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

Proceeding	92071133
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

<p>GOCO.IO, INC.</p> <p style="text-align: center;">Petitioner,</p> <p style="text-align: center;">v.</p> <p>COADVANTAGE CORPORATION,</p> <p style="text-align: center;">Registrant.</p>	<p>Cancellation No. 92071133</p> <p>Registration No. 5338791 Issued: November 21, 2017</p> <p style="text-align: center;"></p> <p>Mark:</p>
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**PETITIONER’S MOTION TO STRIKE  
REGISTRANT’S AFFIRMATIVE DEFENSES**


GoCo.io, Inc. (“GoCo”) moves to strike CoAdvantage Corp.’s (“Registrant”) affirmative defenses and related arguments from its Answer because they are insufficient, immaterial, improper, or redundant under Fed. R. Civ. P. 12(f) and Section 506 of the Trademark Trial and Appeal Board Manual of Procedure (“TBMP”).

First, Registrant fails to plead *any* facts in support of its affirmative defenses of laches, waiver, and estoppel. Instead, Registrant merely lists the elements of laches along with the names of these three defenses. Such bare and conclusory allegations fail to meet the pleading standards of the Federal Rules of Civil Procedure and the TBMP and must be stricken as insufficient. Moreover, these defenses should be stricken with prejudice because allowing Registrant to amend them would be futile, as Registrant cannot plead facts to establish a prima facie case of laches, waiver, or estoppel. Second, Registrant’s defense of failure to state a claim upon which relief can be granted is improper because GoCo’s Petition is legally sufficient in stating a claim. Third, Registrant’s asserted “priority of use” defense is not an affirmative

defense. Rather, it is merely a vague factual assertion that fails to provide fair notice of any use of Registrant's registered mark in commerce in such a capacity that could potentially give rise to prior trademark rights and, as such, serve as a properly pleaded and viable affirmative defense.

For the reasons discussed below, GoCo respectfully requests that the Board strike Registrant's affirmative defenses.

## **I. FACTUAL BACKGROUND**

Registrant owns U.S. Trademark Registration No. 5338791 for the mark  covering "Co-employer services for the purpose of serving as an offsite human resources department, namely, serving as a human resources department for others; administration and preparation of business payroll for others; human resource management services, namely, payroll tax deposit filing and reporting; administrative services for employers via Internet and website access, namely, payroll processing and payroll tax reporting, tracking and management of unemployment claims; human resources consulting; providing cost management for health benefit plans of others; professional employer organization services, namely, employment hiring, recruiting, placement, staffing and career networking services; outsourcing services in the fields of human resources management, administration of employee benefit plans, and business risk management; and consulting in the field of healthcare insurance plans, namely, cost management for the health benefit plans of others" in Class 35, "Consulting in the field of healthcare insurance plans, namely, administration of a pre-paid health care plan" in Class 36, and "Training in the field of business training, human resources management and benefits management" in Class 41 (the "'791 Registration"). The '791 Registration matured to registration on November 21, 2017.

Less than seventeen months after registration, on April 18, 2019, GoCo filed a Petition to Cancel the ‘791 Registration. (1 TTABVUE.) As grounds for cancellation, GoCo alleged a likelihood of confusion under 15 U.S.C. § 1052(d) of the Lanham Act based on its prior common law rights in the mark GOCO for human resource services identical, substantially similar, and/or related to those covered in the ‘791 Registration. On July 1, 2019, Registrant filed its Answer to GoCo’s Petition to Cancel. (6 TTABVUE.) In its Answer, Registrant asserts the following purported affirmative defenses:

- Affirmative Defense #1: “Petitioner’s mark referenced in the Petition to Cancel is unlikely to be confused with Registrant’s Mark because of the differences in the sight, sound, meaning, and commercial impressions of the respective marks, as well as because they are directed to services distinguishable from Registrant’s marks.”
- Affirmative Defense #2: “Petitioner’s claims are due to be denied on the grounds of laches, waiver, and estoppel. Petitioner unreasonably delayed in asserting its rights against Registrant. Registrant has been materially prejudiced by virtue of the delay, including but not limited to because some of its records and evidence has become unavailable due to the extensive passage of time before Petitioner decided to object to Registrant’s Registration.”
- Affirmative Defense #3: “Petitioner has not alleged facts sufficient to state a claim for the cancellation of Respondent's registration.”
- Affirmative Defense #4: “Petitioner does not have priority of use over Respondent throughout the United States.”

(6 TTABVUE 4.)

GoCo now moves to strike Affirmative Defenses 2 through 4 pursuant to Fed. R. Civ. P. 12(f) and TBMP § 506 on the grounds they are insufficient, immaterial, improper, and/or redundant.

## **II. ARGUMENT**

Federal Rule of Civil Procedure Rule 12(f) provides that “[t]he court may strike from a pleading an insufficient defense or any redundant, immaterial [or] impertinent . . . matter.” Fed. R. Civ. P. 12(f); *see also* TBMP § 506. The Board may grant a motion to strike or, on its own initiative, strike from a pleading any insufficient defense and any matter that clearly has no bearing on the issues in the case. *Ohio State Univ. v. Ohio Univ.*, 51 USPQ2d 1289, 1292 (TTAB 1999). Motions to strike should be granted where appropriate to “streamline the ultimate resolution of the action.” 5C Charles Alan Wright & Arthur Miller, *Federal Practice and Procedure* § 1380 (3d ed. 2019); *see also* *Sidney-Vinstein v. A.H. Robins Co.*, 697 F.2d 880, 885 (9th Cir. 1983) (“[T]he function of a 12(f) motion to strike is to avoid the expenditure of time and money that must arise from litigating spurious issues by dispensing with those issues prior to trial.”); *In re Gabapentin Patent Litig.*, 648 F. Supp. 2d 641, 647 (D.N.J. 2009) (“The purpose of a motion to strike is to clean up the pleadings, streamline litigation, and avoid unnecessary forays into immaterial matters.”) (quotations and citation omitted).

### **A. Registrant’s Second Affirmative Defense Should Be Stricken as Insufficient and Inadequately Plead Because Registrant Does Not Plead Any Supportive Factual Allegations**

Registrant’s affirmative defenses of laches, waiver, and estoppel should be stricken as insufficient because Registrant fails to plead any facts to support them. Under Federal Rule of Civil Procedure 8(b), a registrant must state its defenses in “short and plain terms.” Fed R. Civ. P. 8(b). The elements of a defense “should include enough detail to give the plaintiff fair notice of the basis for the defense.” TBMP § 311.02(b). In other words, affirmative defenses must be

supported by enough factual background and detail to fairly place the claimant on notice of the basis for the defenses. *See IdeasOne Inc. v. Nationwide Better Health Inc.*, 89 USPQ2d 1952, 1953 (TTAB 2009); *Ohio State Univ.*, 51 USPQ2d at 1292 (noting that the primary purpose of pleadings “is to give fair notice of the claims or defenses asserted”). Bald and conclusory allegations are insufficient under the Federal Rules and the TBMP, as they neither provide fair notice to GoCo of the basis for a claim nor set forth sufficient facts that, if proven, support the claim. TBMP § 311.02(b) (citing *McDonnell Douglas Corp. v. Nat’l Data Corp.*, 228 USPQ 45, 47 (TTAB 1985)).

The Board routinely strikes bare and conclusory allegations regarding laches, waiver, and estoppel as insufficient and inadequately pleaded. For example, in *East West Bank v. Plubell Firm LLC*, opposer asserted the following affirmative defenses of laches and acquiescence in response to applicant’s counterclaims:

As a separate and third affirmative defense to Applicant's Counterclaims for Partial Cancellation and each purported claim and/or cause of action contained therein, Opposer alleges that Applicant's Counterclaims for Partial Cancellation is barred by the doctrine of laches because Applicant unduly delayed in asserting an alleged right to the prejudice of Opposer, despite the fact that Applicant knew or reasonably should have known of its alleged right.

...

As a separate and fourth affirmative defense to Applicant's Counterclaims for Partial Cancellation and each purported claim and/or cause of action contained therein, Opposer alleges that Applicant knew, or reasonably should have known, of the alleged facts relating to Applicant's request for partial cancellation but acquiesced or failed to object.

Opposition No. 91233279, 2018 WL 1110045, at \*2, 5 (TTAB Feb. 27, 2018) (non-precedential).<sup>1</sup> The Board struck these affirmative defenses as “insufficiently pleaded” because they “simply reiterate[d] the elements of the defenses and [did] not include any facts. *Id.*

Similarly, the Board in *Southwest Specialty Food Inc. v. Crazy Uncle Jester’s Inferno World, LLC* struck the following affirmative defenses of laches, unclean hands, waiver, acquiescence, and estoppel as insufficiently pleaded because they consisted of nothing more than “bald allegations” and “naked assertions devoid of further factual enhancement”:

Petitioner’s Amended Petition for Cancellation is barred in whole or in part by the doctrine of laches and unclean hands.

Petitioner’s Amended Petition for Cancellation is barred in whole or in part by the doctrine of waiver, acquiescence, and estoppel.

Cancellation No. 92060809, 2016 WL 3771779, at \*3 (TTAB June 24, 2016) (non-precedential). *See also Pure & Simple Concepts Inc. v. Gryphon Groupe, LLC*, Opposition No. 91238034, 2019 WL 975116, at \*4 (TTAB Feb. 26, 2019) (non-precedential) (striking affirmative defenses of waiver, estoppel, laches, acquiescence, and unclean hands because they consisted of “bald, conclusory allegations insufficient to provide Opposer with adequate notice of the bases for the defenses”); *RLP Ventures, LLC v. NLDA Assocs. Inc.*, Cancellation No. 92066135, 2018 WL 5920950, at \*4 (TTAB Nov. 2, 2018) (non-precedential) (striking affirmative defenses of laches, estoppel, and unclean hands as insufficient because “[r]espondent [did] no more than list these defenses by name, unaccompanied by any factual allegations upon which the defenses might plausibly be based”); *Glow Concept Inc. v. Too Faced Cosmetics, LLC*, Cancellation No. 92067143, 2018 WL 4253294, at \*2 (TTAB Sept. 4, 2018) (non-precedential) (striking

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<sup>1</sup> Copies of non-precedential and/or unpublished Board decisions are attached as Exhibit A.

affirmative defenses of waiver, laches and acquiescence as insufficiently pleaded “[b]ecause the defenses [were] unsupported by factual allegations”).

Registrant’s affirmative defenses of laches, waiver, and estoppel are no different. Registrant offers nothing more than a rote list of elements for *laches* without a shred of factual support. As for waiver and estoppel, Registrant merely recites them by name without listing their required elements. As in the above decisions, the Board should strike these defenses because Registrant “do[es] not include *any* facts” necessary to provide GoCo with fair notice of the basis for these defenses. *See East West Bank*, 2018 WL 1110045, at \*5; *Glow Concept Inc.*, 2018 WL 4253294, at \*2.

**1. Amendment to Registrant’s Laches, Waiver, and Estoppel Defenses Would Be Futile**

The Board should strike Registrant’s laches, waiver, and estoppel affirmative defenses with prejudice because allowing amendment would be futile. A laches defense requires a showing that GoCo unduly delayed asserting its rights against Registrant, resulting in prejudice. *Nat’l Cable Television Ass’n, Inc. v. Am. Cinema Editors, Inc.*, 19 USPQ2d 1424, 1431 (Fed. Cir. 1991). As for estoppel, in addition to alleging undue delay and prejudice, Registrant must also allege some affirmative or intentional conduct by GoCo on which Registrant relied to its detriment. *Id.* at 1432 (citing *MCV, Inc. v. King-Seely Thermos Co.*, 10 USPQ2d 1287, 1290 (Fed. Cir. 1989)). And for waiver, Registrant must allege an existing right, knowledge of that right, and an actual intention to relinquish that right. *Asurion v. Netsurion, LLC*, Opposition No. 91231568, 2018 WL 1603937, at \*2 n.4 (TTAB Mar. 30, 2018) (non-precedential) (citing 28 Am.Jur.2d Estoppel and Waiver § 201).



**a. Amendment to Registrant's Laches and Estoppel Claims  
Would Be Futile Because Registrant Cannot Plead Undue  
Delay**

The Board has recognized that the defenses of laches and estoppel are “severely limited” in Board proceedings because “[i]n Board cancellation proceedings, these defenses for a Principal Register registration start to run from the date of registration, in the absence of actual knowledge before the close of the opposition period.” TBMP § 311.02(b) (“[T]he availability of laches and acquiescence is severely limited in opposition and cancellation proceedings.”).

Here, the ‘791 Registration matured to registration on November 21, 2017, and less than *seventeen months later*, on April 18, 2019, GoCo petitioned to cancel the ‘791 Registration. This short period is insufficient to support a valid claim of laches or estoppel. *See Charrette Corp. v. Bowater Commc’n Papers Inc.*, 13 USPQ2d 2040, 2043 (TTAB 1989) (finding fourteen months from registration to filing of petition to cancel insufficient to support claim of laches, acquiescence, and estoppel; “registrant has shown nothing more than a minimal delay in seeking cancellation”); *Nahshin v. Prod. Source Int’l*, Cancellation No. 920521140, 2013 WL 6040375, at \*7 (TTAB June 21, 2013) (precedential) (finding eighteen month from registration to filing of petition to cancel insufficient to support claim of laches; “The approximately 18-month period from the issuance of the registration until the filing of the petition to cancel is a rather limited amount of time . . . [and] does not constitute unreasonable delay”); *Plymouth Cordage Co. v. Solar Nitrogen Chemicals, Inc.*, 152 USPQ 202, 204 (TTAB 1996) (finding “slightly less than a three year delay” from registration to filing of petition to cancel insufficient to support a claim of laches); *Manpower, Inc. v. Manpower Info. Inc.*, 190 USPQ 18, 24 (TTAB 1976) (finding three to four-year delay insufficient to support a claim of laches). Given that GoCo’s petition was filed only seventeen months after Registrant’s registration issued, Registrant cannot plead facts

sufficient to demonstrate the equitable defenses of laches or estoppel. Thus, allowing Registrant to amend these claims would be futile.

**b. Amendment to Registrant's Waiver and Estoppel Claims Would Be Futile Because Registrant Cannot Show the Required Affirmative or Intentional Acts**

Estoppel requires “an affirmative act” on which Registrant relied to its detriment. *Nat'l Cable Television Ass'n*, 19 USPQ2d at 1431; *Hitachi Metals Int'l, Ltd. v. Yamakyu Chain Kabushiki Kaisha*, 209 USPQ 1057, 1067 (TTAB 1981) (“the defense of acquiescence is a type of estoppel predicated upon conduct by plaintiff that, expressly or by clear implication, assents to, encourages, or furthers the activity on the part of the defendant, which is now objected to”). And waiver requires an intention to relinquish a known and existing right. *Asurion*, 2018 WL 1603937, at \*2 n.4. Registrant makes no such allegations; nor can it. GoCo has never taken any affirmative action that indicated to Registrant “expressly or by clear implication” that GoCo would not seek cancellation of the '791 Registration. To the contrary, GoCo acted reasonably in petitioning to cancel the '791 Registration after it registered. Nor has GoCo ever demonstrated any intention to relinquish the rights to its valuable GOCO trademark. Consequently, Registrant cannot plead the necessary elements for estoppel or waiver, and thus amendment would be futile.

**B. Registrant's Fourth Affirmative Defense Should Be Stricken as Improper, Insufficiently Pleaded, and Redundant**

**1. Registrant's Fourth Affirmative Defense Should Be Stricken as Improper Because it Is Not an Appropriate Defense**

An affirmative defense assumes the allegations in the complaint to be true but nevertheless constitutes a defense to those allegations. *Blackhorse v. Pro Football, Inc.*, 98 USPQ2d 1633, 1637 (TTAB 2011). Stated another way, “[a]n affirmative defense does not negate the elements of the cause of action; it is an explanation that bars the claim.” *Id.* Registrant's fourth affirmative defense does not offer “an explanation that bars the claim,” and

thus should be stricken as improper. *See id.* (striking “defense” of lack of standing because such defense did nothing more than negate an element of petitioner’s claim).

Registrant’s fourth affirmative defense pleads that “Petitioner does not have priority of use over Respondent throughout the United States.” (6 TTABVUE 4, ¶ 4.) This vague factual allegation does not provide fair notice of any potentially viable affirmative defense. Prior use alone does not necessarily give rise to prior trademark rights. Such use must occur in commerce—a necessary and important distinction missing from Registrant’s purported defense. *See Corporate Doc. Servs. Inc. v. I.C.E.D. Mgmt. Inc.*, 48 USPQ2d 1477, 1480 (TTAB 1998) (“It is well-established that rights in and to a trademark are created by use of the mark in either intrastate or interstate commerce.”). Thus, Registrant’s fourth affirmative defense does not provide an explanation of facts that could potentially “bar” GoCo’s claim and, as such, should be stricken as improper.

**2. Registrant’s Fourth Affirmative Defense Should Be Stricken as Insufficiently Pleaded Because Registrant Fails to Allege Any Supportive Factual Allegations**

Moreover, as explained above, “[t]he primary purpose of the pleadings . . . is to give fair notice of the claims or defenses asserted,” *Ohio State Univ.*, 51 USPQ2d at 1292, which is accomplished by “include[ing] enough detail to give the plaintiff fair notice of the basis for the defense.” TBMP § 311.02(b). Bald and conclusory allegations do not suffice. TBMP § 311.02(b) (citing *McDonnell Douglas Corp.*, 228 USPQ at 47).

Here, Registrant offers only the conclusory allegation that GoCo does not have “priority of use” throughout the United States. (6 TTABVUE 4, ¶ 4.) Registrant does not provide any factual basis for this claim including, among other things, whether its “prior use” was in commerce (either intrastate or interstate), when the use occurred, the mark that was used, or the goods or services offered under the mark. Indeed, the only information Registrant alleges in

relation to priority is the vague assertion that it can establish “use”—not use in commerce—“dating back to early 2015.” (*Id.* at ¶¶ 15, 20.).

In addition to providing no facts about the nature of its purported prior use, Registrant also fails to provide the necessary specificity regarding the date of such use. *See Syngenta Corp. Protection, Inc. v. Bio-Chek, LLC*, 90 USPQ2d 1112, 1119 (TTAB 2009) (finding testimony insufficient to demonstrate priority because witness did not state when opposer began using the mark; “While the clear implication of this testimony is that opposer was using the mark at some time before [June 4, 2007], no such date is specified”); *United Homecare Servs., Inc. v. Santos*, Cancellation No. 92053738, 2013 WL 11247709, at \*3 (TTAB Jul. 26, 2013) (finding CEO declaration insufficient to demonstrate priority where it stated, “[t]hroughout its proud 35 year history, petitioner has consistently and continuously identified itself and its services to the public with the mark UNITED HOMECARE” because “[t]his statement lack[ed] specificity regarding how, when and perhaps most importantly in connection with which services petitioner has used its pleaded mark”).

In view of the above, GoCo is left entirely without notice (fair or otherwise) as to how Registrant could conceivably proceed with its priority defense—i.e., tacking; prior use of the registered mark nationwide; prior use in a discrete geographic area; etc.—and is left to guess at the evidence it needs to succeed. *See H.D. Lee Co., Inc. v. Maidenform, Inc.*, 87 USPQ2d 1715, 1721 (TTAB 2008) (“Mere denial by applicant of opposer’s allegation of priority of use is sufficient to put opposer on notice that it must prove its pleaded priority, but it is insufficient to put opposer on notice that any priority opposer will attempt to prove will have to predate the priority that applicant will attempt to prove through tacking.”).

Consequently, Registrant has failed to meet the pleading standards under Fed. R. Civ. P. 8(b) and this defense should be stricken as insufficiently and inadequately pleaded.

**3. Registrant's Fourth Affirmative Defense Should Be Stricken as Redundant Because it Repackages Registrant's Denials of GoCo's Allegations**

The Board should strike affirmative defenses as redundant when they offer nothing more than a restatement of earlier denials. *Order of Sons of Italy in Am. v. Profumi Fratelli Nostra AG*, 36 USPQ2d 1221, 1223 (TTAB 1995) (striking applicant's affirmative defense of no disparagement as redundant because applicant had denied opposer's allegations of disparagement earlier in its answer and the defense "[was] nothing more than a restatement of that denial"). *See also Textron, Inc. v. Gillette Co.*, 180 USPQ 152, 154 (TTAB 1973) ("Since the assertions of paragraph 11 do in fact merely reaffirm applicant's previous denial of opposer's claim of likelihood of confusion and otherwise add nothing of substance to applicant's answer, opposer is correct in its charge that the paragraph is redundant in character and therefore improperly pled.").

Registrant's fourth affirmative defense, pleading "priority of use over Respondent," does no more than repackage Registrant's responses to GoCo's allegations in Paragraphs 15 and 20, which alleged, in pertinent part, that GoCo had used its GOCO mark in commerce "well before" Registrant's claimed first use and first use in commerce of the mark depicted in the '791 Registration. (1 TTABVUE 6-7, ¶¶ 15, 20; 6 TTABVUE 3, ¶¶ 15, 20.)

While denials can be pleaded as affirmative defenses where they amplify the pleadings, *ProMark Brands Inc. v. GFA Brands, Inc.*, 114 USPQ2d 1232, 1236 n.11 (TTAB 2015), Registrant's fourth affirmative defense cannot be said to "amplify" its prior responses because it offers no factual allegations that "provide fuller notice of the basis for a claim or defense." *See Ohio State Univ.*, 51 USPQ2d at 1292 (objectionable pleading permitted as an "amplification" only where it provided "fuller notice of the basis for a claim or defense"). As explained,

Registrant's fourth affirmative is comprised of a single conclusory allegation with no factual support. As such, it cannot and does not "amplify" or provide "fuller notice" of the basis for Registrant's responses regarding priority in Paragraphs 15 and 20. Registrant's fourth affirmative defense should thus be stricken as redundant.

**C. Registrant's Third Affirmative Defense Should Be Stricken as Improper Because GoCo's Pleading Is Legally Sufficient in Stating a Claim**

A petitioner may use Federal Rule of Civil Procedure Rule 12(f) to "test the sufficiency of the defense [of failure to state a claim] in advance of trial by moving . . . to strike the 'defense' from [applicant's] answer." *Order of Sons of Italy in Am.*, 36 USPQ2d at 1222. If petitioner's claim is legally sufficient to state a claim, then the defense should be stricken. *Id.* at 1222-23 ("Because opposer's pleading is legally sufficient in stating a claim, applicant's first defense [of failure to state a claim] is hereby stricken."); *Am. Vitamin Prods. Inc. v. Dowbrands, Inc.*, 22 USPQ2d 1313, 1314 (TTAB 1992) (striking registrant's defense of failure to state a claim because opposer's claim was legally sufficient). Because GoCo's pleading states a claim, Applicant's affirmative defense of failure to state a claim upon which relief can be granted should be stricken.

To withstand a motion to dismiss for failure to state a claim, a petitioner need only allege facts, if proven, that establish (1) the petitioner has standing to bring the proceeding, and (2) a valid ground exists for seeking to cancel the registration. *See Lipton Indus., Inc. v. Ralston Purina Co.*, 213 USPQ 185, 187 (CCPA 1982). Dismissal is only appropriate where it appears *certain* that petitioner is entitled to no relief under any set of facts that could be proved. *See Stanspec Co. v. Am. Chain & Cable Co., Inc.*, 189 USPQ 420, 422 (CCPA 1976). For example, in *Order of Sons of Italy in Am.*, opposer established standing by pleading a description of its organization and its activities and that its reputation would be jeopardized by the registration of

applicant's application. 36 USPQ2d at 1223. It properly pleaded a valid ground for opposition (disparagement) by alleging that applicant's use and registration of its mark would disparage individual members of opposer's organization. 36 USPQ2d at 1223. "Because opposer's pleading [was] legally sufficient in stating a claim, applicant's first defense [of failure to state a claim] was stricken." *Id.*

First, GoCo establishes standing by describing its commercial activities in connection with the GoCo mark (1 TTABVue 2-5, ¶¶ 2-12), including offering and selling goods and services related to those covered under the '791 Registration (*id.* at 7, ¶ 21), and alleging damage to those commercial activities by the continued registration of the '791 Registration based on a likelihood of confusion. (*Id.*). Second, GoCo pleads a valid ground for cancelling the '791 Registration—likelihood of confusion. (*Id.*) See, e.g., *Am. Vitamin Prods. Inc.*, 22 USPQ2d at 1314 (granting motion to strike affirmative defense for failure to state a claim finding petitioner had standing where "petitioner [was] engaged in the manufacture and sale of goods which [were] related to those identified in the subject registrations" and petitioner had established statutory grounds for seeking to cancel the registration under Section 2(d) of the Lanham Act).

Accordingly, GoCo's pleading adequately states a claim, and thus Applicant's third affirmative defense of failure to state a claim upon which relief can be granted should be stricken.

#### **D. Proceedings Should Be Suspended Pending Disposition of Motion to Strike**

The Board has broad power to suspend proceedings at its discretion. TBMP § 510.01 ("Flowing from the Board's inherent power to schedule disposition of the cases on its docket is the power to stay proceedings, which may be exercised by the Board upon its own initiative, upon motion, or upon stipulation of the parties approved by the Board."). Trademark Rule 2.127(d) and TBMP § 510.03(a) further provide that proceedings may be suspended pending

disposition of a potentially dispositive motion or upon a showing of good cause. GoCo's instant motion to strike is potentially dispositive of Registrant's claimed defenses. Moreover, a suspension is also justified because it will allow the parties to avoid unnecessary discovery on the improper affirmative defenses. Accordingly, GoCo respectfully requests that the Board exercise its discretion and suspend this proceeding pending disposition of this motion.

### **III. CONCLUSION**

In the interest of efficiency and to streamline resolution of this proceeding, GoCo respectfully requests that the Board strike Registrant's affirmative defenses of laches, waiver, estoppel, failure to state a claim, and priority with prejudice.

