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

Proceeding	91205049
Party	Plaintiff Productos Lacteos Tocumbo , S.A. DE C.V.
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

PRODUCTOS LACTEOS TOCUMBO)
S.A. DE C.V.,)
)
 v.)
)
 PLM OPERATIONS, LLC)
)
)
)

Opposition Nos. 91205049 (**parent**)
91205093

PLM OPERATIONS, LLC)
)
 v.)
)
 PRODUCTOS LACTEOS TOCUMBO)
S.A. DE C.V.)
)
)
)

Opposition Nos. 91205466
91205468
91245908
91249913

MOTION FOR RECONSIDERATION

Pursuant to 37 C.F.R. § 2.129(c) and TBMP §§ 518 and 543, PRODUCTOS LACTEOS TOCUMBO S.A. de C.V., (“Opposer” in Opposition Nos. 91205049 and 91205093 and “Applicant” in Opposition Nos. 91205466, 91205468, 91245908, 91249913) (hereinafter “Prolacto”), represented by new counsel, respectfully requests that the Trademark Trial and Appeal Board (the “Board”) reconsider its January 8, 2021 Order (38 TTABVUE; the “Order”)¹ which granted PLM Operations, LLC’s (hereinafter “PLM”) Motion for Summary Judgment in Opposition Nos. 91205466, 91205468, and 91245908 based solely on 37 C.F.R. § 2.127(a) and Fed. R. Civ. P. 56. The Board failed to consider Prolacto’s December 31, 2019 responsive brief

¹ Unless otherwise specified, all TTABVUE references refer to the TTABVUE for the Opposition No. 91205049 (parent).

(28 TTABVUE) and thus found Prolacto conceded PLM's Summary Judgment Motion. Prolacto respectfully asks the Board to reconsider the question of summary judgment on the merits and deny PLM's Motion, allowing the Opposition proceedings to continue.

INTRODUCTION

On January 8, 2021, the Board issued an Order granting summary judgment to PLM in its Opposition to three of the marks at issue in these consolidated proceedings. In its Order, the Board found that Prolacto, represented by former counsel, "did not file a timely response to the summary judgment motion." Based solely on that finding, without considering the merits of PLM's collateral estoppel and issue preclusion arguments, the Board concluded "PLM's motion for summary judgment in OPPOSITION Nos. 91205466, 91205468, and 91245908 is granted as conceded."

Prolacto does not concede PLM's Motion and requests that the Board reconsider its Order and deny PLM's Motion on the merits for four reasons: (1) Prolacto filed a response to PLM's Motion for Summary Judgment on December 31, 2019, which the Board did not consider, (2) Rule 2.127 gives the Board discretion to consider PLM's summary judgment motion on the merits, (3) The law favors determining disputes on the merits, and (4) PLM's Motion for Summary Judgment violates the Board's prior order and lacks merit on its face.

I. The Board should consider Prolacto's Response to PLM's Motion for Summary Judgment.

Prolacto filed a brief that responded to PLM's Motion for Summary Judgment on December 31, 2019 (28 TTABVUE). Although Prolacto's brief appears earlier in the docket than PLM's Motion, a brief look at the procedural history of this parent Opposition from April 4, 2019, through May 19, 2020, reveals that Prolacto's brief is in fact responsive to PLM's Motion, that

PLM filed a reply to Prolacto's brief, and that the Board could have considered it before issuing its January 8, 2021 dispositive Order in these Oppositions.

On April 4, 2019, Prolacto filed a Motion for Summary Judgment on the grounds of issue preclusion, claim preclusion, res judicata, collateral estoppel and judicial estoppel (17 TTABVUE) based on *Paleteria La Michoacana, Inc. v. Productos Lacteos Tocumbo S.A. DE C.V.*, 188 F.Supp. 2d, 86 (D.D.C. 2016), *aff'd*, 743 F.App'x 457 (D.C. Cir. 2018) to which PLM responded (TTABVUE No. 19). PLM responded, and Prolacto replied (19 and 20 TTABVUE). Prolacto then filed "supplemental authority" in July 2019 (21 TTABVUE).

