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Filing date: **11/19/2020**

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

Proceeding	92066007
Party	Plaintiff Little Sprouts, LLC
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Date	11/19/2020
Attachments	Little Sprouts - Joint Statement in Cancellation.pdf(239032 bytes)

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

LITTLE SPROUTS, LLC, Petitioner, v. LITTLE SPROUTS ACADEMY, INC., Registrant.	)))))))))	Proceeding No.: 92066007

JOINT STATEMENT IN RESPONSE TO BOARD INQUIRY

Pursuant to the Trademark Trial and Appeal Board's order in this proceeding dated October 20, 2020 [TTABVUE 16] (the "Order"), Petitioner Little Sprouts, LLC ("Petitioner") and Registrant Little Sprouts Academy, Inc. ("Registrant") hereby submit this joint statement. In the Order, the Board requested that the parties provide: (1) a status update as to the parties' efforts to resolve this cancellation proceeding; and (2) a timetable for such resolution.

As recognized in the Order, the instant proceeding is suspended pending a decision in the concurrent use proceeding between the parties, namely, Concurrent Use Proceeding No. 94002965 (the "Concurrent Use Action"). On October 23, 2020, the parties submitted their settlement agreement under TBMP § 1110 (the "Settlement Agreement") in the Concurrent Use Proceeding. A true and correct copy of the Settlement Agreement is attached hereto as **Exhibit 1**. The Settlement Agreement is intended to resolve the issues between the parties in the Concurrent Use Action and this cancellation proceeding.

On November 16, 2020, the parties had a phone call with the Interlocutory Attorney in the Concurrent Use Action, Mary Beth Myles. During the discussion, the parties discussed with Ms. Myles the procedure for resolving the Concurrent Use Action and the dispute between the parties

generally. Presently, the parties are awaiting the Board in the Concurrent Use Action to rule on whether the Settlement Agreement is acceptable to resolve said proceeding.

For these reasons, as for other good cause set forth in the Settlement Agreement, the parties respectfully request the Board continue the suspension in this proceeding pending a resolution of the Concurrent Use Action.

Dated: November 19, 2020

DLA PIPER LLP (US)

By: /s/ *William Bartow*
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Attorney for Petitioner Little Sprouts, LLC

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Attorney for Registrant Little Sprouts Academy, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on this date I have caused to be served: **JOINT STATEMENT IN RESPONSE TO BOARD INQUIRY** by transmitting copies via electronic mail to:

BEN L WAGNER
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Date: November 19, 2020

/s/Michael A. Geller
Michael A. Geller

EXHIBIT 1
(COEXISTENCE AGREEMENT)

COEXISTENCE AGREEMENT

This Coexistence Agreement ("Agreement") is as made, effective as of the date of the final signature below, between Little Sprouts Academy, Inc., a California corporation ("LSC"), and Little Sprouts, LLC, a Delaware limited liability company ("LSM"). Both LSC and LSM are referred to in this Agreement collectively as the "Parties" and individually as a "Party."

WHEREAS, LSM filed Petitions for Cancellation with the Trademark Trial & Appeal Board, seeking cancellation of LSC's federal trademark registrations for the following marks registered in Class 043 for "Child care services; Preschooler and infant care at daycare centers; Providing child care centers":

A. Cancellation No. 92/066,007 for 

, U.S. Registration No. 5/047,742 ("Little Sprouts Design Mark");

B. Cancellation No. 92/066,035 for LITTLE SPROUTS (word mark), U.S. Reg. No. 4/658,405 ("LITTLE SPROUTS"); and

C. Cancellation No. 92/066,041 for LITTLE SPROUTS CHILD ENRICHMENT ACADEMY, U.S. Reg. No. 4953893 ("LITTLE SPROUTS CHILD ENRICHMENT ACADEMY" (collectively the Registrations are referred to herein as "LSC Registrations" and Cancellations as the "Cancellation Proceedings");

WHEREAS, LSM filed U.S. Application Ser. No. 87/111,721 for LITTLE SPROUTS (word mark) in Class 041 for "Educational services, namely, "providing preschool, pre-K, and Kindergarten classes," and Class 043 for "Preschooler and infant care at daycare centers; Providing child care centers" ("LSM Application")

WHEREAS, the USPTO issued an Office Action to the LSM Application, rejecting the application under Section 2(d) based on, *inter alia*, the LSC Registrations;

WHEREAS, LSC has filed additional service mark concurrent-use applications mirroring the LSC Registrations with, respectively, U.S. Concurrent Use Application Ser. Nos. 87/506,538 (Little Sprouts Design Mark), 87/506,542 (LITTLE SPROUTS), 87/506,545 (LITTLE SPROUTS CHILD ENRICHMENT ACADEMY) (collectively "LSC Concurrent-Use Applications");

WHEREAS, the Parties agree that their respective marks can co-exist on specified terms without causing a likelihood of confusion; and

WHEREAS, the Parties desire to avoid litigation and put an end to any controversy between them.

