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

Proceeding	92066320
Party	Defendant Research Sports Nutrition, LLC and Nutrition Distribution, LLC
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the matter of Trademark Registration No.: 4,286,987

Trademark: GERMAN CREATINE

Owner: Research Sports Nutrition, LLC; Nutrition Distribution LLC

<p>Fitness Labs Nutrition Corporation, a California Corporation,</p> <p>Petitioner,</p> <p>v.</p> <p>Research Sports Nutrition, LLC, an Arizona Limited Liability Company And Nutrition Distribution, LLC, an Arizona Limited Liability Company</p> <p>Registrants.</p>	<p>Cancellation No.: 92066320</p>
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**REGISTRANTS' REPLY BRIEF IN SUPPORT OF ITS CROSS-MOTION FOR
SUMMARY JUDGMENT**

PRELIMINARY STATEMENT

As noted Registrants' motion for summary judgment and opposition to Petitioner's motion for summary judgment, the purpose of the constructive knowledge standard in the application of laches is to impose on the purported senior user a duty to police its rights against potential infringers. TTAB Vue 25 at p. 9 (citing *Saul Zaentz Co. v. Wozniak Travel, Inc.*, 627 F. Supp. 2d 1096, 1110 (N.D. Cal. 2008)). Petitioner's claim that it had no actual knowledge constitutes an admission that it did nothing to police, protect or enforce its purported exclusivity of the GERMAN CREATINE mark for over 16 years prior to the cancellation proceeding.

Petitioner seeks to excuse its inactivity by making an appeal to form over function, ignoring the purpose of laches as extensively discussed and developed over 35 years of Ninth Circuit authority, and demanding that the Board formulaically utilize an inevitable confusion standard that the Board, the CCPA and the Federal Circuit has not re-examined in light of Ninth Circuit authority. The current Ninth Circuit authority explicitly holds that inevitable confusion only applies to bar laches where public health is impacted. *Pinkette Clothing, Inc. v. Cosmetic Warriors Ltd*, 894 F.3d 1015, 1029 (9th Cir. 2018). Registrant respectfully submits that the formulaic approach of utilizing the inevitable confusion standard to bar the applications of laches outside of situations that impact public health would reward purported senior users for failing to police their rights, and improperly place the burden of policing on junior users. Indeed, Petitioner does not contest the Ninth Circuit determination the unlimited application of inevitable confusion to laches would render laches a spineless defense. *See generally*, TTAB Vue 25 at p. 13-14. In essence, Petitioner seeks the Board's formal imprimatur that laches is a no longer a pragmatic defense to cancellation proceedings.

Furthermore, Petitioner does not deny that the Board's refusal to consider Ninth Circuit authority would inevitably lead to the inconsistent application of laches wholly dependent upon whether a registrant files a claim in its circuit of choice for trademark infringement before a petitioner files a petition for cancellation with the Board. Instead, Petitioner claims that adoption of the Ninth Circuit standard would also lead to an inconsistent application as the Ninth Circuit is the exception. TTAB Vue 31, p. 7-8. However, this argument is unavailing as the parties in the authorities cited made no attempt to argue that the general application of inevitable confusion renders laches a superfluous defense. *See generally., TNT N. Am., Inc. v. Magic Touch GmbH*, 43 USPQ2d 1912 (7th Cir. 1997); *Sara Lee Corp. v. Kayser-Roth Corp.* 38 USPQ2d 1449 (4th Cir. 1996); *SunAmerica Corp. v. Sun Life Assurance Co. of Can.*, 38 USPQ2d 1065 (11th Cir. 1996).

ARGUMENT

I. The Inevitable Confusion Doctrine Should Not And Does Not Bar Laches In This Matter

It bears repeating that the Ninth Circuit limited the application of inevitable confusion to laches in order to impose on the senior user a duty to police its rights against a potential infringer, as well as to prevent a senior user from depriving a junior user of the goodwill the junior developed during the time the senior user took no action. TTAB Vue 25, pp. 7- 10 (citing *Grupo Gigante Sa de CV v. Dallo & Co., Inc.*, 391 F.3d 1088, 1102-1103 (9th Cir. 2004); *Fitbug Ltd. v. Fitbit, Inc.*, 78 F. Supp. 3d 1180, 1188 (N.D. Cal. 2015) (quoting *Haas v. Leo Feist, Inc.*, 234 F. 105, 108 (S.D.N.Y. 1916)); *Saul Zaentz Co. v. Wozniak Travel, Inc.*. 627 F. Supp. 2d 1096, 1110 (N.D. Cal. 2008). Without the limitation of inevitable confusion to representations that implicate public health and well-being, inevitable confusion would “effectively swallow the