Respectfully submitted,

Dated: July 22, 2019

By: /Danny M. Awdeh/

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**CERTIFICATE OF SERVICE**

I certify that a true and accurate copy of PETITIONER'S MOTION TO STRIKE REGISTRANT'S AFFIRMATIVE DEFENSES was served on July 22, 2019, via e-mail, on counsel for Registrant at the following address of record:

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# EXHIBIT A

2018 WL 1110045 (Trademark Tr. & App. Bd.)

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

EAST WEST BANK

v.

THE PLUBELL FIRM LLC

Opposition No. 91233279

February 27, 2018

**\*1 Katie W. McKnight, Interlocutory Attorney:**

This case now comes up for consideration of Applicant/Counterclaim Plaintiff's ("Applicant's") motion (filed November 7, 2017) to strike Opposer/Counterclaim Defendant's ("Opposer's") affirmative defenses set forth in its answer to Applicant's counterclaims.<sup>1</sup> The motion is fully briefed.

### **Background**

On March 7, 2017, Opposer filed a notice of opposition opposing registration of Application Serial No. 87164681 on the grounds of (1) likelihood of confusion with its Registration Nos. 3430148 and 3623050 ("Opposer's Registrations"); (2) fraud based on the dates of use set forth in the involved application; and (3) claim or issue preclusion based on Cancellation No. 92053712. In lieu of an answer, Applicant filed a motion to dismiss for failure to state a claim under [Fed. R. Civ. P. 12\(b\)\(6\)](#). By order dated July 10, 2017, the Board denied Applicant's motion to dismiss with respect to Opposer's claim of likelihood of confusion, but otherwise granted the motion. *See* 8 TTABVue. Opposer did not file an amended notice of opposition.<sup>2</sup>

On September 18, 2017, Applicant filed and served its answer, affirmative defenses, and counterclaims seeking partial cancellation of Opposer's Registrations. Applicant's counterclaims specifically seek the following restrictions (in bold, underline) to Opposer's recitations of services:

Registration No. 3430148: "Automated teller machine services; Banking, **excluding consulting regarding business practices**; Cash management; Checking account services; Debit card services; Electronic funds transfer; Electronic payment, namely, electronic processing and transmission of bill payment data; Currency exchange and advice; Financial services in the field of money lending; Home equity loans; Financial management; On-line banking services; Installment loans; Insurance brokerage; Insurance consultation, **excluding consulting regarding business practices**; Issuing credit cards; Issue of traveller's cheques; Issuance of bank checks; Issuing of checks and letters of credit; Money order services; Mortgage banking; Providing temporary loans; Safe deposit box services; Savings account services; Security brokerage; Tax payment processing services; Trust services, namely, investment and trust company services" in International Class 36.

Registration No. 3623050: "**On-line business** Banking; Cash management, **namely, on-line business banking**" in International Class 36.

**\*2** 12 TTABVue at ¶¶24, 30. Applicant further alleges that Opposer has never used the marks appearing in Opposer's Registrations in connection with the services sought to be excluded, and that the proposed amendments will avoid any likelihood of confusion between the parties' marks. 12 TTABVue at ¶¶ 25, 26, 31, 32.

On October 19, 2017, Opposer filed and served its answer to Applicant's counterclaims, as well as the following affirmative defenses:

First Affirmative Defense

As a separate and first affirmative defense to Applicant's Counterclaims for Partial Cancellation and each purported claim and/or cause of action contained therein, Opposer alleges that Applicant's Counterclaims for Partial Cancellation fails to state facts sufficient to constitute a cognizable claim for relief.

Second Affirmative Defense

As a separate and second affirmative defense to Applicant's Counterclaims for Partial Cancellation and each purported claim and/or cause of action contained therein, Opposer alleges that Applicant's Counterclaims for Partial Cancellation is barred by applicable statute(s) of limitations.

Third Affirmative Defense

As a separate and third affirmative defense to Applicant's Counterclaims for Partial Cancellation and each purported claim and/or cause of action contained therein, Opposer alleges that Applicant's Counterclaims for Partial Cancellation is barred by the doctrine of laches because Applicant unduly delayed in asserting an alleged right to the prejudice of Opposer, despite the fact that Applicant knew or reasonably should have known of its alleged right.

Fourth Affirmative Defense

As a separate and fourth affirmative defense to Applicant's Counterclaims for Partial Cancellation and each purported claim and/or cause of action contained therein, Opposer alleges that Applicant knew, or reasonably should have known, of the alleged facts relating to Applicant's request for partial cancellation but acquiesced or failed to object.

Applicant then filed the instant motion to strike all four of Opposer's affirmative defenses. [Fed. R. Civ. P. 12\(f\)\(2\)](#).

The Board otherwise presumes the parties' familiarity with the pleadings and the arguments and materials submitted in connection with the subject motions. The Board has considered the parties' briefs in connection with the subject motion, but does not repeat or discuss all of the arguments and submissions, and does not address irrelevant arguments. [Guess? IP Holder L.P. v. Knowluxe LLC](#), 116 USPQ2d 2018, 2019 (TTAB 2015).

**Applicant's Motion to Strike**

Pursuant to [Fed. R. Civ. P. 12\(f\)](#), the Board may strike from a pleading any insufficient defense or any redundant, immaterial, impertinent, or scandalous matter. *See also* [Trademark Rule 2.116](#) and TBMP § 506.01 (June 2017). However, motions to strike are not favored, and matter will not be stricken unless such matter clearly has no bearing upon the issues in the case. *See Harsco Corp. v. Elec. Sciences, Inc.*, 9 USPQ2d 1570, 1571 (TTAB 1988); *Leon Shaffer Golnick Advert., Inc. v. William G. Pendill Mktg. Co., Inc.*, 177 USPQ 401, 402 (TTAB 1973); Charles A. Wright, Arthur R. Miller et al., [5C Federal Practice and Procedure: Civil 2d § 1380](#) (Jan. 2017) (hereinafter "Wright & Miller"); TBMP § 506.01. The primary purpose of the pleadings, under the Federal Rules of Civil Procedure, is to give fair notice of the claims or defenses asserted. *See McDonnell Douglas Corp. v. Nat'l Data Corp.*, 228 USPQ 45, 47 (TTAB 1985); TBMP § 309.03(a)(2). "[A] defense that might confuse the issues in the case and would not, under the facts alleged, constitute a valid defense to the action can and should be deleted." [Wright & Miller at § 1381](#).

**A. Opposer's First Affirmative Defense: Failure to State a Claim**

\*3 Opposer's allegation that Applicant's counterclaims fail to state facts sufficient to constitute a cognizable claim for relief is not a true affirmative defense because it relates to an assertion of the insufficiency of the pleading of Applicant's counterclaims rather than a statement of a defense to a properly pleaded claim. See *Hornblower & Weeks, Inc. v. Hornblower & Weeks, Inc.*, 60 USPQ2d 1733, 1738, n.7 (TTAB 2001). Nonetheless, in an effort to avoid future motion practice, the Board will review the sufficiency of Applicant's counterclaims.

To state a claim upon which relief can be granted, a plaintiff need only allege sufficient factual matter as would, if proved, establish that: (1) it has standing; and (2) a valid ground exists for denying registration. *Young v. AGB Corp.*, 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998); *Doyle v. Al Johnson's Swedish Rest. & Butik, Inc.*, 101 USPQ2d 1780, 1782 (TTAB 2012). More specifically, "a complaint must contain sufficient factual matter ... to state a claim to relief that is plausible on its face." *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). "Threadbare recitals of the elements of a cause of action, supported by mere conclusory statements, do not suffice" and are not accepted as true. *Ashcroft*, 556 U.S. at 678 (citing *Twombly*, 550 U.S. at 555). All of the plaintiff's well-pleaded allegations must be accepted as true, and the complaint must be construed in the light most favorable to the non-moving party. See *Advanced Cardiovascular Sys., Inc. v. SciMed Life Sys., Inc.*, 988 F.2d 1157, 26 USPQ2d 1038, 1042-43 (Fed. Cir. 1993).

Applicant's standing to assert a counterclaim to cancel registrations pleaded by Opposer is inherent in its position as defendant in the opposition proceeding. *Finanz St. Honore, B.V. v. Johnson & Johnson*, 85 USPQ2d 1478, 1479 (TTAB 2007); *Carefirst of Maryland, Inc. v. FirstHealth of the Carolinas, Inc.*, 77 USPQ2d 1492, 1502-03 (TTAB 2005). Because Opposer's Registrations issued on the Principal Register on May 20, 2008 and May 19, 2009, Applicant's counterclaims are limited to claims enumerated in Section 14(3) of the Trademark Act, 15 U.S.C. § 1064, which include abandonment.<sup>3</sup> However, this is not a case where the recitation of services in Opposer's Registrations specifically list a number of different services, and Applicant seeks to have a number of the specified services deleted on the ground of abandonment of use of the mark on those items. See *Milliken & Co. v. Image Industries, Inc.*, 39 USPQ2d 1192, 1195 (TTAB 1996); Cf. *DAK Indus., Inc. v. Daiichi Kosho Co., Ltd.*, 35 USPQ2d 1434, 1438-39 (TTAB 1995). In this case, Applicant seeks to restrict the recitation in Opposer's recitation of services to exclude certain services or otherwise narrow the scope of the services, alleging that Opposer never used the marks appearing in Opposer's Registrations in connection with the excluded services.<sup>4</sup>

\*4 The owner of a registration for services broadly described who has not commenced use on the full range of services encompassed by the recitation may be held to have abandoned its mark for those services on which no use has been made. See *Procter & Gamble Co. v. Sentry Chemical Co.*, 22 USPQ2d 1589, 1592 (TTAB 1992) (overruled on different grounds in *Eurostar, Inc. v. "Euro-Star" Reitmoden GmbH & Co. KG*, 34 USPQ2d 1266 (TTAB 1994)). In order to properly plead partial abandonment, Applicant must allege sufficient facts to set forth a *prima facie* case of abandonment by pleading either at least three consecutive years of nonuse or facts that show a period of nonuse of less than three years coupled with an intent not to resume use. 15 U.S.C. § 1127; see also *Imperial Tobacco Ltd. v. Philip Morris, Inc.*, 899 F.2d 1575, 14 USPQ2d 1390, 1395-96 (Fed. Cir. 1990); *Otto Int'l, Inc. v. Otto Kern GmbH*, 83 USPQ2d 1861, 1863 (TTAB 2007). Applicant need not allege specific dates of nonuse; abandonment may be established where a mark has never been used. See, e.g., *DAK Indus., Inc.*, 35 USPQ2d at 1438; *Procter & Gamble Co.*, 22 USPQ2d at 1592. Inasmuch as Applicant alleges that Opposer has never used the marks appearing in Registration Nos. 3430148 and 3623050, which issued on May 20, 2008 and May 19, 2009, respectively, in connection with certain services (see 12 TTABVue at ¶¶24, 25, 30 and 31), Applicant has properly pleaded a claim of partial abandonment.

Moreover, where a party seeks to narrow the identification in the subject registrations by form and channels of trade, or by excluding specific goods and services, such a restriction is also contemplated by Section 18 of the Trademark Act. See *Eurostar, Inc. v. "Euro-Star" Reitmoden GmbH & Co. KG*, 34 USPQ2d 1266, 1272 (TTAB 1994). Section 18 of the Lanham Act gives the Board the equitable power to cancel registrations in whole or in part, "restrict the goods or services identified in an application or registration," or to "otherwise restrict or rectify ... the registration of a registered mark." 15 U.S.C. Section 1068; Trademark Rule 2.133(b); see also TBMP § 309.03(d) and cases cited therein. In *Eurostar Inc. v. "Euro-Star" Reitmoden GmbH & Co.*, 34 USPQ2d 1266, 1271 (TTAB 1994), the Board set forth the elements for stating a proper claim for partial cancellation or

restriction of a registration under Section 18. A petitioner must plead that the proposed restriction will avoid a likelihood of confusion and that respondent is not using the mark on the goods or services being deleted or “effectively excluded” from the registration. *Id.* For pleading purposes, a Section 18 claim or defense must be specific enough in nature so that the adverse party has fair notice of the restriction being sought. *Id.*; see also, *ProQuest Info. and Learning Co. v. Island*, 83 USPQ2d 1351, 1353-54 (TTAB 2007); *Penguin Books Ltd. v. Eberhard*, 48 USPQ2d 1280, 1286-87 (TTAB 1998) (applicant's counterclaim for partial cancellation found at final hearing insufficient to avoid confusion, and alternative restriction raised for first time during briefing rejected as untimely).

\*5 Inasmuch as Applicant has alleged that a specific restriction to the recitation of services in Opposer's Registrations will avoid a likelihood of confusion between the parties' marks, and Opposer has never used its marks in connection with the services Applicant proposes to exclude from Opposer's Registrations, Applicant has pleaded facts which, if proven, would establish the necessary elements for a Section 18 claim.<sup>5</sup> See 12 TTABVue at ¶¶23-26, 29-32; see also *Eurostar Inc.*, 34 USPQ2d at 1271. In view thereof, Opposer's defense of failure to state a claim is **stricken**.

#### B. Opposer's Second Affirmative Defense: Statute of Limitations

By limiting the grounds upon which a petition to cancel registrations over five years old can be based, Section 14(3) of the Trademark Act acts as a kind of statute of limitations for all grounds for cancellation except those enumerated in this section of the Act. See 3 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 20:55 (5<sup>th</sup> ed. March 2018 Update). However, inasmuch as abandonment is one of the specifically enumerated grounds available against registrations at any time, Opposer's statute of limitations affirmative defense is meritless and is **stricken**. See 15 U.S.C. § 1064.

#### C. Opposer's Third and Fourth Affirmative Defenses: Laches and Acquiescence

Under Section 19 of the Trademark Act, the equitable principles of laches and acquiescence, where applicable, may be considered and applied in *inter partes* proceedings. 15 U.S.C. § 1069. However, to be legally sufficient, a pleading of any of these defenses must include enough factual detail to provide Applicant fair notice of the basis for the defense. *Fed. R. Civ. P.* 8(b)(1); see e.g., *IdeasOne, Inc. v. Nationwide Better Health, Inc.*, 89 USPQ2d 1952, 1953 (TTAB 2009); *H.D. Lee Co., Inc. v. Maidenform, Inc.*, 87 USPQ2d 1715, 1720 (TTAB 2008) (citing *Blonder-Tongue Laboratories, Inc. v. Univ. of Illinois Found.*, 402 U.S. 313, 350 (1971)); *Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1538 (TTAB 2007). Inasmuch as Opposer's allegations of laches and acquiescence simply reiterate the elements of the defenses and do not include any facts, Opposer's third and fourth affirmative defenses are insufficiently pleaded.

Moreover, it is well established that the equitable defenses of laches and acquiescence are not available against claims of abandonment. See *Saint-Gobain Abrasives, Inc. v. Unova Indus. Automation Sys., Inc.*, 66 USPQ2d 1355, 1359 (TTAB 2003); *Harjo v. Pro Football, Inc.*, 30 USPQ2d 1828, 1831 (TTAB 1994); *TBC Corp. v. Grand Prix Ltd.*, 12 USPQ2d 1311, 1313 (TTAB 1989) (“It is in the public interest to remove abandoned registrations from the register.”); TBMP § 311.02(b). Accordingly, Opposer's third and fourth affirmative defenses of laches and acquiescence are **stricken**.

#### Conclusion

\*6 Applicant's motion to strike Opposer's first, second, third and fourth affirmative defenses is **granted**. Proceedings are **resumed**. Dates are reset as follows:

Deadline for Discovery Conference	March 14, 2018
Discovery Opens	March 14, 2018
Initial Disclosures Due	April 13, 2018

Expert Disclosures Due	August 11, 2018
Discovery Closes	September 10, 2018
Plaintiff's Pretrial Disclosures Due	October 25, 2018
30-day Testimony Period for Plaintiff's Testimony to Close	December 9, 2018
Defendant and Counterclaim Plaintiff's Pretrial Disclosures Due	December 24, 2018
30-day Testimony Period for Defendant and Plaintiff in the Counterclaim to Close	February 7, 2019
Counterclaim Defendant's and Plaintiff's Rebuttal Disclosures Due	February 22, 2019
30-day Testimony Period for Defendant in the Counterclaim and Rebuttal Testimony for Plaintiff to Close	April 8, 2019
Counterclaim Plaintiff's Rebuttal Disclosures Due	April 23, 2019
15-day Rebuttal Period for Plaintiff in the Counterclaim to Close	May 23, 2019
<b>BRIEFS SHALL BE DUE AS FOLLOWS:</b>	
Brief for Plaintiff Due	July 22, 2019
Brief for Defendant, and Plaintiff in the Counterclaim Due	August 21, 2019
Brief for Defendant in the Counterclaim and Reply Brief, if any, for Plaintiff Due	September 20, 2019
Reply Brief, if any, for Plaintiff in the Counterclaim Due	October 5, 2019

**\*7** 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\(a\)](#).

#### Footnotes

- 1 Inasmuch as the Board has suspended proceedings pending disposition of the instant motion (*see* 16 TTABVue), Applicant's motion to suspend is **moot**.
- 2 Accordingly, Opposer's opposition will move forward solely on its claim of likelihood of confusion. *See* 8 TTABVue 5.

- 3 “A petition to cancel a registration of a mark, ... may, upon payment of the prescribed fee, be filed as follows by any person who believes that he is or will be damaged ... by the registration of a mark on the principal register established by this chapter ... (3) At any time if the registered mark becomes the generic name for the goods or services, or a portion thereof, for which it is registered, or is functional, or has been abandoned, or its registration was obtained fraudulently or contrary to the provisions of section 1054 of this title or of subsection (a), (b), or (c) of section 1052 ...” [15 U.S.C. § 1064](#) (emphasis added).
- 4 Although Applicant alleges that Opposer never used the marks in connection with the excluded services, inasmuch as Opposer's registrations are more than five years old, the grounds of priority of use and likelihood of confusion under Section 2(d) of the Trademark Act and nonuse are not available as grounds for cancellation. *See* [15 U.S.C. § 1064](#); *Aries Sys. Corp. v. World Book, Inc.*, [26 USPQ2d 1926, 1930 n.11 \(TTAB 1993\)](#).
- 5 A Section 18 partial cancellation claim is in the nature of an equitable remedy which may be utilized to avoid a finding of a likelihood of confusion even where there is no specific ground for cancellation, and even as to registrations over five years old. *Eurostar, Inc.*, [34 USPQ2d at 1271, n.3](#).

2018 WL 1110045 (Trademark Tr. & App. Bd.)

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2016 WL 3771779 (Trademark Tr. & App. Bd.)

THIS ORDER IS NOT A PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

SOUTHWEST SPECIALTY FOOD INC.

v.

CRAZY UNCLE JESTER'S INFERNO WORLD, LLC

Cancellation No. 92060809

June 24, 2016

\*1 Before [Quinn](#), [Zervas](#), and [Bergsman](#)  
Administrative Trademark Judges

**By the Board:**

Now before the Board are the parties' cross-motions for summary judgment on Petitioner's pleaded claim of likelihood of confusion, filed on January 27, 2016 (Respondent) and February 26, 2016 (Petitioner). In its cross-motion, Petitioner also moved in the alternative for partial summary judgment on the issues of priority and similarity of the marks, and for summary judgment on Respondent's affirmative defenses of laches, unclean hands, waiver, acquiescence, estoppel, claim preclusion, and issue preclusion. The parties' motions have been fully briefed.

For purposes of this order we presume the parties' familiarity with the pleadings, and the arguments and evidence submitted in support of or in opposition to the motions for summary judgment. In reaching our decision, all of the parties' arguments were carefully considered in light of the evidence of record, although we do not find it necessary to discuss all of them in our opinion. See [Guess? IP Holder L.P. v. Knowluxe LLC](#), 116 USPQ2d 2018, 2018 (TTAB 2015).

Background

Petitioner owned Registration No. 2077145 for the mark SPONTANEOUS COMBUSTION (in typed form) for “salsa, wing, and hot sauce” in International Class 30. Petitioner's Motion, Ex. A (11 TTABVUE 18) and Ex. H, Declaration of Jeffery Jacobs (“Jacobs Decl.”), ¶ 9 (11 TTABVUE 78). The registration issued on July 8, 1997, on the Principal Register, but was cancelled in 2008 due to Petitioner's professed “inadvertent” failure to file the required renewal documents.<sup>1</sup> Jacobs Decl., ¶¶ 9-10 (11 TTABVUE 78).

On July 14, 2009, Respondent filed an application for registration of the mark CRAZY UNCLE JESTER'S SPONTANEOUS COMBUSTION (in standard character form) for “hot sauce,” in International Class 30. The application matured to registration on March 30, 2010, as Registration No. 3766615.

On February 9, 2010, Petitioner's president, Jeffrey Jacobs, “refiled a new U.S. trademark application” to register the mark SPONTANEOUS COMBUSTION for goods including “hot sauce” (hereinafter the “replacement application”).<sup>2</sup> Jacobs Decl., ¶ 11 (11 TTABVUE 80). However, the USPTO refused Petitioner's replacement application on the ground of likelihood of confusion with Respondent's Registration No. 3766615. *Id.* Petitioner, acting *pro se* at the time, submitted arguments attempting to overcome the refusal, but those efforts were not successful. *Id.* See also 11 TTABVUE 83-85.

\*2 On January 6, 2011, Petitioner filed a civil action against Respondent in the United States District Court for the District of Arizona, asserting claims of federal trademark infringement, unfair competition, and dilution under Arizona law arising from Respondent's use of the mark CRAZY UNCLE JESTER'S SPONTANEOUS COMBUSTION. *See* 11 TTABVUE 57-62). In an order dated June 22, 2011, the district court dismissed the action due to lack of personal jurisdiction over Respondent. *See* 11 TTABVUE 64-74.

On February 2, 2015, Petitioner filed a petition for cancellation of Respondent's Registration No. 3766615 for the mark CRAZY UNCLE JESTER'S SPONTANEOUS COMBUSTION. *See* 1 TTABVUE. Petitioner subsequently filed an amended petition for cancellation on May 7, 2015. *See* 7 TTABVUE. In its amended petition for cancellation, Petitioner seeks cancellation of Registration No. 3766615 on the ground of likelihood of confusion under Section 2(d) of the Trademark Act, 15 U.S.C. § 1052(d) and likelihood of dilution by blurring under Section 43(c) of the Trademark Act, 15 U.S.C. § 1125(c).

With respect to the Section 2(d) claim, Petitioner asserts that Respondent's mark CRAZY UNCLE JESTER'S SPONTANEOUS COMBUSTION for "hot sauce" is likely to be confused with Petitioner's previously-used mark SPONTANEOUS COMBUSTION for "hot sauce, salsa, wing sauce, and other spicy products." Petition, ¶¶ 1-2, 13-21 (7 TTABVUE 2, 4-5). With respect to the Section 43(c) claim, Petitioner asserts that its SPONTANEOUS COMBUSTION mark is distinctive and became famous prior to Respondent's first use of the mark CRAZY UNCLE JESTER'S SPONTANEOUS COMBUSTION, and that Respondent's mark impairs or is likely to impair the distinctiveness of Petitioner's famous mark. Petition, ¶¶ 22-25 (7 TTABVUE 5).

In its answer (filed June 26, 2015), Respondent denied the salient allegations in the petition for cancellation and asserted various affirmative defenses.

### The Pleadings

As an initial matter, a decision on summary judgment necessarily requires a review of the operative pleadings. *Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d 1478, 1478 (TTAB 2009). Further, Respondent, by way of its "failure to state a claim defense," questions the sufficiency of Petitioner's pleading. Accordingly, before turning to the merits of the parties' cross-motions, we first examine the claims in the amended petition for cancellation and the defenses asserted in Respondent's answer.

#### 1. Petitioner's Amended Petition for Cancellation

Upon review of the amended petition for cancellation (filed May 27, 2015), we find that Petitioner has adequately pleaded grounds of likelihood of confusion and dilution by blurring under Sections 2(d) and 43(c) of the Trademark Act, respectively. Petitioner alleges ownership of common law rights in the mark SPONTANEOUS COMBUSTION; that there is a likelihood of confusion between Petitioner's mark and Respondent's mark; that Petitioner has priority of use; that Petitioner's mark is inherently distinctive; that Petitioner's mark became famous prior to Respondent's earliest use of its mark; and that registration of Respondent's mark impairs or is likely to impair the distinctiveness of Petitioner's famous mark.

#### 2. Respondent's Answer and Affirmative Defenses

\*3 Respondent, in its answer to the amended petition for cancellation, denied the salient allegations in the petition for cancellation and asserted the following affirmative defenses:

5. Petitioner's Amended Petition for Cancellation fails to state a claim upon which relief can be granted.

6. Petitioner's Amended Petition for Cancellation is barred in whole or in part by the doctrine of laches and unclean hands.

7. Petitioner's Amended Petition for Cancellation is barred in whole or in part by the doctrine of waiver, acquiescence, and estoppel.

8. Petitioner's Amended Petition for Cancellation is barred in whole or in part by prior judgment, claim preclusion, and issue preclusion.

Answer, ¶¶ 5-8 (8 TTABVue 3).

Respondent's defense in numbered paragraph 5, that Petitioner has failed to state a claim upon which relief can be granted, is not a true affirmative defense because it relates to an assertion of the insufficiency of the pleading rather than a statement of a defense to a properly pleaded claim. *See Hornblower & Weeks Inc. v. Hornblower & Weeks Inc.*, 60 USPQ2d 1733, 1738 n.7 (TTAB 2001). Nonetheless, we have reviewed the sufficiency of Petitioner's pleading and explained above that Petitioner has sufficiently pleaded claims of likelihood of confusion and dilution. Accordingly, Petitioner's defense of failure to state a claim is **stricken**.

