

This decision is not a precedent of the TTAB.

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March 21, 2019

Cancellation No. 92066320

Fitness Labs Nutrition Corporation

v.

*Research Sports Nutrition, LLC and
Nutrition Distribution, LLC*

Before Mermelstein, Goodman, and Heasley,
Administrative Trademark Judges.

By the Board:

This case now comes up for consideration of Fitness Labs Nutrition Corporation's ("Petitioner") motion for summary judgment on its pleaded claim of likelihood of confusion under Trademark Act Section 2(d), 15 U.S.C. § 1052(d), 18-22 TTABVUE, and Respondents' cross-motion for summary judgment on its pleaded defense of laches, 24-28 TTABVUE. The motions have been fully briefed.

I. Background

On February 5, 2013, Research Sports Nutrition, LLC ("Research") was issued a registration on the Supplemental Register for the mark GERMAN CREATINE in standard characters for "[d]ietary and nutritional supplements containing German

creatine” in International Class 5.¹ On January 11, 2015, Research assigned the registration to Nutrition Distribution, LLC (“Nutrition”).² Nutrition was joined as a defendant in this proceeding in a June 2, 2018 order.³

On June 12, 2017, Petitioner filed a petition to cancel the registration on the ground of likelihood of confusion with its previously used mark GERMAN CREATINE for “[d]ietary and nutritional supplements containing German creatine” under Trademark Act Section 2(d), 15 U.S.C. § 1052(d).⁴ Research, in its answer, denied the salient allegations of the petition to cancel and asserted affirmative defenses of (1) due diligence conducted prior to the filing of the application for the involved registration, and (2) laches, based on Petitioner’s “almost 15 year[]” delay in seeking to register its mark and its “at least 4 year[]” delay in seeking to cancel Respondents’ registration.⁵

¹ Registration No. 4286987, based on an application filed August 29, 2011 and amended to the Supplemental Register on April 9, 2012. The registration includes a disclaimer of CREATINE and allegations that Research first used the mark anywhere and in commerce on August 22, 2011.

² A document reflecting that assignment was recorded with the USPTO’s Assignment Division on July 20, 2017 at Reel/Frame 6110/0054.

³ 13 TTABVUE 1 n. 1. Research and Nutrition are referred to jointly as “Respondents.”

⁴ The ESTTA cover form for the petition to cancel indicates that, on September 1, 2016, Petitioner filed an application Serial No. 87159178 to register its pleaded mark. However, neither Petitioner’s pleaded application nor the USPTO file for that application is of record. The Board does not take judicial notice of USPTO records, such as pleaded applications and registrations. *UMG Recordings Inc. v. O’Rourke*, 92 USPQ2d 1042, 1046 (TTAB 2009).

The USPTO file for Respondents’ involved registration is of record by operation of Trademark Rule 2.122(b)(1).

⁵ 4 TTABVUE 4-6.

II. Respondents' pleaded defenses unavailable in this case

Regarding the pleaded affirmative defenses, Respondents first assert that, prior to filing the application for the involved registration, Research “conducted due diligence ... to determine whether any prior use of the GERMAN CREATINE mark existed ... and did not discover any prior use of” that mark. 4 TTABVUE 6. This defense is essentially one of good faith adoption of its involved mark, which is unavailable as a defense in this case. *See Eveready Battery Co. v. Green Planet Inc.*, 91 USPQ2d 1511, 1516 (TTAB 2009).

Respondents also allege laches based on Petitioner's unreasonable delays, i.e., failing to seek registration of the pleaded mark until fifteen years after Petitioner's first use, and failing to seek cancellation of Respondents' registration until four years after its issuance. Laches is generally available as a defense in cancellation proceedings. *See* Trademark Act Section 19, 15 U.S.C. § 1069. A *prima facie* defense of laches requires a showing of (1) unreasonable delay in asserting one's rights against another, and (2) material prejudice to the latter as a result of the delay. *Lincoln Logs Ltd. v. Lincoln Pre-cut Log Homes, Inc.*, 971 F.2d 732, 23 USPQ2d 1701, 1703 (Fed. Cir. 1992). Respondents do not dispute that Petitioner did not have actual notice of the involved registration until August 16, 2016, but assert, based on constructive notice, that laches should run from the February 5, 2013 issuance date of that registration.

