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

Proceeding	92065406
Party	Defendant Pharmadel LLC
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the Matter of:

Registration No.: 4,581,604
Registered: August 5, 2014
Trademark: KOFAL

Plaza Izalco, Inc.,)	
)	
)	Cancellation No. 92065406
Petitioner,)	
)	
v.)	
)	
Pharmadel, LLC,)	
)	
Registrant.)	

**REGISTRANT’S REPLY TO PETITIONER’S RESPONSE IN OPPOSITION
TO REGISTRANT’S MOTION FOR SUMMARY JUDGMENT**

Registrant Pharmadel, LLC (“Registrant”), by and through undersigned counsel and pursuant to TBMP 502.02(b), hereby replies to the Response in opposition filed by Petitioner Plaza Izalco, Inc. (“Petitioner”), and in support states as follows:

I. INTRODUCTION.

On October 27, 2017, Petitioner filed a response (the “Response”) to Registrant’s pending Motion for Summary Judgment, which is based, in large part, on the *Morehouse* doctrine and defense. Despite the assertions in the Response, the elephant in the room continues to be that regardless of the outcome of this case, Petitioner’s mark COFAL would not mature into registration because of the pre-existing and subsisting registration of Registrant’s pre-existing and unchallenged registration for KOFAL-T. This reality is consistent with the Examining Attorney’s rationale in issuing a Final Office action, and it is as true today as it was at the time Petitioner

appealed the final denial of its application or filed the instant matter. *Morehouse* applies because the challenged mark KOFAL is a legal equivalent of KOFAL-T, an issue which, despite Petitioner's assertions in the Response, the U.S. Supreme Court made clear *can* indeed be decided on summary judgment. Moreover, the goods listed on both registrations are squarely within the bounds of *Morehouse*, as outlined in the original Motion for Summary Judgment and as further discussed *infra*.

Petitioner would have this Board believe *Morehouse* does not apply because the registrations cited by the Examiner in denying Petitioner's application are not mirror images. Unfortunately for Petitioner, that is not what *Morehouse* and its progeny require. At bottom, the *Morehouse* inquiry asks whether an injurious and unchallenged registration prevents an application from maturing. If it would, an applicant's challenge fails because, as Petitioner concedes in the Response, "the plaintiff cannot object to an additional registration that does not add to the injury." Response at pg. 12. *See also, Mag Instrument, Inc. v. The Brinkmann Corporation*, 2010 TTAB LEXIS 322, *23 (TTAB 2010) ("The *Morehouse* defense, an equitable affirmative defense... is based on the theory that an opposer cannot be injured by the registration sought because there already exists a similar registration and, therefore, an additional registration for the same or substantially similar mark and goods or services can no more injure the plaintiff than the prior registration."). *Morehouse*'s only requirements are that the challenged mark and the pre-existing registration be "legal equivalents" and that the goods in the application be "substantially similar." The Examiner's common-sense approach was consistent with this requirement, especially because the goods listed in both registrations are of a kind that may emanate from a single source under a single mark. Plainly, no reasonable fact finder would conclude that KOFAL and KOFAL-T (two standard character marks) are not equivalent or that the goods listed in both registrations are not

sufficiently the same “so as to represent in law a distinction without a difference.” *See Mag Instrument, Inc. v. The Brinkmann Corporation*, 2010 TTAB LEXIS 322, *26 (TTAB 2010). Summary Judgment should be granted under *Morehouse*, the purpose of which is precisely to dispose of cases exactly like the instant matter.

II. ARGUMENT.

In its Response, Petitioner makes four general points: i) the Board previously affirmed Petitioner’s standing (this is untrue), ii) the Board is not bound by the Examiner’s prior rejection of Petitioner’s application (this is undisputed), iii) the marks KOFAL and KOFAL-T are not the same (they absolutely qualify as such), iv) the additional goods listed in the application for KOFAL prevent the applicability of the *Morehouse* doctrine (they do not). As set forth below, nothing cited in the Response substantiates the notion that *Morehouse* should not be applied by the Board or that summary judgment should not be granted.

A. Applicant has no standing because it has no personal or direct stake.

Petitioner argues in the Response that summary judgment should be denied because the issue of Petitioner’s standing has already been decided via the prior order striking Registrant’s affirmative defense. That is incorrect. In its June 4, 2017 Order, the Board merely held that “Petitioner has adequately pleaded a claim of priority and likelihood of confusion under Trademark Act § 2(d).” *See* June 4th Order. The Board’s Order that standing has been adequately pled is not tantamount to a ruling that Petitioner actually *has* standing, as Petitioner claims in its Response. Indeed, as Petitioner itself points out, “[s]tanding is a threshold issue that must be proven by a plaintiff in every *inter partes* case.” Response at pg. 11. Registrant’s position in its Motion for Summary Judgment is that Petitioner has no standing because, as a result of *Morehouse*, it cannot

show “a direct injury to itself,”¹ and there is no controversy sufficient for Petitioner to maintain the action. As Registrant stated,

Plainly, as a result of the pre-existing and subsisting registration for KOFAL-T, Applicant cannot by definition have a personal stake in the outcome of the proceeding given that it cannot be impacted by maintenance of KOFAL. *See e.g., Ritchie v. Simpson*, 170 F. 3d 1092 (Fed. Cir. 1999) (explaining standing in the context of Board actions and stating that “[t]he crux of the matter is not how many others share one’s belief that one will be damaged by the registration, but whether that belief is reasonable and reflects a real interest in the issue”).