Paragraphs 6-8 in Respondent's answer consist of bald allegations of the affirmative defenses of laches, unclean hands, waiver, acquiescence, estoppel, prior judgment, claim preclusion, and issue preclusion. A legally sufficient pleading of each defense must include enough factual detail to provide Petitioner fair notice of the basis for the defense. *Fed. R. Civ. P.* 8(b)(1) and 12(f); *see e.g., IdeasOne Inc. v. Nationwide Better Health Inc.*, 89 USPQ2d 1952, 1953 (TTAB 2009); *Midwest Plastic Fabricators, Inc. v. Underwriters Laboratories Inc.*, 5 USPQ2d 1067, 1069 (TTAB 1980). A party must allege sufficient facts beyond a tender of "naked assertion[s]" devoid of "further factual enhancement," to support its claims or defenses. *Ashcroft v. Iqbal*, 556 U.S. 662, 663 (2009), *quoting Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007). Respondent's affirmative defenses in Paragraphs 6-8 are insufficiently pleaded and therefore are **stricken**. *See, e.g., Midwest Plastic Fabricators*, 5 USPQ2d at 1069 (striking unclean hands defense because there were "no specific allegations of conduct by petitioner that, if proved, would prevent petitioner from prevailing on its claim"); TBMP § 311.02(b) (2015) ("The elements of a defense should be stated simply, concisely, and directly. However, the pleading should include enough detail to give the plaintiff fair notice of the basis for the defense."). *Cf. McDonnell Douglas Corp. v. National Data Corp.*, 228 USPQ 45, 47 (TTAB 1985), (petitioner's recitation of the statutory language did not provide fair notice of basis its § 2(a) claim).

**\*4** In view of our decision to strike Respondent's affirmative defenses, Petitioner's motion for summary judgment on the defenses of laches, unclean hands, waiver, acquiescence, estoppel, claim preclusion, and issue preclusion is **denied without prejudice** as moot.

As discussed further below, Respondent will be allowed time in which to file and serve an amended answer in which it may attempt to properly set forth the stricken defenses of laches, waiver, acquiescence, and equitable estoppel, to the extent they may be properly asserted based on the circumstances of the case. On the other hand, it is apparent from the parties' arguments and evidence in support of their cross-motions for summary judgment that it would be futile for Respondent to amend its answer in an attempt to adequately plead the defenses of unclean hands, prior judgment, claim preclusion, and issue preclusion.

Respondent's unclean hands defense is grounded on a claim that Petitioner infringed Respondent's mark.<sup>3</sup> The Board does not have jurisdiction over infringement claims or defenses. *See, e.g., FirstHealth of the Carolinas Inc. v. CareFirst of Md. Inc.*, 479 F.3d 825, 81 USPQ2d 1919, 1921 (Fed. Cir. 2007); *General Mills Inc. v. Fage Dairy Processing Indus. SA*, 100 USPQ2d 1584, 1591 (TTAB 2011) ("The Board has no authority to determine the right to use, or the broader

questions of infringement, unfair competition [.]”). Accordingly, it would be futile for Respondent to amend its answer in an attempt to plead an unclean hands defense predicated on a claim of infringement. *See generally Foman v. Davis*, 371 U.S. 178, 183 (1962) (“futility of amendment” is a reason to deny a Rule 15(a) motion); *see also, Am. Express Mktg. & Dev. Corp. v. Gilad Dev. Corp.*, 94 USPQ2d 1294, 1300 (TTAB 2010) (leave to amend answer to plead an additional affirmative defense denied as futile).

Regarding Respondent's affirmative defenses of prior judgment, claim preclusion, and issue preclusion, as noted above Petitioner has submitted evidence that on January 6, 2011, it filed a trademark civil action against Respondent in the United States District Court for the District of Arizona and that the court ultimately dismissed the action due to lack of personal jurisdiction over Respondent. *See* 11 TTABVue 57-62 and 64-74.<sup>4</sup>

For claim preclusion (*res judicata*) or issue preclusion (*collateral estoppel*) to apply, there must have been, *inter alia*, a judgment on the merits of the prior claim or adjudication of the issue.<sup>5</sup> “A judgment of a court having jurisdiction of the parties and of the subject matter operates as *res judicata*, in the absence of fraud or collusion, even if obtained upon a default.” *Morris v. Jones*, 329 U.S. 545, 550-51 (1947) (emphasis added). Similarly, under the doctrine of issue preclusion, if an issue is actually and necessarily determined by a court of competent jurisdiction, that determination is normally conclusive in a subsequent suit involving the parties to the prior litigation so long as the party against whom the prior judgment is asserted had a full and fair opportunity to litigate the issue. *See Mother's Rest. Inc. v. Mama's Pizza, Inc.*, 221 USPQ 394, 397 (Fed. Cir. 1983) (emphasis added).

\*5 Where a court lacks personal jurisdiction over defendants, dismissal of the case on jurisdictional grounds by that court does not involve an adjudication on the merits and thus does not preclude relitigation of the cause of action originally asserted. *See Nat'l Ass'n of Home Builders v. E.P.A.*, 786 F.3d 34, 41 (D.D.C. 2015); *Dias v. Bogins*, 927 F.Supp. 18, 23 (D.N.H. 1995) (a court whose judgment is asserted as a basis for an application of the doctrine of claim preclusion (or *res judicata*) must be one of competent jurisdiction). *Cf. Fed. R. Civ. P. 41(b)* (“Unless the dismissal order states otherwise, a dismissal under this subdivision (b) and any dismissal not under this rule—except one for lack of jurisdiction, improper venue, or failure to join a party under [Federal Rule of Civil Procedure] 19—operates as an adjudication on the merits.”).<sup>6</sup> Where there is a lack of personal jurisdiction, a court's dismissal of claims against a defendant, even if purportedly rendered on the merits, generally would not bar re-litigation of those claims if the court did not have personal jurisdiction over the defendant. *See Derr v. Swarek*, 766 F.3d 430, 440 (5<sup>th</sup> Cir. 2014); *Computer Assocs. Int'l, Inc. v. Altai, Inc.*, 126 F.3d 365, 44 USPQ2d 1281, 1284-85. (2d Cir. 1997) (“Even where a second action arises from some of the same factual circumstances that gave rise to a prior action, *res judicata* is inapplicable if formal jurisdictional or statutory barriers precluded the plaintiff from asserting its claims in the first action.”).

Here, the Arizona court dismissed the prior action between the parties due to lack of personal jurisdiction over Respondent. In doing so, the court did not adjudicate any claims based on the same set of transactional facts now before the Board, and other than the jurisdictional dispute no issues were actually litigated. Accordingly, for at least these reasons, the affirmative defenses of prior judgment, claim preclusion, and issue preclusion would not apply in this Board proceeding and therefore any attempt by Respondent to amend its answer to assert these defenses would be futile. *See e.g., BE Sport, Inc. v. Al-Jazeera Satellite Channel*, 115 USPQ2d 1765, 1769 (TTAB 2015) (applicant's motion for leave to amend its answer to assert the proposed additional defense of *res judicata* denied as futile).

In view of the above, Respondent is allowed until **TWENTY DAYS** from the mailing date of this order in which to file and serve an amended answer which properly sets forth the affirmative defenses of laches, waiver, acquiescence, or equitable estoppel, to the extent any of these defenses may be properly asserted based on the circumstances of the case, failing which the defenses will be dismissed with prejudice and the cancellation will move forward only on Respondent's denials of Petitioner's pleaded claims.<sup>7</sup> However, we decline to afford Respondent an opportunity to attempt to amend

its putative defenses of unclean hands, prior judgment, claim preclusion, and issue preclusion because amendment would be futile.

### Summary Judgment

\*6 Summary judgment is appropriate only where there are no genuine disputes as to any material facts, thus allowing the case to be resolved as a matter of law. [Fed. R. Civ. P. 56\(a\)](#). The party moving for summary judgment has the initial burden of demonstrating that there is no genuine dispute of material fact remaining for trial and that it is entitled to judgment as a matter of law. [Celotex Corp. v. Catrett](#), 477 U.S. 317, 323 (1986); [Sweats Fashions, Inc. v. Pannill Knitting Co. Inc.](#), 833 F.2d 1560, 4 USPQ2d 1793, 1796 (Fed. Cir. 1987). The nonmoving party must be given the benefit of all reasonable doubt as to whether genuine disputes of material fact exist; and the evidentiary record on summary judgment, and all inferences to be drawn from the undisputed facts, must be viewed in the light most favorable to the nonmoving party. See [Opryland USA, Inc. v. Great Am. Music Show, Inc.](#), 970 F.2d 847, 23 USPQ2d 1471, 1472 (Fed. Cir. 1992). The Board may not resolve genuine disputes as to material facts; it may only ascertain whether they exist. See [Lloyd's Food Prods., Inc. v. Eli's, Inc.](#), 987 F.2d 766, 25 USPQ2d 2027, 2029 (Fed. Cir. 1993).

When cross motions for summary judgment are presented, the moving party in each motion has the burden as to its own motion, and the Board evaluates each motion on its own merits and resolves all doubts and inferences against the party whose motion is being considered. See [Mingus Constructors, Inc. v. United States](#), 812 F.2d 1387, 1391 (Fed. Cir. 1987); [Drive Trademark Holdings](#), 83 USPQ2d at 1437. The fact that both parties have moved for summary judgment does not necessarily mean that there are no genuine disputes of material fact, or that a trial is unnecessary. See [Amazon Tech. Inc. v. Wax](#), 95 USPQ2d 1865, 1871 (TTAB 2010).

#### 1. Respondent's Motion for Summary Judgment

In determining the issue of likelihood of confusion and, in this case, whether there is any genuine dispute of material fact, we consider all of the *DuPont* factors which are relevant under the present circumstances and for which there is evidence of record. See [E.I. DuPont DeNemours & Co.](#), 476 F.2d 1357, 177 USPQ 563 (CCPA 1973).

Respondent has submitted evidence that Petitioner, in connection with its unsuccessful prosecution of its replacement application to register the mark SPONTANEOUS COMBUSTION, argued before the USPTO that “it is very unlikely that there would be any confusion [between Petitioner's Mark and Respondent's Mark].” Resp. Mot., Ex. D. (10 TTABVUE 31); Ex C., Petitioner's response to request for admission no. 2 (10 TTABVUE 28).

\*7 Although the arguments made by Petitioner during the *ex parte* prosecution of its application may be relevant to the likelihood of confusion analysis, they are not dispositive of the issue. See [Interstate Brands Corp. v. Celestial Seasonings, Inc.](#), 576 F.2d 926, 198 USPQ 151, 153-154 (CCPA 1978) (finding that a likelihood of confusion argument made in support of an application for registration is a legal conclusion, and therefore, cannot constitute an admission because only facts may be admitted); [Calypso Tech. Inc. v. Calypso Capital Mgmt. LP](#), 100 USPQ2d 1213, 1223 (TTAB 2011) (recognizing that a party's position in a prior proceeding “is not an admission, but may be considered only as illuminative of shade and tone in the total picture”); [Anthony's Pizza & Pasta Int'l Inc. v. Anthony's Pizza Holding Co.](#), 95 USPQ2d 1271 (TTAB 2009) (“The doctrine of ‘file wrapper estoppel’ does not apply in trademark cases” nor does a party's position in a prior proceeding “rise to the level of an admission against interest.”); [Taffy's of Cleveland, Inc. v. Taffy's, Inc.](#), 189 USPQ 154, 156 (TTAB 1975) (fact that petitioner argued before examining attorney that its mark and that of respondent were not confusingly similar does not preclude petitioner from asserting likelihood of confusion as ground for cancellation). Accordingly, Petitioner's statements in connection with the prosecution of its replacement application do not establish the absence of any genuine dispute of material fact regarding likelihood of confusion.



Respondent also has submitted evidence that neither Respondent nor Petitioner are aware of any instances of actual confusion. Respondent's Mot., Ex. A, Affidavit of Jeffrey Stevenson ("Stevenson Aff.") ¶ 10 (10 TTABVUE 12); Ex. B., Petitioner's response to interrogatory nos. 16-18 (10 TTABVUE 22). However, evidence of actual confusion is not necessary to show a likelihood of confusion, and its absence is not dispositive. See *Herbko Int'l Inc. v. Kappa Books Inc.*, 308 F.3d 1156, 64 USPQ2d 1375, 1380 (Fed. Cir. 2002); *Giant Food, Inc. v. Nation's Foodservice, Inc.*, 710 F.2d 1565, 218 USPQ 390, 396 (Fed. Cir. 1983); *Kabushiki Kaisha Hattori Tokeiten v. Scutotto*, 228 USPQ 461, 463 (TTAB 1985). Moreover, Respondent has offered no evidence regarding the nature and extent of the parties' use of their respective marks and whether or not there has been any meaningful opportunity for actual confusion to occur. See, e.g., *Gillette Canada Inc. v. Ranir Corp.*, 23 USPQ2d 1768, 1774 (TTAB 1992) (noting that there was no evidence that the parties' goods had been sold together in the same locality for a significant period of time). To the contrary, Respondent has argued that it does not market and offer its products in Arizona, where Petitioner is located. See Stevenson Aff., ¶ 8-9 (10 TTABVUE 11-12). Accordingly, the absence of reported instances of actual confusion does not establish the absence of any genuine dispute of material fact regarding likelihood of confusion.

\*8 Respondent goes on to argue that the mark SPONTANEOUS COMBUSTION is "highly suggestive ... weak and is entitled to only a limited scope of protection." See 10 TTABVUE 8. Respondent further contends that the presence of the wording "CRAZY UNCLE JESTER'S" in its mark is sufficient to distinguish the parties' marks and obviate likelihood of confusion. *Id.* However, Respondent has not submitted any evidence to support its contention that the wording "spontaneous combustion" is highly suggestive and weak, and thus Respondent's position regarding the alleged weakness of Petitioner's mark amounts to mere attorney argument.

Respondent also has submitted evidence that while "it sells its hot sauce in stores and online" it does not sell its hot sauce in Arizona, "where [Petitioner] is located." Stevenson Aff., ¶ 8-9 (10 TTABVUE 11-12). However, Respondent has submitted Petitioner's interrogatory responses, including Petitioner's response to interrogatory 11, in which Petitioner states that its goods have been marketed and distributed in "[a]ll 50 states[.]" Resp. Mot., Ex. B. (10 TTABVUE 19-20). In any event, Respondent's arguments and evidence concerning any alleged geographical limitations are irrelevant. Respondent's involved registration contains no geographic restrictions, and affords Respondent the presumption of the exclusive right to use of its registered mark throughout the United States regardless of its actual extent of use. Section 7(b) of the Trademark Act, 15 U.S.C. § 1057(b). See also *Giant Food, Inc. v. Nation's Foodservice, Inc.*, 710 F.2d 1565, 218 USPQ 390, 393 (Fed. Cir. 1983). Even if the parties' goods are marketed and sold in discrete areas of the country, we must consider whether there would be a likelihood of confusion if the parties were to use their marks in connection with their respective goods in the *same* area.

Respondent also has submitted statements of its owner, Mr. Stevenson, asserting that Respondent uses a design of a grinning jester in connection with the word mark CRAZY UNCLE JESTER'S SPONTANEOUS COMBUSTION. Stevenson Aff., ¶ 7 and Ex. 1 (10 TTABVUE 11 and 13. However, Respondent's mark is registered in standard character form "without claim to any particular font style, size, or color." Trademark Rule 2.52(a). The manner in which Respondent actually displays the mark thus is immaterial. See, e.g., *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1847 (Fed. Cir. 2000) ("Registrations with typed drawings are not limited to any particular rendition of the mark and, in particular, are not limited to the mark as it is used in commerce.").<sup>8</sup>

Respondent's arguments and evidence concerning Petitioner's graphics are similarly unpersuasive. Petitioner, in its amended petition for cancellation, bases its claim on its alleged common law rights in the mark SPONTANEOUS COMBUSTION, without reference to any design elements. Amended Petition, ¶¶ 1-2. The only evidence Respondent has submitted regarding Petitioner's actual use of the mark SPONTANEOUS COMBUSTION is Petitioner's arguments to the USPTO in connection with its unsuccessful attempt to overcome the Section 2(d) refusal and register its replacement application to register the mark SPONTANEOUS COMBUSTION, in which Petitioner argued that its "unique packaging graphic design has an exploding mouth below the word Spontaneous Combustion" and that "it is very unlikely that there would be any confusion" with Respondent's mark. Resp. Mot., Ex C., Petitioner's response to

request for admission no. 2 and Ex. D. (10 TTABVUE 31). Respondent otherwise has submitted no evidence to establish the extent to which Petitioner uses a design in connection with the mark SPONTANEOUS COMBUSTION and has offered no evidence regarding the commercial impression or consumer perception of Petitioner's mark.

\*9 Respondent also has offered evidence that it only uses its mark “on one of its numerous hot sauces” (Stevenson Decl., ¶ 6, 10 TTABVUE 11) whereas Petitioner uses its mark “on a variety of different products, including hot sauce.” Resp. Mot., Ex. B, Petitioner's answer to interrogatory no. 11 (10 TTABVUE 19). These arguments similarly fail to establish the absence of any genuine dispute of material fact regarding likelihood of confusion. Respondent concedes that the parties use their respective marks on hot sauce. If relatedness is established for any item encompassed by the identification of goods within a particular class, then registration is refused as to the entire class. *See, e.g., Tuxedo Monopoly, Inc. v. General Mills Fun Group*, 648 F.2d 1335, 209 USPQ 986, 988 (CCPA 1981); *Inter IKEA Sys. B.V. v. Akea, LLC*, 110 USPQ2d 1734, 1745 (TTAB 2014); *Baseball America Inc. v. Powerplay Sports Ltd.*, 71 USPQ2d 1844, 1847 n.9 (TTAB 2004). Once likely confusion is found as to one item in a single class, registration is refused as to the entire class. *Id.*

When we view Respondent's arguments and evidence in the light most favorable to Petitioner as the non-movant with respect to Respondent's motion for summary judgment, we find that, at a minimum, genuine disputes of material fact exist regarding the similarity or dissimilarity of the parties' respective marks in appearance, sound, meaning, and commercial impression, as well as the extent to which there has been any meaningful opportunity for actual confusion to occur, such that the absence of reported instances of confusion would be probative. We therefore **deny** Respondent's motion for summary judgment on Petitioner's Section 2(d) claim.

## 2. Respondent's Cross-Motion for Summary Judgment

Petitioner, in its cross-motion, seeks summary judgment on its Section 2(d) claim and alternatively seeks partial summary judgment on the issues of priority and the similarity of the parties' marks.<sup>9</sup>

### a. Standing

In cancellation proceedings before the Board a plaintiff must plead, and ultimately prove, that it has a “real interest,” *i.e.*, a direct and personal stake, in the outcome of the proceeding, as well as a “reasonable basis” for its belief of damage. *Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058, 1063 (Fed. Cir. 2014); *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025-26 (Fed. Cir. 1999); *Lipton Industries, Inc. v. Ralston Purina Co.*, 213 USPQ 185, 189 (TTAB 1982). The Court of Appeals for the Federal Circuit has enunciated a liberal threshold for determining standing in Board proceedings. *Ritchie v. Simpson*, 50 USPQ2d at 1030. There is no requirement that actual damage be pleaded. *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1844 (Fed. Cir. 2000); *Books on Tape Inc. v. Booktape Corp.*, 836 F.2d 519, 5 USPQ2d 1301, 1302 (Fed. Cir. 1987). However, the allegations in support of a plaintiff's belief of damage must have a “reasonable basis in fact.” *Ritchie v. Simpson*, 50 USPQ2d at 1027; TBMP § 309.03(b).

\*10 There is no genuine dispute of material fact regarding Petitioner's standing. Petitioner has sufficiently alleged a plausible claim of damage under Section 2(d),<sup>10</sup> as discussed *infra*, by submitting evidence establishing its priority, Petitioner has proven its standing.<sup>11</sup> *See, e.g., Giersch v. Scripps Networks Inc.*, 90 USPQ2d 1020, 1022 (TTAB 2009) (“Petitioner has established its common-law rights in the [pleaded mark], and has thereby established his standing to bring this proceeding.”).

### b. Priority

Petitioner's evidence of prior use of its pleaded mark consists of sales documents and the declaration of Petitioner's president, Jeffrey Jacobs.<sup>12</sup> Mr. Jacobs avers in his declaration that “[i]n 1995 I created the mark SPONTANEOUS COMBUSTION for a hot sauce product”; “[b]y at least as early as January 1996 [Petitioner] had sold hot sauce bearing the SPONTANEOUS COMBUSTION mark to its customers in other states”; and [b]y 2001, [Petitioner] was actively selling in the order one hundred thousand units of SPONTANEOUS COMBUSTION hot sauce per year throughout the United States.” Petitioner's Motion, Ex. H, Declaration of Jeffrey Jacobs, ¶ 5 (“Jacobs Decl.”) (11 TTABVUE 78). Mr. Jacobs further avers that “our major U.S. distributors, including Pepper Palace, Inc. (since at least 2000) Bass Pro Shops (since at least 2000) and Peppers.com (since at least 1996) either individually or together, distribute the SPONTANEOUS COMBUSTION products to the fifty (50) states of the United States.” *Id.*, at ¶ 7 (11 TTABVUE 79). Mr. Jacobs further states that Petitioner has hosted an online store since at least as early as 1998 and “also runs several webstores on Amazon.com including Spontaneous Combustion ... since at least as early as 2001.” *Id.*, at ¶ 8 (11 TTABVUE 79).

Petitioner's sales documents, consisting of purchase orders and invoices, show specific sales of hot sauce under the mark SPONTANEOUS COMBUSTION on January 12, 1996, and at discrete points of time in 2002, 2005, 2008, 2009, and 2012. Petitioner's Motion, Ex. E (11 TTABVUE 45-51, 54-55). Although the sales documents exhibit only small quantities of sales, they corroborate Mr. Jacobs' statements in his declaration, which are clear, internally consistent, and uncontroverted. *See e.g., Hornblower & Weeks*, 60 USPQ2d at 1736 (opposer's declaration, while not accompanied by any documentary evidence, was internally consistent, not characterized by uncertainty and was unchallenged by applicant); *4U Co. of Am., Inc. v. Naas Foods, Inc.*, 175 USPQ 251, 253 (TTAB 1972) (fact that allegations in affidavit not supported by invoice does not undermine the testimony when uncontradicted). Mr. Jacobs' statements regarding Petitioner's use of the mark SPONTANEOUS COMBUSTION are internally consistent and not characterized by uncertainty and *are* supported by evidence of that use.

**\*11** Moreover, Respondent does not dispute Petitioner's prior use. To the contrary, in its combined reply brief in support of its motion for summary judgment and brief in opposition to Petitioner's cross-motion for summary judgment, Respondent states “[Petitioner] started using its mark in January of 1996” and “Respondent began using its mark in January of 2003.” *See* 14 TTABVUE 4. Respondent, by setting forth these dates, has conceded Petitioner's prior use of the mark SPONTANEOUS COMBUSTION. In view of Mr. Jacob's uncontroverted declaration statements regarding Petitioner's prior use, the verified documents evidencing that use, and Respondent's acknowledgment of Petitioner's prior use, there is no genuine dispute of material fact regarding Petitioner's standing to bring this cancellation proceedings, as well as Petitioner's priority. We therefore **grant** Petitioner's motion for partial summary with respect to the issue of its priority. As indicated above, we also find that the same evidence that establishes that there is no genuine dispute of material fact as to Petitioner's priority establishes that there is no genuine dispute of material fact as to Petitioner's standing.

### c. Likelihood of Confusion

Turning to the issue of likelihood of confusion, Petitioner has moved for summary judgment on its Section 2(d) claim, and, in the alternative, for partial summary judgment on the issue of the similarity of the parties' marks.

Petitioner argues that the parties' marks are confusingly similar and that “[l]egions of cases have held that adding a distinctive mark to someone else's trademark does not avoid a likelihood of confusion.” *See* Petitioner's Mot., pp. 4-5, and cases cited therein (11 TTABVUE 5-6). However, none of the *inter partes* cases cited by Petitioner were decided on summary judgment. Thus, in each case the Board was able to make determinations of fact regarding the similarity of the marks at issue.

In further support of its contention that confusion is likely, Petitioner has submitted a copy of a USPTO office action dated May 12, 2010, in which the assigned USPTO Examining Attorney refused registration of Petitioner's replacement application for the mark SPONTANEOUS COMBUSTION pursuant to Section 2(d) on the ground of likelihood of



confusion with Respondent's registered mark CRAZY UNCLE JESTER'S SPONTANEOUS COMBUSTION. *See* 11 TTABVue 27. Petitioner's reliance on the Examining Attorney's Section 2(d) refusal of its replacement application does not establish the absence of any genuine dispute of material fact regarding likelihood of confusion. We must determine the merits of Petitioner's Section 2(d) claim on the record before us and are not bound by the determination of the examining attorney. *See, e.g., In re Nett Designs, Inc.*, 236 F.3d 1339, 57 USPQ2d 1564 (Fed. Cir. 2001); *In re Rodale Inc.*, 80 USPQ2d 1696, 1699 (TTAB 2006).

**\*12** When we view Petitioner's arguments and evidence in the light most favorable to Respondent as the non-movant with respect to Petitioner's cross-motion for summary judgment, we find that, at a minimum, genuine disputes of material fact exist regarding the similarity or dissimilarity of the parties' respective marks in appearance, sound, meaning, and commercial impression. We therefore **deny** Petitioner's cross-motion for summary judgment on its Section 2(d) claim. For the same reasons, we also **deny** Petitioner's alternative motion for partial summary judgment on the issue of the similarity of the parties' marks.

### Summary

Respondent's motion for summary judgment on Petitioner's Section 2(d) claim is **denied**. Petitioner's cross-motion for summary judgment on its Section 2(d) claim, and its alternative motion for partial summary judgment on the issue of the similarity of the marks, are **denied**.<sup>13</sup>

Petitioner's alternative motion for partial summary judgment on the issue of priority is **granted**. Also, we find that the same evidence that establishes that there is not a genuine dispute of material fact as to Petitioner's priority also establishes Petitioner's standing.

Petitioner's motion for summary judgment on Respondent's affirmative defenses of laches, unclean hands, waiver, acquiescence, estoppel, claim preclusion, and issue preclusion is **denied without prejudice** as moot.

Respondent is allowed until **twenty days** from the mailing date of this order in which to file and serve an amended answer which properly sets forth the affirmative defenses of laches, waiver, acquiescence, or equitable estoppel, to the extent any of these defenses may be properly asserted based on the circumstances of the case, failing which the defenses will be dismissed with prejudice and the cancellation will move forward only on Respondent's denials of Petitioner's pleaded claims.

Proceedings are resumed and remaining dates are reset as follows.