To the extent Respondents assert laches based on Petitioner's fifteen-year “delay” in seeking its own registration, that assertion is misplaced. It is well-settled that

trademark rights in the United States are acquired by adoption and use of marks, not by registration. *See Hydro-Dynamics, Inc. v. George Putman & Co.*, 811 F.2d 1470, 1 USPQ2d 1772, 1774 (Fed. Cir. 1987). While registration confers certain benefits, there is no obligation to seek registration of a trademark. Further, a registration is not a prerequisite to a petition to cancel. *See Trademark Act Section 24*, 15 U.S.C. § 1092; *cf. Trademark Act Sections 2(d) and 14*, 15 U.S.C. §§ 1052(d) and 1064.

Petitioner challenges the right to maintain the registration at issue, not the right to *use* the registered mark. Any delay alleged to constitute laches must therefore be a delay in objecting to the involved registration. Because marks applied for on the Supplemental Register are not published for opposition, *see Trademark Act Section 23(b)*, 15 U.S.C. § 1091(b), Petitioner could not have objected to that registration prior to its issuance. Moreover, *Trademark Act Section 22*, 15 U.S.C. § 1072, which provides that registration “shall be constructive notice of the registrant’s claim of ownership thereof,” is expressly limited to registrations on the Principal Register and is inapplicable to registrations, such as Respondents’ involved registration, on the Supplemental Register. *Trademark Act Section 26*, 15 U.S.C. § 1094. For a registration on the Supplemental Register, “we calculate notice by determining the date when the petitioner first had knowledge that the registration issued.” *TPI Holdings, Inc. v. TrailerTrader.com, LLC*, 126 USPQ2d 1409, 1414 (TTAB 2018). Based on the foregoing, Petitioner’s four-year delay following issuance of the registration to seek cancellation of Respondents’ involved registration does not give rise to laches.

Rather, under the applicable law, laches runs from August 16, 2016, when Respondents' attorney sent Petitioner a cease and desist letter, which provided Petitioner's first knowledge of the involved registration. 21 TTABVUE 202-03. Petitioner filed its petition to cancel on June 12, 2017, less than a year later. We have previously found that similar periods do not constitute undue delay and Respondents assert no facts upon which we would hold otherwise in this case. *See e.g., Global Maschinen GmbH v. Global Banking Sys., Inc.*, 227 USPQ 862 (TTAB 1985) (one year delay does not constitute laches); *Color Key Corp. v. Color 1 Assocs., Inc.*, 219 USPQ 936 (TTAB 1983) (less than one year delay does not constitute laches).

Moreover, in Board proceedings, a laches defense will not be considered and applied in connection with a Section 2(d) claim where, as here, the marks and the goods of the parties are identical, and it is therefore determined that confusion is inevitable.⁶ *See Ultra-White Co. v. Johnson Chem. Indus., Inc.*, 465 F.2d 891, 175 USPQ 166, 167 (CCPA 1972); *Turner v. Hops Grill & Bar, Inc.*, 52 USPQ2d 1310, 1313 (TTAB 1999); *Reflange Inc. v. R-Con Int'l*, 17 USPQ2d 1125, 1131 (TTAB 1990). "In such a case, any injury to registrant caused by petitioner's delay is outweighed by the public's interest in being protected against the registration of clearly confusingly similar marks." J. McCarthy, *McCarthy on Trademarks and Unfair Competition*

⁶ We deny Respondents' request that the Board follow case law from the United States Courts of Appeal for the Second and Ninth Circuits to the effect that a laches defense is available even where confusion between the parties' marks is inevitable. That would conflict with precedent of our primary reviewing court the United States Court of Appeals for the Federal Circuit, its predecessor the Court of Customs and Patent Appeals, and the Board. *See infra*. The Board relies primarily on precedent from the Federal Circuit, both because the Federal Circuit is the Board's primary reviewing court and because its decisions more specifically address registration issues. *See* TBMP § 801.03 (June 2018).

