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

Proceeding	91186148
Party	Plaintiff Publix Asset Management Company
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Publix Asset Management Company,
Opposer,

v.

The Great Atlantic & Pacific Tea Company, Inc.,
Applicant.

Opposition Nos. 91186148 &
91186863 (consolidated under
No. 91186148)

**PUBLIX ASSET MANAGEMENT COMPANY’S OPPOSITION TO APPLICANT’S
MOTION FOR LEAVE TO AMEND ITS ANSWER(S) AND ASSERT
COUNTERCLAIMS**

Four years after this case began and just days before the start of trial, Applicant, The Great Atlantic & Pacific Tea Company, Inc. (“A&P”), filed the pending motion seeking to bring eleven counterclaims against Opposer, Publix Asset Management Company. The proposed counterclaims are based upon facts A&P learned more than three years ago and are substantively improper. A&P’s motion should be denied as untimely and futile.

Background

I. This Consolidated Opposition Proceeding.

This consolidated opposition proceeding involves names used by two grocery store chains for organic, natural, and environmentally friendly private-label products. Publix Asset Management Company owns and asserts rights in the mark GreenWise®, which is registered for a variety of goods and services. (Am. Notice of Opp’n (Dkt. No. 33) ¶ 5.) Publix Asset Management Company licenses the GreenWise® mark and others to a related company, Publix Super Markets, Inc., the largest employee-owned supermarket company in the United States.¹

¹ These facts are drawn from the pleadings and summary judgment declarations already on file at Dkt. No. 24 (Declaration of Douglas Palmer) (“Palmer Decl.”) and Dkt. No. 39 (Declaration of Mark Irby) (“Irby Decl.”).

(Irby Decl. ¶¶ 1-5.) The GreenWise® mark is used on a variety of goods in all of Publix's more than 1,000 stores. (Id. ¶ 10.) In addition, GreenWise® identifies a number of services, all aimed at the health-conscious consumer seeking healthier food and household options. (Id. ¶ 12.) Publix filed its first GreenWise® application in November 1998 and began actual use of the mark in 2001. (Id. ¶ 8.)

A&P operates approximately 450 retail stores, including full-service supermarkets. (Dkt. 33 ¶ 9; Dkt. 50 ¶ 9.) A&P's pending applications concern the private-label brand Green Way. (Palmer Decl. ¶¶ 3, 6.) A&P filed the Green Way applications on an intent-to-use basis nearly a decade after the GreenWise® constructive first-use date of 1998 and six years after actual use of GreenWise® began. (Irby Decl. ¶ 8; Palmer Decl. ¶ 6.) A&P seeks to register the Green Way mark in a wide variety of classes, encompassing many products available in grocery stores and overlapping with many GreenWise® goods. (Irby Decl. ¶ 19.) The goods listed in A&P's pending applications are routinely sold in retail supermarkets, such as A&P's and Publix's. (Irby Decl. ¶ 10; Palmer Decl. ¶¶ 6-7.) Goods sold under the respective GreenWise® and Green Way marks overlap substantially. (Irby Decl. ¶ 19.) Consequently, and recognizing that consumers would likely associate the Green Way products with the similarly named and well-established GreenWise® product line, Publix has opposed both A&P's applications.

II. The Timing of A&P's Motion.

Despite the four-plus years that this case has been pending, it is at the eleventh-hour that A&P now seeks to amend its answer to add eleven counterclaims. Publix's opposition was filed on September 3, 2008. Discovery closed on January 11, 2010, more than three years ago. On August 6, 2010, A&P filed a motion for summary judgment. On September 9, 2010, Publix filed an unopposed motion for leave to amend its notice of opposition. A&P's motion for summary

judgment was denied on April 11, 2011. In its order on summary judgment, the Board granted Publix's request to file an amended notice.

A&P filed its answer and affirmative defenses to the amended notice of opposition – without a counterclaim – on July 26, 2012. A&P waited until January 15, 2013, to seek leave to add the eleven proposed counterclaims. Publix's trial period began January 20, 2013. Publix has already presented trial testimony of one witness, and additional testimony is to be presented on January 31, 2013.

