

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451
General Contact Number: 571-272-8500

Mailed: February 3, 2016

Opposition No. 91221418 (Parent Case)
Opposition No. 91221888

SALUS Haus Dr. med. Otto Greither Nachf.
GmbH & Co. KG

v.

Mad Maverick, LLC

Opposition No. 91222545

Mad Maverick, LLC

v.

SALUS Haus Dr. med. Otto Greither Nachf.
GmbH & Co. KG

**M. Catherine Faint,
Interlocutory Attorney:**

Pursuant to Fed. R. Civ. P. 26(f) and Trademark Rules 2.120(a)(1) and (2), the parties to this proceeding conducted a discovery conference on January 21, 2016 with Board participation. Mad Maverick, LLC (Mad Maverick) requested Board participation in the conference via ESTTA about January 19, 2016. Participating in the conference were counsel for Salus Haus R. med. Otto Greither Nachf. GmbH & Co. KG's (Salus) counsel, Cynthia J. Lee, Atty., and Mad Maverick's counsel, Shane

Percival, Atty.¹ This order memorializes what transpired during the conference as well as providing additional guidance for both parties.

The Board asked if the parties were involved in any other Board proceeding (to determine whether consolidation was appropriate) or in litigation in court (to determine whether suspension was appropriate). The Board was informed that the parties were not so involved.

The parties had not yet discussed settlement in depth, but were to continue immediately after the discovery conference to discuss possible settlement options.

I. Courtesy copies via email

The parties discussed the email service option now available under Trademark Rule 2.119(b)(6) (“Electronic transmission when mutually agreed upon by the parties.”). The parties did not agree to this option, but contemplate that service will normally be made via U.S. Mail, and did agree to provide courtesy copies via email when any paper is served.

II. Board’s Standard Protective Order

The Board advised the parties that the Board’s standard protective order is in place in this case governing the exchange of confidential and proprietary information and materials. Salus Haus’ attorney suggested the addition of a “clawback” provision and Mad Maverick agreed in principle. Ms. Lee will draft the revised protective order and provide it to Mad Maverick’s counsel for signature. The parties expect to provide the Board with the executed protective order prior to

¹ Also participating in the teleconference were Wesley A. Roberts for Salus and Craig Neugeboren, Atty. for Mad Maverick.

serving any discovery. The parties are reminded that if they substitute an agreed-upon protective order, it must be signed by counsel for both sides and submitted to the Board for approval.

III. Pleadings/Scope of Discovery

A. Salus Haus Pleadings in Opposition Nos. 91221418 and 91221888

With regard to the pleadings, the Board noted that Salus Haus is alleging priority and likelihood of confusion under Trademark Act § 2(d) in Opposition Nos. 91221418 and 91221888. A copy of Salus Haus' pleaded registration was attached to the pleadings, but it was not a status and title copy. However, as Mad Maverick has alleged a counterclaim against Salus Haus' pleaded registration, the registration is of record by virtue of the counterclaim.

B. Mad Maverick's Counterclaim in Opposition No. 91221888

By its order of December 28, 2015, the Board construed Mad Maverick's counterclaim in the parent proceeding. Mad Maverick has alleged essentially the same counterclaim in Opposition No. 91221888, and the Board regards the counterclaim as redundant.

C. Mad Maverick's Pleading as Plaintiff in Opposition No. 91222545

Mad Maverick is in the position of plaintiff in Opposition No. 91222545, and has pleaded claims of priority and likelihood of confusion under Trademark Act § 2(d), false suggestion of a connection and deceptiveness under Trademark Act § 2(a) and dilution under Trademark Act § 43(c). While the Board finds the claim of

priority and likelihood of confusion to be adequately pled, but the claims of false suggestion of a connection, deceptiveness and dilution are insufficient.

Trademark Act § 2(a) provides in pertinent part:

No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it —

(a) Consists of or comprises ... deceptive ... matter; or matter which may ... falsely suggest a connection with persons, living or dead

15 U.S.C. § 1052(a).

To properly plead a Section 2(a) claim of false suggestion of a connection, a plaintiff must allege the following:

1. defendant's mark is the same or a close approximation of the name or identity of a person or institution;
2. defendant's mark would be recognized as such by purchasers, in that the mark points uniquely and unmistakably to the person or institution named or identified;
3. the person or institution named or identified is not connected with the goods sold or activities performed by the defendant under the mark; and,
4. the name or identity of the person or institution identified is of sufficient fame or reputation that when the defendant's mark is used in connection with its goods or services, a connection with the person or institution identified would be presumed.