§ 20:77 (5th ed. March 2019 update). Respondents, in their response to Petitioner's interrogatory no. 24, have acknowledged that confusion between the parties' marks is inevitable:

Registrant believes that Petitioner's continued use of the MARK, barring an agreement between Registrant and Petitioner, will inevitably lead to consumer confusion if Registrant and Petitioner are both permitted to use the trademark GERMAN CREATINE in association with the Goods.

Donaldson Declaration, ¶ 12, Exhibit I, 19 TTABVUE 4 and 120. *See also* § III, *infra*.

Based on the foregoing, we find that Respondents have failed to establish that there is no genuine dispute of material fact that they are entitled to dismissal of the petition to cancel on their pleaded laches defense. The cross-motion for summary judgment on that defense is accordingly denied. Moreover, because there is no basis for a laches defense, we *sua sponte* strike Respondents' laches defense from the answer. *See* Fed. R. Civ. P. 12(f); TBMP § 506.01.

III. Petitioner's motion for summary judgment granted in part

As a party moving for summary judgment in its favor on its Section 2(d) claim, Petitioner must establish that there is no genuine dispute that (1) it has standing to maintain this proceeding; (2) that it has superior proprietary rights in its pleaded mark; and (3) that contemporaneous use of the parties' respective marks on their respective goods would be likely to cause confusion or mistake, or to deceive consumers. *See Towers v. Advent Software, Inc.*, 913 F.2d 942, 16 USPQ2d 1039, 1042 (Fed. Cir. 1990); *Otto Roth & Co. v. Universal Foods Corp.*, 640 F.2d 1317, 209 USPQ 40, 43 (CCPA 1981); *Fram Trak Indus., Inc. v. WireTracks LLC*, 77 USPQ2d 2000, 2004 (TTAB 2006).

Regarding Petitioner's standing to maintain this proceeding, Petitioner has submitted copies of (1) an August 16, 2016 cease and desist letter that Respondents' attorney sent to Petitioner to set forth their objections to Petitioner's use of the mark GERMAN CREATINE (declaration of Petitioner's president, Daniel McFarland, ¶ 19, Exhibit I, 21 TTABVUE 5 and 202-03); and (2) the complaint in Case No. 2:16-cv-07915-RSWL-MRW that Research commenced against Petitioner on October 24, 2016, in the United States District Court for the Central District of California, wherein Research alleged, among other things, that Petitioner had infringed its mark GERMAN CREATINE in contravention on Trademark Act Section 32(1), 15 U.S.C. § 1114(1) (declaration of Petitioner's attorney Corey A. Donaldson, ¶ 8, 19 TTABVUE 3 and 82-96).⁷ In view of these submissions, we find that there is no genuine dispute that Petitioner has standing to maintain this proceeding.⁸ *See Miller v. Miller*, 105 USPQ2d 1615, 1619 (TTAB 2013) (cease and desist letters provide evidence that plaintiff has business interests that have been affected, i.e., a real interest in the proceeding); *Tonka Corp. v. Tonka Tools, Inc.*, 229 USPQ 857, 859 (TTAB 1986) (petitioner has standing to cancel registration that has been asserted, even defensively, in a civil action).

⁷ Research withdrew the complaint in the civil action without prejudice on February 16, 2017 (Donaldson declaration, ¶ 11, 19 TTABVUE 4 and 100-01).

