, impertinent or scandalous matter. *See* Fed. R. Civ. P. 12(f); *Am. Vitamin Prods. Inc. v. Dow Brands Inc.*, 22 USPQ2d 1313, 1314 (TTAB 1992); TBMP § 506.01 (2015). A defense will not be stricken as insufficient if the insufficiency is not clearly apparent, or if it raises factual issues that should be determined on the merits. *See* TBMP § 506.01.

Affirmative Defense 1: “Each of the purported claims for relief that Petitioner alleges in its Petition is barred or limited, in whole or in part, because each such claim does not state facts sufficient to constitute a cause of action under applicable law.”

An assertion that a pleading fails to state a claim upon which relief can be granted is not a true affirmative defense because it relates to an assertion of the insufficiency of the pleading rather than a statement of a defense to a properly pleaded claim. *See Hornblower & Weeks Inc. v. Hornblower & Weeks*

³ Registration No. 3295413; filed December 30, 2005; issued September 18, 2007; “Omega Q” disclaimed.

Inc., 60 USPQ2d 1733, 1738 n.7 (TTAB 2001). Nonetheless, we have reviewed the allegations in the petition for cancellation and find that Petitioner has sufficiently alleged both its standing and a valid ground for cancellation by pleading its prior use and registration of the mark **Omega Q Plus** for nutritional supplements and a plausible claim of likelihood of confusion. *See Barbara's Bakery Inc. v. Landesman*, 82 USPQ2d 1283, 1285 (TTAB 2007). Accordingly, "affirmative defense" 1 is **STRICKEN**.

Affirmative Defense 2: "As a result of Registrant's continuous use of its mark since the time of Registrant's adoption thereof, the mark has developed significant goodwill among the consuming public and consumer acceptance of the product offered by Registrant in confusion with the mark. Such goodwill and widespread usage has caused the mark to acquire distinctiveness with respect to Registrant, and caused the mark to become a valuable asset of Registrant."

The foregoing allegation is not a true affirmative defense, but to the extent it amplifies Respondent's denials, it is allowed to stand.

Affirmative Defense 3: "There is no likelihood of confusion, mistake, or deception because, *inter alia*, the mark and the alleged trademark of Petitioner are not confusingly similar, and the Registrant's mark and Petitioner's mark travel in different channels of trade."

Again, this allegation is not a true affirmative defense, but because it is an amplification of Respondent's denials, "affirmative defense" 3 also is allowed to stand.

Affirmative Defense 4: “Registrant has been using its mark and developing consumer recognition and goodwill therein since at least July 4, 2011, such use being open and notorious. During this time, Petitioner failed to take meaningful action to assert the claims on which its bases this Cancellation. Petitioner’s claims are consequently barred by the doctrine of laches, acquiescence, and estoppel.”

Affirmative defenses, like claims in a petition for cancellation, must be supported by enough factual background and detail to fairly place the claimant 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) (noting that the primary purpose of pleadings “is to give fair notice of the claims or defenses asserted”); *see also* TBMP § 311.02(b) and the cases cited in footnote 15 therein. Here, Respondent’s affirmative defenses of laches, acquiescence and estoppel are not supported by sufficient factual allegations to place Petitioner on notice of the bases for the defenses.⁴ Accordingly, affirmative defense 4 is **STRICKEN**.

⁴ The elements of a laches defense are: (1) unreasonable delay in assertion of one’s rights against another; and (2) material prejudice to the latter attributable to the delay. *See Lincoln Logs Ltd. v. Lincoln Pre-Cut Logs Homes Inc.*, 971 F.2d 732, 23 USPQ2d 1701, 1703 (Fed. Cir. 1992). The defense of acquiescence consist of the following three elements: (1) that the claimant actively represented that it would not assert a right or 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 the defendant undue prejudice. *See Coach House Rest. Inc. v. Coach and Six Rest., Inc.*, 934 F.2d 1551, 19 USPQ2d 1401, 1409 (11th Cir. 1991). Lastly, the elements of equitable estoppel are: (1) misleading conduct which leads 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. *See Lincoln Logs*, 23 USPQ2d at 1703 (citing *A.C. Aukerman Co. v. R. L. Chaides Constr. Co.*, 960 F.2d 1020, 22 USPQ2d 1321 (Fed. Cir. 1992).