Discovery Closes	<b>7/14/2016</b>
Plaintiff's Pretrial Disclosures	<b>8/28/2016</b>
Plaintiff's 30-day Trial Period Ends	<b>10/12/2016</b>
Defendant's Pretrial Disclosures	<b>10/27/2016</b>
Defendant's 30-day Trial Period Ends	<b>12/11/2016</b>
Plaintiff's Rebuttal Disclosures	<b>12/26/2016</b>
Plaintiff's 15-day Rebuttal Period Ends	<b>1/25/2017</b>

In each instance, a copy of the transcript of testimony, together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. [Trademark Rule 2.125](#).

\*13 Briefs shall be filed in accordance with [Trademark Rules 2.128\(a\) and \(b\)](#). An oral hearing will be set only upon request filed as provided by [Trademark Rule 2.129](#).

#### Footnotes

- 1 The USPTO records indicate that the registration was issued to Jeffrey Jacobs, and subsequently assigned to Petitioner by an assignment document executed on October 9, 1997, and recorded with the USPTO Assignment Recordation Branch on October 22, 1997, at Reel/Frame 1651/0865.
- 2 The replacement application was filed in the name of Jeffrey Jacobs doing business as Southwest Specialty Food, Inc., but identified the applicant's legal entity type as an Arizona corporation. The application was signed by Jeffrey Jacobs as "owner." Thus it is unclear whether the application was filed by Mr. Jacobs as an individual or by Southwest Specialty Food, Inc. *See* TMEP § 1201.02(c) ("If the information in the 'owner section' of a TEAS application form is inconsistent with the information in the 'entity section' of the form, the inconsistency can be corrected, for example, if an individual is identified as the owner and a corporation is listed as the entity, the application may be amended to indicate the proper applicant name/entity.").
- 3 *See* Respondent's combined reply brief in support of its motion for summary judgment and brief in opposition to Petitioner's cross-motion for summary judgment, pp. 6-7 (14 TTABVUE 8-9).
- 4 Respondent did not address Petitioner's motion for summary judgment on the defenses of claim preclusion and issue preclusion. However, Respondent refers to the Arizona case when discussing laches, arguing that following dismissal of the Arizona case Petitioner did not pursue action in the appropriate jurisdiction. *See* 14 TTABVUE 8. Therefore, it is evident that Respondent's defenses of prior judgment, claim preclusion, and issue preclusion, while insufficiently pleaded, were intended to be based on district court's order dismissing the civil action for lack of personal jurisdiction over Respondent.
- 5 The requirements which must be met for claim preclusion are: (1) identity of parties (or their privies); (2) an earlier final judgment on the merits of a claim; and (3) a second claim based on the same set of transactional facts as the first. *Jet Inc. v. Sewage Aeration Sys.*, 223 F.3d 1360, 55 USPQ2d 1854, 1856 (Fed. Cir. 2000) (quoting *Parklane Hosiery Co. v. Shore*, 439 U.S. 322, 326 n.5 (1979)).  
The requirements which must be met for issue preclusion are: (1) the issue to be determined must be identical to the issue involved in the prior litigation; (2) the issue must have been raised, litigated, and actually adjudged in the prior action; (3) the determination of the issue must have been necessary and essential to the resulting judgment; and (4) the party precluded must have been fully represented in the prior action. *Mother's Rest. Inc. v. Mama's Pizza, Inc.*, 723 F.2d 1566, 221 USPQ 394, 397 (Fed. Cir. 1983).
- 6 A motion for involuntary dismissal under [Federal Rule of Civil Procedure 41\(b\)](#) is unavailable in Board *inter partes* proceedings. *See Stockpot, Inc. v. Stock Pot Rest., Inc.*, 220 USPQ 52, 56 n.7 (TTAB 1983), *aff'd*, 737 F.2d 1576, 222 USPQ 665, 668-69 (Fed. Cir. 1984). However, the statement in that rule regarding the effect of dismissals is informative.
- 7 [Fed. R. Civ. P. 11](#), applicable to Board proceedings by operation of [Trademark Rule 2.116\(a\)](#), and U.S. Patent and Trademark Office Rule 11.18, require that all pleadings and papers be made in good faith and with evidentiary support. Specifically, all defenses and allegations in support thereof must have a basis in law or fact, and must not be filed for any improper purpose. The parties are further advised that the Board's jurisdiction is limited to determining the registrability of a mark. The Board does not have jurisdiction over the right to use, infringement, or unfair competition claims. TBMP § 102.01 (2015).
- 8 Prior to November 2, 2003, "standard character" drawings were known as "typed" drawings. A typed mark is the legal equivalent of a standard character mark. TMEP § 807.03(i) (April 2016). Marks presented in standard or typed characters are not limited to any particular depiction. The rights associated with a mark in standard or typed characters reside in the wording and not in any particular display. *In re Viterro Inc.*, 671 F.3d 1358, 101 USPQ2d 1905, 1909-11 (Fed. Cir. 2012); *Squirtco v. Tomy Corp.*, 697 F.2d 1038, 216 USPQ 937, 939 (Fed. Cir. 1983); *In re RSI Systems, LLC*, 88 USPQ2d 1445, 1448 (TTAB 2008).
- 9 As discussed *supra*, Petitioner's motion for summary judgment on Respondent's affirmative defenses of laches, unclean hands, waiver, acquiescence, estoppel, claim preclusion, and issue preclusion is moot in view of our determination that the defenses were insufficiently pleaded.

- 10 While neither party has moved for summary judgment on Petitioner's dilution claim, if a plaintiff can show standing on one ground, it has the right to assert any other grounds. *See, e.g., Coach Servs., Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 101 USPQ2d 1713, 1727 (Fed. Cir. 2012); *Enbridge, Inc. v. Excelerate Energy LP*, 92 USPQ2d 1537, 1543 n.10 TTAB 2009).
- 11 Petitioner also submitted evidence showing that Respondent's registration was cited as a bar to registration of Petitioner's replacement application under Trademark Act Section 2(d). Ordinarily, this too would suffice to establish Petitioner's standing. *See, e.g., Lipton Indus.*, 213 USPQ at 189 (“to have standing in this case, it would be sufficient that appellee prove that it filed an application and that a rejection was made because of appellant's registration.”). However, as noted *supra* at note 2, the replacement application contained internal inconsistencies making it unclear whether the application was filed by Mr. Jacobs as an individual or by Petitioner as an Arizona corporation. Thus, we have not considered the rejected replacement application in determining standing.
- 12 Petitioner's sales documents were attached as Exhibit E to the “statement of facts” signed by Petitioner's counsel. However, Petitioner's president, in his declaration, referred to the documents and authenticated them as “true and correct copies of invoices and other documents reflecting the sales of SPONTANEOUS COMBUSTION hot sauce to customers/distributors in Oregon, Delaware, North Carolina, and Ohio.” *See* Declaration of Jeffrey Jacobs, ¶ 5 (11 TTABVUE 78).
- 13 The fact that we have identified certain genuine disputes of material fact as a sufficient basis for denying the cross-motions for summary judgment should not be construed as a finding that such issues necessarily are the only issues that remain for trial. *See, e.g., Am. Express Mktg. & Dev. Corp. v. Gilad Dev. Corp.*, 94 USPQ2d 1294, 1301 n.5 (TTAB 2010). Also, the parties should note that the evidence submitted in connection with their cross-motions for summary judgment is of record only for consideration of the motions. To be considered at final hearing, any such evidence must be properly introduced in evidence during the appropriate trial period. *See Hard Rock Cafe Licensing Corp. v. Elsea*, 48 USPQ2d 1400 (TTAB 1998); *Levi Strauss & Co. v. R. Josephs Sportswear Inc.*, 28 USPQ2d 1464 (TTAB 1993).

2016 WL 3771779 (Trademark Tr. & App. Bd.)

2019 WL 975116 (Trademark Tr. & App. Bd.)

THIS ORDER IS NOT A PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

PURE & SIMPLE CONCEPTS INC.

v.

GRYPHON GROUPE, LLC

Opposition No. 91238034

February 26, 2019

\*1 Before [Wellington](#), Hightower, and Heasley  
Administrative Trademark Judges

By the Board:

Gryphon Groupe, LLC (“Applicant”) has moved for summary judgment on Pure & Simple Concepts Inc.’s (“Opposer”) pleaded claim of likelihood of confusion and on Applicant’s pleaded defense of collateral estoppel. The motion is fully briefed.<sup>1</sup>

## I. Background

Applicant seeks to register the mark 5TH INDUSTRY, in standard characters, for “Men’s swimwear, socks, underwear, tank tops, and t-shirts” in International Class 25.<sup>2</sup>

On November 28, 2017, Opposer filed a notice of opposition opposing registration of Applicant’s mark on the following grounds, as identified on the ESTTA cover sheet: likelihood of confusion under Section 2(d) of the Trademark Act, [15 U.S.C. § 1052\(d\)](#); dilution by blurring under Section 43(c) of the Trademark Act, [15 U.S.C. § 1125\(c\)](#); and deceptiveness under Section 2(a) of the Trademark Act, [15 U.S.C. § 1052\(a\)](#).

In support of its standing and claims, Opposer has pleaded ownership of eight registrations for marks consisting of or containing the word “INDUSTRY,” including, for example:

- Registration No. 2118102,<sup>3</sup> for the mark INDUSTRY BY WORK WEAR, in typeset form,<sup>4</sup> for “all men’s, women’s, boys’ and girls’ wearing apparel, namely, shirts, pants, blazers, jackets, vests, skirts, shorts, jeans, sweaters and T-shirts, together with all accessories, namely, belts, socks, ties, underclothing, caps and hats” in International Class 25;
- Registration No. 2403592,<sup>5</sup> for the mark INDUSTRY GIRL, in typeset form, for “All Women’s and girls’ wearing apparel, namely, shirts, pants, blazers, jackets, vests, skirts, shorts, jeans, sweaters and T-shirts, together with all accessories, namely, belts, socks, ties, underclothing, caps and hats” in International Class 25; and
- Registration No. 3407934,<sup>6</sup> for the mark INDUSTRY and Design, as shown below, for “Wholesale store, on-line wholesale store and on-line retail store services featuring men’s, women’s, boys’, girls’ and children’s wearing apparel, namely, shirts, pants, blazers, jackets, vests, skirts, shorts, jeans, sweaters, T-shirts, underclothing, undergarments,

underwear, lingerie, panties, hosiery, camisoles, sleepwear, and footwear, together with all accessories, namely, belts, socks, ties, caps and hats” in International Class 35:



\*2 In its answer, Applicant denied the salient allegations in the notice of opposition and asserted numerous affirmative defenses, including estoppel.

## II. Prior Proceeding

Applicant contends that Opposer's claims are barred, at least in part, by the Board's findings in a prior proceeding, Opposition No. 91216270. In the prior proceeding, Opposer, jointly with another third-party plaintiff, opposed registration of a third-party application for the mark FINEST QUALITY GARMENT MAKERS INDUSTRIE TURN OF THE CENTURY CLOTHING EST 1999 and Design, as shown below, for “clothing, namely, shirts, pants, jeans, coats, jackets, denim pants, denim jackets, denim jeans, swimsuits, athletic trunks, shorts, underwear, socks, t-shirts, dresses, skirts, blouses, coveralls, belts, footwear and headwear” in Class 25 and “Retail clothing store services” in Class 35:<sup>7</sup>



Opposer filed a notice of opposition on May 7, 2014, opposing registration of the mark on the grounds of likelihood of confusion and dilution. On May 11, 2018, the Board dismissed the opposition, finding, in pertinent part, that Opposer failed to establish a family of marks, that Opposer's marks are not famous, and that Opposer's marks are weak based in part on the existence and extent of third party use of INDUSTRY-formative marks for goods and services related to apparel. 7 TTABVUE 19-51.

## III. Sua Sponte Review

As an initial matter, the Board reviewed the pleadings upon consideration of the motion for summary judgment. Upon review, we find that Opposer has sufficiently pleaded its standing, as well as its claims of dilution by blurring and likelihood of confusion based on each of its pleaded marks individually.

We find, however, that although Opposer asserts a “family of Industry” marks, it has not sufficiently pleaded ownership of a “family of marks” to rely upon the putative family as a separate basis for opposition. “Simply using a series of similar marks does not of itself establish the existence of a family.” *J & J Snack Foods Corp. v. McDonald's Corp.*, 932 F.2d 1460, 18 USPQ2d 1889, 1891 (Fed. Cir. 1991). To plead ownership of a family of marks, a plaintiff must allege the following: “(1) prior use of marks sharing a recognizable common characteristic; (2) that the common characteristic is distinctive (i.e., not descriptive or highly suggestive or so commonly used in the trade that it cannot function as the

distinguishing feature of any party's mark); and (3) that prior to the defendant's first use (or constructive first use) of its involved mark, plaintiff's marks have been used and advertised in promotional material or in everyday sales activities in such a manner as to create common exposure and thereafter recognition among the purchasing public such that the common characteristic is itself indicative of a common origin of the goods or services." *Wise F&I, LLC v. Allstate Ins. Co.*, 120 USPQ2d 1103, 1109 (TTAB 2016).

\*3 Here, Opposer alleges prior use and ownership of eight marks each containing the word "INDUSTRY" and that "the public has come to recognize INDUSTRY as signifying Opposer's products and Opposer." Notice of Opposition ¶4. Opposer has failed to plead, however, that the common element of the putative family, i.e., "INDUSTRY," is distinctive and came to indicate a common origin of its goods or services prior to Applicant's constructive first use. In view of the foregoing, the Board finds that Opposer has failed to plead a claim of likelihood of confusion or dilution based on a family of marks and the allegations regarding a putative family of marks are therefore stricken.

Opposer also identified deceptiveness under Section 2(a) of the Trademark Act as a ground for opposition on the ESTTA cover sheet; however, the notice of opposition is devoid of any allegations supporting such a claim. Although the content of the ESTTA cover sheet is read in conjunction with the notice of opposition, *PPG Indus. Inc. v. Guardian Indus. Corp.*, 73 USPQ2d 1926, 1928 (TTAB 2005), the mere mention of a ground on the cover sheet is insufficient to constitute a claim. *Embarcadero Techs. Inc. v. RStudio Inc.*, 105 USPQ2d 1825, 1927 n.2 (TTAB 2013). A mark is deceptive under Section 2(a) where (1) it consists of or comprises matter that misdescribes the character, quality, function, composition or use of the goods or services; (2) prospective purchasers are likely to believe such matter describes the goods or services; and (3) the misdescriptive matter is likely to affect the decision to purchase of a significant portion of the relevant consumers. See *In re Spirits Int'l, N.V.*, 563 F.3d 1347, 90 USPQ2d 1489, 1493-94 (Fed. Cir. 2009); *Hoover Co. v. Royal Appliance Mfg Co.*, 238 F.3d 1357, 57 USPQ2d 1720, 1723 (Fed. Cir. 2001). Here, the notice of opposition fails to allege any facts to support a claim of deceptiveness. We therefore find that Opposer has failed to plead a claim of deceptiveness.

Consistent with Board practice, however, Opposer is allowed time in which to amend its pleading to assert a family of marks and a claim of deceptiveness, as further set forth below, if Opposer has a basis for so doing, failing which these claims will be stricken with prejudice and given no further consideration.

Additionally, we reviewed Applicant's answer in determining the motion for summary judgment. In its answer, Applicant asserts numerous affirmative defenses. As its first affirmative defense, Applicant asserts that the "petition" fails to state a claim upon which relief can be granted. This is not an affirmative defense because it relates to an assertion of the insufficiency of the pleading of Opposer's claims rather than a statement of a defense to a properly pleaded claim. See *Hornblower & Weeks Inc. v. Hornblower & Weeks Inc.*, 60 USPQ2d 1733, 1738 n.7 (TTAB 2001). In view thereof, this asserted affirmative defense stands stricken.

\*4 As its second affirmative defense, Applicant asserts waiver, estoppel, laches, acquiescence, and unclean hands. The second affirmative defense consists of bald, conclusory allegations insufficient to provide Opposer with adequate notice of the bases for the defenses. See *Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1538 (TTAB 2007). A pleading of a defense must include enough factual detail to provide Opposer fair notice of the defense. *Fed. R. Civ. P. 8(b)(1)*; *IdeasOne Inc. v. Nationwide Better Health Inc.*, 89 USPQ2d 1952, 1953 (TTAB 2009); *Ohio State Univ. v. Ohio Univ.*, 51 USPQ2d 1289, 1292 (TTAB 1999) (the primary purpose of pleadings "is to give fair notice of the claims or defenses asserted").

We note that Applicant's motion for summary judgment is based, in part, on the insufficiently pleaded affirmative defense of collateral estoppel. A party may not obtain summary judgment on an unpleaded or improperly pleaded claim or defense. See *Fed. R. Civ. P. 56(a)*; *Omega SA (Omega AG) (Omega Ltd.) v. Alpha Phi Omega*, 118 USPQ2d 1289, 1291 n.2 (TTAB 2016). In this instance, however, Opposer did not object, but rather responded to the summary judgment motion on the issue of collateral estoppel on the merits. We therefore consider the affirmative defense of collateral



estoppel amended by agreement of the parties for purposes of this motion only. See *Inter IKEA Sys. B.V. v. Akea, LLC*, 110 USPQ2d 1734, 1745 n.31 (TTAB 2014); TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PROCEDURE (TBMP) § 528.07(a) (2018). Applicant is provided time, however, in which to amend its affirmative defenses of waiver, estoppel, laches, acquiescence, and/or unclean hands, if justified and appropriate, as further set forth below.<sup>8</sup>

Applicant's third, fourth, and fifth affirmative defenses are not true affirmative defenses, but rather constitute mere amplifications of Applicant's denials of Opposer's claims. The Board does not find it necessary to strike these paragraphs as they provide fuller notice of the bases of Applicant's defense. See, e.g., *Order of Sons of Italy in America v. Profumi Fratelli Nostra AG*, 36 USPQ2d 1221, 1223 (TTAB 1995) (amplification of applicant's denial of opposer's claims not stricken).

Finally, as its sixth affirmative defense, Applicant pleads that Opposer's marks have not acquired secondary meaning. Inasmuch as Opposer has pleaded ownership of eight registrations, this affirmative defense would constitute an impermissible collateral attack on Opposer's pleaded registrations. See *Trademark Rule 2.106(b)(3)(ii)* ("An attack on the validity of a registration pleaded by an opposer will not be heard unless a counterclaim or separate petition is filed to seek the cancellation of such registration."). Moreover, whether Opposer has established secondary meaning in its pleaded mark(s) is not relevant, as the marks are registered on the Principal Register and therefore presumed to be distinctive. See 15 U.S.C. § 7(b). Accordingly, the sixth affirmative defense is hereby stricken.

#### IV. Applicant's Motion for Summary Judgment

\*5 Applicant has moved for summary judgment on its defense of collateral estoppel, or issue preclusion. Applicant argues that Opposer is barred from re-litigating specific issues decided by the Board in the prior proceeding, namely, that Opposer cannot establish a family of marks, that "INDUSTRY" is weak for clothing, that there is no likelihood of confusion between the terms INDUSTRY and INDUSTRIES based on the number and existence of third party marks, and that Opposer's marks are not famous. 7 TTABVUE 5.

Additionally, Applicant argues that there is no genuine dispute of material fact with respect to Opposer's claim of likelihood of confusion and has moved for summary judgment on that claim.

In support of its motion for summary judgment, Applicant submits a copy of the May 11, 2018 order in Opposition No. 91216270, Applicant's January 4, 2018 answer to the notice of opposition in this proceeding,<sup>9</sup> copies of TESS printouts for third-party registrations, a printout of an online article from World Economic Forum, a copy of the notice of opposition in Opposition No. 91216270, and a copy of Opposer's November 28, 2017 notice of opposition in this proceeding.

In opposition to Applicant's motion for summary judgment, Opposer submits the affidavit of Ted Rozenwald, President of Opposer, who attaches, *inter alia*, the following: documents evidencing Opposer's use of its pleaded marks; documents evidencing Opposer's participation in trade shows; copies of selected advertisements and publications featuring Opposer's pleaded marks; documents evidencing Opposer's sales and inventory; screenshots of Opposer's website [www.manhattaninc.com/Industry](http://www.manhattaninc.com/Industry); and copies of TESS records for third-party registrations.

For purposes of this order, we presume the parties' familiarity with the pleadings, the history of the proceeding, and the arguments and evidence submitted with respect to Applicant's motion for summary judgment and Opposer's response thereto.

#### A. Summary Judgment Standard

Summary judgment is appropriate where the movant shows that there is no genuine dispute as to any material fact and that it is entitled to judgment as a matter of law. [Fed. R. Civ. P. 56\(a\)](#). A party asserting that a fact cannot be or is genuinely disputed must support its assertion by either (1) citing to particular parts of materials in the record, or (2) showing that the materials cited do not establish the absence or presence of a genuine dispute, or that an adverse party cannot produce admissible evidence to support the fact. [Fed. R. Civ. P. 56\(c\)](#).

A movant for summary judgment bears the burden of proof in regard to its motion. See [Celotex Corp. v. Catrett](#), 477 U.S. 317, 323-24 (1986). In deciding the motion, the function of the Board is not to try issues of fact, but to determine if there are any genuine disputes of material fact to be tried. See TBMP § 529.01 and cases cited therein. When the moving party has supported its motion with sufficient evidence that, if unopposed, indicates there is no genuine dispute of material fact and that the moving party is entitled to judgment as a matter of law, the burden then shifts to the non-moving party to demonstrate the existence of a genuine dispute of material fact to be resolved at trial. [Enbridge, Inc. v. Excelerate Energy LP](#), 92 USPQ2d 1537, 1540 (TTAB 2009).

\*6 The nonmoving party must be given the benefit of all reasonable doubt as to whether genuine disputes of material fact exist, and the evidentiary record on summary judgment, and all inferences to be drawn from the undisputed facts, must be viewed in the light most favorable to the nonmoving party. See [Opryland USA, Inc. v. Great Am. Music Show, Inc.](#), 970 F.2d 847, 23 USPQ2d 1471, 1472 (Fed. Cir. 1992).

## B. Issue Preclusion

Under the doctrine of issue preclusion, or collateral estoppel, a party may be barred from re-litigating the same issue in a second action involving the parties. [B&B Hardware, Inc. v. Hargis Indus., Inc.](#), 125 S. Ct. 1293, 113 USPQ2d 2045, 2051 (2015). Issue preclusion requires the following: (1) identity of an issue in a prior proceeding; (2) that the identical issue was actually litigated; (3) that determination of the issue was necessary to the judgment in the prior proceeding; and (4) that the party defending against preclusion had a full and fair opportunity to litigate the issue in the prior proceeding. [Mayer/Berkshire Corp. v. Berkshire Fashions Inc.](#), 424 F.3d 1229, 76 USPQ2d 1310, 1313 (Fed. Cir. 2005) (citing [Montana v. U.S.](#), 440 U.S. 147, 153-55 (1979)). The doctrine of issue preclusion may be invoked by a non-party to a prior action against one who was a party to that action if the issues were fully litigated. See [Blonder-Tongue Labs, Inc. v. Univ. of Ill. Found.](#), 402 U.S. 313, 328-29 (1971) (rejecting requirement of mutuality of the parties for purposes of issue preclusion and finding that “the requirement of determining whether the party against whom an estoppel is asserted had a full and fair opportunity to litigate is a most significant safeguard”); see also [Parklane Hosiery Co. v. Shore](#), 439 U.S. 322, 329 (1979) (finding that trial courts have “broad discretion” to determine whether nonmutual issue preclusion should apply); [In re Anderson](#), 101 USPQ2d 1912, 1916-17 (TTAB 2012) (“[T]he Supreme Court has determined that collateral estoppel could, in some situations, be asserted by a non-party to the prior action” and finding that the determination of whether to apply collateral estoppel is “firmly within [the Board's] discretion”); [Gal v. Israel Military Indus. of the Ministry of Defense of the State of Israel](#), 230 USPQ 669, 672 (TTAB 1986) (“[I]t is not necessary that both the party asserting the prior judgment and the party against whom it is asserted be persons bound by the judgment.”); see generally 18A Charles Alan Wright, Arthur R. Miller, & Edward H. Cooper, [Fed. Prac. & Proc. § 4465](#) (3d ed. Nov. 2018). Whether issue preclusion applies is a question of law and, where “the facts material to issue preclusion are not in dispute,” summary judgment may be appropriate. [NH Beach Pizza LLC v. Cristy's Pizza Inc.](#), 119 USPQ2d 1861, 1863 (TTAB 2016). Changes in facts or circumstances essential to a judgment may render collateral estoppel inapplicable in a subsequent action, however. See [Montana v. U.S.](#), 440 U.S. 147 (1979).

\*7 Upon careful consideration of the parties' arguments and evidence, and drawing all inferences in favor of Opposer as the nonmoving party, we find that Applicant has not demonstrated the absence of a genuine dispute of material fact for trial and that Applicant is not entitled to summary judgment with respect to Applicant's affirmative defense of collateral estoppel.



Based on the present record,<sup>10</sup> we find, at a minimum,<sup>11</sup> that a genuine dispute of material fact exists as to whether the issues in the prior proceeding and this opposition are identical, as required for application of the equitable defense of collateral estoppel. There remains a genuine dispute of material fact as to whether intervening facts or circumstances have made issue preclusion inapplicable, specifically with respect to the existence and extent of third-party use of purportedly similar marks, Opposer's promotion and use of its pleaded marks and/or purported family of marks, and the fame or relative strength or weakness of Opposer's pleaded marks. See *Old Grantian Co. v. William Grant & Sons Ltd.*, 361 F.2d 1018, 150 USPQ 58, 61 (1966) (reversing Board's grant of summary judgment on issue preclusion where the appellant argued change of circumstances, because "[t]he scope of protection to which a mark is entitled is not fixed by time; rather, the owner's past conduct is always relevant as the mark may become strong or weak with the passage of time"); see also *Safer, Inc. v. OMS Invs., Inc.*, 94 USPQ2d 1031, 1036 (TTAB 2010) ("[T]rademark rights are not static and [ ] the strength of a mark may change over time.") (citing *Jiffy, Inc. v. Jordan Indus., Inc.*, 481 F.2d 1323, 179 USPQ 169, 170 (CCPA 1973) ("a weak mark need not remain a weak mark forever. Development of association with the user as a source of the goods through continued sales and advertising of the goods may turn a 'weak' mark into a strong, distinctive trademark.")).