⁸ Petitioner is reminded that it must maintain its standing throughout this proceeding. Materials submitted in support of or in opposition to a motion for summary judgment are considered to be of record only for purposes of that motion. *See Zoba Int'l Corp. v. DVD Format/LOGO Lic. Corp.*, 98 USPQ2d 1106, 1115 n.10 (TTAB 2011). Therefore, Petitioner must establish its standing by competent evidence at any trial of the remaining issues. *See TBMP* § 309.03(b).

As to the issue of likelihood of confusion, the parties do not dispute that this case involves identical marks and identical goods.⁹ *L.A. Bonaventure Co. v. Bonaventure Assocs.*, 4 USPQ2d 1882, 1884 (TTAB 1987) (finding no genuine dispute as to the issue of likelihood of confusion because of identical marks and identical services). *See also Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24, 29 (CCPA 1976) (two key factors in deciding likelihood of confusion issues are the degrees of similarity of the marks and the goods and/or services at issue); *Fram Trak Indus.*, 77 USPQ2d at 2004. Respondents do not disagree that confusion is likely to result from the parties' contemporaneous use of the same mark on the same goods. Indeed, as noted above, Respondents admit in interrogatory responses that confusion is not just likely, but "inevitabl[e]." Donaldson Declaration, ¶ 12, Exhibit I, 19 TTABVUE 4 and 201-204.

But to prevail on its Section 2(d) claim, Petitioner must establish that there is no genuine dispute that it has a protectable interest, i.e., proprietary rights, in its pleaded previously used mark.¹⁰ *See Otto Roth & Co.*, 209 USPQ at 43. In cases where the previously used mark relied upon by a petitioner in support of its priority of use

⁹ See McFarland declaration, ¶ 5, ("In or around 2001, FLN began selling a dietary and nutritional supplement under the trademark GERMAN CREATINE.") and Exhibit I, 19 TTABVUE 3 and 204.

¹⁰ Although Respondents, relying largely on their laches defense, did not directly argue that Petitioner's mark has not acquired distinctiveness, Respondents, in the brief in support of their cross-motion and in opposition to Petitioner's motion, presented a comparison of the parties' respective sales of goods under the mark GERMAN CREATINE since 2011, when Research commenced use of that mark. 24 and 25 TTABVUE 6 and 7. *See also* McFarland declaration, ¶¶ 7 and 9, 21 TTABVUE 3-4 and 22 TTABVUE 3 and 5-10, and Declaration of Research's President, Michael Keplinger, ¶ 3, 28 TTABVUE 3 and 6-7. In view of this presentation, we decline to treat Respondents as having conceded the issue of distinctiveness.

and likelihood of confusion claim is merely descriptive, the petitioner must establish priority of acquired distinctiveness, i.e., that its claimed mark acquired distinctiveness prior to any date on which respondent obtained rights in its mark. *Perma Ceram Enters. Inc. v. Preco Indus. Ltd.*, 23 USPQ2d 1134, 1138 (TTAB 1992); *Bass Pro Trademarks LLC v. Sportsman's Warehouse Inc.*, 89 USPQ2d 1844, 1854 (TTAB 2008) (petitioner failed to prove that its mark acquired distinctiveness prior to the filing date of respondent's underlying application).

Petitioner's President concedes in his declaration that when Petitioner adopted the mark GERMAN CREATINE in 2001, he believed that mark to be "descriptive." McFarland declaration, ¶ 6, 21 TTABVUE 3. Thus, the priority contest in this case is not solely one of who used the mark first chronologically.¹¹ *Perma Ceram Enters.*, 23 USPQ2d at 1138. Further, "the greater the degree of descriptiveness the term has, the heavier the burden to prove it has attained" distinctiveness.¹² *In re Bongrain Int'l Corp.*, 894 F.2d 1316, 13 USPQ2d 1727, 1728 n.4 (Fed. Cir. 1990). Accordingly, even if we assume for sake of this motion that Petitioner was the first and only user of GERMAN CREATINE for the goods at issue for nearly a decade, such use may not

