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

Proceeding	92044270
Party	Defendant NATURE'S WAY PRODUCTS, INC. NATURE'S WAY PRODUCTS, INC. 10 MOUNTAIN SPRINGS PARKWAY SPRINGVILLE, UT 84663
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Signature	/Robyn L. Phillips/
Date	08/29/2005
Attachments	007 Opposition.pdf (8 pages) 007 Declaration of Robyn Phillips.pdf (3 pages)

TRADEMARK CANCELLATION
File No. 10265.141

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

In the matter of United States Registration No. 1,500,164
Date of Issue: August 16, 1988
Mark: THE GOLD STANDARD

SMART CHOICE FOOD SALES, LTD., Petitioner, v. NATURE'S WAY PRODUCTS, INC., Registrant.	)	Cancellation No. 92044270 **NATURE'S WAY PRODUCTS, INC.'S MEMORANDUM IN OPPOSITION TO PETITIONER'S MOTION FOR SUMMARY JUDGMENT ON THE ISSUE OF ABANDONMENT**

I. INTRODUCTION

Registrant Nature's Way Products, Inc. ("Nature's Way") respectfully submits this Memorandum in Opposition to Petitioner's Motion for Summary Judgment on the Issue of Abandonment ("Petitioner's Motion").

Despite the fact that Nature's Way has produced evidence demonstrating its current use of the mark "THE GOLD STANDARD" (the "Mark") and a clear intent to NOT abandon the mark, Petitioner asks the TTAB to ignore highly relevant documents already produced by Nature's Way, which even Petitioner admits creates questions of fact, and decide that as a matter of law that Nature's Way has abandoned the registered Mark. Moreover, Petitioner seeks summary judgment

without having met its burden of proof as to Nature's Way's alleged abandonment of the Mark.[1] Because Petitioner has failed to meet its burden of proof relating to any alleged abandonment, Petitioner's motion should be denied.

II. FACTUAL BACKGROUND

Petitioner alleges that Nature's Way has not used the Mark in the last **two** years on the basis that Petitioner allegedly conducted an investigation which is purported to have included "a thorough review of Registrant's product literature, an examination of Registrant's products and extensive Internet searches using search engines such as Google." [Petitioner's Motion, at 1.] Further, Petitioner also allegedly contacted Nature's Way and "inquired about them any products called Gold Standard and was informed that no such name existed." [2] [Declaration of Robert Seader (Seader Decl."), ¶ 4.] Even if Petitioner's assertions are true (which they are not), such evidence does not establish abandonment as a matter of law. Further, Petitioner seeks to ignore the evidence produced by Nature's Way showing use of the Mark in 2005, by telling this court

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1 Through the present motion, Petitioner attempts to circumvent the normal discovery process including resolving any alleged discovery dispute. Petitioner has made no attempt to resolve the apparent discovery dispute using the established rules including 37 C.F.R. § 2.120(e), T.B.M.P. § 523.02, and Fed. R. Civ. P. 37. Rather than resolve discovery disputes as directed by the applicable rules, Petitioner filed its present motion. Further, Petitioner's motion fails to assert any evidence in support of its contentions and simultaneously asks the Board to ignore relevant documents produced by Nature's Way. Consequently, Petitioner, through its motion, attempts to (1) avoid its burden to show Nature's Way's alleged three year abandonment of the mark, and (2) circumvent the rules related to discovery. As an aside, Nature's Way also notes that Petitioner has failed to comply with its own discovery obligations by failing to produce documents in response to Document Requests served by Nature's Way on May 4, 2005. To date, Petitioner has failed to produce ANY documents to Nature's Way. Nature's Way will address this discovery dispute under the appropriate procedure rather than in the present motion.

2 Nature's Way uses the Mark as a secondary mark rather than as a product name itself. Therefore, it is not surprising that Nature's Way's customer service representative would be baffled by Petitioner's questions regarding a "Gold Standard Product." Petitioner has failed to produce any specific evidence regarding the call including the date and time of the alleged phone conversation. [Declaration of Robyn L. Phillips ("Phillips Decl."), ¶ 2-3.] Petitioner has also failed and/or refused to produce the name of the person allegedly spoken with at Nature's Way. [Phillips Decl., ¶ 2-3.] In fact, Petitioner has produced no objective evidence of its alleged investigation. [Phillips Decl., ¶ 2.]

that there is no evidence of current use.[3] [Petitioner's Motion, at 5.] Accordingly, Petitioner's motion should be denied.