In re Nieves & Nieves, LLC, 113 USPQ2d 1629, 1632-33 (TTAB 2015) (*citing inter alia*, *Univ. of Notre Dame du Lac v. J.C. Gourmet Food Imps. Co.*, 703 F.2d 1372, 217 USPQ 505, 509 (Fed. Cir. 1983) and *Bd. of Trs. v. Pitts*, 107 USPQ2d 2001, 2025 (TTAB 2013)). Fundamental to a pleading of false suggestion of a connection under Trademark Act § 2(a) is the “initial and critical requirement” that the identity being appropriated is unmistakably associated with the person or institution identified.

Springs Indus., Inc. v. Bumblebee Di Stefano Ottina & C.S.A.S., 222 USPQ 512, 514 (TTAB 1984) (quoting *Univ. of Notre Dame*, 217 USPQ at 509).

A claim of deceptiveness under Trademark Act § 2(a) must be deceptiveness as to the nature or meaning of the mark in relation to the services, not a parties' alleged actions in using or attempting to use a mark. See e.g., *In re Budge Mfg. Co.*, 857 F.2d 773, 775, 8 USPQ2d 1259, 1260 (Fed. Cir. 1988).

A claim of dilution by blurring under Lanham Act § 43(c), 15 U.S.C. § 1125(c), requires that a plaintiff plead and prove the following in a Board proceeding:

- (1) plaintiff owns a famous mark that is distinctive;
- (2) defendant is using a mark in commerce that allegedly dilutes plaintiff's famous mark;²
- (3) defendant's use of its mark began after plaintiff's mark became famous; and
- (4) defendant's use of its mark is likely to cause dilution by blurring.

Coach Servs., 101 USPQ2d at 1723-24.

However, a review of the notice of opposition does not show any legally sufficient pleading of these claims beyond the mention of the claims in the ESTTA cover sheet. Mad Maverick must do more than merely mention the grounds in the cover sheet. See *Embarcadero Techs., Inc. v. RStudio, Inc.*, 105 USPQ2d 1825, 1827 n.2, (TTAB 2013) (content of ESTTA cover sheet is read in conjunction with notice of opposition as integral component, but mere mention of ground for opposition therein insufficient for pleading claim).

² While Mad Maverick alleges its mark has "acquired distinctiveness" this is not the same as alleging the mark is famous. See *New York Yankees P'ship v. IET Prods. & Servs., Inc.*, 114 USPQ2d 1497, 1502 (TTAB 2015).

In view thereof, the claims of false suggestion of a connection and deceptiveness pursuant to Trademark Act § 2(a) and dilution pursuant to Trademark Act § 43(c) are hereby **stricken**.

The Board, however, freely grants leave to amend pleadings found, upon challenge under Fed. R. Civ. P. 12(b)(6), to be insufficient, particularly where the pleading is the initial pleading. In view thereof, Mad Maverick is allowed until **THIRTY DAYS** from the date of the discovery conference to file an amended notice of opposition that properly pleads the claims, failing which the opposition will go forward on the pleadings as construed herein. As discussed during the discovery conference, if Mad Maverick wishes to amend the pleadings to add a claim under Trademark Act § 18, Mad Maverick must file a motion briefing the proposed amended pleading.

Salus Haus has **SIXTY DAYS** from the date of the discovery conference to file an answer in accordance with this order as noted below.

D. Salus Haus Answer and Affirmative Defenses in Opposition No. 91222545

Salus Haus answered the notice of opposition denying the salient allegations in the complaint, asserted seven “affirmative defenses,” and a “counterclaim” in the alternative for restriction of the goods in *Mad Maverick’s* pending application Serial No. 86368933. After a review of these with counsel during the discovery conference, the Board determined the following.