rule of laches, and render it a spineless defense.’ For example, the public sure has *some* interest in ensuring that all product advertisements are materially accurate. However, if a plaintiff could defeat laches simply by asserting the public’s interest in accurate advertising, laches would in effect not be a defense to Lanham Act false advertising claims.” *Jarrow Formulas, Inc. v. Nutrition Now, Inc.*, 304 F.3d 829, 840 (9th Cir. 2002) (emphasis in original). The Ninth Circuit extended *Jarrow*’s narrowing of inevitable confusion to deny cancellation. *Tillamook Country Smoker*, 465 F.3d 1102, 1111 (9th Cir. 2006).

None of the parties in the numerous Board and non-Ninth Circuit cases cited by Petitioner raised any of the issues addressed by the Ninth Circuit authorities in support of a laches defenses. TTAB Vue 31, pp. 6-8. Had such arguments been raised by the parties in the authorities cited by Petitioner, and had the other circuits or the Board addressed then chose not to adopt such arguments, perhaps Petitioner would have legal position that would warrant further discussion. As it stands, though, Petitioner has not raised any substantive arguments that, contrary to Ninth Circuit authority, a general application of inevitable confusion would render laches “spineless,” would reward the inaction and failure to police marks by a senior user, and would deprive a junior user the goodwill it garnered from the its use of a mark during the senior user’s inaction.

II. Petitioner’s Argument Regarding Constructive Knowledge Constitutes A Tacit Admission That It Had Done Nothing To Police Its Mark And Also Wrongly Asserts That Constructive Knowledge Is Purely Statutory

Petitioner claims that the Ninth Circuit authority regarding laches, specifically *Pinkette Clothing, Inc. v. Cosmetic Warriors, Ltd.*, 894 F.3d 1015 (9th Cir. 2018) and *E-Systems, Inc. v. Monitek, Inc.*, 720 F.2d 604 (9th Cir. 1983) limits the application of constructive requisite for

laches to situations where the junior user's registration was published on the principal register such that 15 U.S.C. section 1072 applied. TTAB Vue p. 9. However, Petitioner ignores salient authority underpinning Ninth Circuit authority, such as *Saul Zaentz Co. v. Wozniak Travel, Inc.*, 627 F. Supp. 2d 1096, 1110 (N.D. Cal. 2008), which held that the general common law doctrine of constructive knowledge may still apply to laches regardless of the mark's registration status. In other words, Petitioner asserts that constructive knowledge for laches is purely statutory, but Ninth Circuit authority holds that laches derives from equitable principles and may be applied equitably.

In *Saul Zaentz*, plaintiff owned the right to use and license others to use marks related to J.R.R. Tolkien's works, including *The Hobbit*. *Saul Zaentz Co. v. Wozniak Travel, Inc.*, 627 F. Supp. 2d 1096, 1110 (N.D. Cal. 2008). Defendant operated a Minnesota based travel agency, Hobbit Travel. *Id.* Defendant started operating Hobbit Travel in 1976, had grown it to the largest travel agency in Minnesota by the time of litigation, only attempted to register Hobbit Travel with the USPTO in 2005, the application of which it withdrew in 2007 during the course of the litigation. *Id.* at 1106-1107. Even though "Hobbit Travel" was not published on the principal register, the court still granted summary judgment in favor of the defendant that laches barred plaintiff's infringement claim. *Id.* at 1110-1121.

With respect to constructive knowledge, the court noted that defendant had operated a successful agency under the Hobbit mark "openly and continuously for many years." *Id.* at 1113. "Advertising has been continuous and widespread, covering a variety of regional and national media outlets including newspapers, magazines, television, and radio." *Id.* Plaintiff argued that summary judgment could not be granted to defendant because its outside counsel attested that she did not know about Hobbit Travel under November 2003. *Id.* at 1112. The

court held that, “[w]hile this testimony is sufficient to create a disputed issue of fact as to plaintiff’s *actual* knowledge, it is insufficient to create a disputed issue of fact as to plaintiff’s *constructive* knowledge. Ninth Circuit precedent is clear that the “knew or should have known” standard is disjunctive such that a laches defense can be based on *either* constructive *or* actual knowledge.” *Id.* Because of the open and continuous use of Hobbit Travel by defendant, the court held that there was no issue of disputed material fact as to plaintiff’s constructive knowledge. *Id.*

There is one difference between the facts before the Board and those in *Saul Zaentz*, and that difference does not assist Petitioner in any way. Plaintiff in *Saul Zaentz* had commissioned search reports in 1988, 1992, and 2000 that identified defendant’s registration with the Minnesota Secretary of State. *Id.* at 1111. Petitioner tacitly concedes, by asserting it had no actual knowledge of Registrant’s existence, it made no attempt to police the “German Creatine,” and clearly that no search reports exist. Should the Board determine that *Saul Zaentz* is not applicable because the existence of the reports constituted necessary evidence of constructive knowledge, it would be incentivizing senior users from not conducting any due diligence at all. In other words, senior users could evade constructive knowledge by making the deliberate decision not to police their marks.