Motion for Summary Judgment at pgs. 6-7. Petitioner has simply failed to respond to Registrant’s argument that if *Morehouse* applies, Petitioner inherently has no standing because it would not have a real interest in the issues of this case. Indeed, it seems as if, in the Response, Petitioner has continued arguing the concept of whether standing has been adequately pled, as opposed to the issue of whether it actually *has* standing in a substantive –rather than a procedural—manner.

B. Morehouse derails Applicant’s cancellation action.

i. The Board is not bound by the examiner.

Petitioner spends an inordinate amount of time in the Response outlining that the Board is not bound by the prior decision of the Trademark Examiner, who refused Petitioner’s application on the basis of a likelihood of confusion with KOFAL and KOFAL-T and who also found that “evidence shows that the goods listed...are of a kind that may emanate from a single source under a single mark.” *See* Jan. 30, 2016 Final Office action in Application No. 86029611 for COFAL, pg. 3. Petitioner’s motivation is transparent: Petitioner has no choice but to try and minimize the Examining Attorney’s Final Office action denying Petitioner’s application, especially given that the Examiner’s conclusions lend themselves to the application of the *Morehouse* defense and doctrine in this action. Nonetheless, although the Board is not bound by the Examiner’s well-reasoned conclusions

¹ *Ritchie v. Simpson*, 170 F. 3d 1092, 1096 (Fed. Cir. 1999).

that KOFAL and KOFAL-T are legally equivalent marks registered for similar goods, Registrant believes the Board will find the Examiner's rationale persuasive given the shared commercial impression found to exist between Registrant's marks, as well as the "more specific connection between the identified goods." *Id.*

ii. The legal equivalence of KOFAL and KOFAL-T.

Petitioner's response is riddled with case law that is either distinguishable or which misrepresents the rule of law cited to. First, Petitioner listed one particular description of the *Morehouse* standard, namely that "the marks in their entirety [be] essentially the same." Response at pg. 14. Petitioner cited *O-M Bread, Inc. v. United States Olympic Comm.*, 65 F. 3d 933 (Fed. Cir. 1995), which lends no support because not only did the Federal Circuit hold that OLYMPIC and OLYMPIC KIDS were materially different (a fundamentally different situation from the one pending), it also outlined that the subject application must fail due to Congress' passage of the Amateur Sports Act of 1978, 36 U.S.C. § 371 et seq. (irrelevant in this matter). *See e.g. Am. Sec. Bank v. Am. Sec. & Tr. Co.*, 571 F.2d 564, 567 (C.C.P.A. 1978)(AMERICAN SECURITY and AMERICAN SECURITY BANK found to be legal equivalents); *Humble Oil & Refining Co. v. Sekisui Chemical Co. Ltd. of Japan*, 165 USPQ 597, 605 (TTAB 1970)(S-LON and ESLON found to be "legal equivalents")

Worse, Petitioner **misleadingly quotes** the language from the decision in *Hana Financial, Inc. v. Hana Bank*, 135 S. Ct. 907, 909 (2015), out of context, in an apparent attempt to mislead the panel into believing that it cannot decide legal equivalence as a matter la law. Petitioner cites to that case for the proposition that "[t]he question of whether two marks are 'legal equivalents' with the 'same, continuing commercial impression' is a fact-intensive inquiry that is not generally suitable for summary judgment." Response at pg. 14. Not only is Petitioner's citation incorrect,

the Supreme Court went out of its way to explain how that was *not* its holding and that legal equivalents can be decided at summary judgment.

In *Hana Financial, Inc.*, “[t]he question presented...is whether a judge or a jury should determine whether tacking is available in a given case.” *Hana Financial, Inc.*, 135 S. Ct. at 909. The holding was that in a trademark infringement lawsuit (not a TTAB action) where one side has requested a jury trial, **and if summary judgment is not appropriate**, the tacking question is for a jury. *Id.* at 911. Writing for a unanimous Court, Justice Sotomayor stated

If the facts warrant it, **a judge may decide a tacking question on a motion for summary judgment or for judgment as a matter of law**. See Fed. Rules Civ. Proc. 50, 56(a). And if the parties have opted to try their case before a judge, the judge may of course decide a tacking question in his or her factfinding capacity. We hold only that, when a jury trial has been requested and when the facts do not warrant entry of summary judgment or judgment as a matter of law, the question whether tacking is warranted must be decided by a jury.