The Board finds Salus Haus’ Sixth Affirmative Defense of Priority is more in the nature of an amplification of denials, and has not stricken the defense.

Pursuant to Fed. R. Civ. P. 12(f), however, the Board may sua sponte order stricken from a pleading any insufficient or impermissible defense, or any redundant, immaterial, impertinent or scandalous matter. *See* Trademark Rule 2.116(a); and TBMP § 506.

1. Salus Haus' First Affirmative Defense

By its First Affirmative Defense, Salus Haus alleges Mad Maverick has failed to state a claim upon which relief may be granted. As the Board noted previously in this consolidated case, the asserted defense is not a true affirmative defense. *See Hornblower & Weeks Inc. v. Hornblower & Weeks Inc.*, 60 USPQ2d 1733, 1738 n.7 (TTAB 2001). Further, the striking of the defense that a complaint fails to state a claim upon which relief could be granted may be appropriate when the legal sufficiency of the plaintiff's pleading is readily apparent. *See 5C Wright & Miller*, § 1381 (Westlaw 2016).

The Board has already determined that Mad Maverick has sufficiently alleged standing and its claim of priority and likelihood of confusion in this opposition.

In view thereof, the First Affirmative Defense is **stricken**.

2. Salus Haus' Second, Third, Fourth and Fifth Affirmative Defenses of Waiver, Laches, Estoppel and Unclean Hands

Salus Haus' Second, Third, Fourth and Fifth Affirmative Defenses are equitable ones of waiver laches, estoppel and unclean hands. However, Salus Haus has not alleged any facts to support these "defenses," making only bare allegations.

Affirmative defenses, like claims in a notice of opposition, 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 primary purpose of pleadings “is to give fair notice of the claims or defenses asserted”); *see also* TBMP § 311.02(b). Also each pleading must stand on its own.

While the Lanham Act provides that equitable principles of waiver, laches, estoppel and waiver, where applicable, may be considered and applied in all inter partes proceedings, such defenses “must be tied to a party’s registration of a mark[and] not to a party’s use of the mark.” *Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes, Inc.*, 971 F.2d 732, 734, 23 USPQ2d 1701, 1703 (Fed. Cir. 1992) (emphasis in original). *See also* 15 U.S.C. § 1069. Thus, in a trademark opposition or cancellation proceeding, wherein a plaintiff’s objection “is to the rights which flow from registration of the mark,” delay is measured no earlier than the date the involved mark is published for opposition. *See Nat’l Cable Television Ass’n, Inc. v. American Cinema Eds., Inc.*, 937 F.2d 1572, 1581-82, 19 USPQ2d 1424, 1432 (Fed. Cir. 1991).

A defense of unclean hands must be supported by specific allegations of misconduct by a plaintiff that, if proved, would prevent the plaintiff from prevailing on its claim. *See Midwest Plastic Fabricators, Inc. v. Underwriters Labs., Inc.*, 5 USPQ2d 1067, 1069 (TTAB 1987). Furthermore, the misconduct must be related to the plaintiff’s claim. *See Tony Lama Co., Inc. v. Di Stefano*, 206 USPQ 176, 179 (TTAB 1980).

Here, the involved application was published for opposition on February 24, 2015, and after an extension of time to oppose was filed, the notice of opposition was filed within the time allowed on June 23, 2015. *See* Trademark Rule 2.196. As the notice of opposition was timely filed, there has been no undue delay and Salus Haus cannot rely on conduct that occurred prior to the date the mark was published for opposition to the subject defenses. *See Panda Travel, Inc. v. Resort Option Ents., Inc.*, 94 USPQ2d 1789 (TTAB 2009); *Bausch & Lomb Inc. v. Karl Storz GmbH & Co. KG*, 87 USPQ2d 1526, 1531 (TTAB 2008); *Dak Indus. Inc. v. Daiichi Kosho Co. Ltd.*, 25 USPQ2d 1622 (TTAB 1992).

In view thereof, Salus Haus' Second, Third, Fourth and Fifth Affirmative Defenses are **stricken**.