¹¹ Petitioner, relying on *Books on Tape, Inc. v. Booktape Corp.*, 836 F.2d 519, 5 USPQ2d 1301, 1302 (Fed. Cir. 1987), asserts that it need only show prior use to prevail. However, the Federal Circuit in *Towers* referred to the relied-upon passage as "dictum" and affirmed the *Otto Roth* rule, i.e., that a plaintiff alleging likelihood of confusion must establish proprietary rights in its pleaded mark, even against a registration on the Supplemental Register. *Towers*, 16 USPQ2d at 1042.

¹² To the extent that Respondents seek to assert a defense that Petitioner abandoned the mark, either by nonuse with intent not to resume or by a course of conduct that caused the mark to become generic, Respondent must plead that defense and prove it at trial. *See W. Fla. Seafood, Inc. v. Jet Rests., Inc.*, 31 F.3d 1122, 31 USPQ2d 1660, 1665-66 (Fed. Cir. 1994). The Board will not enter judgment on an unpleaded defense. *See* TBMP §§ 314 and 528.07(a).

be sufficient to alter its descriptive significance and bestow upon Petitioner any proprietary rights. *See In re Acuson*, 225 USPQ 790, 792 (TTAB 1985) (“A descriptive term used first or even only by an applicant is not registrable as long as the purchasing public perceives the term as describing goods.”).

After reviewing the parties’ arguments and evidence, summary judgment is granted on the issue of likelihood of confusion. But we find that there is a genuine dispute as to whether Petitioner’s mark has acquired distinctiveness and whether such distinctiveness occurred prior to Respondents obtaining rights in their mark. In view of the foregoing, Petitioner’s motion for summary judgment is denied as to the issue of priority of acquired distinctiveness.¹³

Inasmuch as this case has essentially been reduced to a trial on the issue of priority of acquired distinctiveness, the parties should consider disposition of this case by accelerated case resolution (ACR). *See* <https://www.uspto.gov/trademarks-application-process/trademark-trial-and-appeal-board>. If the parties want to pursue ACR, they should consult the Board attorney assigned to this case as soon as possible.

Proceedings are resumed. Remaining dates are reset as follows.

Expert Disclosures Due	4/3/2019
Discovery Closes	5/3/2019
Plaintiff's Pretrial Disclosures Due	6/17/2019
Plaintiff's 30-day Trial Period Ends	8/1/2019
Defendant's Pretrial Disclosures Due	8/16/2019
Defendant's 30-day Trial Period Ends	9/30/2019
Plaintiff's Rebuttal Disclosures Due	10/15/2019

¹³ Evidence submitted in connection with the cross-motions for summary judgment is of record for consideration of those cross-motions only, unless the parties stipulate otherwise. *See* TBMP § 528.05.

Plaintiff's 15-day Rebuttal Period Ends	11/14/2019
Plaintiff's Opening Brief Due	1/13/2020
Defendant's Brief Due	2/12/2020
Plaintiff's Reply Brief Due	2/27/2020
Request for Oral Hearing (optional) Due	3/8/2020

Generally, the Federal Rules of Evidence apply to Board trials. Trial testimony is taken and introduced out of the presence of the Board during the assigned testimony periods. The parties may stipulate to a wide variety of matters, and many requirements relevant to the trial phase of Board proceedings are set forth in Trademark Rules 2.121 through 2.125. These include pretrial disclosures, the manner and timing of taking testimony, matters in evidence, and the procedures for submitting and serving testimony and other evidence, including affidavits, declarations, deposition transcripts and stipulated evidence. Trial briefs shall be submitted in accordance with Trademark Rules 2.128(a) and (b). Oral argument at final hearing will be scheduled only upon the timely submission of a separate notice as allowed by Trademark Rule 2.129(a).