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

Proceeding	91232067
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
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In the Matter of App. Ser. No.: 86/891363  
Trademark: KWIK REWARDS CLUB (stylized)  
Published: September 6, 2016

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Kwik Trip, Inc.	)	
	)	
Opposer,	)	
	)	
v.	)	Opposition No. 91232067
	)	
United Refining Company of Pennsylvania	)	
	)	
Applicant.	)	
	)	

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**OPPOSER KWIK TRIP, INC.’S REPLY BRIEF IN SUPPORT OF ITS  
MOTION FOR SUMMARY JUDGMENT**

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Applicant United Refining Company of Pennsylvania (“United Refining”) fails to present any evidence creating a genuine dispute of fact regarding the issues relevant to summary judgment. Instead, United Refining creates meaningless distinctions by re-labelling Kwik Trip’s incentive award program as a “rebate” program, wholly ignores facts that are inconvenient to its case, and relies on other marks that are irrelevant to this dispute. Nothing in United Refining’s filings alters the following dispositive facts: 1) Kwik Trip has priority because, among other things, it has used its KWIK REWARDS mark continuously since 1998, has spent tens of millions of dollars using its mark to promote its incentive award program, and has prominently displayed the mark on promotional materials viewed by hundreds of thousands of consumers; and 2) there is a likelihood of confusion because, among other things, United Refining’s KWIK REWARDS CLUB mark is

essentially identical to the KWIK REWARDS mark in every relevant way, the companies use their marks to promote identical services, the companies are in the exact same industry, and the companies use their marks in identical channels of trade. Given these undisputed facts, there is no reason for the Board to conduct a trial, and Kwik Trip's motion for summary judgment should be granted.

**I. There is No Genuine Dispute That Kwik Trip Has Priority of Rights.**

In its response, United Refining fails to present any evidence to dispute Kwik Trip's showing that its KWIK REWARDS mark has priority over United Refining's KWIK REWARDS CLUB mark. Instead, United Refining attempts to create the appearance of a dispute by imposing artificial labels on the Kwik Rewards program ("rebate program" vs. "base loyalty program"), and simply ignores Kwik Trip's evidence of *millions* of dollars in promotional expenses and *hundreds of thousands* of customer viewings of the KWIK REWARDS mark during the last 21 years.

**A. There is no genuine dispute that Kwik Trip has used the KWIK REWARDS mark continuously since 1998.**

The parties agree that to establish priority Kwik Trip must show it "established proprietary rights in the KWIK REWARDS mark prior . . . January 29, 2016 . . . ." (UR Br. at 6.) Nowhere in its brief does United Refining dispute the fact that Kwik Trip has been using the KWIK REWARDS mark to promote its Kwik Rewards incentive award program since 1998.

Instead, United Refining erroneously argues that somehow minor changes in the features of the program make a difference for purposes of priority. Prior to 2017, Kwik Trip's customers participated in the incentive award program by using a Kwik Trip credit card or debit card. (12/12/18 Decl. of Gary Gonczy ¶ 5.) United Refining labels this version of the program a "rebate program." (UR Br. at 4.) Beginning in 2017, Kwik Trip revised the program slightly so that, in United Refining's words, "the program would not be limited to holders of [Kwik Trip's] credit

and debit cards, but would be open to all customers . . . [and] the rewards to be offered to consumers . . . would not take the form of quarterly rebate checks, but rather instant discounts on the price of gas and the opportunity to earn free items . . . .” (*Id.* at 4.) United Refining labels this updated version of the Kwik Rewards program a “base loyalty program.” (*Id.*) These artificial labels, however, cannot change the substance of the services offered under the KWIK REWARDS mark continuously since 1998 – both versions of the program are incentive award programs for customers. Indeed, United Refining concedes this fact, describing the pre-2017 version of the Kwik Rewards program as “an *incentive award program* as an ancillary feature of its primary credit and debit card services.” (*Id.* at 7 (emphasis added).) And that is what matters, because United Refining is seeking to register its mark in connection with the service of “providing incentive award programs for customers.”

The minor changes in the substance of the Kwik Rewards program, on their face, merely expand the number of consumers able to use the program and make the incentive awards easier to receive. Such minor changes do not, as United Refining implies, cause an abandonment of the mark and a loss of priority. It is well-established that modernization and updating of goods or services do not cause abandonment because they are “are common and expected by buyers.” 3 McCarthy on Trademarks and Unfair Competition § 17.24 (5th ed. 2018); *see also* *Marlyn Nutraceuticals, Inc. v. Mucos Pharma GmbH & Co.*, 571 F.3d 873, 878 (9th Cir. 2009) (change in the active ingredients of dietary supplement was not an abandonment of mark); *Rick v. Buchansky*, 609 F. Supp. 1522, 1540 (S.D.N.Y. 1985) (no abandonment of musical group’s mark despite composition of the group “chang[ing] constantly of the past twenty-three years”); *E.I. du Pont de Numours and Co. v. G.C. Murphy Co.*, 199 U.S.P.Q. 807, 1978 WL 21268 at \*7 (T.T.A.B. 1978)

(change of product from premium-priced paint to budget-priced paint with different formulation did not cause abandonment).