Moreover, and importantly, Respondent is advised that the affirmative defenses of laches, acquiescence and estoppel start to run from the date of registration of a Supplemental Register registration, and as such, are severely limited in cancellation proceedings.⁵ See *Lincoln Logs Ltd. v. Lincoln Pre-Cut Logs Homes Inc.*, 971 F.2d 732, 23 USPQ2d 1701, 1703 (Fed. Cir. 1992) (recognizing that affirmative defense of laches and estoppel are “tied to a party’s registration of a mark, *not* to a party’s use of a mark”) (emphasis in original); *Nat’l Cable Television Assoc. v. Am. Cinema Editors Inc.*, 937 F.2d 1572, 19 USPQ2d 1424, 1432 (Fed. Cir. 1991).

Affirmative Defense 5: “Registrant hereby gives notice that it may rely on any other defenses that may become available to appear proper during discovery, and hereby reserves its right to amend this Answer to assert any such defenses.”

This allegation is not a true affirmative defense nor does it amplify Respondent’s denials. Instead, it merely incorporates the principle of Fed. R. Civ. P. 15 that leave to amend a pleading “should be freely give[n] when justice so requires.” Accordingly, “affirmative defense” 5 is **STRICKEN**.

The Parties’ Summary Judgment Evidence

Petitioner’s summary judgment evidence consists of a certified copy of its pleaded registration showing current status and title of the registration, and the declaration of Erica Bullard, a Senior Vice President of Petitioner. In its

⁵ Because Supplemental Register applications are not published for opposition, laches, estoppel and acquiescence can run only from the date of registration. See *Nat’l Cable*, 19 USPQ2d at 1432 (“Logically, laches begins to run from the time action could be taken against the acquisition of another of a set of rights to which objection is later made.”).

motion, Petitioner indicates that it attached “printouts” demonstrating that it “has offered dietary and nutritional supplement type products under trademarks that are comprised of both a trademark and that same trademark followed by the word PLUS.” Motion, p. 9. No such printouts, however, are attached to Petitioner’s motion, and accordingly, we are unable to consider such evidence.⁶

Respondent’s evidence consists of the “declaration” of its Chief Financial Officer, Jeffrey Yates, and accompanying “screenshots taken from the Internet of products using the marks ‘omega’ and ‘q.’” 10 TTABVUE 3, ¶ 10. The “declaration,” however, is not attested to pursuant to Trademark Rule 2.20. *See also* TBMP § 528.05(b). Nor is the document a sworn affidavit. Accordingly, we have given this document no consideration. We also have not considered the screenshots attached to the “declaration” because such documents have not been authenticated by a sworn affidavit or declaration and do not bear the URL addresses and the dates the pages were published or accessed and printed.⁷ *See Safer Inc. v. OMS Invs. Inc.*, 94 USPQ2d 1031, 1039 (TTAB 2010) (holding that a document obtained from the Internet is

⁶ But even if Petitioner had filed such evidence, it would not change our decision herein.

⁷ In view hereof, Petitioner’s request that “if the Board determines that the Yates Declaration raises any doubt as to a material fact” that it be allowed “time to further explore that issue and supplement [its] Reply Brief” is moot. Reply, p. 4. We also need not consider Petitioner’s arguments that the “Yates Declaration contains numerous statements that are made ‘on [Mr. Yates] information and belief,’” and that Respondent’s “Internet evidence is inadmissible in the context of a likelihood of confusion analysis, especially when not submitted in connection with statements of personal knowledge of their existence.” *Id.* at pp. 2-3.

admissible in the same manner as a printed publication if it *identifies its date of publication or date that it was accessed and printed, and its source (e.g., the URL)*”) (emphasis in original).

Merits of Petitioner’s Motion for Summary Judgment

Summary judgment is appropriate only where there are no genuine disputes as to any material facts, thus allowing the case to be resolved as a matter of law. Fed. R. Civ. P. 56(a). The party seeking summary judgment bears the burden of demonstrating the absence of any genuine dispute of material fact, and that it is entitled to a judgment under the applicable law. *See Celotex Corp. v. Catrett*, 477 U.S. 317, 323 (1986); *Sweats Fashions, Inc. v. Pannill Knitting*, 833 F.2d 1560, 4 USPQ2d 1793, 1796 (Fed. Cir. 1987). This burden is greater than the evidentiary burden at trial. *See* TBMP § 528.01 and cases cited therein. A factual dispute is genuine if, on the evidence of record, a reasonable fact finder could resolve the matter in favor of the non-moving party. *See Opryland USA Inc. v. Great Am. Music Show Inc.*, 970 F.2d 847, 23 USPQ2d 1471, 1472 (Fed. Cir. 1992); *Olde Tyme Foods, Inc. v. Roundy’s, Inc.*, 961 F.2d 200, 22 USPQ2d 1542, 1544 (Fed. Cir. 1992). Evidence on summary judgment must be viewed in a light most favorable to the non-movant, and all justifiable inferences are to be drawn in the non-movant’s favor. *Lloyd’s Food Prods., Inc. v. Eli’s, Inc.*, 987 F.2d 766, 25 USPQ2d 2027, 2029 (Fed. Cir. 1993); *Opryland USA*, 23 USPQ2d at 1472. The Board may not resolve genuine disputes as to material facts; it may only

ascertain whether genuine disputes as to material facts exist. *See Lloyd's Food Prods.*, 25 USPQ2d at 2029; *Olde Tyme Foods*, 22 USPQ2d at 1544.