3. Salus Haus' Seventh Affirmative Defense of Reservation of Rights

Salus Haus "reserves the right" to amend its answer at some future date to add additional affirmative defenses. A defendant cannot reserve some unidentified defenses, because such a "reservation" does not provide plaintiff with fair notice of any such defenses. Whether or not Salus Haus may, at some future point, add an affirmative defense would be resolved by way of a motion to amend for Board approval. *See* Fed. R. Civ. P. 15(a).

Accordingly, Salus Haus' Seventh Affirmative Defense is hereby **stricken**.

4. Salus Haus' "Counterclaim" for Restriction of Goods under Section 18 in Mad Maverick's Pending Application Serial No. 86368933

Salus Haus seeks to restrict the goods in Mad Maverick's pending application Serial No. 86368933 essentially seeking to except "medical liniments" from the goods.

In order to prevail on a request to limit an identification of goods or services under Section 18 of the Trademark Act, a party must "plead and prove a ground for opposition or cancellation" and the proposed restrictions will be permitted "only if they [are] 'commercially significant.'" *Eurostar Inc. v. "Euro-Star" Reitmoden GmbH & Co. KG*, 34 USPQ2d 1266, 1270 (TTAB 1995). Further, while the subject application published for opposition on January 13, 2015, an application may not be "cancelled." *See* Trademark Act § 13, 15 U.S.C. § 1063. *See also Texas Dept. of Transp. v. Tucker*, 95 USPQ2d 1241, 1242 n.5 (TTAB 2010) (noting "no such procedure exists" for filing counterclaim in opposition to pending application).³ While Salus Haus' counsel authorized charges to its deposit account, as the counterclaim may not be instituted, no fee has been charged.

In view thereof, Salus Haus "counterclaim" is **stricken**.

As discussed during the discovery conference, Salus Haus has **SIXTY DAYS** from the date of the discovery conference to file an amended answer. If Salus Haus wishes to amend the pleadings to plead a restriction of pending applications under Trademark Act § 18, Salus Haus must file a motion to amend the pleadings briefing the proposed amendment.

³ The proper procedure is to file a notice of opposition, which Salus Haus has done as the application is the subject of Opposition No. 91221888, which is part of this consolidated case.

IV. Discovery

There was some discussion of ways to possibly streamline discovery. The parties believe that the usual discovery rules will suffice for this proceeding. The parties also entered the following stipulation into the record:

The parties stipulate that any responsive but privileged documents dated April 8, 2015 and thereafter need not be placed on a privilege log exchanged between the parties.

The parties are reminded that the Board is an administrative tribunal that determines the registrability of trademarks. If the case should progress so far, the parties should be mindful when submitting trial evidence to the Board that the better practice is to focus on supporting, only to the extent required by the pertinent burden of proof, the facts to be established.

V. Accelerated Case Resolution (“ACR”)

The Board encourages settlement of matters between the parties and the parties are continuing to discuss settlement at this time. While the Board does not conduct settlement conferences, there is an ACR procedure available. The Board explained that the ACR procedure is an expedited procedure for obtaining a final decision from the Board. In order to pursue ACR, the parties must stipulate that the Board can make findings of fact. The parties may review the more detailed information about ACR at the Board’s website. The parties may also enter other stipulations, as discussed, to streamline the trial procedure or final decision.

VI. Initial Disclosures

Pursuant to the Board's rules, neither the exchange of discovery requests nor the filing of a motion for summary judgment, except on the basis of res judicata or lack of Board jurisdiction, can occur until the parties have made their initial disclosures, as required by Fed. R. Civ. P. 26(f). The Board clarifies that under Trademark Rule 2.120(a)(3), "A party must make its initial disclosures prior to seeking discovery, absent modification of this requirement by a stipulation of the parties approved by the Board, or a motion granted by the Board, or by order of the Board." Thus once an individual party has made its initial disclosures it may serve discovery, even if the other party has not yet served its initial disclosures. The Board views this as a means to aid settlement discussions between the parties.

VII. Other Issues

In its request for Board participation in the discovery conference, Mad Maverick raised a few other issues which were addressed during the discovery conference.

Footnote 1 in the Board's order of December 28, 2015 is hereby amended to note that the Board's order of August 24, 2015 ordered Salus Haus' Section 18 counterclaim be stricken.