**B. United Refining does not present evidence disputing that Kwik Trip's KWIK REWARDS mark has acquired secondary meaning.**

United Refining does not present any evidence to dispute the overwhelming evidence that the KWIK REWARDS mark has acquired secondary meaning in the Wisconsin, Iowa, and Minnesota geographic region in which Kwik Trip does business. Instead, United Refining quibbles with certain aspects of Kwik Trip's evidence and, most significantly, wholly ignores crucial portions of that evidence. As shown in Kwik Trip's opening brief and supporting declarations, there is no dispute regarding the following facts:

- Kwik Trip has used the KWIK REWARDS mark in commerce to promote its incentive awards program continuously for more than 20 years (Gonczy Decl. ¶ 6);
- Continuously since 1998, on a quarterly basis, *tens of thousands* of consumers have received awards certificates that prominently display the KWIK REWARDS mark, resulting in *millions* of consumer impressions of the mark (12/12/19 Decl. of David Jackson ¶¶ 5-11);
- From 1998 through the present, Kwik Trip has spent more than \$23 million promoting its incentive award program with award certificates that prominently display the KWIK REWARDS mark (*id.* ¶¶ 12-19);
- In 2015 alone – the year before United Refining filed its application – Kwik Trip spent more than \$5.1 million dollars distributing to tens of thousands of consumers award certificates that prominently displayed the KWIK REWARDS mark (*id.* ¶ 19);
- Continuously from 1998 to the present, Kwik Trip has always prominently displayed the KWIK REWARDS mark at each of its *several hundred* stores (Gonczy Decl. ¶ 20);
- From 1998 to the present, Kwik has typically devoted at least one page of its Internet website to a description of the Kwik Rewards program that includes repeated use of the KWIK REWARDS mark (*Id.* ¶ 8, Exs. K-S; Jackson Decl. ¶ 20); and

- Kwik Trip has periodically run television and radio advertisements in the Wisconsin, Minnesota, and Iowa markets prominently featuring the KWIK REWARDS mark (Gonczy Decl. ¶¶ 6-7).

In response, United Refining argues that Kwik Trip did not provide a consumer survey showing secondary meaning and did not identify the number of “hits” on its website. But it is well-established that the “absence of consumer surveys need not preclude a finding of acquired distinctiveness.” *Yamaha Int’l Corp. v. Hoshiro Gakki Co., Ltd.*, 840 F.2d 1572, 1583 (Fed. Cir. 1988). More important, United Refining wholly ignores Kwik Trip’s undisputed evidence of millions of consumer impressions of the mark and tens of millions of dollars of promotional expenditures prominently displaying the mark, over a more than 20-year period. This is overwhelming circumstantial evidence that the KWIK REWARDS mark has acquired secondary meaning in the Wisconsin, Minnesota, and Iowa markets. *See id.* (evidence of 8-years of continuous and exclusive use, substantial sales and promotion of products bearing the mark, and prominent use of mark in advertising was sufficient to sustain finding of secondary meaning); *see also Heartland Bank v. Heartland Home Finance, Inc.*, 335 F.3d 810, 820 (8th Cir. 2003) (“in a trademark case, circumstantial evidence may be all that is available to establish secondary meaning” and need not be “tied” to direct evidence of “an impact it may have had on consumers”).<sup>1</sup>

United Refining has failed to create any genuine dispute of fact about the priority of the KWIK REWARDS mark and, as a result, summary judgment is appropriate on this issue.

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<sup>1</sup> United Refining very briefly suggests that Kwik Trip’s use of the KWIK REWARDS marks has not been substantially exclusive because, in its view, there is evidence that others have used “virtually identical marks.” (UR Br. at 8-9.) United Refining fails to present any evidence regarding where and when those other marks were allegedly used. (*See id.*) As a result, they are irrelevant to whether Kwik Trip established secondary meaning in the Wisconsin, Minnesota, and Iowa markets prior to January 26, 2019.