III. ARGUMENT

A. The Summary Judgment Standard.

1. Petitioner Bears the Burden of Demonstrating the Absence of Genuine Issues of Material Fact.

"The motion for summary judgment is a pretrial device to dispose of cases in which 'the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law.'" T.B.M.P. § 528.01 (citing Fed. R. Civ. P. 56(c)); *see generally, Celotex Corp. v. Catrett*, 477 U.S. 317 (1986). "A party moving for summary judgment has the burden of demonstrating the absence of any genuine issue of material fact, and that it is entitled to judgment as a matter of law." *Id.*; *see, e.g., Copelands' Enters., Inc. v. CNV, Inc.*, 945 F.2d 1563, 1565 (Fed. Cir. 1991). "This burden is greater than the evidentiary burden at trial." *Id.; see, e.g., Gasser Chair Co., Inc. v. Infanti Chair Mfg. Corp.*, 60 F.3d 770, 773 (Fed. Cir. 1995) (in addition to proving elements of laches by preponderance of the evidence, moving party must also establish no genuine issue of material fact as to those elements).

"[E]vidence must be viewed in a light most favorable to the nonmovant and all reasonable inferences must be drawn in its favor." *Copelands' Enterp.*, 945 F.2d at 1566 (citing *United States v. Diebold, Inc.*, 369 U.S. 654, 655 (1962)). The nonmoving party "need only present evidence from which a jury might return a verdict in [its] favor." *Id.* (citing *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 257 (1986)).

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3 Petitioner admits there is a question of fact by stating "[a]s to B-2, it is not clear when the document was created or whether and when it was actually published." [Petitioner's Motion, at 5.] Just because Petitioner chooses not to do discovery to answer these questions does not mean evidence can be discarded because it is not "clear" to Petitioner.

B. Petitioner Has Not Met Its Burden To Show Non-Use By Nature's Way for the Requisite Three Year Period.

"The Lanham Act accords the presumption that a registered trademark is valid and that the holder is entitled to exclusive use of the mark." *Societe de Developments et D'Innovations des Marches Agricoles et Alimentaires-SODIMA-Union de Cooperatives Agricoles v. International Yogurt Co.*, 662 F. Supp. 839, 843 (D. Or. 1987). Further, **"[t]he burden of proof rests upon the challenger** to rebut this presumption by a preponderance of the evidence." *Id.* (citing *Vuiiton et Fils, S.A. v. J. Young Enterps, Inc.*, 644 F.2d 769 (9th Cir. 1981) (emphasis added)). The "cancellation of a valuable registration around which a large and valuable business goodwill have been built should be granted only with 'due caution and only after a most careful study of **all the facts**.'" *Id.* (citing *Rockwood Chocolate Co. v. Hoffman Candy Co.*, 372 F.2d 552, 555 (1967)) (emphasis added). "Petitioner to sustain its burden of proof, must leave nothing to conjecture." *Id.*

In the present matter, Petitioner alleges that Nature's Way has not used the Mark in the last <u>**two years**</u>[4] because it conducted an investigation which allegedly included "a thorough review of Registrant's product literature, an examination of Registrant's products and extensive Internet searches using search engines such as Google." [Petitioner's Motion, at 1.] Further, Petitioner also allegedly contacted Nature's Way and "inquired about them any products called Gold Standard and was informed that no such name existed." [Seader Decl., ¶ 4.] Despite receiving document requests from Nature's Way, Petitioner has not produced any documentary evidence supporting its contention that such a search was ever performed or that such a call was ever made. [Declaration of Robyn L. Phillips ("Phillips Decl."), ¶ 2-4.]

The "evidence" cited by Petitioner in support of its present motion leaves much to conjecture. First, we have no knowledge regarding what search engines were used, what terms

4 It should be noted that Petitioner incorrectly cited the Lanham Act as requiring nonuse for only <u>two</u> consecutive years for prima facie abandonment. [Petitioner's Motion, at 1 and 4.] Petitioner apparently did not recognize that the Lanham Act had been amended to change the period of non-use for abandonment from 2 to 3 years. [*See* 15 U.S.C. § 1127.] Accordingly, this only further illustrates the question into the factual basis relied upon by Petitioner for alleging abandonment. At a minimum, to prevail, Petitioner should be required to present some evidence that the Mark has not been in use for three years. Petitioner has failed to meet this minimum requirement because all of its arguments are based on the erroneous two year standard cited in Petitioner's Motion.

were used, when the searches were performed, and over what period of time the searches were conducted. [*See* Seader Decl., ¶ 3.] Additionally, Petitioner incorrectly assumed when citing the alleged phone call as "evidence" that Nature's Way utilized the Mark as a primary mark or as a name of a product that would be recognized by whoever answered the telephone. [Seader Decl., ¶ 4.] As Petitioner is aware, Nature's Way utilizes the Mark as a secondary mark as evidenced by the label and a 2005 publication already produced to Petitioner. [Phillips Decl., ¶ 5.] Moreover, Petitioner admits that Nature's Way has produced three (3) relevant documents that, due to Petitioner's attempt to circumvent the discovery process and lack of discovery efforts[5], Petitioner can only speculate as to the documents' significance. [Petitioner's Motion, at 2.]