In view of the foregoing, Applicant's motion for summary judgment on Applicant's defense of collateral estoppel is **DENIED**.

### C. Likelihood of Confusion

To prevail on its motion for summary judgment with respect to Opposer's likelihood of confusion claim, Applicant must establish that there is no genuine dispute of material fact that Opposer does not have priority or that contemporaneous use of the parties' respective marks on their respective goods and services would not be likely to cause confusion, mistake or to deceive consumers. See Trademark Act Section 2(d), 15 U.S.C. § 1052(d); *Hornblower & Weeks*, 60 USPQ2d at 1735.

Upon careful consideration of the parties' arguments and evidence, and drawing all inferences in favor of Opposer as the nonmoving party, we find that Applicant has not demonstrated the absence of a genuine dispute of material fact for trial and that Applicant is not entitled to summary judgment under applicable law with respect to Opposer's claim of likelihood of confusion.

**\*8** Based on the present record, we find, at a minimum, that a genuine dispute of material fact exists as to the similarities or dissimilarities between the parties' respective marks and commercial impressions for likelihood of confusion purposes.

In view of the foregoing, Applicant's motion for summary judgment on Opposer's claim of likelihood of confusion is **DENIED**.

### V. Schedule

Opposer has until **twenty days** from the date of this order in which to file and serve an amended notice of opposition that properly pleads a family of marks and/or a claim of deceptiveness, failing which, these claims will be stricken with prejudice and given no further consideration.

In turn, Applicant is allowed until **twenty days** from the date of service of the amended notice of opposition, if any, in which to file and serve an answer to the amended notice of opposition. Applicant may replead its affirmative defenses of waiver, estoppel, laches, acquiescence, and/or unclean hands, if justified and appropriate, failing which, each of these affirmative defenses will be stricken with prejudice and given no further consideration.<sup>12</sup>

Proceedings are resumed. Remaining dates are reset as follows:

Plaintiff's Pretrial Disclosures Due	4/18/2019
Plaintiff's 30-day Trial Period Ends	5/21/2019
Defendant's Pretrial Disclosures Due	6/5/2019
Defendant's 30-day Trial Period Ends	7/20/2019
Plaintiff's Rebuttal Disclosures Due	8/4/2019
Plaintiff's 15-day Rebuttal Period Ends	9/3/2019
Plaintiff's Opening Brief Due	11/2/2019
Defendant's Brief Due	12/2/2019
Plaintiff's Reply Brief Due	12/17/2019
Request for Oral Hearing (optional) Due	12/27/2019

**\*9** 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\(a\)](#).

#### Footnotes

- 1 Opposer's motion (filed November 20, 2018) to extend its time in which to file a response to Applicant's motion for summary judgment is granted as conceded.
- 2 Application Serial No. 87354816, filed March 1, 2017, under Section 1(b) of the Trademark Act, [15 U.S.C. § 1051\(b\)](#). "INDUSTRY" is disclaimed.
- 3 Registration No. 2118102, issued December 2, 1997, alleging November 1996 as both the date of first use and the date of first use in commerce. "WORK WEAR" is disclaimed. Section 8 and 9 declaration accepted December 29, 2017.
- 4 Prior to November 2, 2003, "standard character" drawings were known as "typed" drawings. A typed or typeset mark is the legal equivalent of a standard character mark. TMEP § 807.03(i) (October 2018).
- 5 Registration No. 2403592, issued November 14, 2000, alleging January 1999 as both the date of first use and the date of first use in commerce. "GIRL" is disclaimed. Section 8 and 9 declaration accepted November 2, 2010.
- 6 Registration No. 3407934, issued April 8, 2008, alleging December 19, 2006 as both the date of first use and first use in commerce. "INDUSTRY" is disclaimed. The description of the mark is as follows: "The mark consists of the word 'INDUSTRY' and a design of a bird's wing, with a body of a bird depicted as an 'i.'"
- 7 Application Serial No. 85881059, filed March 20, 2013 pursuant to an allegation of a bona fide intent to use the mark under Section 1(b) of the Trademark Act, [15 U.S.C. § 1051\(b\)](#). The mark matured to registration (No. 5588539) on October 23, 2018. "FINEST QUALITY AND GARMENT MAKERS INDUSTRIE AND TURN OF THE CENTURY CLOTHING AND EST. 1999" is disclaimed. The description of the mark is as follows: "The mark consists of the words 'FINEST QUALITY GARMENT MAKERS INDUSTRIE TURN OF THE CENTURY CLOTHING EST 1999' stacked with a line on the outside of 'EST 1999' and the phrase 'TURN OF THE CENTURY CLOTHING.' There is a design line separated by two hammers creating an 'X' between the words 'FINEST QUALITY' and 'GARMENT MAKERS.'"

- 8 We further note that the equitable defenses of acquiescence and laches are generally unavailable in opposition proceedings. See *Lincoln Logs, Ltd. v. Lincoln Pre-Cut Log Homes Inc.*, 23 USPQ2d 1701, 1703 (Fed. Cir. 1992) (Laches is “tied to a party's registration of a mark, not to a party's use of the mark.”); *Nat'l Cable Television Ass'n Inc. v. Am. Cinema Eds. Inc.*, 937 F.2d 1572, 19 USPQ2d 1424, 1432 (Fed. Cir. 1991) (“In an opposition or cancellation proceeding the objection is to the rights which flow from registration of the mark.”); *Panda Travel, Inc. v. Resort Option Enters., Inc.*, 94 USPQ2d 1789 (TTAB 2009) (laches begins to run from publication date and when an opposition is timely filed, there can be no laches defense based on opposer's knowledge of prior use).
- 9 Rather than attaching copies of the pleadings in support of a motion, the parties should cite to material in the record by indicating the TTABVUE docket entry number and the TTABVUE page number. See *RxD Media, LLC v. IP Application Dev. LLC*, 125 USPQ2d 1801, 1804 (TTAB 2018); *Turdin v. Trilobite, Ltd.*, 109 USPQ2d 1473, 1476 n.6 (TTAB 2014).
- 10 The parties should note that the evidence submitted in connection with a motion for summary judgment or opposition thereto is of record only for consideration of that motion. Any such evidence to be considered at final hearing must be properly introduced in evidence during the appropriate trial period. See *Levi Strauss & Co. v. R. Joseph Sportswear Inc.*, 28 USPQ2d 1464 (TTAB 1993); *Pet Inc. v. Bassetti*, 219 USPQ 911 (TTAB 1983).
- 11 The fact that we have identified a genuine dispute of material fact regarding intervening facts or circumstances should not be construed as a finding that the affirmative defense of issue preclusion may not ultimately apply, or that this is the only dispute that remains for trial.
- 12 In the event Opposer does not file and serve an amended notice of opposition by the deadline set forth above, Applicant is allowed until **April 8, 2019** in which to file and serve an amended answer that properly pleads its affirmative defenses of waiver, estoppel, laches, acquiescence, and/or unclean hands, failing which the defenses will be stricken with prejudice and given no further consideration.

2019 WL 975116 (Trademark Tr. & App. Bd.)

2018 WL 5920950 (Trademark Tr. & App. Bd.)

THIS DECISION IS NOT A PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

RLP VENTURES, LLC

v.

NLDA ASSOCIATES INC. DBA NLDA

Cancellation No. 92066135

November 2, 2018

\*1 Before [Ritchie](#), Gorowitz, and Pologeorgis  
Administrative Trademark Judges

By the Board:

This case comes up on the following motions: (1) NLDA Associates, Inc.'s ("Respondent") May 14, 2018, motion for summary judgment on the issue of priority as an essential element of RLP Ventures, LLC's ("Petitioner") pleaded claim of likelihood of confusion under Trademark Act Section 2(d), [15 U.S.C. § 1052\(d\)](#); and (2) Petitioner's cross-motion for summary judgment on its Section 2(d) claim. The motions are fully briefed.<sup>1</sup>

## I. Background

Respondent is the owner of Principal Register Registration No. 4496799 for the mark MOSAIC (in standard character form) for "Leather bags, suitcases and wallets; Leather briefcases," in International Class 18. The registration issued on March 18, 2014, from an application filed on October 17, 2011, based on Respondent's allegation of use of the mark in commerce under Trademark Act Section 1(a), [15 U.S.C. § 1051\(a\)](#), claiming May 1, 2005, as the date of first use of the mark and September 1, 2005, as the date of first use of the mark in commerce.

Petitioner seeks cancellation of Respondent's registration on the ground of likelihood of confusion under Trademark Act Section 2(d), [15 U.S.C. § 1052\(d\)](#), based on Petitioner's alleged prior use of, and common law rights in, the mark MOSAEC for, inter alia, all-purpose carrying bags; backpacks; tote bags; and wallets, including card holders. Petition to Cancel ("Petition"), 1 TTABVUE 3-6.

Respondent answered by denying the salient allegations in the Petition and asserted various putative affirmative defenses.

## II. Respondent's Amended Answer

Concurrently with its motion for summary judgment, Respondent filed an amended answer in which, for the first time, Respondent asserted the affirmative defense of abandonment. 14 TTABVUE 4-5. At this stage in the proceeding, and because Petitioner does not consent to the proposed amendment of the answer (*see* 16 TTABVUE 6-8), Respondent may amend its answer only with the Board's leave. [Fed. R. Civ. P. 15\(a\)\(2\)](#). Respondent's proposed amended answer was not accompanied by a motion requesting leave to amend its pleading. *See* 14 TTABVUE. That deficiency alone provides a sufficient reason for us to refuse to accept the proposed amended answer.

Additionally, the proposed abandonment claim is legally insufficient. Where the moving party seeks to add a new claim or defense that is legally insufficient, the Board normally will deny the motion to amend. *Karsten Mfg. Corp. v. Editoy AG*, 79 USPQ2d 1783, 1786 (TTAB 2006) (citing *Enterprise Rent-A-Car Co. v. Advantage Rent-A-Car Inc.*, 62 USPQ2d 1857 (TTAB 2002) *aff'd*, 30 F.3d 1333, 66 USPQ2d 1811 (Fed. Cir. 2003); *Giersch v. Scripps Networks, Inc.*, 85 USPQ2d 1306, 1309-1310 (TTAB 2007) (proposed fraud claim futile); *Trek Bicycle Corp. v. StyleTrek Ltd.*, 64 USPQ2d 1540, 1541 (TTAB 2001) (proposed fraud claim untimely and insufficiently pleaded); *Leatherwood Scopes Int'l Inc. v. Leatherwood*, 63 USPQ2d 1699, 1702-03 (TTAB 2002) (proposed claim of abandonment by course-of-conduct legally insufficient).

\*2 A mark is abandoned “[w]hen its use has been discontinued with intent not to resume such use. ... Nonuse for 3 consecutive years shall be prima facie evidence of abandonment.” Trademark Act Section 45, 15 U.S.C. § 1127; *see also Noble House Home Furnishings, LLC v. Floorco Enters., LLC*, 118 USPQ2d 1413, 1417 (TTAB 2016) (“There are two elements to an abandonment claim: non-use of the mark and intent not to resume use.”). Therefore, to adequately plead abandonment as a defense to Petitioner's Section 2(d) claim, Respondent must allege at least three consecutive years of nonuse, or alternatively, if the period of nonuse is less than three years, nonuse and an intent not to resume use. Trademark Act Section 45; *Dragon Bleu (SARL) v. VENM, LLC*, 112 USPQ2d 1925, 1930 (TTAB 2014); *Otto Int'l Inc. v. Otto Kern GmbH*, 83 USPQ2d 1861, 1863 (TTAB 2007); *see also Giersch v. Scripps Networks, Inc.*, 90 USPQ2d 1020, 1024 (TTAB 2009) (“The statutory presumption of abandonment after three years non-use does apply to marks established via common-law usage.”); *L. & J.G. Stickley Inc. v. Cosser*, 81 USPQ2d 1956, 1967 (TTAB 2007) (applying statutory standard for abandonment in context of plaintiff's common law mark).

In the proposed affirmative defense of abandonment, Respondent alleges that “upon information and belief ... if Petitioner ever used the term ‘MOSAEC’ ... Petitioner had abandoned use of the term for the same before Petitioner filed Application Serial No. 86587316 on April 3, 2015.” 14 TTABVUE 5-6. These allegations of abandonment are legally insufficient because Respondent has not alleged either at least three consecutive years of nonuse or a period of nonuse, if less than three years, coupled with an intent not to resume use.

Accordingly, we decline to accept the proposed amended answer for the additional reason that the proposed affirmative defense of abandonment, as pleaded, is legally insufficient. Respondent's original answer, filed on August 8, 2017, remains its operative pleading. Accordingly, we have not considered Respondent's arguments in its summary judgment motion that Petitioner has abandoned its mark. *See Fed. R. Civ. P. 56(a); Omega SA (Omega AG) (Omega Ltd.) v. Alpha Phi Omega*, 118 USPQ2d 1289, 1291 n.2, 1292 (TTAB 2016) (applicant could not obtain summary judgment on unpleaded defense).

### III. The Pleadings

A decision on summary judgment necessarily requires a review of the operative pleadings to determine the legal sufficiency of the claims and defenses. *See Fed. R. Civ. P. 56(a); Asian & W. Classics B.V. v. Selkow*, 92 USPQ2d 1478, 1478 (TTAB 2009).

#### A. The Petition

\*3 The sole ground for cancellation is likelihood of confusion under Trademark Act Section 2(d). Upon review of the Petition, we find that Petitioner has pleaded sufficient factual allegations that, if proven, would establish Petitioner's standing and its claim of likelihood of confusion based on prior use of, and common law rights in, the MOSAEC mark for all-purpose carrying bags, backpacks, tote bags, and wallets including card holders.

As an initial matter, we note that Petitioner has pleaded ownership of five applications for the mark MOSAEC, three of which have since matured into registrations.

In the absence of any evidence of earlier use, for purposes of establishing priority either party may rely, without further proof, upon the filing date of an underlying application that matured into an involved or pleaded registration.<sup>2</sup> See Trademark Act Section 7(c), 15 U.S.C. § 1057(c); *Weatherford/Lamb Inc. v. C&J Energy Svcs. Inc.*, 96 USPQ2d 1834, 1837 (TTAB 2010). Here, the application that issued as Respondent's involved registration was filed on October 17, 2011. Therefore, because Petitioner's pleaded applications, including the applications that matured to registration, were filed after October 17, 2011, Petitioner's pleaded applications or registrations do not establish priority; instead, Petitioner must establish priority of use by competent evidence of its common law use prior to October 17, 2011.<sup>3</sup> See Trademark Act Section 7(c); see also *Hilson Research Inc. v. Society for Human Resource Management*, 27 USPQ2d 1423, 1429 n.13 (TTAB 1993); *American Standard Inc. v. AQM Corp.*, 208 USPQ 840, 842 (TTAB 1980). Moreover, Petitioner may not rely on the dates of use claimed in its pleaded applications or registrations as evidence to establish its first use of the MOSAEC mark, because those dates are not self-proving but instead must be established by competent evidence. Trademark Rule 2.122(b)(2); 37 C.F.R. § 2.122(b)(2).

Therefore, Petitioner must rely on its common law use to plead and prove priority. See, e.g., *Herbko Int'l Inc. v. Kappa Books Inc.*, 64 USPQ2d 1375, 1378 (Fed. Cir. 2002) (to establish prior proprietary rights in a mark a plaintiff may rely on, inter alia, a prior registration or prior use); *Cent. Garden & Pet Co. v. Dorskocil Mfg. Co.*, 108 USPQ2d 1134, 1139 (TTAB 2013) (any party may claim priority as of the date it first used the mark on the relevant goods or, contingent upon registration, the date on which the party filed an application); *Giersch*, 90 USPQ2d at 1023.

\*4 In the Petition, Petitioner has sufficiently pleaded a Section 2(d) claim based on allegations that, if proven, would establish prior use of the MOSAEC mark and likelihood of confusion. Petitioner alleges prior use of, and common law rights in, the MOSAEC mark for all-purpose carrying bags, backpacks, tote bags, and wallets, including card holders.<sup>4</sup> See Petition ¶¶ 7, 11, 21 (1 TTABVUE 6-8). Additionally, Petitioner has sufficiently alleged likelihood of confusion based on, inter alia, allegations that the parties' marks are confusingly similar in sound, appearance, and commercial impression; the parties' goods are similar or identical; and the goods are offered through overlapping trade channels to overlapping classes of users. Petition ¶¶ 18-26 (1 TTABVUE 8-9).

By its well-pleaded allegations of priority and likelihood of confusion, Petitioner also has sufficiently alleged that it has a real interest in this proceeding as well as a reasonable basis for its belief of damage, and, therefore, has standing to maintain this proceeding. See *Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982) ("To establish a reasonable basis for a belief that one is damaged ... a [plaintiff] may assert a likelihood of confusion which is not wholly without merit [.]); *Giersch*, 90 USPQ2d at 1022 (TTAB 2009); *Syngenta Crop Protection, Inc. v. Bio-Chek, LLC*, 90 USPQ2d 1112, 1118 (TTAB 2009).

## B. Answer

In its operative answer, Respondent denied the salient allegations in the Petition and asserted certain affirmative defenses. See Affirmative Defenses 6 TTABVUE 5-6.

Respondent's first affirmative defense, namely, the Petition fails to state a claim upon which relief can be granted, is not a true affirmative defense because it relates to an assertion of the insufficiency of the pleading rather than a statement of a defense to a properly pleaded claim. See *Hornblower & Weeks Inc. v. Hornblower & Weeks Inc.*, 60 USPQ2d 1733, 1738 n.7 (TTAB 2001). Moreover, the defense has no apparent merit. Respondent has not filed a motion to dismiss or otherwise indicated any basis for its allegation that Petitioner's complaint fails to state a claim upon which relief may be granted, and we see none. In any event, we have reviewed the sufficiency of Petitioner's pleading and, as explained above, we find that Petitioner has sufficiently pleaded both its standing and a Section 2(d) claim. We therefore strike Respondent's first affirmative defense. Fed. R. Civ. P. 12(f)(1).



Respondent's second and third affirmative defenses consist of conclusory allegations of the equitable defenses of laches, estoppel, and unclean hands. A legally sufficient pleading of each defense must include enough factual detail to provide Petitioner fair notice of the basis for the defense. *Fed. R. Civ. P. 8(b)(1) and 12(f)*; see e.g., *IdeasOne Inc. v. Nationwide Better Health Inc.*, 89 USPQ2d 1952, 1953 (TTAB 2009); *Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1538 (TTAB 2007); *Midwest Plastic Fabricators, Inc. v. Underwriters Labs. Inc.*, 5 USPQ2d 1067, 1069 (TTAB 1980); see also TBMP § 311.02(b) (“[T]he pleading should include enough detail to give the plaintiff fair notice of the basis for the defense.”). Respondent has done no more than list these defenses by name, unaccompanied by any factual allegations upon which the defenses might plausibly be based. We therefore strike the putative affirmative defenses of laches, estoppel, and unclean hands. *Fed. R. Civ. P. 12(f)(1)*.

\*5 As its fourth affirmative defense, Respondent asserts that there is no likelihood of confusion because the parties' marks are not confusingly similar. Respondent's affirmative defense is not a true affirmative defense but rather is simply an argument that goes to the merits of a central issue in this proceeding. Accordingly, the Board construes this “defense” as a mere amplification of Respondent's denials of the salient allegations in the Petition. See *Order of Sons of Italy in Am. v. Profumi Fratelli Nostra AG*, 36 USPQ2d 1221, 1223 (TTAB 1995). We therefore need not, and do not, strike the fourth affirmative defense.

Finally, Respondent attempts to reserve “the right to assert additional defenses in the event discovery or further analysis indicates that additional unknown or unstated affirmative defenses would be available.” Respondent's attempt to reserve the right to put forward additional defenses is improper under the Federal Rules of Civil Procedure. See *FDIC v. Mahajan*, 923 F. Supp. 2d 1133, 1141 (N.D. Ill. 2013) (reservation of right to add affirmative defenses at a later date is an improper reservation under the Federal Rules). Respondent may not reserve unidentified defenses in its answer because to do so would deprive Petitioner of fair notice of such defenses. As discussed above, additional affirmative defenses must be raised by means of a motion for leave to amend the answer under *Fed. R. Civ. P. 15*. We therefore strike this unnumbered affirmative defense. *Fed. R. Civ. P. 12(f)(1)*.

#### IV. The Cross-Motions for Summary Judgment

We now turn to the parties' cross-motions for summary judgment.

##### A. Standard for Summary Judgement

Summary judgment is appropriate where the movant shows the absence of any genuine dispute as to any material fact, and that it is entitled to judgment as a matter of law. *Fed. R. Civ. P. 56(a)*; see also *Celotex Corp. v. Catrett*, 477 U.S. 317, 323-324 (1986); *Sweats Fashions, Inc. v. Pannill Knitting Co. Inc.*, 833 F.2d 1560, 4 USPQ2d 1793, 1796 (Fed. Cir. 1987); *Freki Corp. N.V. v. Pinnacle Entm't, Inc.*, 126 USPQ2d 1697, 1700 (TTAB 2018). “A party asserting that a fact cannot be or is genuinely disputed must support the assertion by (A) citing to particular parts of materials in the record ...; or (B) showing that the materials cited do not establish the absence or presence of a genuine dispute, or that an adverse party cannot produce admissible evidence to support the fact.” *Fed. R. Civ. P. 56(c)(1)*. A factual dispute is genuine if, on the evidence of record, a reasonable fact finder could resolve the matter in favor of the non-movant. *Opryland USA Inc. v. Great Am. Music Show Inc.*, 970 F.2d 847, 23 USPQ2d 1471, 1472 (Fed. Cir. 1992); *Olde Tyme Foods, Inc. v. Roundy's, Inc.*, 961 F.2d 200, 22 USPQ2d 1542, 1544 (Fed. Cir. 1992). In deciding a motion for summary judgment, the Board may not resolve any factual dispute; it may only determine whether a genuine dispute of material fact exists. See, e.g., *Meyers v. Brooks Shoe Inc.*, 912 F.2d 1459, 16 USPQ2d 1055, 1056 (Fed. Cir. 1990). Further, the non-movant must be given the benefit of all reasonable doubt as to whether a genuine dispute as to material facts exist, and the evidentiary record on summary judgment and all inferences to be drawn from the undisputed facts must be viewed in the light most favorable to the non-movant. *Opryland*, 23 USPQ2d at 1472.

\*6 Additionally, when the movant has supported its motion with sufficient evidence that, if unopposed, indicates there is no genuine dispute of material fact and that the moving party is entitled to judgment as a matter of law, the burden then shifts to the non-movant to demonstrate the existence of a genuine dispute of material fact to be resolved at trial. *Enbridge, Inc. v. Excelerate Energy LP*, 92 USPQ2d 1537, 1540 (TTAB 2009). Specifically, “[t]he party opposing the motion must point to an evidentiary conflict created on the record at least by a counter statement of a fact or facts set forth in detail in an affidavit by a knowledgeable affiant.” *Barmag Barmer Maschinenfabrik AG v. Murata Machinery, Ltd.*, 731 F.3d 831, 221 USPQ 561, 564 (Fed. Cir. 1984).

When each party files a motion for summary judgment, the moving party in each motion has the burden as to its own motion, and the Board evaluates each motion on its own merits and resolves all doubts and inferences against the party whose motion is being considered. See *Mingus Constructors, Inc. v. United States*, 812 F.2d 1387, 1390-91 (Fed. Cir. 1987); *Drive Trademark Holdings LP v. Inofin*, 83 USPQ2d 1433, 1437 (TTAB 2007). The mere fact that cross-motions for summary judgment have been filed does not necessarily mean that there is no genuine dispute of material fact or that a trial is unnecessary. See, e.g., *Drive Trademark Holdings*, 83 USPQ2d at 1437; *Univ. Book Store v. Univ. of Wis. Board of Regents*, 33 USPQ2d 1385, 1389 (TTAB 1994).

## B. Analysis and Determination

Turning to the parties cross-motions, we first consider Petitioner's cross-motion for summary judgment on its Section 2(d) claim. If, as part of the claim, Petitioner can meet its burden of establishing prior proprietary rights in its pleaded MOSAEC mark, then Respondent's motion for summary judgment on the issue of priority necessarily must fail.

For Petitioner to prevail on its Section 2(d) claim it must prove that: (1) it has standing; (2) possesses prior proprietary rights in its pleaded mark; and (3) the contemporaneous use of the parties' respective marks on or in connection with their respective goods would be likely to cause confusion or mistake, or would deceive consumers. See *Hornblower & Weeks, Inc. v. Hornblower & Weeks, Inc.*, 60 USPQ2d 1733, 1735 (TTAB 2001).

### i. Standing

We first consider whether Petitioner has standing to bring this cancellation proceeding. To have standing, a plaintiff must have a real interest, i.e., a personal stake in the outcome of the proceeding, and a reasonable basis for its belief that it will be damaged. *Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058, 1062 (Fed. Cir. 2014), cert. denied, 135 S. Ct. 1401 (2015); *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025-28 (Fed. Cir. 1999).

\*7 As discussed below, we find that Petitioner, through uncontroverted evidence of use of MOSAEC as a mark on its goods, has established prior common law rights in the mark MOSAEC for all-purpose carrying bags, backpacks, tote bags, and wallets including card holders. Petitioner therefore has demonstrated that it has proprietary rights in its pleaded mark, and has a personal stake in the outcome of this proceeding and a reasonable basis for its belief that it will be damaged by Respondent's registration of the mark MOSAIC for “Leather bags, suitcases and wallets; Leather briefcases.”

Accordingly, Petitioner has demonstrated that there is no genuine dispute that it has standing.<sup>5</sup> *Giersch*, 90 USPQ2d at 1022 (standing established by common law rights); *Syngenta Crop Protection, Inc.*, 90 USPQ2d at 1118 (same).