## **II. There is No Genuine Dispute That There is a Likelihood of Confusion Between the Marks.**

United Refining fails to present any evidence creating a dispute of fact regarding whether a likelihood of confusion exists under the *Du Pont* factors. As a threshold matter, it is important to note that United Refining does not dispute that the similarity of the KWIK REWARDS mark and the KWIK REWARDS CLUB mark in their appearance, sound, connotation, and commercial impression weighs heavily in favor of finding a likelihood of confusion. Kwik Trip addressed this issue at length in its opening brief (KT Br. at 14-15) and United Refining failed to respond to any of Kwik Trip's arguments on this factor.

### **A. The similarity of the services weighs heavily in favor of Kwik Trip.**

In its effort to manufacture the appearance of a dispute of fact, United Refining again relies entirely on the artificial labels it places on Kwik Trip's incentive award program, asserting that Kwik Trip's so-called "credit card rebate" services are somehow different from its so-called "base loyalty program." (UR Br. at 10.) As discussed in section I.A. above, this a distinction without a difference. The changes to the Kwik Rewards program were minor and of no consequence for purposes of trademark law. Regardless of what United Refining chooses to call the Kwik Rewards program and what minor updates may have been made to it over the years, it has always been an "incentive award program," because it offers consumers financial awards as an incentive to shop at Kwik Trip. (Gonczy Decl. ¶ 5.) And there is no dispute that Kwik Trip has continuously used the KWIK REWARDS mark to identify that program. As a result, this factor continues to weigh heavily in favor of a likelihood of confusion.

### **B. The similarity of trade channels weighs heavily in favor of Kwik Trip.**

United Refining's argument regarding trade channels makes no sense. Kwik Trip correctly pointed out in its opening brief that in the absence of express limitations in the application, all

usual trade channels are presumed for the services at issue. (KT Br. at 15-16.) United Refining completely ignores that accurate discussion of the law. Instead, it focuses exclusively on the fact that United Refining and Kwik Trip currently have stores in separate geographic regions. (UR Br. at 12.) But as Kwik Trip pointed out in its opening brief, “[g]eographical separation of the parties is not relevant in an opposition.” (KT Br. at 22 (citing 3 McCarthy on Trademarks §20:15 at 20-57).) United Refining fails to address this well-established law. As a result, the similarity of trade channels continues to weigh heavily in favor of a likelihood of confusion.

**C. The lack of consumer sophistication weighs heavily in favor of Kwik Trip.**

United Refining asserts there is no likelihood of confusion because “[c]onsumer research establishes that the relevant consumers are highly sophisticated.” (UR Br. at 12.) The only “evidence” United Refining offers in support is a 2017 survey by “GasBuddy.” (*Id.*) That survey however, cannot be used to show consumer sophistication because it did not survey typical gas station consumers. On the first page of the “GasBuddy” survey it states: “GasBuddy surveyed its users to learn what drives participation in fuel loyalty programs. . . . *These are not your “average” gas consumers*, but rather some of the most avid drivers, the most frequent purchasers of fuel, and the most selective when it comes to filling up.” (UR Ex. 5, at Ex. 2 (Kramer Report) at 1 (emphasis added).) Because GasBuddy only surveyed the most sophisticated consumers, the survey cannot prove that incentive award program consumers are sophisticated. Stated differently, you cannot determine which subset of consumers are sophisticated by only surveying sophisticated consumers to begin with. *See* 6 McCarthy on Trademarks § 32:159 (“The first step in designing a survey is to determine the ‘universe’ to be studied. . . . Selection of the proper universe is a crucial step, for even if the proper questions are asked in a proper manner, if the wrong persons are asked, there results are likely to be irrelevant.”). This fatal flaw in United Refining’s “evidence” means it



cannot create a dispute of fact for purposes of this *Du Pont* factor, and this factor continues to weigh in favor of a likelihood of confusion.

**D. The fame of the KWIK REWARDS mark weighs heavily in favor of Kwik Trip.**

With respect to this *Du Pont* factor, United Refining merely rehashes its assertions that the KWIK REWARDS mark has not acquired secondary meaning. As discussed in section I.B., the evidence overwhelmingly shows the opposite. Kwik Trip has been using its mark to identify its incentive award program for more than 20 years and tens of thousands of consumers identify the mark with the program. (*See* discussion section I.B., *supra*.) As a result, this factor continues to weigh heavily in favor of a likelihood of confusion.

**E. The lack of similar marks weighs in favor of Kwik Trip.**

United Refining’s “evidence” regarding this *Du Pont* factor consists entirely of printouts from various websites that it claims use marks similar to the KWIK REWARDS mark. United Refining does not offer any evidence regarding where these marks are used. Those omissions are fatal, because the issue here is whether a likelihood of confusion would exist in the Wisconsin-Minnesota-Iowa geographic region in which Kwik Trip has priority. For example, the webpage United Refining offers for the “Kwik Stop Reward Club” program states its owner operates stores only in Nebraska and Colorado. (*See* UR Ex. 8, Pitts Decl. ¶ 12, Ex. 8-10.) Similarly, the webpage United Refining offers for the “Double Kwik Rewards” program states that the owner only operates stores in “the southeast Kentucky region.” ((UR, Ex. 8, Pitts Decl. ¶¶ 13-14, Ex. 8-11.) As a result, there is no dispute of fact and this *Du Pont* factor continues to weigh heavily in favor of Kwik Trip.

