

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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Mailed: October 26, 2015

Opposition No. 91221493

Shaklee Corporation

v.

Mannatech, Incorporated

The Trademark Trial and Appeal Board:

By the Board:

This case now comes up for consideration of Shaklee Corporation's ("Shaklee") motion (filed June 12, 2015) to strike the second, third, and fourth affirmative defenses from the answer and Shaklee's motion (filed July 2, 2015) to dismiss the counterclaim from the answer under Fed. R. Civ. P. 12(b)(6). Both motions are fully briefed.

As an initial matter, the Board notes that Mannatech, Inc. ("Mannatech") has withdrawn its second affirmative defense. The motion to strike will only be considered, therefore, with regard to the third and fourth affirmative defenses.

These defenses read as follows:

Affirmative Defense No. 3. The marks currently coexist without customer confusion. As such, delay in action by Opposer has caused prejudice to Applicant. Opposer's claims are barred by the equitable doctrines of laches and/or estoppel.

Affirmative Defense No. 4. The Notice of Opposition fails to state a claim upon which relief can be granted.

In support of its motion to strike, Shaklee asserts that third affirmative defense is “devoid of any factual support” and the fourth affirmative defense “is both insufficiently plead [sic] and plainly wrong on its face....”

The Board may, upon motion or by its own initiative, order stricken from a pleading any insufficient defense or any redundant, immaterial, impertinent, or scandalous matter. See Fed. R. Civ. P. 12(f). Motions to strike are not favored, and matter will not be stricken unless it clearly has no bearing upon the issues under litigation. See, e.g., *FRA S.p.A. v. Surg-O-Flex of America, Inc.*, 194 USPQ 42, 46 (SDNY 1976); *Leon Shaffer Golnick Advertising, Inc. v. William G. Pendil Marketing Co., Inc.*, 177 USPQ 401, 402 (TTAB 1977).

With regard to applicant’s affirmative defense of laches, the Board notes that such a defense is futile and, accordingly, strikes this defense. The mark which is the subject of the current proceeding was published for opposition on December 16, 2014 and, after extensions of time to oppose, Shaklee filed the instant opposition on April 14, 2015. Because laches begins to run from the time the plaintiff could take action against the registration of the mark, i.e., the date the mark is published for opposition, and because, by the very nature of an opposition proceeding, an opposition represents the prompt taking of action, there can be no laches in these circumstances. See *National Cable Television Association, Inc. v. American Cinema Editors, Inc.*, 19 USPQ2d 1424, 937 F2d 1572 (Fed. Cir. 1991).

With regard to Mannatech’s affirmative defense concerning estoppel, the Board finds Mannatech’s pleading of this bare legal conclusion to be insufficient to

give Shaklee notice of the basis therefore. “The elements of a defense should be stated simply, concisely, and directly” and “should include enough detail to give the plaintiff fair notice of the basis for the defense.” TBMP §311.02(b). Mannatech’s mere allegation of inequitable conduct does not include enough detail to give Shaklee fair notice of the basis of this defense. Thus, the affirmative defense of estoppel is hereby stricken.

If Mannatech desires to reassert its defense of estoppel in an amended answer, it may assert a proper affirmative defense. In this regard, instead of merely pleading the legal conclusion of estoppel, Mannatech should plead facts in connection with this defense which, if proven, would entitle it to prevail on this affirmative defense.

With regard to Mannatech’s fourth affirmative defense that Shaklee has failed to state a claim upon which relief can be granted, the question to be determined is whether the notice of opposition does indeed set forth facts which, if proved, would entitle Shaklee to the relief it is seeking.¹ Upon careful review of the notice of opposition, the Board finds that Shaklee has set forth sufficient allegations to establish, if proven, that it has standing to bring this proceeding and to support a pleading of likelihood of confusion under Section 2(d) of the Trademark Act.

To properly state a claim under Section 2(d), Shaklee must plead (1) that Mannatech’s mark, as applied to its goods or services, so resembles Shaklee’s

¹ A plaintiff may utilize the defendant’s assertion of failure to state a claim to test the sufficiency of its pleading by moving under Rule 12(f) of the Federal Rules of Civil Procedure to strike this defense from the answer. *S.C. Johnson & Sons, Inc. v. GAF.*, 177 USPQ 720 (TTAB 1973).

mark(s) or trade name as to be likely to cause confusion, mistake, or deception; and (2) priority of use of its pleaded mark(s). *See Hydro-Dynamics Inc. v. George Putnam & Company Inc.*, 811 F.2d 1470, 1 USPQ2d 1772, 1773 (Fed. Cir. 1987) (“The common law and the Lanham Act require that trademark ownership be accorded to the first *bona fide* user.”) (citation omitted).

In its pleading, Shaklee alleges that its rights in its pleaded mark arose prior to any alleged rights of Mannatech in the subject mark. Notice of Opposition ¶¶2 and 5. Shaklee further asserts that Mannatech’s mark so resembles its marks as to be likely, when used on or in connection with Mannatech’s goods, to cause confusion, mistake or to deceive consumers with consequent injury to Shaklee and to the public, in violation of Section 2(d) of the Lanham Act. Notice of Opposition ¶25 and conclusion paragraph. These allegations are sufficient to assert a claim of priority and likelihood of confusion. Mannatech’s defense of failure to state a claim is, therefore, without merit and will be stricken.