III. A&P's Proposed Counterclaims.

A&P's proposed counterclaims allege that eleven of Publix's registrations "should be partially cancelled whereby the restriction as to its actual channels of trade is added, namely, **sold only in Publix stores.**" (Proposed Counterclaims ¶¶ 28, 34, 40, 46, 52, 58, 64, 70, 76, 82, 88 (emphasis in original).)² A&P claims that limiting Publix's GreenWise® registrations in this manner would eliminate "any potential likelihood of confusion" because the channels of trade are different, "i.e., the respective products are sold only in different stores." (*Id.* ¶¶ 39, 35, 41, 47, 53, 59, 65, 71, 77, 83, 89.) In other words, A&P wants Publix's registrations to reflect that the senior GreenWise® mark is used only Publix's stores. (A&P's applications contain no such limitation with regard to use of its proposed Green Way mark in its stores.) The evidence that A&P relies upon to supports its proposed counterclaims include Publix's interrogatory responses served on April 28, 2009. (Motion at 7.)

² A&P's proposed Amended Answer and Counterclaims are attached to the declaration that accompanies the pending motion.

Applicable Standards

Motions for leave to amend to add a counterclaim in Board proceedings are governed by Trademark Rule 2.106(b)(2)(i). TBC Corp. v. Grand Prix Ltd., 12 U.S.P.Q.2d 1311, 1989 WL 274376, at *1 (T.T.A.B. 1989). That rule is not cited in A&P's motion. The rule provides:

A defense attacking the validity of any one or more of the registrations pleaded in the opposition shall be a compulsory counterclaim if grounds for such counterclaim exist at the time when the answer is filed. If grounds for a counterclaim are known to the applicant when the answer to the opposition is filed, the counterclaim shall be pleaded with or as part of the answer. If grounds for a counterclaim are learned during the course of the opposition proceeding, the counterclaim shall be pleaded promptly after the grounds therefor are learned.

37 C.F.R. § 2.106(b)(2)(i) (emphasis added).

Counterclaims for partial cancellation – such as the counterclaims proposed by A&P – are subject to additional requirements by case law. Specifically, the Board has held that a claim for partial cancellation will only be entertained when “(i) a finding of likelihood of confusion will be avoided by entry of the restriction sought in the petition to cancel, and (ii) the opponent is not using its mark on the goods or services sought to be excluded by the proposed restriction.” Dak Industries, Inc. v. Daiichi Kosho Co., 35 U.S.P.Q.2d 1434, 1995 WL 454108, at *3 (T.T.A.B. 1995) (citing Eurostar, Inc. v. “Euro-Star” Reitmoden GmbH & Co. Kg, 34 U.S.P.Q.2d 1266, 1995 WL 231387, at *5 (T.T.A.B. 1994)).

Argument

A&P's pending motion presents two key issues. The first is whether A&P's request complies with Trademark Rule 2.106(b)(2)(i). The answer is no. A&P was fully aware of the grounds for its proposed counterclaims early in this proceeding. In fact, A&P had all the facts it now alleges as the basis for its proposed counterclaims at least as early as April 2009, when Publix served the interrogatory answers that A&P cites in the motion. Yet A&P did not assert its counterclaims in 2009, in 2010, in 2011, or in 2012. A&P also did not present its counterclaims

with its original answer or in its July 2012 answer to Publix's Amended Notice of Opposition. Thus, A&P did not include its counterclaims with its answers and did not "promptly" assert them after having learned the grounds.

The second key issue on the pending motion is whether A&P's proposed counterclaim meets the standards set forth in Eurostar. Because A&P's eleven proposed counterclaims will not avoid a finding of likelihood of confusion, they should not be permitted.

I. A&P Did Not Seek to Bring its Counterclaim When Required under Trademark Rule 2.106(b)(2)(i).

Trademark Rule 2.106(b)(2)(i) is unequivocal – an applicant that knows of grounds for a counterclaim at the time of its answer "shall" include the counterclaim with the answer. If the grounds are not known at the time of the answer, then the counterclaim "shall be pleaded promptly after the grounds therefor are learned." 37 C.F.R. § 2.106(b)(2)(i). In this case, the grounds alleged for A&P's counterclaims were known to A&P years before it answered Publix's Amended Notice of Opposition. Moreover, there was nothing prompt about A&P's eleven proposed counterclaims. Under either standard, the pending motion should be denied.