**F. The actual confusion factor remains neutral.**

United Refining's argument regarding the lack of actual confusion fails as well. First, United Refining argues there is no evidence of actual confusion since it began using the KWIK REWARDS CLUB mark in April 2016. But this is not surprising because Kwik Trip and United Refining currently operate in separate geographic regions. Indeed, in another portion of brief, United Refining argues this geographic separation means "[t]here is absolutely no possibility of consumers encountering both [marks] in the same channel of trade." (UR Br. at 12.) Thus, the *current* lack of actual confusion is meaningless. It is likelihood of actual confusion should United Refining obtaining a registration giving it rights in Wisconsin, Minnesota, and Iowa that is relevant. United Refining offers no evidence to create a dispute of fact on this issue. Thus, this factor remains neutral in the *Du Pont* analysis.<sup>2</sup>

**G. Any confusion would not be *de minimis*.**

Finally, United Refining argues that any consumer confusion would be *de minimis* because, in its view, any confusion would quickly be dispelled when the consumer tries to use its Kwik Rewards card at a United Refining gas station and discovers that the card does not work there. At that point, however, the damage would be done. The consumer would be inside United Refining's store and would likely make purchases at that store without using the Kwik Card. This is known as "initial interest confusion" and is well-established in trademark law. *See Promatek Indus., Ltd. v. Equitrac Corp.*, 300 F.3d 808, 812 (7th Cir. 2002) ("Initial interest confusion, which is actionable under the Lanham Act, occurs when a customer is lured to a product by the similarity

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<sup>2</sup> United Refining also asserts that the absence of actual confusion between the KWIK REWARDS mark and a different mark owned by United Refining, KWIK FILL, somehow weighs in its favor. (UR Br. at 16-17.) KWIK FILL is not the mark at issue and is thus irrelevant for purposes of whether actual confusion might exist.

of the mark, even if the consumer realizes the true source of the goods before the sale is consummated.”).

### **III. There are No Genuine Disputes of Fact Regarding United Refining’s Affirmative Defenses.**

United Refining’s arguments regarding its affirmative defenses also fail as a matter of law. First, United Refining contends that Kwik Trip’s purchase of the [www.kwikrewardsclub.com](http://www.kwikrewardsclub.com) domain name somehow supports a defense of “unclean hands.” But Kwik Trip has never relied on the existence of this website or communications from consumers via this website to prove the existence of a likelihood of confusion. The kwikrewardsclub.com domain name and website are irrelevant for purposes of the likelihood of confusion analysis and there is no legitimate reason why its purchase by Kwik Trip should give United Refining trademark rights to which it would otherwise not be entitled.

Second, United Refining’s arguments regarding its laches and estoppel defenses rely entirely on its KWIK FILL and KWIK FILL REWARDS CLUB marks – which are not the marks at issue in this proceeding. United Refining failed to cite any law suggesting that laches or estoppel can be established by a lack of action with respect to marks not at issue, because such law does not exist. As a result, these defenses must be dismissed as well.

Finally, United Refining’s *Morehouse* defense also must be dismissed. United Refining fails to address the law cited by Kwik Trip that “[f]or the *Morehouse* equitable defense to apply, both the mark and the goods or services in the prior registration must be substantially identical to the mark and goods or services which are the subject of the present application or registration.” (KT Br. at 20.) Here, all of the other KWIK-formative marks on which United Refining relies are different from the KWIK REWARDS CLUB mark and none of them are registered for “incentive award programs.” As a result, the *Morehouse* defense must be dismissed.

## **CONCLUSION**

For all of the reasons stated above, opposer Kwik Trip, Inc. respectfully requests that the Board grant this Motion for Summary Judgment and refuse United Refining Company of Pennsylvania's application for registration of the KWIK REWARDS CLUB mark.

Dated this 31st day of January, 2019.

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## CERTIFICATE OF SERVICE

I, Jeffrey Simmons, hereby certify that a true and correct copy of the foregoing **OPPOSER KWIK TRIP, INC.'S REPLY BRIEF IN SUPPORT OF ITS MOTION FOR SUMMARY JUDGMENT** was served via email on January 31, 2019, to the correspondent of record for Applicant as follows:

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