Registrant must further note that a brief search on the Trademark Electronic Search System would have identified Registrant’s use, regardless of whether the mark was published on the principal or supplemental register.¹ To paraphrase the court in *Saul Zaentz*, even a sporadic search on the USPTO’s website would not constitute “monitor[ing] every not and cranny of the entire nation” that would be outside the bounds of a normal duty to police its rights.

¹ See <http://tmsearch.uspto.gov/bin/showfield?f=doc&state=4804:14ud88.6.2>.

III. Petitioner Tacitly Concedes That Its Delay Was Unreasonable Under the *E-Systems* Factors

It bears repeating that, once constructive knowledge is found, Board need not find all “unreasonableness” factors favor Registrant in order to grant Registrant’s counter-motion for summary judgment as to the issue of laches. *Fitbug Ltd. v. Fitbit, Inc.*, 78 F. Supp. 3d 1180, 1193-1196 (N.D. Cal. 2015) (although third and fifth factor weighed in favor of plaintiff seeking to cancel defendant’s registration, uncontroverted facts supported other factors in favor of defendant to the extent that motion for summary judgment for defendant on laches was granted). Those factors are “(1) the strength and value of the trademark rights asserted; (2) plaintiff’s diligence in enforcing [the] mark; (3) harm to [the] senior user if relief is denied; (4) good faith ignorance by [the] junior user; (5) competition between [the] senior and junior users; and (6) [the] extent of harm suffered by the junior user because of [the] senior user’s delay.” *Id.* at 1193.

Petitioner seeks to nullify Registrant’s evidence in support of these factors by asserting Registrant’s resale market, which is Registrant’s primary market, is somehow impermissibly restrictive. TTAB Vue 31 at p.10-11. Had the *E-Systems* test been limited to the third factor of harm to the senior user, then perhaps Petitioner’s argument regarding unrestricted registration may be salient. However, the fifth factor if the *E-Systems* test is the harm to the junior user, and in this matter, Registrant’s primary market is the resale market. *Cf. Saul Zaentz Co.* 627 F. Supp. 2d at 1118-1121 (laches applied as defendant’s travel business would suffer prejudice if plaintiff, owning trademark for “The Hobbit”, were to proceed with its infringement lawsuit). That Petitioner also seeks to claim Registrant’s good faith ignorance is subject to dispute is curious, given that the exact same could be stated about Petitioner’s own claim about its ignorance of Registrant’s use. See *supra* Section II. Finally, Registrant notes that Petitioner has

set forth no evidence of its diligence in enforcing its mark, nor can it as Petitioner has tacitly conceded it has made no effort whatsoever to police its mark.

VI. CONCLUSION

Registrants recognize and respect the authority that the Board possesses in trademark matters, and submit that its authority is not well served by rewarding those who, like Petitioner in this matter, have done nothing to police their marks for over 16 years. This is particularly galling given that a simple search of “German Creatine” on the Trademark Electronic Search System would have identified Registrant’s use. Thus, Registrants respectfully request that the Board review Ninth Circuit standard for laches so that the duty of policing marks remain with the senior user, and submit that good grounds exist for granting its cross-motion for summary judgment, and such action is hereby requested.

Respectfully Submitted,



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CERTIFICATE OF ESTTA FILING

I, Robert Tauler, hereby certify that on December 4, 2018, this **REGISTRANTS' REPLY BRIEF IN SUPPORT OF ITS CROSS-MOTION FOR SUMMARY JUDGMENT** is being electronically filed with the U.S. Patent and Trademark Office Trademark Trial and Appeal Board, PO Box 1451, Alexandria, VA 22313, via ESTTA.

/Robert Tauler/
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CERTIFICATE OF SERVICE

I hereby certify that a true and complete copy of the foregoing **REGISTRANTS' REPLY BRIEF IN SUPPORT OF ITS CROSS-MOTION FOR SUMMARY JUDGMENT** has been served on Koppel Patrick Heybl & Philpott, counsel for Petitioner Fitness Labs Nutrition Corporation, by email on December 4, 2018, to:

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