The information that forms the basis for A&P's proposed counterclaims was learned, at the latest, during discovery in this proceeding. Specifically, evidence A&P relies upon for the proposition that GreenWise® goods are sold only in Publix stores comes from Publix's interrogatory responses served on A&P more than three years ago.³ (Motion at 7 (citing Exh. M to Gabriel Decl. ¶ 14).)

³ A&P also cites eleven trademark registration specimens and a printout from Publix's website. (Motion at 7.) These citations, however, are irrelevant to the proposed counterclaims, which are not based upon Publix's use of GreenWise® as part of the phrase "Publix Greenwise Market," but instead upon the allegation that GreenWise® goods are sold only at Publix stores.

Discovery closed on January 11, 2010, at which time A&P had the benefit of Publix's April 2009 interrogatory answers. Thus A&P was able to argue in September 30, 2010, that GreenWise® is "always used" on goods in "Publix supermarkets and in free-standing Publix Greenwise Markets." (A&P's Summary Judgment Reply Brief (Dkt. 43) at 7.) As a result, A&P should have sought to bring the counterclaims long ago. To wait to seek leave to add the proposed counterclaim at this late date is a patent violation of the Board's rules. See S&L Acquisitions Co. v. Helene Arpels Inc., 9 U.S.P.Q.2d 1221, 1987 WL 1221, at *3-4 (T.T.A.B. 1988) (denying leave to amend to add counterclaim where grounds for counterclaim were available at the time applicant filed its answer).

The pending motion also violates the promptness standard of Trademark Rule 2.106(b)(2)(i) for information discovered during the course of a proceeding. Case law makes clear that A&P did not act "promptly" in waiting more than three years to bring its counterclaims. For example, the United States Court of Appeals for the Federal Circuit held in interpreting a nearly identical provision regarding cancellation proceedings that waiting more than a year after learning the grounds for a counterclaim did not meet the prompt pleading standard. Vitaline Corp. v. General Mills, Inc., 891 F.2d 273, 275-76 (Fed. Cir. 1989). In an even more analogous situation, the Board rejected an attempt to add a counterclaim more than three years after the party became "fully aware of all the facts that it needed to add such a claim." Capital Speakers Inc. v. Capital Speakers Club of Washington D.C. Inc., 41 U.S.P.Q.2d 1030, 1996 WL 754043, at *4 (T.T.A.B. 1996). See also Libertyville Saddle Shop, Inc. v. E. Jeffries & Sons Ltd., 22 U.S.P.Q.2d 1594, 1992 WL 113733, at *3 (T.T.A.B. 1992) (holding that party that knew of a possible counterclaim at the time opponent sought summary judgment was "obligated to assert them at that time, failing which it will be estopped to do so later").

A&P's delay in seeking to bring its proposed counterclaims is in clear violation of the Board's rules. A&P learned the information it relies upon in the proposed counterclaims in 2009. There is nothing prompt about A&P coming before the Board now, in 2013, to seek to add eleven counterclaims. Moreover, A&P was required to bring its proposed counterclaims when it filed its answer to the amended notice of opposition, if not before. As a result, the pending motion should be denied.

II. A&P's Proposed Counterclaim Will Not Avoid a Finding of Likelihood of Confusion.

A&P's eleven proposed counterclaims also ought to be rejected on futility grounds. A counterclaim for partial cancellation is permitted only if it will avoid a finding of likelihood of confusion. Eurostar, Inc., 1995 WL 231387, at *5. See also Penguin Books Ltd. v. Eberhard, 48 U.S.P.Q.2d 1280, 1998 WL 732753, at * 7 (T.T.A.B. 1998) (holding that where "a proposed restriction would not serve to avoid likelihood of confusion ... [it] must be rejected"). In this case, the proposed restriction on Publix's GreenWise® registrations is insufficient to avoid a finding of likelihood of confusion.⁴

A&P's claims that its proposed counterclaims will turn the tide in the likelihood of confusion analysis by limiting a portion of Publix's trade channels. This assertion, however, ignores the numerous factors already in Publix's favor under the Board's likelihood of confusion test. Moreover, A&P's proposed restriction would not tilt the channels of trade factor in A&P's favor. The proposed counterclaims, therefore, are futile.