In an Order dated September 30, 2019 (22 TTABVUE), the Board concluded that Prolacto's Motion was premature because Prolacto filed it while proceedings were still officially suspended pending the disposition of the appeal of the Board's order in Cancellation No. 92047438. The Board denied Prolacto's Motion without prejudice and left the proceedings suspended for an additional 60 days but invited the parties to file motions for summary judgment during that 60 day interval. This would allow Prolacto to amend its motion to incorporate additional arguments and evidence submitted as "supplemental" authority and would allow PLM "a fair opportunity to respond to all of [Prolacto]'s arguments and evidence, and also enable the Board to consider all of the parties' arguments and evidence in a single set of motions papers." (22 TTABVUE 4)

On October 31, 2019, before the 60 days had elapsed, the Board further suspended the proceedings pending disposition of motions in Opposition No. 91245908 and Cancellation Nos. 92070644 and 92070670, which involved the same parties as the proceedings in the parent Opposition before the Board (23 TTABVUE).

On November 29, 2019, Prolacto filed a Motion for Summary Judgment based on claim and issue preclusion (24 TTABVUE) during the sixty day window for filing summary judgment motions set by the Board's September 30, 2019 order.

On December 2, 2019, PLM filed a Cross-Motion for Summary Judgment (26 TTABVUE).

On December 30, 2019, PLM filed a Response to Prolacto's Motion (27 TTABVUE).

On December 31, 2019, Prolacto filed a Response to PLM's Motion (28 TTABVUE).

On January 21, 2020, PLM filed a Reply to Prolacto's Response (29 TTABVUE).

Although both Prolacto's Motion and PLM's Cross-Motion were filed before the Board formally lifted the suspension imposed by the October 31, 2019 order (23 TTABVUE),² in the interests of efficiency and under the Board's inherent authority to manage its own docket, the Board took up the Motions in its Order dated May 14, 2020 (31 TTABVUE 12). The Board declined to consider, however, PLM's December 2, 2019, Motion for Summary Judgment (26 TTABVUE) because PLM had filed both a brief in support of its Motion and a Response to Prolacto's Motion on the same issue, the combined length of which spilled well over the twenty-five page limit. Nevertheless, in the exercise of its discretion, the Board considered PLM's Response to Prolacto's Motion for Summary Judgment.

The Board granted Prolacto's Motion for Summary Judgment in part with regard to PLM's counterclaims to cancel Prolacto's Reg. Nos. 2830401 and 3249113 on the grounds of abandonment due to naked licensing. The Board found these counterclaims were barred by claim preclusion based on *Paleteria La Michoacana, Inc. v. Productos Lacteos Tocumbo S.A. De C.V.*, 69 F.Supp. 3d 175 (D.D.C. 2014) (summary judgment); 188 F.Supp. 3d 22 (D.D.C. 1016)(findings of fact and conclusions of law after bench trial), *aff'd*, 743 F.App'x 457 (D.C. Cir. 2018). (31 TTABVUE 24). With regard to all other issues raised by Prolacto, the Board denied summary judgment and barred Prolacto from bringing another motion based on claim or issue preclusion. (31 TTABVUE 27).

² The Board also noted that PLM's December 2, 2019 Motion was improperly filed because "[u]pon the filing of Prolacto's motion for summary judgment, proceedings were suspended with respect to all matters not germane to the summary judgment motion." (31 TTABVUE 12, n.19).

Moreover, the Board stated that it did “**not regard the issues pleaded in these proceedings as appropriate for disposition by summary judgment.**” (31 TTABVUE 26). Nevertheless, **the Board invited PLM to refile its motion seeking summary judgment based on claim or issue preclusion.** (31 TTABVUE 27). Any other motion for summary judgment filed without permission, the Board declared, would be given “no consideration.” (31 TTABVUE 27).

Five days later, on May 19, 2020, the Board issued an Order granting Prolacto’s Motion to Consolidate Opposition Nos. 91249913 and 91245908 with the other proceedings previously consolidated with the parent opposition in this matter (33 TTABVUE).