As discussed during the discovery conference, to the extent Mad Maverick wishes to amend the pleadings to add a defense of judicial estoppel, Mad Maverick is allowed until **THIRTY DAYS** from the date of the discovery conference to submit an amended pleading together with a motion briefing the proposed amendment.

VIII. Schedule

Mad Maverick is allowed until **THIRTY DAYS** from the date of the discovery conference to file an amended notice of opposition that properly pleads the claims, failing which the opposition will go forward on the pleadings as construed herein. As discussed during the discovery conference, if Mad Maverick wishes to amend the pleadings to add a claim under Trademark Act § 18, or to add a defense of judicial estoppel, Mad Maverick must file a motion briefing the proposed amended pleading.

Also, as discussed during the discovery conference, Salus Haus has **SIXTY DAYS** from the date of the discovery conference to file an amended answer. If Salus Haus wishes to amend the pleadings to plead a restriction of pending applications under Trademark Act § 18, Salus Haus must file a motion to amend the pleadings briefing the proposed amendment within the same SIXTY DAY timeframe.

The parties are reminded that amended pleadings are filed only in the Opposition proceeding to which they pertain. All other motions and filings are filed in the parent case.

If either party files any motions briefing proposed amendments to the pleadings, counsel for the party should telephone the Interlocutory Attorney to notify her of the filing.

Dates are otherwise reset as set out below.

Amended Pleading by Mad Maverick, if any, Due	February 20, 2016
Amended Answer by Salus, if any, Due	March 21, 2016
Discovery Opens	April 20, 2016

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Initial Disclosures Due	May 20, 2016
Expert Disclosures Due 2016	September 17,
Discovery Closes	October 17, 2016
Pretrial Disclosures for Salus, as plaintiff in Opposition Nos. 91221418 and 91221888, due	December 1, 2016
30-day testimony period for Salus, as plaintiff in Opposition Nos. 91221418 and 91221888, to close	January 15, 2017
Pretrial Disclosures for Mad Maverick, as plaintiff in Opposition No. 91222545, due	January 30, 2017
30-day testimony period for Mad Maverick, as plaintiff in Opposition No. 91222545, to close	March 16, 2017
Mad Maverick's Pretrial Disclosures, as defendant in Opposition Nos. 91221418 and 91221888 and as counterclaim plaintiff in Opposition No. 91221418, due	March 31, 2017
30-day testimony period for Mad Maverick, as defendant in Opposition Nos. 91221418 and 91221888 and as counterclaim plaintiff in Opposition No. 91221418, to close	May 15, 2017
Salus' Pretrial Disclosures, as Counterclaim Defendant in Opposition No. 91221418 and as defendant in Opposition No. 91222545, and rebuttal disclosures as Plaintiff in Opposition Nos. 91221418 and 91221888, Due	May 30, 2017
30-day testimony period for Salus, as counterclaim defendant in Opposition No. 91221418 and defendant in Opposition No. 91222545, and rebuttal testimony, as plaintiff in Opposition Nos. 91221418 and 91221888, to close	July 14, 2017

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Mad Maverick's Rebuttal Disclosures, as Counterclaim Plaintiff in Opposition No. 91221418 and as Plaintiff in Opposition No. 91222545, Due	July 29, 2017
15-day rebuttal period for Mad Maverick, as counterclaim plaintiff in Opposition No. 91221418 and as plaintiff in Opposition No. 91222545, to close	August 28, 2017
Brief for Salus, as plaintiff in Opposition Nos. 91221418 and 91221888, Due	October 27, 2017
Brief for Mad Maverick, as plaintiff in Opposition No. 91222545, Due	November 26, 2017
Brief for Mad Maverick, as defendant in Opposition Nos. 91221418 and 91221888 and as counterclaim plaintiff in Opposition No. 91221418, Due	December 26, 2017
Brief for Salus, as counterclaim defendant in Opposition Nos. 91221418 and as defendant in Opposition No. 91222545, and reply brief, as plaintiff in Opposition Nos. 91221418 and 91221888, if any, Due	January 25, 2018
Reply brief, if any, for Mad Maverick, as counterclaim plaintiff in Opposition No. 91221418 and as plaintiff in Opposition No. 91222545, Due	February 9, 2018

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.