The Board turns to Shaklee’s motion to dismiss the counterclaim.

A motion to dismiss for failure to state a claim upon which relief can be granted is a test solely of the legal sufficiency of a complaint. *Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc.*, 988 F.2d 1157, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993). For purposes of determining a motion to dismiss for failure to state a claim upon which relief can be granted, all of plaintiff’s well-pleaded allegations must be accepted as true, and the complaint must be construed in the light most favorable to plaintiff. *Id.* The tenet that a court must

accept as true all of the allegations contained in a complaint is inapplicable to legal conclusions. Threadbare recitals of the elements of a cause of action, supported by mere conclusory statements, do not suffice. Only a complaint that states a plausible claim for relief survives a motion to dismiss. *See Ashcroft v. Iqbal*, 129 S. Ct. 1937, 1949-50 (2009), *citing Bell Atlantic Corp. v. Twombly*, 550 U.S. 554, 555-56 (2007). To survive a motion to dismiss, a complaint must contain “enough facts to state a claim to relief that is plausible on its face.” *Bell Atlantic Corp. v. Twombly*, 550 U.S. at 570. The pleading must be examined in its entirety, construing the allegations therein so as to do justice. Fed. R. Civ. P. 8(e); *see also Otto Int’l Inc. v. Otto Kern GmbH*, 83 USPQ2d 1861, 1862 (TTAB 2007). Whether a plaintiff can actually prove its allegations is a matter to be determined not upon motion to dismiss, but rather at final hearing or upon summary judgment. *Advanced Cardiovascular Systems*, 26 USPQ2d at 1041.

Shaklee asserts that Mannatech fails to sufficiently plead the grounds of abandonment and misrepresentation of source.

After carefully reviewing the counterclaim, the Board finds that Mannatech has failed to sufficiently plead its abandonment claim in paragraphs 1-12 and 17-20 of the counterclaim. A pleading of nonuse without intent to resume use is an adequate allegation of abandonment. Trademark Act § 45. While Mannatech alleges that the YOUTH mark is not being used as a trademark, it does not allege that there is a lack of use with no intent to resume. In the event Mannatech wishes

to amend the counterclaim to assert a proper claim of abandonment, it is allowed to do so by this order.

With regard to the claim of misrepresentation of source, the Board similarly finds that Mannatech has failed to adequately plead this ground. A claim of misrepresentation of source requires that Shaklee deliberately sought to pass its goods as those of Mannatech. J. Thomas McCarthy, *3 McCarthy on Trademarks*, §20:60 (4th Ed., 2015 revision). In this instance, Mannatech has failed to allege this element of the claim. Mannatech states in its brief in response to the motion that “Contrary to Opposer’s claims, Applicant has not claimed the Opposer is ‘passing off’ Applicant’s goods, but instead demonstrated a claim of false advertising in the pleadings of the Counterclaim....” Mannatech is reminded that the Board has limited jurisdiction to decide matters related to registrability only, and does not have jurisdiction over claims of false advertising. The claim is misrepresentation of source is dismissed.

In view of the foregoing, Shaklee’s motion to strike and motion to dismiss are granted.

Mannatech is allowed until **November 27, 2015** to, if warranted, file an amended answer and counterclaim which sufficiently sets forth an affirmative defense of estoppel and a proper claim of abandonment in accordance with this order. Opposer is allowed until **December 31, 2015** to respond to an amended answer and counterclaim, if one is served, or to respond to the answer and

counterclaim currently of record, if no amended answer and counterclaim is served.

Proceedings are now resumed. All remaining dates are reset as follows:

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| Deadline for discovery conference: | January 31, 2016 |
| Discovery opens: | January 31, 2016 |
| Initial disclosures due: | March 1, 2016 |
| Expert disclosures due: | June 29, 2016 |
| Discovery closes: | July 29, 2016 |
| Opposer's pretrial disclosures due: | September 12, 2016 |
| Opposer's 30-day testimony period as plaintiff in the opposition to close: | October 27, 2016 |
| Applicant's pretrial disclosures due: | November 11, 2016 |
| Applicant's 30-day testimony period as defendant in the opposition and as plaintiff in the counterclaim to close: | December 26, 2016 |
| Opposer's pretrial disclosures for rebuttal in the opposition and as defendant in the counterclaim due: | January 10, 2017 |
| Opposer's 30-day testimony period as defendant in the counterclaim and for rebuttal as plaintiff in the opposition to close: | February 24, 2017 |
| Applicant's rebuttal disclosures as plaintiff in the counterclaim due: | March 11, 2017 |
| Applicant's 15-day rebuttal testimony period as plaintiff in the counterclaim to close: | April 10, 2017 |
| Brief for opposer as plaintiff in the opposition due: | June 9, 2017 |
| Brief for applicant as defendant in the opposition and as plaintiff in the counterclaim due: | July 9, 2017 |
| Brief for opposer as defendant in the counterclaim and reply brief, if any, as plaintiff in the opposition due: | August 8, 2017 |
| Reply brief, if any, for applicant as plaintiff in the counterclaim due: | August 23, 2017 |

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.