### ii. Priority

In order for Petitioner to prevail on its Section 2(d) claim on summary judgment, it first must prove that there is no genuine dispute of material fact regarding its prior proprietary right in a distinctive mark, and that the interest was obtained prior to either the filing date of Respondent's application for registration or Respondent's proven date of first



use, whichever is earlier. *Herbko Int'l*, 64 USPQ2d at 1378; *Otto Roth & Co. v. Universal Foods Corp.*, 640 F.2d 1317, 1320, 209 USPQ 40, 43 (CCPA 1981). Although Petitioner does not own a prior registration, it may attempt to establish prior proprietary rights through prior trademark use, prior use as a trade name, or prior use analogous to trademark use. *Id.*

Regarding distinctiveness, Respondent, in its answer and motions papers, has not questioned the distinctiveness of Petitioner's MOSAEC mark, and there is nothing in the record to suggest that Petitioner's mark is merely descriptive or otherwise lacking in distinctiveness as used on Petitioner's goods. We therefore find that there is no genuine dispute of material fact that the mark is distinctive. See *Wet Seal Inc. v. FD Mgmt., Inc.*, 82 USPQ2d 1629, 1634 (TTAB 2007) (absent argument or evidence to the contrary, opposer's mark deemed distinctive); see also *Otto Roth*, 209 USPQ at 44 (appellee did not question the inherent distinctiveness of appellant's marks, and therefore the court assumed it functioned as a trademark); *Giersch*, 90 USPQ2d at 1023 ("Respondent has not raised an issue as to the distinctiveness of petitioner's mark or otherwise put petitioner on notice of this defense, and therefore we find that the mark is distinctive."); *Chicago Corp. v. North American Chicago Corp.*, 20 USPQ2d 1715, note 5 (TTAB 1991) (affirmative defense regarding descriptiveness of opposer's mark, raised for the first time in applicant's brief, was untimely and not considered by the Board).

\*8 Turning to the question of priority, Section 2(d) of the Trademark Act provides a ground for cancellation of a registered mark based on ownership of "a mark or trade name previously used in the United States ... and not abandoned." 15 U.S.C. § 1052(d). Continuous use is not required to establish Petitioner's priority. *Kemi Organics*, 126 USPQ2d at 1607; *West Florida Seafood Inc. v. Jet Rest. Inc.*, 31 USPQ2d 1660, 1665 (Fed. Cir. 1994). Additionally, interstate use is not a requirement for priority in an inter partes proceeding; See e.g., *Daniel J. Quirk, Inc. v. Vill. Car Co.*, 120 USPQ2d 1146, 1150 n.19 (TTAB 2016); *L. & J.G. Stickley Inc.* 81 USPQ2d at 1965.

With its motion, Respondent submitted, inter alia, the declarations of Marilyn Murray, its Executive Director, and Robert Wolfe, its Treasurer, both of whom aver, inter alia, that Respondent has used the MOSAEC mark since at least as early as 2005 in connection with leather bags and related goods, and since September 9, 2005 in connection with leather bags and briefcases, suitcases, and wallets. Declaration of Marilyn Murray, 12 TTABVUE 21; Declaration of Robert Wolfe, 12 TTABVUE 19. Thus, in order to establish priority on summary judgment, Petitioner must demonstrate that there is no genuine dispute of material fact that it used its MOSAEC mark prior to September 9, 2005.<sup>6</sup>

In its combined response and cross-motion, Petitioner has submitted the declaration of its founder and representative, Ramona Prioleau, who avers that "Petitioner has been in continuous use of the MOSAEC mark in commerce throughout the United States since at least August 1999, on and in connection with the marketing, distributing, offering for sale, and sale of Petitioner's class 18 goods under the MOSAEC mark." Declaration of Ramona Prioleau ("Prioleau Decl.") ¶¶ 14-15 (16 TTABVUE 23).

In its combined reply brief and response, Respondent argues that the declaration statements of Ms. Prioleau are biased, conclusory, and not corroborated by documentary evidence. 17 TTABVUE 6-11. Respondent's argument that Ms. Prioleau's testimony is biased is not well-taken. Ms. Prioleau's factual statements regarding Petitioner's date of first use of its mark are no more biased in this regard than the declaration statements of Respondent's witnesses.

Respondent's reliance on *Sweats Fashions*, 4 USPQ2d at 1797, for the proposition that "[m]ere conclusory statements and denials do not take on dignity by placing them in affidavit form,"<sup>7</sup> also is not well-taken. The statement at issue in *Sweats Fashion* was a legal conclusion, namely, whether or not a term at issue was generic or merely descriptive.<sup>8</sup> *Id.* Here, Ms. Prioleau's declaration statements regarding Petitioner's use of its mark are statements of fact, not opinions or legal conclusions.

\*9 Finally, we find Respondent's contention that Ms. Prioleau's declaration statements are not corroborated by documentary evidence to be well-taken to the extent that the relevant exhibits to Ms. Prioleau's declaration have not been authenticated. In this regard, with her declaration, and in support of her statement that Petitioner has used its MOSAEC mark since 1999, Petitioner attached certain exhibits. *See* Prioleau Decl. ¶ 15 and Exs. F, H, and I (16 TTABVUE 23).

Regarding Exhibit F, only one of the pages, an apparent printout from Petitioner's website or social media page, shows use of the MOSAEC mark on tote bags. *See* 16 TTABVUE 75. However, this page is undated and has not been authenticated by Ms. Prioleau in her declaration.

Exhibits H and I consist of “sales trackers” and “packing lists” apparently recording the sales and shipment of various products, including bags, wallets, and totes, over various months from December 1998 through February 2018. *See* 16 TTABVUE 89-157. However, these documents also have not been authenticated. *See* Fed. R. Evid. 901. Absent proper authentication, the documents are hearsay for the truth of the matters asserted. *See* Fed. R. Evid. 801(c) and 803(6). Additionally, as Respondent notes, on their face these documents do not indicate whether the MOSAEC mark was used on the products listed as having been sold and shipped. It was incumbent upon Petitioner, either through Ms. Prioleau's declaration, or through other means, to both authenticate the documents and explain their significance (i.e., that the documents reflected sales and shipments of bags, wallets, and totes bearing the MOSAEC mark as of the dates listed in the documents). Because the exhibits have not been authenticated, and their significance has not been sufficiently explained, we have given no consideration to Exhibits F, H, and I to Ms. Prioleau's declaration.

Nevertheless, it is well settled that the testimony of a single witness may be adequate to establish priority if it is clear, consistent, convincing, and uncontradicted. *See, e.g. Exec. Coach Builders, Inc. v. SPV Coach Co.*, 123 USPQ2d 1175, 1184 (TTAB 2017); *Kohler Co. v. Baldwin Hardware Corp.*, 82 USPQ2d 1100, 1108 (TTAB 2007); *GAF Corp. v. Amatol Analytical Serves., Inc.*, 192 USPQ 576, 577 (TTAB 1976); *see also Powermatics, Inc. v. Glebe Roofing Prods. Co.*, 341 F.2d 127, 144 USPQ 430, 432 (CCPA 1965) (stating that a party may establish priority by oral testimony alone, but testimony which is uncertain or inconsistent is insufficient).

Ms. Prioleau states in her declaration that she is the founder and representative of Petitioner and that her declaration statements are based on her personal knowledge. Prioleau Decl. ¶¶ 2-3 (16 TTABVUE 21). Her statements identifying August 1999 as Petitioner's date of first use of the MOSAEC mark “on and in connection with the marketing, distributing, offering for sale, and sale of Petitioner's class 18 goods under the MOSAEC mark” are clear, convincing, and uncontradicted by Respondent. Moreover, her statements are corroborated by Petitioner's response to Respondent's Interrogatory No. 4, in which Petitioner stated that specimens submitted as evidence of use in connection with Petitioner's application Serial No. 87277362 for “All-purpose carrying bags; Backpacks; Tote bags; Wallets including card holders” in International Class 18 “have been available starting 1999 to date.”<sup>9</sup> Additionally, although we have not considered Petitioner's application Serial No. 87277362 as evidence of the dates of first use alleged therein, we note that Ms. Prioleau's declaration statements also are consistent with the August 1999 date of first use and use in commerce alleged in the application.”<sup>10</sup> 12 TTABVUE 23-30, 16 TTABVUE 27-29. *Cf. Giersch* 90 USPQ2d at 1023, (Board noting that “in describing the nature of the common-law services that petitioner has established via the record, we are not bound by petitioner's identification of services in his pending application ... [n]evertheless, this description coincides with petitioner's identification in the application for services in [the application].”).

\*10 In view of the foregoing, Petitioner has carried its burden on summary judgment of establishing that there are no genuine disputes of material fact regarding its prior use of MOSAEC as a trademark for all-purpose carrying bags, backpacks, tote bags, and wallets including card holders.<sup>11</sup>

As a final matter, Respondent argues in both its summary judgment motion and its combined reply and response, that the documents produced by Petitioner during discovery or submitted as exhibits to Petitioner's motions papers are

insufficient to establish Petitioner's prior proprietary rights. In short, it is Respondent's contention that the documents do not demonstrate use of the MOSAEC mark on goods sold or transported in commerce, as required by Trademark Act Section 45; [15 U.S.C. § 1127](#). Such use (sometimes called “technical” trademark use) is required to support an application for registration. A party also may attempt to establish priority in an inter partes proceeding based on any non-technical use that is analogous to trademark use.<sup>12</sup> *Cent. Garden & Pet Co.*, 108 USPQ2d at 1142. In this regard, Respondent further argues that the documents showing Petitioner's prior use of the MOSAEC mark are insufficient to establish priority through analogous use as a trademark because the documents do not show the requisite open and notorious use of Petitioner's mark in a manner sufficient to create in the mind of the relevant public an association between the goods and their source.<sup>13</sup> *See* 10 TTABVUE 8-23, 17 TTABVUE 5-6.

In view of our determination that Petitioner, by the declaration statements of Ms. Prioleau, has carried its burden of establishing that there are no genuine disputes of material fact regarding Petitioner's prior use of MOSAEC as a trademark for all-purpose carrying bags, backpacks, tote bags, and wallets including card holders, we need not address Respondent's argument that Petitioner has not demonstrated use analogous to trademark use. *See, e.g., Herbko Int'l*, 64 USPQ2d at 1378 (priority may be established through, inter alia, prior trademark use *or* prior use analogous to trademark use); *Otto Roth*, 209 USPQ at 43 (priority may be established through “prior use of a technical ‘trademark,’” prior use in advertising, prior use as a trade name, *or* whatever other type of use may have developed a trade identity) (emphasis added).

### iii. Likelihood of Confusion

We now turn to the issue of likelihood of confusion. Initially, we note that in its brief in opposition to Petitioner's cross-motion for summary judgment on the Section 2(d) claim, Respondent did not submit any evidence or arguments relating to either the issue of likelihood of confusion generally, or any of the specific factors that guide the Board in deciding the issue. Rather, Respondent's opposition to Petitioner's cross-motion is based solely on Respondent's contention that Petitioner cannot establish priority as a necessary element of the Section 2(d) claim. *See* 17 TTABVUE 12-13. Nevertheless, Petitioner maintains the burden of proving likelihood of confusion.

**\*11** In determining the issue of likelihood of confusion and, in this case, whether there is any genuine issue of material fact, we consider all of the “*du Pont* factors” which are relevant under the present circumstances and for which there is evidence of record. *See E.I. du Pont DeNemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973); *see also Olde Tyme Foods*, 22 USPQ2d at 1544.

In this particular case, the two key factors are the degree of similarity of the parties' marks and the degree of similarity of their respective goods and services. *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24, 29 (CCPA 1976) (“The fundamental inquiry mandated by 2(d) goes to the cumulative effect of differences in the essential characteristics of the goods and differences in the marks.”); *see also Bell's Brewery, Inc. v. Innovation Brewing*, 125 USPQ2d 1340, 1344-45 (TTAB 2017).

There is no genuine dispute of material fact that the marks at issue are similar. Petitioner's MOSAEC mark and Respondent's MOSAIC mark (in standard character form) are virtually identical in appearance and sound. Moreover, Respondent has not submitted any evidence to raise a genuine dispute regarding potential differences in the meaning or connotation of MOSAEC and MOSAIC, and on this record we find no such differences. We therefore find that there is no genuine dispute of material fact that the marks at issue are virtually identical in appearance, sound, meaning, connotation, and overall commercial impression.

Regarding the second *du Pont* factor, the similarity of the parties' respective goods, Respondent's involved registration is for the mark MOSAIC for “Leather bags, suitcases and wallets; Leather briefcases,” in International Class 18, and Petitioner has established prior use of the mark MOSAEC for all-purpose carrying bags, backpacks, tote bags,

and wallets including card. Because Petitioner's tote bags and wallets are not limited in any way as to their material composition, these goods would therefore encompass Respondent's leather bags and leather wallets. Accordingly, the goods at issue are legally identical. Moreover, where likelihood of confusion is found with respect to any of Respondent's goods, then likelihood of confusion must be found as to all of the goods in Respondent's registration. *Tuxedo Monopoly, Inc. v. General Mills Fun Group*, 648 F.2d 1335, 209 USPQ 986, 988 (CCPA 1981); *Inter IKEA Sys. B.V. v. Akea, LLC*, 110 USPQ2d 1734, 1745 (TTAB 2014). Accordingly, there is no genuine dispute of material fact regarding the similarity of the parties' goods.

**\*12** As for the trade channels, to the extent the parties' goods are in part the same or legally identical, and in the absence of evidence to raise a genuine dispute to the contrary, we must presume that the relevant goods move in all channels of trade normal for such goods, and that they are purchased by all of the usual consumers for goods of this type. See *In re Viterra Inc.*, 671 F.3d 1358, 101 USPQ2d 1905, 1908 (Fed. Cir. 2012); see also *United Global Media Grp., Inc. v. Tseng*, 112 USPQ2d 1039, 1049 (TTAB 2014); *American Lebanese Syrian Associated Charities Inc. v. Child Health Research Institute*, 101 USPQ2d 1022, 1028 (TTAB 2011).

In view of the virtually identical nature of the parties' marks, and the identical nature of the goods, trade channels, and customers, with respect to bags and wallets, there is no genuine dispute of material fact with respect to likelihood of confusion. These factors similarly support a finding that confusion would be inevitable. The standard of confusion required for a finding of inevitable confusion is "an increment higher than that required for a finding of a likelihood of confusion." *Coach House Restaurant, Inc. v. Coach and Six Restaurants, Inc.*, 934 F.2d 1551, 1564, 19 USPQ2d 1401, 1409 (11th Cir. 1991); see also *Turner v. Hops Grill & Bar, Inc.*, 52 USPQ 1310, 1313 n. 5 (TTAB 1999). Applying this higher standard to the facts of this case, upon consideration of all of the *du Pont* factors for which evidence is of record, and in view of our findings with respect to likelihood of confusion, we find that there is no genuine dispute of fact with respect to inevitable confusion.

## V. Determination

Petitioner has carried its burden of proof that no genuine issues of material fact remain as to standing, priority, and likelihood of confusion.<sup>14</sup> Petitioner therefore is entitled to judgment as a matter of law on its Section 2(d) claim.

Accordingly, Respondent's motion for summary judgment on the issue of priority as a necessary element of Petitioner's likelihood of confusion claim is **denied**, and Petitioner's cross-motion for summary judgment on its Section 2(d) claim is **granted**.

Judgment is hereby entered in favor of Petitioner and against Respondent, and the petition for cancellation is **granted**. Registration No. 4496799 will be cancelled in due course.

## Footnotes

- 1 For purposes of this order, the Board presumes the parties' familiarity with the pleadings, the history of the proceeding, and the arguments and evidence submitted in connection with the parties' cross-motions. In rendering its decision, the Board has carefully considered all of the parties' arguments and evidence, although the Board does not find it necessary to repeat or discuss all of them in this order. *Guess? IP Holder LP v. Knowluxe LLC*, 116 USPQ2d 2018, 2019 (TTAB 2015).
- 2 Of course, either party also may attempt to establish, through competent evidence, an earlier date of actual use.
- 3 Unlike an opposition proceeding, in a cancellation proceeding a petitioner does not necessarily have priority simply because it owns a registration. See *Brewski Beer Co. v. Brewski Bros. Inc.*, 47 USPQ2d 1281, 1284 (TTAB 1998); see also *Bass Pro Trademarks LLC v. Sportsman's Warehouse Inc.*, 89 USPQ2d 1844, 1854 (TTAB 2008).
- 4 Petitioner's pleaded applications include application Serial No. 87277362 for the mark MOSAEC for "All-purpose carrying bags; Backpacks; Tote bags; Wallets including card holders," in International Class 18. In their motions papers, both parties

frequently use the short-hand designation “the Class 18 Goods” or “Petitioner's Class 18 Goods” to refer generally to Petitioner's “all-purpose carrying bags, backpacks, tote bags, and wallets including card holders,” even when referring to Petitioner's actual (i.e. common law) use of its mark on those goods. When quoting the parties, or where otherwise appropriate, we have done the same in this order.

We also note that in the Petition, Petitioner alleged that it filed a use-based application -- application Serial No. 87277362 -- for registration of the MOSAEC mark for “All-purpose carrying bags; Backpacks; Tote bags; Wallets including card holders,” in International Class 18. Petition ¶¶ 7 & 12 (1 TTABVUE 6-7). Petitioner further alleged that it will be damaged by Respondent's continued registration of the subject MOSAIC mark because Respondent's registration will block registration of Petitioner's application. *Id.* at ¶ 26. With its summary judgment motion, Respondent submitted as evidence a copy of an Office Action, dated March 24, 2017, in which the USPTO Examining Attorney refused registration of Petitioner's application Serial No. 87277362 based on likelihood of confusion with Respondent's involved registration. 12 TTABVUE 32-43. The evidence that Petitioner's trademark application was refused based on likelihood of confusion with Respondent's involved registration provides an additional basis for Petitioner's standing. *See, e.g. Lipton Indus., 213 USPQ at 189*; (“Thus, to have standing in this case, it would be sufficient that [plaintiff] prove that it filed an application and that a rejection was made because of [defendant's] registration.”).

Where Ms. Murray and Mr. Wolfe aver to use “at least as early as 2005,” we construe this date as the last day of that year. *Cf.* TMEP § 903.06 (Oct. 2017) (“When only a year is given, the date presumed for purposes of examination is the last day of the year.”).

17 TTABVUE 7, n.14.

At oral argument in *Sweats Fashion*, appellant's counsel “expressed regret at not having presented an affidavit ... to the effect that ‘sweats’ is not a generic or descriptive term[.]” *Sweats Fashions, 4 USPQ2d at 1797*. It was in that context that the Court stated that such an affidavit would not have been useful because “[m]ere conclusory statements and denials do not take on dignity by placing them in affidavit form.” *Id.*

Petitioner's interrogatory responses were submitted under seal by Respondent, as exhibits to its cross motion for summary judgment. Although submitted under seal as confidential, the interrogatory response regarding dates of first use is not information that is confidential in nature and, therefore, we have provided this information in our decision. *Trademark Rule 2.116(g) 37 C.F.R. § 2.116(g)* (“The Board may treat as not confidential that material which cannot reasonably be considered confidential, notwithstanding a designation as such by a party.”); *see also Couch/Braunsdorf Affinity, Inc. v. 12 Interactive, LLC, 110 USPQ2d 1458, 1461 (TTAB 2014)*.

Both parties submitted a copy of Petitioner's application Serial No. 87277362, as filed with the Office. As noted above, at note 4, in their motions papers both parties frequently use the short-hand designation “the Class 18 Goods” or “Petitioner's Class 18 Goods” to refer generally to Petitioner's “all-purpose carrying bags, backpacks, tote bags, and wallets including card holders,” even when referring to Petitioner's use of its mark on those goods.

Because Ms. Prioleau's declaration statements established Petitioner's use as of the month of August 1999, we construe Petitioner's priority date to be the last day of that month. *Cf.* TMEP § 903.06 (Oct. 2017) (“When a month and year are given without a specified day, the date presumed for purposes of examination is the last day of the month.”).

Generally, “analogous use” is defined as “non-technical use of a trademark in connection with the promotion or sale of a product under circumstances which do not provide a basis for an application to register, usually because the statutory requirement for use on or in connection with the sale of goods in commerce has not been met.” *Shalom Children's Wear Inc. v. In-Wear A/S, 26 USPQ2d 1516, 1519 (TTAB 1993)*; *see also Liqwacon Corp. v. Browning-Ferris Indus., Inc., 203 USPQ 305, 308-09 (TTAB 1979)* (“[N]on-technical use’ or ‘use analogous to technical use’ has been defined as encompassing, inter alia, use in advertising, use as a grade mark or as a process, per se, use as the distinguishing feature of a name, and any other use of a designation in a manner calculated to attract the attention of potential customers or customers in the applicable field of trade and to create thereby an association of the term, an exclusive one, with the product or service of a single, albeit anonymous, source.”); *see also Cent. Garden & Pet Co., 108 USPQ2d at 1142* (“[E]ven before proper trademark use commences, advertising or similar pre-sale activities may establish priority if they create the necessary association in the mind of the consumer.”).

In its motion, Respondent offered an exhaustive review of Petitioner's discovery documents, which we need not repeat.

In view of our finding of inevitable confusion, even if we had not struck Respondent's insufficiently pleaded affirmative defenses of laches, estoppel, and unclean hands, the defenses would not have been applicable. *See Ultra-White Co., Inc. v. Johnson Chem. Indus., Inc., 465 F.2d 891, 175 USPQ 166, 167 (CCPA 1972)* (equitable defenses such as laches, acquiescence and estoppel are not applicable where likelihood of confusion is inevitable); *Reflange Inc. v. R-Con Int'l, 17 USPQ2d 1125, 1131 (TTAB 1990)* (equitable defenses such as laches and acquiescence would not preclude a judgment for plaintiff if it is

determined that confusion is inevitable); *Christian Broad. Network Inc. v. ABS-CBN Int'l*, 84 USPQ2d 1560, 1572 (TTAB 2007) (laches and acquiescence would not preclude a judgment for plaintiff if confusion is inevitable).  
2018 WL 5920950 (Trademark Tr. & App. Bd.)

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2018 WL 4253294 (Trademark Tr. & App. Bd.)

THIS ORDER IS NOT A PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

GLOW CONCEPT INC.

v.

TOO FACED COSMETICS, LLC

Cancellation No. 92067143

September 4, 2018

\*1 Before [Wolfson](#), [Kuczma](#), and Larkin  
Administrative Trademark Judges

**By the Board:**

On October 10, 2017, Glow Concept Inc. (“Petitioner”) filed a petition for cancellation of a registration of the standard character mark UNICORN TEARS for “cosmetics and cosmetic preparations.”<sup>1</sup> As grounds for cancellation, Petitioner alleges likelihood of confusion under Trademark Act Section 2(d), [15 U.S.C. § 1052\(d\)](#), based on prior common law use of the mark UNICORN TEARS for “lip gloss and lip glosses.”<sup>2</sup> In its answer, Too Faced Cosmetics, LLC (“Respondent”) denies the salient allegations in the petition and asserts affirmative defenses.

This proceeding now comes before the Board for consideration of Petitioner's motion (filed March 8, 2018) for summary judgment on the issue of priority. The motion is fully briefed.

As an initial matter, Respondent filed a separate cross-motion for summary judgment concurrently with its response to Petitioner's motion for summary judgment. The length of the two briefs combined is over 34 pages. A brief in response to a motion for summary judgment or a cross-motion for summary judgment on the same issue is limited to 25 pages. [Trademark Rule 2.127\(a\)](#), [37 C.F.R. § 2.127\(a\)](#); *see generally* Trademark Trial and Appeal Board Manual of Procedure (“TBMP”) § 528.01 (June 2018). Where, as here, both are filed, the brief in support of the cross-motion for summary judgment will count against the page limit applicable to the response unless the original summary judgment motion and cross motion involve separate issues. *Id.* In other words, the combined total number of pages cannot exceed 25 pages. Here, Respondent's cross-motion and brief in response to Petitioner's motion both address the issue raised in the original motion, namely, priority of use. Thus, Respondent has exceeded the total number of pages allowed under [Trademark Rule 2.127\(a\)](#). *See, e.g., Cooper Tech. Co. v. Denier Elec. Co.*, 89 USPQ2d 1478, 1479 (TTAB 2008) (“The page limitation for a ‘brief in response to a motion’ applies to a brief in which an opposition to a motion and a cross-motion are combined but address the same issues”). In view thereof, we have not considered Respondent's cross-motion for summary judgment or its reply brief in support of the cross-motion.<sup>3</sup>

**I. The Pleadings**

\*2 Because a party may not obtain summary judgment under [Fed. R. Civ. P. 56\(a\)](#) on a claim or issue that has not been properly pleaded, we have reviewed the pleadings to determine the sufficiency of the claims at issue. *See Asian and Western Classics B.V. v. Lynne Selkow*, 92 USPQ2d 1478, 1480 (TTAB 2009). We find that the petition for cancellation is legally sufficient to the extent that it contains allegations which, if proven, would establish Petitioner's standing, as well

as its asserted claim of likelihood of confusion under Trademark Section 2(d), 15 U.S.C. § 1052(d), based on its alleged common law use of the mark UNICORN TEARS prior to Respondent's date of first use.

Turning to the answer, Respondent asserts as its first “affirmative defense” that the petition for cancellation “is barred because Petitioner fails to state a claim upon which relief may be granted.”<sup>4</sup> Because we have found Petitioner's pleading legally sufficient, we *sua sponte* strike Applicant's first affirmative defense. See *NSM Res. Corp. v. Microsoft Corp.*, 113 USPQ2d 1029, 1039 n.19 (TTAB 2014) (Board may *sua sponte* dismiss any insufficiently pleaded pleading).

Respondent's second “affirmative defense” is merely an amplification of Respondent's denial of Petitioner's allegations of prior rights in the subject mark. While not a true affirmative defense, we find no harm in allowing the assertion.