On the same day, May 19, 2020, PLM refiled its Motion for Summary Judgment (34 TTABVUE) seeking summary judgment in Opposition Nos. 91205466, 91205468, and 91245908. This Motion appeared shorter than the December 2, 2019 version (26 TTABVUE) primarily because it eliminated a multitude of irrelevant appendices, but, with the exception of one paragraph,³ and the addition of the newly consolidated Opposition No. 91245908, the substantive part of PLM’s May 19, 2020 Motion matches word-for-word PLM’s December 2, 2019 Motion. (See pages 1-21 in both briefs).

Although Prolacto’s former counsel failed to refile his December 31, 2019 Response within the 30 days following PLM’s May 19, 2020 service of its Motion, Prolacto had placed on file before the Board a Response to the arguments posited by PLM (i.e., 28 TTABVUE), and PLM had placed on file a Reply to that Response (i.e., 29 TTABVUE). The Board could have considered these briefs before issuing its January 8, 2021 Order. Prolacto’s December 31, 2019 Response (28 TTABVUE) was initially timely filed within the 30 days after PLM’s December 2, 2019 filing of its Motion, but because the Board declined to consider PLM’s

³ The exception consists of section G on p. 12 where PLM explains that the Board’s “May 19, 2020” [sic] order specifically permitted it to file the Motion.

oversized and improperly filed December 2, 2019 brief, the Board had never considered Prolacto's Response. Granted, good order and close attention to the filing rules may have dictated that Prolacto's former counsel refile his Response once PLM refiled its Motion on May 19, 2020. Nevertheless, where the parties have thoroughly briefed the issues before the Board, the Board in its discretion could have considered all the briefs before issuing a dispositive order bringing an end to three proceedings.

II. The Board should exercise its discretion under Rule 2.127(a) to consider the Summary Judgment Motion on the merits.

Even if the Board declines to consider Prolacto's Response from December 31, 2019, the Board should consider the merits of PLM's Motion for Summary Judgment rather than treating it as conceded. Rule 2.127(a) states that when a party fails to file a brief in response to a motion, the Board "may treat the motion as conceded." (37 CFR § 2.127(a) (emphasis added)). Even in the absence of the non-moving party's response, therefore, the Board has discretion to consider the merits of a motion. In the past, the Board has exercised this discretion to consider the merits, particularly where the motion is a dispositive one as it is here.

In *Hartwell Co. v. Shane*, 17 USPQ2d 1569 (TTAB 1990), in a cancellation proceeding, the petitioner failed to file any response to the respondent's motion to dismiss. After noting that Rule 2.127 does not require the Board to treat the motion as conceded in the absence of the non-moving party's response, the Board considered the merits of the respondent's motion, denied it, and allowed the cancellation proceeding to continue.

In *Coach House Restaurant, Inc. v. Coach and Six Restaurants, Inc.*, 223 USPQ 176 (TTAB 1984), another cancellation proceeding, the respondent filed a motion for summary judgment, and the petitioner filed a late response. The Board declined to treat the motion as conceded. Instead, although it declined to consider the non-moving party's late response, it

addressed the motion on the merits “due to the dispositive nature of a summary judgment motion.” (*Id.* at 177).

Although the exercise of the Board’s discretion to treat a motion as conceded may be warranted in a proceeding where a party has repeatedly failed to comply with the rules (See, e.g., *Benedict v. Super Bakery, Inc.*, 665 F.3d 1263 (Fed. Cir. 2011) (Board properly exercised discretion in entering default judgment where the registrant continually failed to comply with Board orders to provide discovery over two years which hampered resolution of the conflict)), Prolacto has filed a series of timely motions and responses in this matter. Prolacto filed its own Motion for Summary Judgment in April 2019, and after the Board determined it was premature, Prolacto timely refiled it. Prolacto filed a timely response to PLM’s over-sized December 2, 2019 Cross-Motion for Summary Judgment. The record in this proceeding evidences repeated compliance with the rules and fails to justify invoking the Board’s discretion in Rule 2.127(a) to treat PLM’s dispositive Motion as conceded without considering the merits of PLM’s claims.