Id. (*emphasis added*) Justice Sotomayor goes on to state that “it is undisputed that judges may resolve tacking disputes in those contexts [summary judgment motions and bench trials].” *Id.* at 913. In no uncertain terms, Petitioner completely misses the mark on *Hana Financial, Inc.*, which is unsurprising because Petitioner’s citation was, alarmingly, to the first page of the opinion rather than to the substantive analysis employed by the Supreme Court. Petitioner’s argument—citing *Hana Financial, Inc.*—that the legal equivalency of the KOFAL-T and KOFAL marks cannot be decided on summary judgment is entirely spurious and should be rejected by the Board. The rest of Petitioner’s argument is just as off topic and as devoid of support.

Petitioner’s substantive position is that because KOFAL-T includes a hyphen and an additional letter, Registrant’s marks are “not identical or the same” and, thus, they do not meet the first part of the *Morehouse* test. Response at pg. 14. Petitioner’s argument fails—in a significant way—because it overlooks the core inquiry of whether the two marks share the same commercial

impression despite the fact that they are not mirror images (which, again, is not required under *Morehouse*). As the Examiner pointed out in the Final Office action, the mere deletion of “-T” from KOFAL or COFAL “does not create a distinct commercial impression because it contains the same common wording as the registered mark, and there is no other wording to distinguish it from the registered mark.” See Final Office action, U.S. App. Ser. No. 86029611, pg. 2. See also, *Midwestern Pet Foods, Inc. v. Societe des Produits Nestle S.A.*, 685 F.3d 1046, 1053, 103 USPQ2d 1435, 1440 (Fed. Cir. 2012) (when comparing marks, the test is not whether the marks can be distinguished in a side-by-side comparison, but rather whether the marks are sufficiently similar in terms of their overall commercial impression that confusion as to the source of the goods offered under the respective marks is likely to result). Confusingly, Petitioner’s next argument regards differences between design marks and standardized marks and how the parties’ trademarks have previously been used in commerce, which is absolutely superfluous because the registrations at issue are for standard character marks. Moreover, as to the allegedly factual assertions presented by Petitioner, the Board should ignore same because the *Morehouse* inquiry focuses on the subject registrations, not the unverified assertions of a petitioner.

iii. The similarities of the goods.

Finally, as with the minute differences among the marks themselves, Petitioner’s argument in the Response is that the goods listed in the KOFAL-T and KOFAL registrations are not identical, undermining the applicability of the *Morehouse* defense and doctrine. However, the goods in the subject registrations are indeed similar because, as the Examiner found, the identification of analgesic balm (in KOFAL-T) overlaps with the goods listed for both Registrant’s KOFAL and Petitioner’s COFAL, evidencing that the goods are related. See Final Office action, pg. 2. This is the exact consideration relevant for the application of the *Morehouse* defense and doctrine because

the requirement is, as Petitioner concedes, for the goods to be substantially similar. As the Board has held, the *Morehouse* defense requires the goods to be ‘identical, substantially the same, **or so related so as to represent in law a distinction without a difference.**’ See *Mag Instrument, Inc. v. The Brinkmann Corporation*, 2010 TTAB LEXIS 322, *26 (TTAB 2010) (emphasis added). Petitioner’s Response harps on every possible distinction between KOFAL and KOFAL-T, but the differences between them are *de minimis* because, even in the absence of the KOFAL mark, COFAL would still not be able to register given the goods listed in the KOFAL-T registration. Additionally, and as Registrant pointed out in its Motion for Summary Judgment, the Trademark Office’s own records “illustrates a more specific connection between the identified goods...evidence shows that the goods listed therein, namely “analgesic preparations” and “analgesic balm” or “adhesive bandages” goods, are of a kind that may emanate from a single source under a single mark.” *Id.* at pg. 3 (citing *In re Aquamar, Inc.*, 115 USPQ 2d 1122, 1126 n.5 (TTAB 2015)). There is simply no genuine issue of material fact that would prevent the Board from entering a finding that, as a matter of law, the *Morehouse* defense and doctrine are applicable in this action. Consumers “are likely to believe that the [goods], similarly marked, come from the same source, or are somehow connected with or sponsored by a common company,” *Daddy’s Junky Music Stores, Inc. v. Big Daddy’s Family Music Ctr.*, 109 F.3d 275 (6th Cir. 1997), and that absolutely fulfills the *Morehouse* requirement that goods be similar. Summary Judgment should be granted in favor of Registrant.

III. CONCLUSION.

Petitioner has cited no authority that undermines or prevents entry of summary judgment in this action under the *Morehouse* line of cases. This is the exact type of matter that the

Morehouse defense/doctrine is designed to function in. There are no genuine issues of material fact and there is no legal bar to deciding the requisite issues on summary judgment.

WHEREFORE, Registrant prays the Board enter summary judgment in its favor and award Registrant any and all relief that is just and proper.

Dated: November 9, 2017.

Respectfully Submitted,

ESPINOSA MARTINEZ, P.L.

By: /s/ Robert R. Jimenez

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CERTIFICATE OF SERVICE

As per TBMP R. 113, I hereby certify that on November 9, 2017 a true copy of this document was served via email upon the following attorneys of record for Petitioner: Robert Powers, 8133 Leesburg Pike, Suite 130, Vienna, Virginia 22182, rpowers@mcplegal.com, tpusch@mcplegal.com.

By: /s/ Robert R. Jimenez

Robert R. Jimenez