Respondent's third affirmative defense consists of bald assertions of the equitable defenses of waiver, acquiescence, and laches.<sup>5</sup> Because the defenses are unsupported by factual allegations, we find the assertions insufficient to give Petitioner fair notice of the basis for the defenses. See *Fed. R. Civ. P. 8(d)(1)*; *Ohio State Univ. v. Ohio Univ.*, 51 USPQ2d 1289, 1292 (TTAB 1999) (primary purpose of pleadings “is to give fair notice of the claims or defenses asserted”); TBMP § 311.02(b) (“pleading should include enough detail to give the plaintiff fair notice of the basis for the defense.”). In view thereof, Respondent's waiver, acquiescence, and laches defenses are hereby stricken from the answer.<sup>6</sup>

Finally, the purported reservation of a right to set forth additional defenses that may be discovered at a later date is improper under the Federal Rules of Civil Procedure. See *FDIC v. Mahajan*, 923, F. Supp. 2d 1133, 1141 (N.D. Ill. 2013). The proper way to plead additional affirmative defenses is to file a motion to amend under *Fed. R. Civ. P. 15*. *Id.* Accordingly, Respondent's assertion in paragraph 13 of its affirmative defenses is stricken from the answer.

## **II. Standing**

\*3 Standing is a threshold issue that must be pleaded and proven by the plaintiff in every *inter partes* case. See *Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058, 1062 (Fed. Cir. 2014); *Ritchie v. Simpson*, 171 F.3d 1092, 50 USPQ2d 1023, 1025-26 (Fed. Cir. 1999); see also *Sinclair Oil Corp. v. Kendrick*, 85 USPQ2d 1032, 1037 (TTAB 2007). Here, Petitioner has submitted a copy of its pleaded application and the Office Action refusing registration based on likelihood of confusion with the involved registration. 6 TTABVue 16-22. In view thereof, there is no genuine dispute that Petitioner has established its standing to bring the proceeding. See *Kallamni v. Khan*, 101 USPQ2d 1864, 1865 (TTAB 2012) (evidence of record showing that petitioner's pending application had been refused registration based on respondent's registration sufficient to confer standing).

## **III. Summary Judgment**

Turning to the merits of the motion for summary judgment, Petitioner seeks summary judgment on the likelihood of confusion claim based on its allegation of priority.<sup>7</sup> Petitioner argues that it is entitled to judgment as a matter of law because it began using the mark UNICORN TEARS in commerce at least five months prior to Respondent's claimed date of first use. In support of its motion for summary judgment, Petitioner submitted the declaration of Nicole Lee, Executive Vice President of Petitioner, attesting to Petitioner's first use of the mark on its website on July 2, 2015, and Petitioner's first sale in connection with the mark at least as early as September, 2015.<sup>8</sup> Ms. Lee's declaration also introduces, among other things, a copy of an archived page from Petitioner's website from July 2, 2015,<sup>9</sup> and a copy of an order and receipt (with redactions) regarding the sale of Petitioner's goods dated September, 2015.<sup>10</sup>

In response to the motion for summary judgment, Respondent argues that there is a genuine dispute regarding whether Petitioner's use of UNICORN TEARS prior to December 1, 2015 was a bona fide trademark use that functioned



to identify the source of Petitioner's goods. Respondent contends that, based on the evidence of Petitioner's use of UNICORN TEARS, the term is used to indicate a shade of color of lip gloss from a line of lip glosses under the mark WINKY LUX. Respondent argues that in view of Petitioner's use of UNICORN TEARS as a shade designation, Petitioner must show actual recognition of the mark as a source indicator prior to December 1, 2015, and has failed to do so.

In addition, Respondent argues that Petitioner's evidence supporting its first sales transaction is insufficient to support its claim of priority over the subject registration because Petitioner has not provided clear evidence that the transaction was a bona fide use of the mark in commerce.<sup>11</sup> Thus, Respondent contends that the transaction was a merely token use of the mark. 8 TTABVUE 16-17.<sup>12</sup>

\*4 In its reply, Petitioner argues that Respondent's claim that Petitioner's mark functions merely as a shade designation is conclusory and contradicted by the record of its own registration. In addition, Petitioner asserts that, for purposes of summary judgment, it need only show that use of its mark was prior to Respondent's and that its single sales receipt from September, 2015 "was only meant as a sample of use in commerce to dispose of the question of prior use." 10 TTABVUE 10. Nonetheless, with its reply brief, Petitioner submitted copies of "selected sales receipts from December 2015 to today." *Id.*

The Board has considered the arguments and evidence submitted in connection with the motion, but does not repeat or discuss all of the arguments and submissions, and does not address irrelevant arguments. *Guess? IP Holder L.P. v. Knowluxe LLC*, 116 USPQ2d 2018, 2019 (TTAB 2015).

Summary judgment is an appropriate method of disposing of cases in which there are no genuine disputes as to any material facts and the moving party is entitled to judgment as a matter of law. *Fed. R. Civ. P. 56(a)*. In reviewing a motion for summary judgment, the evidentiary record and all justifiable inferences to be drawn from the undisputed facts must be viewed in the light most favorable to the non-moving party. *See Lloyd's Food Prods. Inc. v. Eli's Inc.*, 987 F.2d 766, 25 USPQ2d 2027, 2029-30 (Fed. Cir. 1993); *Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542, 1546 (Fed. Cir. 1992). We may not resolve disputes of material fact; we may only ascertain whether a genuine dispute regarding a material fact exists. *See Lloyd's Food Prods.*, 25 USPQ2d at 2029; *Olde Tyme Foods*, 22 USPQ2d at 1544.

A party moving for summary judgment has the burden of demonstrating a particular fact is not disputed by citing to the record, including affidavits or declarations, admissions or interrogatory answers; or showing that the cited materials do not establish the absence or presence of a genuine dispute, or that the adverse party cannot produce admissible evidence to support the fact. *Fed. R. Civ. P. 56(c)(1)*. *See generally Celotex Corp. v. Catrett*, 477 U.S. 317, 323 (1986). When the moving party has supported its motion with sufficient evidence that, if unopposed, indicates there is no genuine dispute of material fact, the burden of production shifts to the non-moving party to demonstrate the existence of a genuine dispute of material fact to be resolved at trial. *Enbridge, Inc. v. Excelerate Energy LP*, 92 USPQ2d 1537, 1540 (TTAB 2009).

\*5 A party seeking cancellation of a registered mark must rebut the presumption of validity of the registered mark under Trademark Act Section 7(b), 15 U.S.C. § 1057(b), by a preponderance of the evidence. However, the burden of demonstrating the absence of a genuine dispute with respect to an issue is greater than the evidentiary burden at trial. *See, e.g., Gasser Chair Co. v. Infanti Chair Mfg. Corp.*, 60 F.3d 770, 34 USPQ2d 1822, 1824 (Fed. Cir. 1995) (in addition to proving elements of laches by preponderance of the evidence, moving party must also establish no genuine dispute of material fact as to those elements).

Here, Petitioner must show that there is no genuine dispute that it has established priority through prior common law use of its mark in the United States as a trademark, or prior use analogous to trademark use. *See Giersch v. Scripps Networks Inc.*, 90 USPQ2d 1020, 1023 (TTAB 2009) (in absence of pleaded registration, petitioner must show prior common law

use); *see also* [T.A.B. Systems v. PacTel Teletrac](#), 77 F.3d 1372, 37 USPQ2d 1879, 1881 (Fed. Cir. 1996) (must show that the activities claimed to constitute analogous use have had “substantial impact” on the purchasing public).

In this case, we find that Petitioner has failed to carry its initial burden of establishing that no genuine dispute of material fact remains regarding its priority of use.<sup>13</sup> According to the declaration of Nicole Lee and the corresponding evidence, Petitioner sold only a single item of lip gloss using the mark UNICORN TEARS in September of 2015, and the redacted “Transaction Details” regarding this transaction provide very few details about it. 6 TTABVue 36-40. Ms. Lee attests to subsequently soliciting distributors, but does not identify any further sale or transportation of the goods to distributors or consumers prior to December 1, 2015, Respondent's claimed date of first use.<sup>14</sup> With its reply brief, Petitioner provided additional evidence in support of its motion, 10 TTABVue 51-75, but the submission of evidence with a reply brief is improper because the nonmoving party is unable to respond to the evidence. *See Kellogg Co. v. Pack'Em Enters. Inc.*, 14 USPQ2d 1545, 1549 n.9 (TTAB 1990), *aff'd*, 951 F.2d 330, 21 USPQ2d 1142 (Fed. Cir. 1991) (evidence supporting a motion for summary judgment must be submitted with the motion); *Omega SA (Omega AG) (Omega Ltd.) v. Alpha Phi Omega*, 118 USPQ2d 1289, 1300 n.18 (TTAB 2016) (evidence submitted with reply brief considered untimely because “Opposer did not have the opportunity to address this evidence in its response to Applicant's motion for summary judgment” and “[i]f Applicant wanted the Board to consider this evidence, Applicant should have submitted it with Applicant's original motion for summary judgment.”); *cf.* [Trademark Rule 2.142\(d\)](#); 37 C.F.R. § 2.142(d). Accordingly, we have not considered the exhibits submitted with Petitioner's reply brief.

\*6 Viewing the evidence in the light most favorable to Respondent as the nonmoving party, we find Petitioner's declaration, webpage, and invoice insufficient to establish that there is no genuine dispute that Petitioner made bona fide use of the term UNICORN TEARS as a trademark prior to Respondent's claimed date of first use. *See* 3 Thomas J. McCarthy, McCarthy on Trademarks & Unfair Competition § 19:116 (5<sup>th</sup> ed. 2018) (“when the contesting parties are neck and neck in a race to the marketplace, it is necessary to take a closer and more demanding look at who was first and with what degree and kind of exposure); *see, e.g., Custom Vehicles, Inc. v. Forest River, Inc.*, 476 F.3d 481, 81 USPQ2d 1753, 1757, (7<sup>th</sup> Cir. 2007) (“Unless ... the product is unusually expensive, a single sale, followed by frenetic but futile efforts to make a second sale, hardly justifies allowing the seller to appropriate the mark.”); *Zazu Designs v. L'Oreal, S.A.*, 979 F.2d 499, 24 USPQ2d 1828, 1832-33 (7<sup>th</sup> Cir. 1992) (sales of a few samples of bottles of shampoo is “pre-marketing maneuvers” insufficient to establish rights in a trademark); *cf. Green Spot (Thailand) Ltd. v. Vitasoy Int'l Holdings Ltd.*, 86 USPQ2d 1283, 1284 (TTAB 2008) (opposer's sales volume, while not large, was sufficient to constitute more than token use and establish priority).<sup>15</sup>

#### IV. Decision

Based on the record herein and the applicable law, we find that, at a minimum, a genuine dispute of material fact exists with respect to priority.<sup>16</sup> Accordingly, Petitioner's motion for summary judgment is **DENIED**.

Proceedings herein are resumed. Respondent is allowed until 20 days from the mailing date of this order to file an amended answer properly alleging the defenses of waiver, acquiescence, and/or laches if Respondent is able to assert sufficient factual allegations to support the defenses, failing which the defenses remain stricken.

Discovery, trial, and briefing dates are reset as follows:

Expert Disclosures Due	12/29/2018
Discovery Closes	1/28/2019

Plaintiff's Pretrial Disclosures Due	3/14/2019
Plaintiff's 30-day Trial Period Ends	4/28/2019
Defendant's Pretrial Disclosures Due	5/13/2019
Defendant's 30-day Trial Period Ends	6/27/2019
Plaintiff's Rebuttal Disclosures Due	7/12/2019
Plaintiff's 15-day Rebuttal Period Ends	8/11/2019
Plaintiff's Opening Brief Due	10/10/2019
Defendant's Brief Due	11/9/2019
Plaintiff's Reply Brief Due	11/24/2019
Request for Oral Hearing (optional) Due	12/4/2019

\*7 In each instance, a copy of the transcript of testimony, together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. [Trademark Rule 2.125](#).

Briefs shall be filed in accordance with [Trademark Rules 2.128\(a\) and \(b\)](#). An oral hearing will be set only upon request filed as provided by [Trademark Rule 2.129](#).

#### Footnotes

- 1 Registration No. 5234883 issued on July 4, 2017. Registrant claims December 1, 2015 as the date of first use anywhere and date of first use in commerce.
- 2 Petition for Cancellation at ¶ 4, 1 TTABVUE 4.
- 3 The page limitation for briefs on motions is intended to prevent the filing of unduly long briefs and consequent unnecessary burdens on the Board. The limitation cannot be waived by action, inaction or consent of the parties. See *Saint-Gobain v. Minn. Mining & Mfg. Co.*, 66 USPQ2d 1220, 1222 (TTAB 2005).
- 4 Answer at ¶ 10, 4 TTABVUE 3.
- 5 *Id.* at ¶ 10.
- 6 We note that the availability of equitable defenses such as laches and acquiescence is severely limited in Board proceedings. In Board cancellation proceedings, these defenses start to run from the date of registration in the absence of actual knowledge of use of the subject mark before the close of the opposition period. See *Nat'l Cable Television Ass'n v. Amer. Cinema Editors Inc.*, 937 F.2d 1572, 19 USPQ2d 1424, 1432 (Fed. Cir. 1991); *Jansen Enters. Inc. v. Rind*, 85 USPQ2d 1104, 1114 (TTAB 2007) (in the absence of actual notice prior to the close of opposition period, the date of registration is the operative date for calculating laches). Further, the defenses must be tied to a party's registration of the mark rather than its use of the mark. *Id.* As further discussed below, Respondent is allowed leave to replead the defenses, if available.
- 7 There is no dispute between the parties regarding likelihood of confusion. In its response, Respondent concedes that the marks are confusingly similar and the goods are provided through the same channels of trade. 8 TTABVUE 8. In addition, Respondent states that its cosmetic products include lip gloss. *Id.* at 3.
- 8 6 TTABVUE 10-11.
- 9 *Id.* at 24-33 (Exhibit C). The web page indicates that it was accessed from "https://web.archive.org" and indicates that the web page was active on July 2, 2015.
- 10 *Id.* at 36-40 (Exhibit D).
- 11 Contrary to Respondent's assertion, "use in commerce" as defined in Section 45 of the Trademark Act is not required for Petitioner to establish priority. See *First Niagara Ins. Brokers Inc. v. First Niagara Fin. Grp. Inc.*, 476 F.3d 867, 81 USPQ2d 1375, 1378 (Fed. Cir. 2007) (Section 2(d) merely requires use "in the United States").

- 12 We note that the Exhibits attached to Respondent's brief in response to the motion for summary judgment unnecessarily include documents and filings already of record, such as the file of the subject application and Petitioner's motion and the exhibits submitted with Petitioner's motion. See [Trademark Rule 2.122\(b\)](#); TBMP § 528.05(a)(1) (June 2018). The practice of attaching as exhibits to the brief all recent filings in the proceeding is unnecessary and creates a burdensome record for the Board. The parties are advised to avoid unnecessarily large records and, where possible, cite to the TTABVUE docket entry and page number, e.g., 1 TTABVUE 2. See TBMP §§ 106.03 and 110.02(c).
- 13 In its motion, Petitioner states that it “has met its burden by showing that there is an absence of evidence to support the nonmoving party's case.” 6 TTABVUE 7. Petitioner's identification of its burden on summary judgment is incorrect. Petitioner, as the plaintiff in this proceeding, bears the burden of proving that it has priority. See [B&B Hardware, Inc. v. Hargis Indus., Inc.](#), 135 S. Ct. 1293, 113 USPQ2d 2045, 2056 (2015). Respondent, the nonmoving party here, does not bear the burden of disproving Petitioner's priority. Thus, Petitioner cannot obtain summary judgment by showing an absence of evidence to support Respondent's priority because Petitioner has the burden of supporting priority at trial. The summary judgment standard set forth in *Celotex* and relied on by Petitioner applies only when the nonmoving party bears the burden of proof on the issue at trial. See [Celotex Corp.](#), 477 U.S. at 324 (“In cases like the instant one, where the nonmoving party will bear the burden of proof at trial on a dispositive issue a summary judgment motion may properly be made in reliance solely on the ‘pleadings, depositions, answers to interrogatories, and admissions on file.’”).
- 14 For purposes of summary judgment, Petitioner concedes December 1, 2015 as Respondent's date of first use, stating in its motion: “In the instant matter, Registrant's sworn statement memorialized in its registration with the United States Patent and Trademark Office dates the first use of UNICORN TEARS--both anywhere and in commerce--as December 1, 2015.” 6 TTABVUE 7.
- 15 Compare [Christian Faith Fellowship Church v. adidas AG](#), 841 F.3d 986, 120 USPQ2d 1640, 1642-43 (Fed. Cir. 2016) (finding evidence of single sale sufficient to support applicant's claim of use in commerce prior to filing of use-based application).
- 16 The fact that we have identified only certain genuine disputes as to material facts should not be construed as a finding that these are necessarily the only disputes which remain for trial. In addition, the evidence submitted in connection with a motion for summary judgment or opposition thereto is of record only for consideration of that motion. Any such evidence to be considered at final hearing must be properly introduced in evidence during the appropriate trial period. See [Levi Strauss & Co. v. R. Joseph Sportswear Inc.](#), 28 USPQ2d 1464 (TTAB 993).

2018 WL 4253294 (Trademark Tr. & App. Bd.)

2018 WL 1603937 (Trademark Tr. & App. Bd.)

THIS OPINION IS NOT A PRECEDENT OF THE

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

ASURION, LLC

v.

NETSURION, LLC

Opposition No. 91231568

March 30, 2018

\*1 Before [Cataldo](#), Gorowitz, and Pologeorgis  
Administrative Trademark Judges

By the Board:

Netsurion, LLC (“Applicant”) seeks registration of the standard character mark NETSURION for the following services:  
Installation and maintenance of computer networking hardware and wireless networking hardware, in International Class 37;

Training services, namely training businesses on payment card industry (PCI) compliance, in International Class 41; and

Managed network services, namely, management of WAN networks for others and computer network configuration and management services; Design, development, deployment, management of computer networks and wireless networks for others featuring network design and engineering, network monitoring services; Information technology (IT) consulting services; information technology (IT) services for others, namely, consulting in the field of IT computer security consultancy; computer services, namely, remote management of the information technology (IT) systems of others and systems integration; managed network services in the nature of accessing computers at remote locations, for use in enforcement of IT security policies, and for computer consulting service in connection therewith; computer security consultancy in the field of scanning and penetration testing of computers, networks, wireless network access points to assess information and operational security; Consulting services in the field of information technology related to the design, development, and deployment of computer systems that support electronic processing of credit card transactions and electronic payments via a global computer network; Consulting services in the field of computer system security in relation to electronic processing of credit card transactions and electronic payments via a global computer network to ensure payment card industry (PCI) compliance; installation and maintenance of computer networking software and wireless networking software, in International Class 42. <sup>1</sup>

Registration has been opposed by Asurion, LLC (“Opposer”) on the ground of likelihood of confusion with its existing registrations for the mark ASURION for a variety of mobile phone and computer-related goods and services in several classes. <sup>2</sup> In addition, Opposer alleges prior rights based on common law use of the mark ASURION since March 2, 2015, for the following services:

repair and maintenance of computer hardware in personal computing devices, mobile phone devices, tablets, and other computing devices; installation, repair and maintenance of computerized consumer products and household equipment; software and IT support services in the field of device and data security for

personal computing devices, mobile phone devices, tablets, and other computing devices; remote protection services for personal computing devices, mobile phone devices, tablets and other computing devices, and computerized and network-connected consumer products and household equipment; technical and customer support services for personal computing devices, mobile phone devices, tablets and other computing devices, and computerized and network-connected consumer products and household equipment.<sup>3</sup>

\*2 In its answer, Applicant denies the salient allegations in the notice of opposition and asserts the affirmative defenses of acquiescence and waiver.

This proceeding now comes before the Board for consideration of Applicant's motion (filed November 9, 2017) for summary judgment on Opposer's asserted claim of likelihood of confusion. Prior to filing the motion for summary judgment, Applicant filed a motion to amend the identification of services in the involved application "[i]f the Board deems Applicant's proposed amendments necessary to dismiss the opposition." 15 TTABVUE 7. The motions are fully-briefed.

### **I. The Pleadings**

As an initial matter, we have reviewed the pleadings to determine the legal sufficiency of the claim and defenses. Upon careful review of the notice of opposition, we find that Opposer's pleading is legally sufficient to the extent that it contains allegations which, if proven, would establish Opposer's standing, as well as its asserted claim of likelihood of confusion with respect to its pleaded registrations and its common law use of its pleaded mark.

With respect to Applicant's affirmative defense, Applicant argues that due to Opposer's knowledge of third party use of "net" or "surion" for the same or similar goods, Opposer "has either waived its rights or acquiesced to such use [of] 'net' or 'surion' and cannot now oppose Applicant's mark." 12 TTABVUE 3-4. Initially, we note that the equitable defense of acquiescence is generally not applicable in opposition proceedings because the defense starts to run from the time of knowledge of the application for registration (that is, from the time the mark is published for opposition -- not from the time of knowledge of use). See *Nat'l Cable Television Ass'n Inc. v. Am. Cinema Editors Inc.*, 937 F.3d 1572, 19 USPQ2d 1424, 1432 (Fed. Cir. 1991). Notwithstanding, we find that Applicant has failed to plead properly the defenses of acquiescence and waiver.<sup>4</sup> *Ashcroft v. Iqbal*, 556 U.S. 662, 663 (2009), quoting *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007). In view thereof, we *sua sponte* strike Applicant's affirmative defenses from its answer. See Fed. R. Civ. P. 12(f); *NSM Res. Corp. v. Microsoft Corp.*, 113 USPQ2d 1029, 1039 n.19 (TTAB 2014) (Board may *sua sponte* dismiss any insufficiently pleaded pleading).<sup>5</sup>

### **II. Summary Judgment**

We now turn to Applicant's motion for summary judgment. For purposes of the motion we presume the parties' familiarity with the briefs and the arguments therein. In short, Applicant argues that the marks NETSURION and ASURION are visually and aurally dissimilar, that the marks convey differing connotations and commercial impressions, and that Applicant's services are targeted to businesses, whereas Opposer's goods and services are provided to end users of mobile devices. Additionally, Applicant contends that based on the evidence of third-party use and registration of "asurion" and "-surion" derivative marks, the suffix, SURION is weak and entitled to only a narrow scope of protection. 18 TTABVUE 26. In support of its contention, Applicant has made of record, *inter alia*, copies a number of third-party registrations and copies of web pages showing the use of such registered marks.<sup>6</sup>

\*3 Opposer argues that the marks at issue are strikingly similar in sound and appearance, that its mark is famous and deserving of a wide scope of protection,<sup>7</sup> that its services are not limited to end users, and that the parties' goods and services are of a kind that may emanate from the same source. In support thereof, Opposer has introduced the declarations of its Senior Director,



Corporate Communications and its Vice President and General Manager Small and Medium Business Products. The witnesses attest to, among other things, the nature of Opposer's services provided in connection with its mark, the volume of its sales revenue and advertising expenses, the type of customers, and the channels of trade in which the services are provided.<sup>8</sup>

Summary judgment is an appropriate method of disposing of cases in which there are no genuine disputes as to any material facts and the moving party is entitled to judgment as a matter of law. *Fed. R. Civ. P. 56(a)*. In reviewing a motion for summary judgment, the evidentiary record and all justifiable inferences to be drawn from the undisputed facts must be viewed in the light most favorable to the non-moving party. See *Lloyd's Food Prods. Inc. v. Eli's Inc.*, 987 F.2d 766, 25 USPQ2d 2027, 2029-30 (Fed. Cir. 1993); *Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542, 1546 (Fed. Cir. 1992). We may not resolve disputes of material fact; we may only ascertain whether a genuine dispute regarding a material fact exists. See *Lloyd's Food Prods.*, 25 USPQ2d at 2029; *Olde Tyme Foods*, 22 USPQ2d at 1544.

Applicant, as the party moving for summary judgment, has the burden of demonstrating that there is no genuine dispute as to any material fact and that it is entitled to judgment as a matter of law. *Fed. R. Civ. P. 56(a)*. See generally *Celotex Corp. v. Catrett*, 477 U.S. 317, 323 (1986). Opposer, as the nonmoving party, may not rest on mere allegations, but must designate specific portions of the record or produce additional evidence showing the existence of a genuine dispute of material fact for trial. See *Venture Out Props. LLC v. Wynn Resort Holdings LLC*, 81 USPQ2d 1887, 1890 (TTAB 2007); see also *Fed. R. Civ. P. 56(c)(1)*.

Consideration of likelihood of confusion in the context of summary judgment involves an analysis of all of the undisputed facts in evidence that are relevant to the thirteen evidentiary factors set forth in *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563, 567 (CCPA 1973). Any of the *du Pont* factors “may from case to case play a dominant role.” *Id.* Pursuant to *Fed. R. Civ. P. 56(a)*, Applicant is entitled to summary judgment only if it shows that “there is no genuine dispute as to any material fact.” Accordingly, we look to whether there are genuine disputes with respect to any of these *du Pont* factors which would be material to a decision on the merits.

\*4 Upon careful consideration of the parties' arguments and evidence, and drawing all inferences with respect to the motion in favor of Opposer as the nonmoving party, we find that Applicant has not demonstrated the absence of a genuine dispute of material fact for trial. At a minimum, genuine disputes of material fact exist as to the similarity of the marks, the strength of Opposer's mark and the scope of protection Opposer's mark is to be afforded.<sup>9</sup> Accordingly, Applicant's motion for summary judgment on the claim of likelihood of confusion is **DENIED**.

### **III. Applicant's Motion to Amend the Application**

Turning to Applicant's motion to amend the application, Applicant proposes to amend the identification of services as follows:<sup>10</sup> Class 37: Installation and maintenance of computer networking hardware and wireless networking hardware, namely, to create a secure WAN or LAN, and WiFi equipment used to create a secure wireless LAN for business;

Class 41: Training services, namely training businesses on payment card industry (PCI) compliance;

Class 42: Managed network services, namely, management of WAN networks for businesses and LAN computer network configuration and management services for businesses; Design, development, deployment, management of WAN and LAN computer networks and WiFi based wireless networks for businesses featuring network design and engineering, network monitoring services; Information technology (IT) consulting services in the field of creating a secure WAN and LAN for businesses; ; WAN and LAN managed network services in the nature of accessing computers at remote locations, for use in enforcement of IT security policies; computer security consultancy in the field of scanning and penetration testing of networks and WiFi-based wireless network access points to assess information and operational security; Consulting services in the field of information technology related to the design, development, and deployment of computer systems that support electronic processing of credit card transactions and electronic payments via a global computer network; Consulting services in the field of computer system network security in relation to electronic processing of credit card transactions and electronic payments

via a global computer network to ensure payment card industry (PCI) compliance; installation and maintenance of computer networking software and wireless networking software, namely, to facilitate and create WAN and LAN networks.

