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

Proceeding	91221493
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

SHAKLEE CORPORATION	:	MANNATECH’S MOTION TO
	:	STRIKE AFFIRMATIVE DEFENSES
	:	
Opposer,	:	Opposition No. 91221493 (parent case)
	:	(Application Ser. No. 86/128,507)
v.	:	
	:	Opposition No. 91223820
MANNATECH, INCORPORATED	:	(Application Ser. No. 86/128,470)
	:	
Applicant.	:	Opposition No. 91223821
	:	(Application Ser. No. 86/128,560)

**REPLY TO SHAKLEE’S RESPONSE TO MANNATECH’S MOTION TO STRIKE  
AFFIRMATIVE DEFENSE**

Opposer responded to Mannatech’s Motion to Strike Affirmative Defense arguing:

1. The defenses of laches and acquiescence are available in trademark cancelation proceedings by statute, including those proceedings based on alleged abandonment.
2. Shaklee has adequately pled the necessary factual allegations to support the defenses of laches and acquiescence.

Opposer’s Response mischaracterizes and misapplies precedential law with respect to asserting the affirmative defense of laches and/or acquiescence in a trademark cancellation based on abandonment. Notwithstanding the inapplicability of Opposer’s affirmative defenses, Opposer fails to provide sufficient factual allegations to establish the defenses of laches or acquiescence. As such, Opposer’s Response fails to raise any issues that change the conclusion that Opposer’s affirmative defenses as alleged in ¶ 21 and ¶ 26 of its Answers, should be stricken under Federal Rule of Civil Procedure 12(f). Mannatech explains below in more detail why the defense should be stricken.

**A. Opposer’s Affirmative Defenses Are Inapplicable as a Matter of Law**

Opposer's Response erroneously contends that the defenses of laches and acquiescence are available in trademark cancellation proceedings by statute, including those proceedings based on alleged abandonment. *See* Opposer's Response at 1-3 (citing 15 U.S.C. § 1069; *Pro-Football Inc. v. Harjo*, No. 99-1385, 2000 WL 1923326, at \*7 (D.C. Cir. 2000); *Pro-Football, Inc. v. Harjo*, 415 F.3d 44, 48 (D.C. Cir. 2005); *Bridgestone/Firestone Research, Inc. v. Auto Club De L'Ouest De La France*, 245 F.3d 1359, 1360-61). To the contrary, such equitable defenses are not always available as Opposer contends. The Trademark Trial and Appeal Board Manual of Procedure specifically states: "[e]quitable defenses may not be available against certain grounds for opposition or cancellation or under certain circumstances. For example, the availability of laches and acquiescence is severely limited in opposition and cancellation proceedings." TBMP 311.02(b). Moreover, the Trademark Trial and Appeal Board and the courts have routinely held that where there is a broader public concern at issue, certain equitable defenses such as laches do not apply in cancellation proceedings. *See Empresa Cubana Del Tabaco v. Culbro Corp.*, 213 F. Supp. 2d 247, 266-67 (S.D.N.Y. 2002); *Linville v. Rivard*, 41 USPQ2d 1731, 1733 n. 5 (TTAB 1997), *aff'd on other grounds*, 133 F.3d 1446, 45 USPQ 1374 (Fed. Cir. 1998); *In re Berman Bros. Harlem Furniture Inc.*, 26 USPQ2d 1514, 1515 (TTAB 1993); *TBC Corp. v. Grand Prix Ltd.*, 12 U.S.P.Q.2d 1311 (T.T.A.B. 1989); *Bausch & Lomb, Inc. v. Leupold & Stevens Inc.*, 1 USPQ2d 1497, 1499 (TTAB 1986); *Int'l Assn. of Fire Chiefs, Inc. v. H. Marvin Ginn Corp.*, 225 USPQ 940, 947 (TTAB 1985), *rev'd on other grounds*, 782 F.2d 987, 228 USPQ 528 (Fed. Cir. 1986).

Moreover, the cases cited by Opposer do not support its contention that the defenses of laches and acquiescence are available in trademark cancellation proceedings based on alleged abandonment. Instead, Opposer attempts to broaden the scope of the cited case law, which solely involves the application of laches in cancellation petitions founded on Lanham Act § 2(a), to

encompass cancellation proceedings on the grounds of abandonment. For example, in *Bridgestone/Firestone Research Inc. v. Automobile Club de l'Ouest de la France*, 245 F.3d 1359 (Fed. Cir. 2001), the French auto club responsible for the Le Mans race petitioned to cancel Bridgestone/Firestone's registration of LE MANS for tires under § 2(a) of the Lanham Act, for allegedly falsely suggesting a connection with the auto club and the club's sponsorship of that race. *Bridgestone/Firestone Research Inc. v. Automobile Club de l'Ouest de la France*, 245 F.3d 1359, 1360 (Fed. Cir. 2001). In *Bridgestone*, the Court held that the laches defense may be applied to cancellation petitions founded on Lanham Act § 2(a). Quite to the contrary, that is not the issue here. The other cases, *Pro-Football, Inc. v. Harjo*, 57 U.S.P.Q.2d 1140 (D.C. Cir. 2000) and *Pro-Football, Inc. v. Harjo*, 415 F.3d 44 (D.C. Circuit 2005), also relate to § 2(a) of the Lanham Act and whether laches applies to a § 2(a) disparagement challenge. As previously stated, whether laches applies under § 2(a) of the Lanham Act is not an issue in these proceedings.