⁴ A&P equivocates on the effect its proposed counterclaim would have on the likelihood of confusion analysis, stating that the proposed restriction on Publix's registrations for GreenWise® "eliminates, or at worst narrows any issues as to likelihood of confusion herein." (Motion at 6.) The narrowing of issues on likelihood of confusion is not a proper basis for seeking partial cancellation of a mark under Eurostar. This statement by A&P undercuts the validity of the counterclaim it seeks to inject into this proceeding.

The factors to be considered in a likelihood of confusion inquiry are set forth in In re E.I. DuPont de Nemours & Co., 476 F.2d 1357, 1361 (C.C.P.A. 1973). The two most important and sometimes dispositive factors are similarities of marks and similarities of the identified goods. Hewlett-Packard Co. v. Packard Press, Inc., 281 F.3d 1261, 1265 (Fed. Cir. 2002) (quoting Han Beauty, Inc. v. Alberto-Culver Co., 236 F.3d 1333, 1336 (Fed. Cir. 2001)). In this case, the parties' marks are used on both identical and related goods, and the connotation and commercial impression of the two marks are identical.⁵ In fact, A&P's proposed counterclaims would tilt the similarity factor further in Publix's favor, because the counterclaims would allege that the products are not sold side-by-side. The "inability to compare the products side by side and observe the precise differences in appearance may increase the likelihood of confusion," because in "making a decision to purchase the consumer must rely on memory rather than a visual comparison." Sun-Fun Prods., Inc. v. Suntan Research & Dev. Inc., 656 F.2d 186, 192 (5th Cir. 1981) (citing 3 R. Callman, The Law of Unfair Competition Trademarks and Monopolies § 81.1 at 573 (3d ed. 1969)). Based upon these two factors alone, therefore, a likelihood of confusion exists that the proposed counterclaims would not serve to avoid. Quite simply, because GreenWise® and Green Way are similar terms used on similar goods and in the same industry, A&P's proposed counterclaims will not eliminate the likelihood of confusion.

Other DuPont factors further demonstrate the futility of A&P's proposed counterclaims. If products are relatively low-priced and subject to impulse buying, the risk of confusion is increased, "because purchasers of such products are held to a lesser standard of purchasing care." Recot, Inc. v. Becton, 214 F.3d 1322, 1329 (Fed. Cir. 2000) (citing Kimberly-Clark Corp. v. H.

⁵ These two factors, along with the other DuPont factors, are more fully analyzed in Publix's Opposition to A&P's Motion for Summary Judgment.

Douglas Enter., Ltd., 774 F.2d 1144, 1146 (Fed. Cir. 1985)). The products sold under the two marks are relatively inexpensive. This weighs in favor of a finding of likelihood of confusion and against allowing the counterclaims. As the Federal Circuit has said on multiple occasions:

The law has clearly been well settled for a longer time than this court has been dealing with the problem to the effect that the field from which trademarks can be selected is unlimited, that there is therefore no excuse for even approaching the well-known trademark of a competitor, that to do so raises “but one inference – that of gaining advantage from the wide reputation established by appellant in the goods bearing its mark,” and that all doubt as to whether confusion, mistake, or deception is likely is to be resolved against the newcomer, especially where the established mark is one which is famous and applied to an inexpensive product bought by all kinds of people without much care.

Specialty Brands, Inc. v. Coffee Bean Distribs., Inc., 748 F.2d 669, 676 (Fed. Cir. 1984) (quoting Planters Nut & Chocolate Co. v. Crown Nut, Co., 305 F.2d 916, 924-25 (C.C.P.A. 1962)).

Because GreenWise® is well-established and used for relatively inexpensive products, A&P’s proposed counterclaims will not eliminate the likelihood of confusion.