Petitioner has failed to produce a single document in this matter evidencing non-use by Nature's Way. Instead, Petitioner submits the present motion with this alleged "evidence," which includes a product label and printed publication from Nature's Way both showing use of the Mark and requiring significant conjecture to arrive at Petitioner's theory of abandonment of the Mark. In fact, the only affirmative evidence of abandonment offered by Petitioner is self-serving testimony of Petitioner's president and CEO regarding the alleged investigation. [*See* Seader Decl.] Further, this testimony is unsupported by a single document.

In summary as the entire basis of this motion, Petitioner has (1) only produced evidence that the Mark was not used **as a product name** by Nature's Way at the time of the alleged single phone call to Nature's Way; (2) failed to identify what searches, if any, it conducted (including an identification of what search terms were utilized, and over what time period the searches were conducted); and (3) only produced a self-serving declaration of its own President/CEO in support of its present motion. Petitioner admits that the materials received from Nature's Way create questions of fact. [See Petitioner's Motion, at 5 ("[I]t is not clear when the document was created or whether and when it was actually published.").] Further, Petitioner used the wrong period of time (2 years) for non-use as the basis of its alleged "evidence." As a result, Petitioner has not met

5 Petitioner has yet to take a single deposition in this matter.

its burden to show evidence of non-use for three years as required shifting the burden to Nature's Way to show non-abandonment. Accordingly, Petitioner's motion should be denied.

C. Issues of Material Fact as to Nature's Way's Intent Preclude Summary Judgment.

It is undisputed that the Lanham Act provides that "[a] mark shall be deemed to be 'abandoned' ... [w]hen its use has been discontinued with **intent** not to resume such use." 15 U.S.C. § 1127 (emphasis added). "Intent not to resume may be inferred from circumstances. Nonuse for 3 consecutive years shall be prima facie evidence of abandonment." *Id.* To prevail, Petitioner has the burden of demonstrating the absence of any genuine issue of material fact as to Nature's Way's intent to abandon. *See e.g., Copelands' Enters.*, 945 F.2d at 1565. Because the burden on Petitioner is so high in such matters, "[a]s a general rule, the factual question of intent is particularly unsuited to disposition on summary judgment." *Copelands'*, 945 F.2d at 1567 (citing *KangaROOS U.S.A., Inc. v. Caldor, Inc.*, 778 F.2d 1571, 1575, 228 U.S.P.Q. (BNA) 32, 34-35 (Fed. Cir. 1985) (citing *Pfizer, Inc. v. International Rectifier Corp.*, 538 F.2d 180, 185, 190 U.S.P.Q. 273, 277 (8th Cir. 1976), *cert. denied*, 429 U.S. 1040 (1977) (summary judgment is inappropriate where issues of fact, intent and good faith predominate)); *Albert v. Kevex Corp.*, 729 F.2d 757, 763 (Fed. Cir. 1984) ("Intent is a factual matter which is rarely free from dispute. . . . Cutting off Albert's right to trial on the issue was improper."); *Commodore Elecs. Ltd. v. CBM Kabushiki Kaisha*, 26 USPQ2d 1503 (TTAB 1993) (question of intent [regarding filing of ITU application] generally unsuitable for disposal by summary judgment).

Petitioner has failed to demonstrate an absence of issues of material fact as to Nature's Way's intent to abandon. As explained above, the evidence relied upon by Petitioner is unreliable and irrelevant. Further, Petitioner admits that Nature's Way has produced evidence showing use of the Mark. [Petitioner's Motion, at 2, Exhs. B-1, B-2, B-3 and C.] Petitioner admits that it can only speculate as to the significance of Nature's Way's production because it lacks information specific to the documents produced. [Petitioner's Motion, at 2.] Until Petitioner can explain the irrelevance of Nature's Way's documents, material issues of fact exist with respect to Nature's