NOW THEREFORE, the Parties agree as follows:

1. Geographic Coexistence

a. The Parties both offer daycare and education services but in different geographies.

b. LSC currently uses LITTLE SPROUTS or similar marks in at least California, while LSM currently uses LITTLE SPROUTS or similar mark in at least Massachusetts and New Hampshire.

c. The Parties agree to the following geographic division of the United States of America for daycare services, preschool through twelfth grade educational services, and related goods and services: LSM in the geographic area of Maine, New Hampshire, Vermont, Massachusetts, Connecticut and Rhode Island (referred to as "New England"); and LSC in the remaining geographic area of the United States (collectively, the Parties' "Respective Territories").

d. The Parties agree not to offer daycare or educational services using the mark LITTLE SPROUTS or any substantially similar mark in the United States beyond these geographic divisions.

e. The Parties understand and agree that their respective websites at littlesprouts.co (for LSC) and littlesprouts.com (for LSM) and certain other broad forms of advertising by their nature have the potential for global reach (and thus reach potential customers outside Parties' Respective Territories). Each Party agrees not to directly target their advertising efforts in the other Party's Respective Territory and that any advertising posted on such sites or through broader advertising efforts shall not be considered a violation of this Agreement.

2. Basis for Coexistence in Respective Geographies

The Parties base their coexistence in their Respective Territories on at least the following considerations and agreements of the Parties avoiding any likelihood of confusion:

a. The Parties have used LITTLE SPROUTS and marks incorporating LITTLE SPROUTS or similar terms in their Respective Territories since 2012 without any known instances of actual confusion, and agree that potential confusion is *de minimis* in light of the Parties' actual use and terms of use stated herein.

b. The Parties agree that they both adopted their respective LITTLE SPROUTS marks in good faith, and LSC has subsisting LSC Registrations;

c. The Parties operate separate domain names, with LSC currently operating a website at littlesprouts.co and LSM currently operating a website at littlesprouts.com, both with a "locations" tab prominently displayed so as to provide consumers with ready access to locations of their daycare or educational facilities.

d. The Parties' services are not currently competitive given the geographic areas of their daycare or education facilities, and the Parties' Respective Territories minimize or eliminate any future competitive overlap.

e. Daycare and child educational services are local in the sense that (i) children will generally attend a daycare or education facility within close proximity to their parent, caretaker or guardian's place of residence; (ii) internet search engines generally include the location of the IP address in ordering and returning search results; (iii) consumers will often type in a geographic description into a search engine to locate facilities in their area; and (iv) efficient advertising techniques seek to target consumers of these services in the areas where there are existing or anticipated daycare services of the Party, which have included until now distinct and different trade channels of the Parties.

f. The decision of which daycare or education facility a child will attend is carefully made by consumers, based on detailed investigation and careful consideration of the child's caretaker, parent or guardian;

g. The Parties have not and agree not to open preschool or educations facilities in each other's Respective Territories under the name LITTLE SPROUTS or any similar mark.

h. Although the Parties both use the same term LITTLE SPROUTS as their mark in certain instances, the Parties also prominently use and intend to continue using differing logos incorporating LITTLE SPROUTS in advertising, marketing and general literature so that the average consumer will promptly encounter such logos when learning about or viewing information about the Party, with LSC currently using the logo 

and LSM currently using the logo 

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i. Although the Parties have peacefully coexisted previously without disclaimers, the Parties will include "Locations" or equivalent subpages on their homepage that displays the specific geographic area of use and includes the state of each location (not just the city).

j. The Parties agree that, should they learn of any actual consumer confusion developing, they will promptly notify the other Party, and cooperate in good faith and commercially reasonable efforts to eliminate such confusion and prevent any such instance of confusion from recurring in the future.

k. The Parties have provided terms herein they believe sufficient to account for avoidance and minimizing of present or future consumer confusion, and believe that there will be no likelihood of confusion pursuant to such terms.

3. The Parties agree to take any further actions any execute and further agreements, including any requested letters of consent, that may be needed to carry out the spirit and intent of this Agreement.

4. The term of this Agreement is for as long as either Party has any rights in their respective marks, either by common law or registration, in the United States. However, should one Party not operate a daycare or educational facility under the name LITTLE SPROUTS or similar mark anywhere in its Respective Territory for a period of three (3) consecutive years, cease to use the mark pursuant to a final judgment, or be wound up in final bankruptcy proceedings without a transfer of its LITTLE SPROUTS marks, then the other Party may seek amendment of any Concurrent Use Registrations issuing from the LSC Concurrent-Use Applications based on abandonment, and seek removal of the geographic restrictions stated in such Concurrent Use Registrations.

5. This Agreement shall inure to the benefit of and shall be binding upon the Parties hereto, and their respective officers, directors, employees, subsidiaries, affiliates, legal representatives, successors, licensees and assigns.

6. This Agreement shall be governed by trademark laws of the United States.

7. If any portion, provision or part of this Agreement is held, determined or adjudicated to be invalid, unenforceable or void for any reason, each such portion, provision or part shall be severed from the remaining portions, provisions or parts of this Agreement and shall not affect the validity or enforceability of such remaining portions, provisions or parts.

8. Copies of this Agreement, including facsimile copies, may be used in lieu of the originals for all purposes. If a Party to this Agreement signs this Agreement and then transmits an electronic facsimile of the signature page to any other Party to this Agreement, the Party who receives such transmission may rely upon the electronic facsimile as a signed original of this Agreement.

The Parties so agree and affix the executing signatures of their authorized representatives below.

Dated: January 30, 2018

Little Sprouts Academy, Inc.

By: _____

Name: Elena Barbour
Position: President

Dated: January 29, 2018

Little Sprouts, LLC

By: _____

Name: Kevin Brady
Position: Vice President, Finance & Business Development

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