III. The law favors consideration of PLM’s Motion on the merits.

As the Board knows, a trial on the merits is favored over a default judgment. See, e.g., *Information Sys & Networks Corp. v. U.S.*, 994 F.2d 792, 795 (Fed. Cir. 1992). In like manner, consideration of a dispositive motion on the merits is favored over treating the motion as conceded—particularly where the non-moving party has clearly not conceded.

By filing its December 31, 2020 Response to PLM’s Cross-Motion, Prolacto has demonstrated that it does not concede PLM’s allegations of collateral estoppel and issue preclusion. Thus, even if the Board declines to consider the Prolacto’s filed Response to PLM’s identical December 2, 2019, Motion for Summary Judgment, it should at least consider the merits of PLM’s dispositive claims rather than deeming them conceded.

IV. PLM's Motion for Summary Judgment violated the Board's May 14, 2020 Order and lacks merit on its face.

The Board specifically and unequivocally ordered on May 14, 2019, that PLM was permitted to file a summary judgment motion based *only* on claim and issue preclusion. But on May 19, 2020, PLM simply refiled its December 2, 2019 Motion for Summary Judgment for Ser. Nos. 85405347, 85408561, and 78954490. Although PLM's Motion contends that the Board should grant summary judgment under "collateral estoppel and issue preclusion" (Motion at 13) based on the findings of the District Court in *Paleteria La Michoacana, Inc. v. Productos Lacteos Tocumbo S.A. De C.V.*, 69 F.Supp. 3d 175 (D.D.C. 2014) (summary judgment); 188 F.Supp. 3d 22 (D.D.C. 1016)(findings of fact and conclusions of law after bench trial), *aff'd*, 743 F.App'x 457 (D.C. Cir. 2018), PLM's brief on its face fails to support its claim of collateral estoppel and issue preclusion.

First, the District Court specifically stated that it took no position on whether the USPTO should take its findings of fact and conclusions of law into consideration when determining the outcome of Prolacto's applications. *Paleteria La Michoacana*, 188 F.Supp. 3d at 157. Thus, its findings should have no binding effect on this Board.

Second, even if the Board finds the prior litigation supports collateral estoppel regarding the standard character mark (Ser. No. 85405347, LA MICHOACANA™), PLM raises substantive issues of distinctiveness pertaining to design marks Ser. No. 85408561 and Ser. No. 85405490, that even PLM's brief reveals were never addressed by the D.C. District Court. The nature of, and the rights associated with, the standard character mark (LA MICHOACANA™) have been vigorously debated in the prior litigation. But PLM subtly implies (pp. 15-20), that the distinctiveness of two design marks (Ser. No. 85408561 and Ser. No. 8540534) has already been decided when in fact—and as illustrated by the absence of any citations to the D.C.

Court's opinion in PLM's motion and supporting memorandum itself—the distinctiveness of these two marks was neither argued nor decided in the prior litigation. Thus, in actuality, PLM seeks summary judgment on substantive issues, which Board precluded from consideration in its May 14, 2020 Order, and attempts to disguise them with a "Collateral Estoppel and Issue Preclusion" label.

Therefore, even if the Board sets aside the directive of the D.C. District Court regarding the non-binding effect of its findings of fact, and even if the Board concludes that those factual findings support collateral estoppel for LA MICHOACANA™, no collateral estoppel (issue preclusion) exists for the two design marks, and PLM's motion must collapse with regard to at least Opposition Nos. 91245908 and 91205468.

Accordingly, summary judgment pertaining to Opposition Nos. 91205466, 91205468, and 91245908 should be denied on the merits even if the Board declines to consider Prolacto's December 2019 Response.

CONCLUSION

For the foregoing reasons, Prolacto respectfully requests that the Board reconsider its January 8, 2021 Order granting summary judgment to PLM in Opposition Nos. 91205466, 91205468, and 91245908.

Respectfully submitted,

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Certificate of Service

The undersigned hereby certifies that a copy of this paper has been served upon Applicant/Opposer at their attorneys' address of record by EMAIL on this date addressed to:

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Dated: February 8, 2021.

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