Contrary to Opposer's Response, the defenses of laches and acquiescence are inapplicable, as a matter of law, to a counterclaim for cancellation on the grounds of abandonment of a trademark. *See* Mannatech's Motion to Strike at 2-3; *Linville v. Rivard*, 41 USPQ2d 1731, 1733 n. 5 (TTAB 1997), *aff'd on other grounds*, 133 F.3d 1446, 45 USPQ 1374 (Fed. Cir. 1998) ("The equitable defenses of laches, estoppel and acquiescence are unavailable against a ground of abandonment."); *TBC Corp. v. Grand Prix Ltd.*, 12 U.S.P.Q.2d 1311 (T.T.A.B. 1989) ("Where the proposed ground for cancellation is abandonment, equitable defenses should be unavailable for the same reason they have been held unavailable when the ground asserted is descriptiveness or fraud. It is in the public interest to remove abandoned registrations from the register."); *Emmpresa Cubana Del Tabaco v. Culbro Corp.*, 213 F. Supp. 2d 247, 266-67 (S.D.N.Y. 2002) (There is no question that in actions before the PTO, equitable defenses such as the ones General Cigar asserts

here [estoppel, acquiescence, and laches] are unavailing against cancellation claims based on abandonment. The only question is whether that rule also applies when the cancellation proceeding is brought before a court . . . . [T]he policy reasons that the PTO bars equitable defenses against cancellation proceedings involving abandoned marks apply equally whether the case is before that body or a federal court.”); 3 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, § 20:36, at 20-105 to 106 (2015) (“The equitable defenses of laches and estoppel are not available as against claims of fraud and abandonment. The public policy of removing such registrations overcomes any equitable defense. However, such equitable defenses are available against a claim of false suggestion of connection under §2(a).”).

**B. Opposer’s Affirmative Defenses are Inadequately Pled**

Opposer’s Answer fails to provide sufficient factual allegations to establish the defenses of laches or acquiescence, even if such defenses were legally available. Further, its Response fails to demonstrate that it did adequately plead either defense. To the contrary, Opposer’s Response demonstrates that the required elements of its defenses are not present.

1. Opposer’s Affirmative Defense of Laches

Opposer’s Response fails to identify how the delay was unreasonable. Moreover, Opposer’s Response fails to identify the resulting material prejudice due to the delay. Mere delay in asserting a trademark-related right is insufficient to establish the defense of laches. There must also have been some detriment due to the delay. *See Advanced Cardiovascular Sys. v. Scimed Life Sys.*, 988 F.2d 1157, 1161 (Fed. Cir. 1993). Two general categories of prejudice may flow from an unreasonable delay: prejudice at trial due to loss of evidence, unavailability of witnesses, or fading memory of witnesses, and economic prejudice based on loss of time or money or foregone opportunity that likely would have been prevented by an earlier suit. *Hall v. FADR Int’l*, 96-1012,

1998 U.S. App. LEXIS 5952, at \*7-10 (Fed. Cir. 1998). Opposer’s Response attempts to rely on its filing of a Statement of Use for its YOUTH mark as a means of prejudice, “that it might not have taken had Mannatech not slept on its rights.” See Opposer’s Response at 3. Opposer’s contention is nothing more than a red herring to attempt to obfuscate this issue.

2. Opposer’s Affirmative Defense of Acquiescence

Likewise, Opposer’s Response fails to identify an affirmative act by Mannatech that conveys implied consent to Opposer. Instead, Opposer’s Response merely relies on Mannatech’s passive consent, i.e. silence and inaction, to imply its acquiescence. Such passive consent is insufficient to establish acquiescence as a matter of law. See *Hitachi Metals Int’l, Ltd. v. Yamakyu Chain Kabushiki Kaisha*, 209 U.S.P.Q. 1057 (Trademark Trial & App. Bd. 1981) (emphasizing that acquiescence is founded on conduct of a plaintiff that “expressly or by clear implication, assents to, encourages, or furthers the activity now objected to,” while laches is “based upon silence over an inordinate period of time after knowledge of a conflicting use of similar mark.”); *Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F.3d 455, 462 (4th Cir. 1996) (“[A]cquiescence implies active consent, while laches implies a merely passive consent.”); *Coach House Rest., Inc. v. Coach & Six Rests., Inc.*, 934 F.2d 1551, 1558 (11th Cir. 1991) (emphasizing an element of acquiescence is proof that a party “actively represented that it would not assert a right or claim”); *Creative Gifts, Inc. v. UFO*, 235 F.3d 540, 547-48 (10th Cir. 2000).

**C. Conclusion**

For the reasons set forth herein, Mannatech respectfully requests that the Board strike Opposer’s affirmative defenses of laches and/or acquiescence.

Dated: March 4, 2016

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on the 4th day of March, 2016 service of **REPLY TO SHAKLEE'S RESPONSE TO MANNATECH'S MOTION TO STRIKE** was made to the following attorney for Opposer *via* First Class Mail:

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By: /Sanford E. Warren, Jr./  
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