Upon careful consideration of the arguments and admissible evidence presented by the parties, and drawing all inferences with respect to the motion in favor of Respondent as the non-movant, we find that there are genuine disputes of material fact that preclude granting summary judgment to Petitioner. Specifically, there is a genuine dispute of material fact regarding the similarities of the commercial impressions of the parties' marks. There also is a genuine dispute of material fact regarding the strength of Petitioner's mark. An Office action that issued in connection with Respondent's underlying application, and which is automatically of record in this proceeding, includes webpages displaying third-party supplement products promoted in connection with the term "OMEGA," or the equivalent symbol, and the letter "Q."⁸ *See* Trademark Rule 2.122(b)(1) ("The file of ...

⁸ Petitioner asserts that we should ignore Respondent's argument "that no likelihood of confusion exists between the parties' marks because '[t]he marks, in short, are descriptive and therefore, weak" on the ground that Respondent "has not previously raised dilution or weakness of Petitioner's registration in its Answer and Affirmative Defenses and may not raise such issues now in order to avoid ruling on summary judgment." Reply, pp. 1-2. We acknowledge that Respondent's argument that Petitioner's mark as a whole is generic or merely descriptive and has not acquired distinctiveness constitutes an impermissible collateral attack against Petitioner's pleaded registration because Respondent has not counterclaimed to cancel Petitioner's registration. *See* Trademark Rule 2.114(b)(2). We have considered, however, Respondent's argument that the "OMEGA Q" portion of Petitioner's mark is weak, as such argument is not an affirmative defense, but rather is relevant to the likelihood of confusion analysis. *See Drive Trademark Holdings LP v. Inofin*, 83 USPQ2d 1433, 1437 (TTAB 2007) (defendant's argument that plaintiff's registered marks are descriptive may be considered only in timely counterclaim, but Board will consider defendant's position to extent it goes to the strength of plaintiff's mark in view of use of term by others).

each registration against which a petition or counterclaim for cancellation is filed forms part of the record of the proceeding without any action by the parties and references may be made to the file for any relevant and competent purpose.”); *see also Cold War Museum, Inc. v. Cold War Air Museum, Inc.*, 586 F.3d 1352, 92 USPQ2d 1626, 1628 (Fed. Cir. 2009). In addition, registration of the involved mark on the Supplemental Register and Petitioner’s disclaimer of “OMEGA Q” creates a genuine dispute of material fact regarding the scope of protection that should be afforded to Petitioner’s mark. For these reasons, Petitioner’s motion for summary judgment is **DENIED**.⁹

Dates Reset

Proceedings are resumed and discovery, disclosure, trial and other dates are reset as follows:

Expert Disclosures Due	11/16/2015
Discovery Closes	12/16/2015
Plaintiff’s Pretrial Disclosures Due	1/30/2016
Plaintiff’s 30-day Trial Period Ends	3/15/2016
Defendant’s Pretrial Disclosures Due	3/30/2016
Defendant’s 30-day Trial Period Ends	5/14/2016
Plaintiff’s Rebuttal Disclosures Due	5/29/2016

⁹ The fact that we have identified genuine disputes of material fact as a sufficient basis for denying Petitioner’s motion for summary judgment should not be construed as a finding that these are necessarily the only issues which remain for trial. In addition, the parties should note that the evidence submitted in connection with Petitioner’s motion for summary judgment is of record only for consideration of this motion. To be considered at final hearing, any such evidence must be properly introduced in evidence during the appropriate trial period. *See Levi Strauss & Co. v. R. Josephs Sportswear Inc.*, 28 USPQ2d 1464 (TTAB 1993); *Pet Inc. v. Bassetti*, 219 USPQ 911 (TTAB 1983); *Am. Meat Inst. v. Horace W. Longacre, Inc.*, 211 USPQ 712 (TTAB 1981).

Plaintiff's 15-day Rebuttal Period Ends **6/28/2016**

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 2.125.

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.