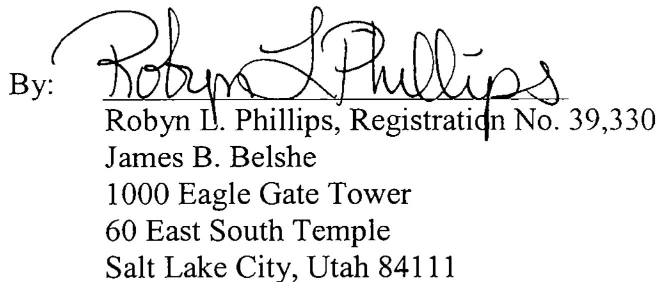
Way's intent. Further, documents showing use of the Mark in commerce and in a printed publication as recently as 2005 affirmatively evidence intent to utilize the Mark by Nature's Way. Consequently, Petitioner's motion should be denied.

IV. CONCLUSION

Based on the law and facts as stated above, Nature's Way requests that the Board deny Petitioner's present motion.

DATED this 29th day of August, 2005.

WORKMAN NYDEGGER



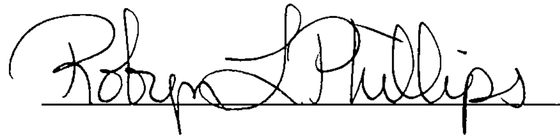
By: Robyn L. Phillips, Registration No. 39,330
James B. Belshe
1000 Eagle Gate Tower
60 East South Temple
Salt Lake City, Utah 84111

Attorneys for Registrant
NATURE'S WAY PRODUCTS, INC.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing **NATURE'S WAY PRODUCTS, INC.'S MEMORANDUM IN OPPOSITION TO PETITIONER'S MOTION FOR SUMMARY JUDGMENT ON THE ISSUE OF ABANDONMENT** was served on Petitioner by mailing a true copy thereof to its attorneys of record, by First Class Mail, postage prepaid this 29th day of August, 2005, in an envelope addressed as follows:

Scott J. Fields, Esquire
National IP Rights Center, LLC
550 Township Line Road, Suite 400
Blue Bell, PA 19422



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TRADEMARK CANCELLATION
File No. 10265.141

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

In the matter of United States Registration No. 1,500,164
Date of Issue: August 16, 1988
Mark: THE GOLD STANDARD

SMART CHOICE FOOD SALES, LTD., Petitioner, v. NATURE'S WAY PRODUCTS, INC., Registrant.	Cancellation No. 92044270 **DECLARATION OF ROBYN L. PHILLIPS IN SUPPORT OF NATURE'S WAY PRODUCTS, INC.'S MEMORANDUM IN OPPOSITION TO PETITIONER'S MOTION FOR SUMMARY JUDGMENT ON THE ISSUE OF ABANDONMENT**

I, Robyn L. Phillips, hereby state:

1. I am shareholder in the firm Workman Nydegger, counsel for the Registrant, Nature's Way Products, Inc. ("Nature's Way").

2. On May 4, 2005, Registrant propounded REGISTRANTS FIRST SET OF REQUESTS FOR PRODUCTION OF DOCUMENTS AND THINGS TO PETITIONER. As of this date, Petitioner has failed to produce a single document in this proceeding.

3. Specifically, Petitioner has not produced any documentary evidence supporting its contention that a phone call was made by Petitioner's counsel to Nature's Way including the date and time of the alleged phone conversation and the name of the person allegedly spoken with at Nature's Way during the call.

4. Additionally, despite requests from Nature's Way, Petitioner has not produced any documentary evidence supporting its contention that such a search relating to the mark "THE GOLD STANDARD" ("Mark") was ever performed.

5. As evidenced by documents produced to Petitioner, such as B1, B2 and B3 attached to Petitioner's Motion, Nature's Way utilizes the Mark as a secondary mark in connection with goods sold by Nature's Way, rather than being used as a product name itself.

I declare under penalty of perjury under the laws of the United States of America that the statements set forth hereinabove are true and correct to the best of my knowledge and understanding.

DATED this 29th day of August, 2005.

Robyn L. Phillips

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing **DECLARATION OF ROBYN L. PHILLIPS IN SUPPORT OF NATURE'S WAY PRODUCTS, INC.'S MEMORANDUM IN OPPOSITION TO PETITIONER'S MOTION FOR SUMMARY JUDGMENT ON THE ISSUE OF ABANDONMENT** was served on Petitioner by mailing a true copy thereof to its attorneys of record, by First Class Mail, postage prepaid this 29th day of August, 2005, in an envelope addressed as follows:

Scott J. Fields, Esquire
National IP Rights Center, LLC
550 Township Line Road, Suite 400
Blue Bell, PA 19422

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