Finally, even the channels of trade factor weighs in favor of a likelihood of confusion. A&P has not limited its application to sales of Green Way goods to its own stores. In theory, therefore, A&P could sell its goods in Publix stores, but the rights of Publix, the senior user, would be limited to its own stores. And of course retail grocery customers could visit both stores. Thus limiting GreenWise® goods to Publix stores does not avoid the conclusion that the goods utilize identical trade channels. Cf. Kenra, Inc. v. Belt Distribs., Inc., Cancellation No. 25,095, 2001 WL 1339414, at *7 (T.T.A.B. Oct. 24, 2001) (“a restriction in trade channels will not serve to avoid confusion [because] [t]he same members of the general public which purchase ethnic hair care products in retail stores may also patronize hair care salons and purchase products there”). As the Federal Circuit has explained, “[a]n opposer need not establish the sale of both parties’ services by the same vendor to show employment of the same trade channels.”

Century 21 Real Estate Corp. v. Century Life of Am., 970 F.2d 874, 877 (Fed. Cir. 1992) (citing

DuPont, 476 F.2d at 1357). Thus not only would the proposed partial cancellation not avoid a finding of likelihood of confusion, it would not even avoid a finding that the goods in question are traded in the same channels. And even if different grocery stores could be seen as different channels – a proposition for which A&P cites no authority – “separate trade channels may even increase the likelihood of confusion, since consumers will not have the opportunity to make side-by-side comparisons of the marks, and instead they must rely on hazy past recollections.” Kenra, 2001 WL 1339414, at *7 (citing Dassler KG v. Roller Derby Skate Corp., 206 U.S.P.Q. 255 (T.T.A.B. 1980)). Consequently, the proposed counterclaims will not avoid a finding that confusion is likely and, therefore, do not comply with Eurostar.

A&P’s proposed restriction on the GreenWise® mark also is contrary to Patent & Trademark Office practice. A&P proposes to require Publix to use the registered mark “Publix” in the identification of its GreenWise® goods. The Trademark Manual of Examining Procedure explains that “an applicant should not use its own registered or unregistered marks in an identification of goods or services in its own application.” TMEP § 1402.09. If Publix should not use “Publix” in the description of goods for a trademark application, it should not be forced to include it by a junior user. Therefore, if A&P were able to state a counterclaim, the best it could hope for would be the addition to Publix’s registration of generic language stating that GreenWise® goods are sold in retail grocery stores. E.g., Eurostar, 34 U.S.P.Q.2d at 6-7 (discussing possible counterclaim that would allege goods are sold through mail order and specialty stores). Retail grocery stores, however, are the same channels where Green Way goods are sold. Thus a properly pleaded counterclaim would be of no help to A&P.

The proposed eleven counterclaims implicitly seek geographic limits upon the GreenWise® mark. Concurrent use proceedings are the exclusive manner for a party seeking to

limit the geographical reach of a registration. E.g., Giant Food, Inc. v. Malone & Hyde, Inc., 522 F.2d 1386, 1394 (C.C.P.A. 1975); Jansen Enters., Inc. v. Rind, 85 U.S.P.Q.2d 1104, 2007 WL 809857, at *1 n.3 (T.T.A.B. 2007). Because this is not a concurrent use proceeding, A&P's attempt to impose geographic limits in this case is improper.

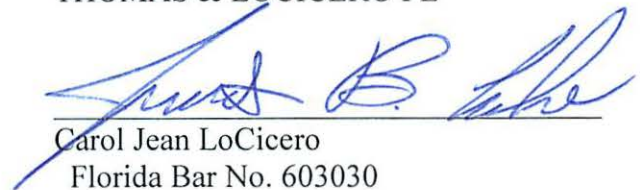
In sum, A&P's eleven proposed counterclaims would not alter the likelihood of confusion analysis in this case. The DuPont factors, with or without the restrictions A&P proposes, weigh in Publix's favor. In fact, the proposed restrictions would not even alter the analysis for the channels of trade factor. As a result, the pending motion should be denied.

Conclusion

The pending motion is procedurally and substantively flawed. If A&P wanted to bring these counterclaims, it was required to do so long ago. Instead, A&P waited until the eve of the trial period to move for leave to add eleven counterclaims. This is in clear violation of the Trademark Rules. The proposed counterclaims also fail to meet the requirements for partial cancellation because they do not avoid a finding of likelihood of confusion. A&P's untimely request to seek the partial cancellation of eleven GreenWise® registrations should be denied.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on January 30, 2013, a true and complete copy of the foregoing Notice of Trial Testimony has been sent by E-mail Facsimile Express Mail First Class U.S. Mail, postage pre-paid, to:

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