Applicant requests, however, that the Board defer determination of the amendment until final decision or on the motion for summary judgment and only seeks amendment if necessary to dismiss the opposition, i.e., as an alternative defense. While Applicant denies that there is any likelihood of confusion with its more broadly worded identification, Applicant argues that the proposed amendment limits its customers and its channels of trade. In its opposition brief, Opposer argues that the proposed amendment should be denied because it does not restrict Applicant's services, customers, or channels of trade in such a way that negates the likelihood of confusion and because Opposer's pleaded registrations are not restricted to a particular class of customer.

**\*5** The Board generally defers determination of a timely filed unconsented motion to amend an application in substance until final decision or until the case is decided upon summary judgment. See *Enbridge Inc. v. Excelerate Energy L.P.*, 92 USPQ2d 1537, 1539 n.3 (TTAB 2009); see also, *Fort Howard Paper Co. v. G.V. Bambina Inc.*, 4 USPQ2d 1552, 1554 (TTAB 1987) (It is the general practice of the Board to defer ruling on motions to amend the dates of first use until after final hearing).

Because we have denied Applicant's motion for summary judgment and even though Applicant's motion to amend is timely, we nonetheless defer consideration of Applicant's motion to amend the application until final decision on the merits of the case. See *Enbridge Inc.*, 92 USPQ2d at 1539 n.3 (on summary judgment, unconsented motion to amend deferred until final hearing).

Proceedings herein are resumed. Discovery, trial and briefing dates are reset as follows:<sup>11</sup>

Expert Disclosures Due	6/4/2018
Discovery Closes	7/4/2018
Plaintiff's Pretrial Disclosures Due	8/18/2018
Plaintiff's 30-day Trial Period Ends	10/2/2018
Defendant's Pretrial Disclosures Due	10/17/2018
Defendant's 30-day Trial Period Ends	12/1/2018
Plaintiff's Rebuttal Disclosures Due	12/16/2018
Plaintiff's 15-day Rebuttal Period Ends	1/15/2019
Plaintiff's Opening Brief Due	3/16/2019
Defendant's Brief Due	4/15/2019
Plaintiff's Reply Brief Due	4/30/2019
Request for Oral Hearing (optional) Due	5/10/2019

In each instance, a copy of the transcript of testimony, together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. [Trademark Rule 2.125](#).

Briefs shall be filed in accordance with [Trademark Rules 2.128\(a\) and \(b\)](#). An oral hearing will be set only upon request filed as provided by [Trademark Rule 2.129](#).



## Footnotes

- 1 Application Serial No. 86874151 was filed on January 13, 2016, based on Applicant's claim of use of the mark in commerce under Trademark Act Section 1(a), [15 U.S.C. § 1051\(a\)](#). Applicant claims March 2, 2015 as its date of first use anywhere and date of first use in commerce for each class of services.
- 2 Opposer pleads ownership of Registration Nos. 2698459, 4179272, 4314110 and 4997781 for the standard character mark ASURION and Registration No. 4646459 for the mark ASURION and design.
- 3 Notice of Opposition, at ¶ 7, 1 TTABVUE 11-12.
- 4 See *Coach House Restaurant Inc. v. Coach and Six Restaurants Inc.*, 934 F.2d 1551, 19 USPQ2d 1401, 1404-5 (11<sup>th</sup> Cir 1991) (a pleading of acquiescence requires allegations of the following: (1) that plaintiff actively represented that it would not assert a right or a claim; (2) that delay between the active representation and assertion of the right or claim was not excusable; and (3) that the delay caused the defendant undue prejudice). As for waiver, “generally speaking the three requirements or elements necessary to establish an effective waiver are: an existing right, knowledge of the right, [and] an actual intention to relinquish the right.” [28 Am.Jur.2d Estoppel and Waiver § 201](#). Here, Applicant has failed to set forth allegations supporting the final element of waiver (which would pertain to Opposer's actual intention to relinquish its rights in its pleaded ASURION mark.)
- 5 However, Applicant is not precluded from arguing that Opposer's mark is weak due to third party use of similar marks for goods and services similar to those at issue in this case.
- 6 See Exhibits 2 and 3, 18 TTABVUE 32-253.
- 7 We note that Opposer has not specifically pleaded that its mark is famous. However, in the complaint, Opposer alleges that its mark is “entitled to a wide zone of protection” and that “[i]ts strength is further enhanced by many years of extensive and exclusive use and promotion throughout the United States and the world.” Notice of Opposition, at ¶ 9, 1 TTABVUE 18. Thus, Opposer provided notice that it planned to introduce evidence regarding the commercial strength of its pleaded ASURION mark.
- 8 See 24 TTABVUE 5-17.
- 9 The fact that we have identified particular genuine disputes as to a material fact should not be construed as a finding that these are necessarily the only disputes which remain for trial. In addition, the parties should note that, absent an agreement between the parties, evidence submitted in connection with a motion for summary judgment or opposition thereto is of record only for consideration of that motion. Any such evidence to be considered at final hearing must be properly introduced in evidence during the appropriate trial period. See *Levi Strauss & Co. v. R. Joseph Sportswear Inc.*, 28 USPQ2d 1464 (TTAB 1993).
- 10 Underlined wording indicates language proposed to be added to the identification and deleted language is represented with strikethrough. The motion does not include an amendment to the services in Class 41.
- 11 The Board notes that the parties are also involved in Opposition No. 91238630. Upon resumption of the current opposition, the Board will consolidate the proceedings and reset the dates for the consolidated proceeding.

2018 WL 1603937 (Trademark Tr. & App. Bd.)

2013 WL 6040375 (Trademark Tr. & App. Bd.)

THIS OPINION IS A PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

LEONID NAHSHIN

v.

PRODUCT SOURCE INTERNATIONAL, LLC

Cancellation No. 92051140

June 21, 2013

\*1 Christopher R. Shiplett of Randolph Law PLLC for Leonid Nahshin  
Anthony J. DiMarino III of A. J. DiMarino P.C. for Product Source International

Before Seeherman, Adlin, and Gorowitz  
Administrative Trademark Judges  
Opinion by Gorowitz  
Administrative Trademark Judge:

Leonid Nahshin (petitioner) has petitioned to cancel a registration owned by Product Source International, LLC (respondent) for the standard character mark NIC OUT for mechanical cigarette filters for removing nicotine.<sup>1</sup> In his amended petition filed on February 11, 2010, petitioner alleges prior use of the mark NIC-OUT for cigarette filter holders to reduce tar and nicotine and that use of respondent's mark would be likely to cause confusion with petitioner's mark. Respondent filed an answer to the amended petition in which it denied all of the salient allegations. Respondent also asserted seven affirmative defenses, as discussed infra, which include lack of standing.

Although the proceeding was brought on the ground of priority/likelihood of confusion, the actual issue in this matter is ownership of the mark NIC-OUT/NIC OUT<sup>2</sup> in the United States, as the cigarette filters that respondent sells under the mark NIC OUT are the same filters that petitioner arranged to have manufactured under the mark NIC-OUT. In fact, petitioner alleges in the amended petition for cancellation that petitioner is the owner of the mark NIC-OUT. Amended Petition, ¶ 1. During testimony, petitioner introduced evidence for the purpose of supporting this claim, and in his brief, he argued that respondent is not the owner of the NIC OUT mark. Moreover, respondent states in its answer that "Plaintiff-Petitioner does not now and has not ever owned the mark NIC-OUT," Answer ¶ 1, and during testimony, respondent introduced evidence for the purpose of supporting this position. In its brief, respondent requested that we not consider ownership to be a ground, characterizing it as a "new claim of lack of ownership of trademark registration." Respondent's Brief, p. 2. Respondent's argument to the contrary notwithstanding, it is clear not only that respondent had fair notice of this issue, but also actively defended against it on the merits. In other words, the issue was tried and was argued by both parties in their briefs. See *P.A.B. Produits et Appareils de Beaute v. Satinine Societa In Nome Collettivo di S.A. e.M. Usellini*, 570 F.2d 328, 196 USPQ 801, 804 (CCPA 1978) ("Normally, if evidence were submitted on an issue without objection by registrant, and both sides presented arguments thereon, then, in accordance with Fed. R. Civ. P. 15(b), the Petition for Cancellation would be treated as amended to conform to the evidence."); see also *Colony Foods, Inc. v. Sagemark, Ltd.*, 735 F.2d 1336, 222 USPQ 185, 187 (Fed. Cir. 1984); *Kasco Corp. v. Southern Saw Service Inc.*, 27 USPQ2d 1501, 1504 (TTAB 1993), and cases cited therein.

\*2 Accordingly, we treat the pleadings as amended pursuant to Fed. R. Civ. P. 15(b) to include respondent's lack of ownership as a ground.

## Evidentiary Issues.

In its brief, respondent objected to portions of the testimony of petitioner and Alexander Slobidker in their testimonial depositions on written questions, and to the exhibits to the depositions.

To determine whether these objections were timely or whether they have been waived, we look to [Trademark Rule 2.124\(d\) \(1\)](#), [37 C.F.R. § 2.124\(d\) \(1\)](#), which establishes the procedure for propounding questions and objections in a deposition on written questions. The party taking the deposition serves its notice of taking testimony, accompanied by its written questions, on the adverse party, who then may serve cross-questions and any objections on the party taking the deposition. Redirect questions may then be served, followed by re-cross questions. In response to objections, substitute questions may be served.<sup>3</sup> Thus, in the normal course of a deposition on written questions, there is no opportunity to object to the responses to any questions until after the deposition is completed. TBMP § 703.02(k) (“Unless waived, objections to questions and answers in depositions on written questions, as in oral depositions, generally are considered by the Board at final hearing.”).

However, in this case petitioner did not follow the rule. Although he filed and served notices of taking testimony, after the Board suspended proceedings, petitioner did not wait for respondent to serve cross-questions or objections. Instead, petitioner simply had only his questions read to the witnesses, and after receiving the responses, petitioner moved to resume proceedings. Respondent filed an opposition to petitioner's motion to resume, on the ground that petitioner did not provide respondent with copies of the questions prior to the deposition, thus denying respondent an opportunity to serve cross-questions and object to petitioner's questions. *See* Opposition to Plaintiff's Motion to Resume Proceedings, p. 2. The Board denied petitioner's motion and granted respondent 25 days to serve cross-questions. Thus, respondent had the unique opportunity to review the deponents' answers before drafting its cross-questions. It also had an opportunity to object to the responses and the documents, but failed to do so. It is clear that at least some of respondent's objections, such as lack of authentication of documents, could have been cured by petitioner if respondent had raised them at that point. As a general rule, objections that are curable must be seasonably raised, or they will be deemed waived. *See* authorities collected in TBMP Section 707.03(a) (3rd. ed., rev 1). Thus, in a deposition upon oral examination, an objection as to the authenticity of a document, to be seasonably raised, would have to be raised during the deposition, at a point where the witness could conceivably cure the problem. [Fed. R. Civ. P. 32\(d\) \(3\) \(A\)](#).

\*3 Although it would not normally be possible to raise an objection contemporaneously with the taking of testimony or when an exhibit is “introduced,” in a deposition on written questions, the procedure employed in this case was akin to an oral deposition. Given the unusual circumstances presented in this case wherein respondent had the answers to the questions prior to its period for serving cross-questions, respondent could and should have objected to the evidence at a time when the defect could have been cured. We find that all of respondent's objections to responses and documents based on asserted lack of authentication are untimely and waived. *Cf. Rocket Trademarks Pty. Ltd. V. Phard S.p.A.*, 98 USPQ2d 1066, 1070-71 (TTAB 2011); *Hornby v. TJX Companies, Inc.*, 87 USPQ2d 1411, 1417 (TTAB 2008). Similarly, the objection to Mr. Nahshin's response to question 13 on the ground that part of the response is “not responsive” is deemed waived because it was not raised during the time allowed for respondent to file cross-questions. If raised, petitioner could have asked additional questions to solicit the information provided. For the same reason, i.e., that the objections could have been overcome, the objections based on a lack of foundation to Mr. Nahshin's response to question 18 and to Mr. Slobidker's answer to question 15 also are deemed waived.

Respondent also objected to the answers to several questions in the depositions on written questions of Leonid Nahshin and Alexander Slobidker.

Respondent has objected to the responses to questions 6, 11, 15, and 18 of the Nahshin deposition on the ground of hearsay. The responses to questions 6 and 11 were based on Mr. Nahshin's personal knowledge or business records, and

thus do not constitute hearsay. In response to question 15, Mr. Nahshin did not rely on third-party representations; he merely recited the particulars of his trademark application. Further, the TARR printout containing this information was made of record by notice of reliance. Accordingly, all of the hearsay objections to Mr. Nahshin's testimony are overruled.

Respondent also objected to the response to question 18 on the ground of conjecture and relevance. Mr. Nahshin was asked about the behavior of respondent's president, Mr. Higgins, toward him as an owner of NIC-OUT, and he answered by referring to correspondence. To the extent that the relevance objection goes to the issue of ownership, that issue, as we have said, was tried. As for the conjecture objection, Mr. Nahshin testified based on correspondence he had seen, including that there had been no objection by Mr. Higgins to waybills in which petitioner's company was listed as the exclusive proprietor of the cigarette filters. This objection is also overruled.

Respondent objected to Mr. Slobidker's responses to questions 9, 10, 11, 12, 15, and 17 on the ground of hearsay. Mr. Slobidker testified that: (1) he is a manager of P.Service (Slobidker test. p. 1); (2) he knows about all transactions and correspondence within P.Service because he "operates" the documents and business correspondence (Slobidker test. p. 3); and (3) he is Mr. Nahshin's assistant and as such is informed of all that happens at the company (Slobidker test. p. 4). Mr. Slobidker's responses to the deposition questions were based on the knowledge he acquired through his positions with the company, and are based on personal knowledge, reports and business records. As such, the responses do not constitute hearsay and thus the objections are overruled.

**\*4** With respect to the response to question 15, respondent also objected on the grounds of conjecture and relevance. We recognize that this testimony is Mr. Slobidker's conclusion based on his review of business records, but in view of his position, such business conclusions have probative value. As such, the objection on the ground of conjecture is overruled. Further, the response goes directly to the issue of ownership, which is the ultimate issue in this proceeding and thus relevant. Accordingly, the objection on the ground of relevancy is also overruled.

In addition to the objections to the exhibits on the basis of lack of foundation, which we ruled upon above, respondent objected to more than 100 of the 184 pages of documents submitted as exhibits to the testimony of Messrs. Nahshin and Slobidker. Due to the extensive number of objections, we will not deal with them individually. To the extent that we have relied on any of the documents, as set forth in our decision, we overrule the objections.

### **The Record.**

The record includes, by operation of the rules, the pleadings and the file of the registration sought to be cancelled. The record also includes the depositions on written questions, with exhibits, of petitioner's witnesses Leonid Nahshin and Alexander Slobidker, and the testimony deposition, with exhibits, of respondent's witness, Eugene Higgins.

In addition, the record includes the following evidence submitted by petitioner pursuant to a notice of reliance:

- a. Respondent's answers to petitioner's amended first set of interrogatories;
- b. Office action that issued on July 7, 2003 for petitioner's Application Ser. No. 78206651 for the mark NIC-OUT and printout of status of application (abandoned) from USPTO TARR database.
- c. Copy of respondent's published [U.S. patent application, No. 2009/0050168 A1](#), submitted during rebuttal testimony.

### **Findings of Fact.**

1. Petitioner, Leonid Nahshin, is a citizen of Israel, and has a company located in Beer-Sheva, Israel. (Nahshin testimony responses to questions 1 and 3.)

2. Respondent, Product Source International, LLC, is a New Jersey limited liability company whose principal is Eugene Higgins. (Higgins testimony p. 8 lines 12 - 14 and registration file for Registration No. 3350041.)
3. Petitioner selected Nikolai (Nicolas) Maslov to distribute his product in the United States. (Nahshin testimony response to question 9.)
4. Mr. Maslov promoted and distributed NIC-OUT filters in the United States from 2002 through 2008. (Slobidker testimony response to question 11.)
5. Respondent obtained NIC-OUT filters from Mr. Maslov and began marketing them during the first quarter of 2003. (Higgins testimony p. 8 lines 18-19 and 22-25.)
6. There was an oral agreement between respondent and Nicholas Maslov pursuant to which Mr. Maslov was responsible for “sourcing the product” and making sure there was a supply in the United States for respondent to sell. The terms of the agreement were memorialized on September 19, 2003 in a written agreement between respondent and Mr. Maslov's company, Safety Aid Supplies Inc. (Higgins testimony p. 9 lines 17-21; p. 11 lines 15-17 and exhibit D1 thereto.)
- \*5 7. The relationship between respondent and Mr. Maslov was terminated during the second quarter of 2007. Respondent started purchasing NIC-OUT filters from petitioner in May 2007. There is no evidence as to any agreement about the nature of their relationship, or that respondent was acting as a distributor on behalf of petitioner. (Higgins testimony p. 27 lines 2-3; and p. 29 lines 17-31.)
8. Prior to respondent purchasing NIC-OUT filters from petitioner in 2007, respondent filed on March 21, 2006, application Serial Number 78842281 to register the mark NIC OUT for mechanical cigarette filters for removing nicotine,<sup>4</sup> which issued as the involved registration (File for Registration No. 3350041.)
9. There is no evidence that petitioner authorized the filing of the application by respondent. To the contrary, petitioner filed this action to contest respondent's registration.
10. There is no evidence that there was any transfer of rights to the mark NIC-OUT from petitioner to respondent.

## Discussion.

### Standing:

Respondent alleges that petitioner does not have standing to bring this action because petitioner does not own the mark, has not used it in the United States and as such cannot be damaged.

“Standing ...requires only that the party seeking cancellation believe that it is likely to be damaged by the registration. ... A belief in likely damage can be shown by establishing a direct commercial interest.” *Cunningham v. Laser Golf Corp.*, 222 F3d 943, 55 USPQ2d 1842, 1844 (Fed. Cir. 2000) (internal citations omitted).

Petitioner has established, as discussed below, that he is the owner of the mark NIC-OUT; that he has used the mark in the United States through distributors; and, thus, that he is damaged by respondent's involved registration of the virtually identical mark NIC OUT. See *Era Corp. v. Electronic Realty Associates, Inc.*, 211 USPQ 734, 745 (TTAB 1981). As such, petitioner has established that he has standing.

**Ownership:**

Petitioner has shown that he adopted the trademark NIC-OUT at least as early as January 1, 2002, when he entered into an agreement for the production of NIC-OUT cigarette filters. Two months later, petitioner entered into an agreement with Nicholas Maslov to market and sell petitioner's NIC-OUT product in North America. Mr. Maslov promoted and distributed said product in the United States from 2002 through 2008.

There is no evidence that petitioner ever agreed that Mr. Maslov would own the mark in the United States or that petitioner ever assigned his rights in the mark to Mr. Maslov. Accordingly, through the distribution of NIC-OUT filters in the United States by Mr. Maslov, petitioner became the owner of trademark rights in the mark NIC-OUT in the United States; Mr. Maslov did not.

\*<sup>6</sup> From 2003 until early 2007, respondent purchased petitioner's NIC-OUT product from Mr. Maslov and distributed said product for him. Respondent's president, Eugene Higgins, testified that he did not know where Mr. Maslov acquired the product and was not aware of petitioner or his connection with Mr. Maslov.

Prior to the termination of its agreement with Mr. Maslov, respondent filed to register the mark, based on intent to use the mark in commerce.<sup>5</sup> There is no evidence that respondent was authorized by petitioner to file the application. Respondent *alleges* that Mr. Maslov transferred trademark rights to respondent when they terminated their relationship in 2007. However, there is no *evidence* that there was any transfer of rights in the mark NIC-OUT to respondent.

Mr. Higgins testified that there were three agreements between his company and Mr. Maslov.<sup>6</sup> The first two, which were each entitled "Product Representation Agreement," set forth the structural details of the arrangement between respondent and Mr. Maslov and memorialized a verbal agreement between the parties.

Mr. Higgins testified, as follows, about his first two agreements with Mr. Maslov:

Q: When did PSI [respondent] begin selling NIC-OUT?

A: We began marketing NIC-OUT in 2003, first quarter of 2003.

Q: Where did PSI get the NIC-OUT it was marketing and selling in the first quarter of 2003?

A: I came to an agreement, written agreement with a partner by the name of Nicholas Maslov. Nicholas' job was to source the product and make sure there was a ready supply here in the United States, and my job was to make sales.<sup>7</sup>

\*\*\*

Q: Did you have any other agreements with Mr. Maslov before you entered into the first written agreement?

A: We had a verbal agreement in which it was understood that any accounts that I brought on board would be my accounts, and Nick or no one else associated with Nick would sell that product to them.

Q: What product are you referring to?

A: NIC-OUT. That's the only product I worked with with Mr. Maslov.<sup>8</sup>



Because these two agreements were submitted under seal, we will not discuss the details thereof. We can say, however, that there is no mention in either agreement of the trademark NIC-OUT, nor is there a transfer of any trademark rights.<sup>9</sup>

When asked if he reached another (third) written agreement with Mr. Maslov, Mr. Higgins responded: “Yes, just the final. As we were leaving, we each had an understanding for the territories and other things. And one of the agreements indicated that the trademark would be mine, along with the URL nic-out. com.”<sup>10</sup>

However, there is no mention of the trademark NIC-OUT in the third agreement either, and the only transfer mentioned is the transfer of the domain name “nic-out.com.” More particularly, there is no evidence that Mr. Maslov had any rights that he could have transferred. The written agreement between petitioner and Mr. Maslov's company New Shore Corp. obligates the parties to work together to profit by the sale in North America of goods created by petitioner. There is no mention of the trademark NIC-OUT and no transfer of rights in any trademark.

\*7 Respondent's first direct contact with petitioner was in August 2006, when petitioner contacted respondent by facsimile regarding petitioner's NIC-OUT product. Higgins Deposition of November 7, 2001, p. 28, lines 12-14. Respondent responded to the facsimile transmission by requesting a quote for the NIC-OUT product in an email dated Friday August 18, 2006, which was sent to Leon Haxman at nic-out@nic-out.com. Exhibit A to Deposition of Alex Slobidker, p. 000001. Respondent started purchasing NIC-OUT filters from petitioner in May 2007. There is no evidence that petitioner ever transferred any rights in the mark NIC-OUT to respondent.<sup>11</sup> Generally, the mere fact that a U.S. distributor distributes a foreign manufacturer's branded product does not, without more, give the U.S. distributor an ownership interest in the mark. See TMEP § 1201.06(a); see also *Roger & Gallet v. Janmarie, Inc.*, 245 F.2d 505, 114 USPQ 238, 241 (CCPA 1957) (As between a French manufacturer and its U.S. distributor, “the owner, until such time as he chose to part with his United States rights, was unquestionably the French manufacturer, located in France.”)

On this record, petitioner has therefore established that he is the owner of the mark. However, before we can grant judgment in his favor, we must consider respondent's asserted affirmative defenses.

Respondent has asserted the affirmative defenses of unclean hands, laches, fraud, mistake, waiver and acquiescence. Respondent does not argue each defense separately but rather asserts that its registration issued on December 4, 2007, and petitioner did not file the petition until June 23, 2009; and that during this 18-month period, “respondent continued to invest and build the mark of its NIC-OUT [sic] product.” We regard this assertion as a claim of laches.<sup>12</sup>

“The elements of laches are (1) unreasonable delay in assertion of one's rights against another; and (2) material prejudice to the latter attributable to the delay.... As applied in trademark opposition or cancellation proceedings, th[is] defense must be tied to a party's registration of a mark, *not* to a party's use of the mark.” *Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes Inc.*, 970 F.2d 732, 23 USPQ2d 1701, 1703 (Fed. Cir. 1992) (internal citation omitted). The approximately 18-month period from the issuance of the registration until the filing of the petition to cancel is a rather limited amount of time. See *Charrette Corp. v. Bowater Communication Papers Inc.*, 13 USPQ2d 2040, 2043 (TTAB 1989) (14 month delay not sufficient to establish laches); *Manpower, Inc. v. Manpower Information Inc.*, 190 USPQ 18, 23 (TTAB 1976) (3-4 year delay not sufficient to establish laches); and *Plymouth Cordage Company v. Solar Nitrogen Chemicals, Inc.*, 152 USPQ 202, 204 (TTAB 1966) (slightly less than 3 year delay not sufficient to establish laches.). It does not constitute unreasonable delay, and accordingly respondent has failed to meet the first element of a laches defense. We therefore do not assess whether respondent has satisfied the prejudice requirement.

\*8 Respondent also asserted that “petitioner acknowledged respondent's use of the mark when petitioner manufactured the NIC-OUT product for the mark [sic] in 2007.” We regard this as the defense of acquiescence.

“Acquiescence is a type of estoppel that is based on the plaintiff’s conduct that expressly or by clear implication consents to, encourages, or furthers the activities of the defendant.” *Panda Travel, Inc. v. Resort Option Enterprises, Inc.*, 94 USPQ2d 1789, 1797 fn. 21 (TTAB 2009); *See also Christian Broadcasting Network Inc. v. ABS-CBN International*, 84 USPQ2d 1560, 1573 (TTAB 2007).

It is true that petitioner provided respondent with product, and allowed respondent to distribute the goods under the mark NIC OUT. However, it is clear that petitioner viewed respondent as a distributor, not as the owner of the mark, and petitioner never consented to, let alone encouraged or furthered, respondent’s registration of the involved mark. Accordingly, we find the evidence is insufficient to support the affirmative defense of acquiescence.

The affirmative defenses of unclean hands, fraud and mistake have not been argued and are deemed waived.<sup>13</sup>

We find that petitioner is the owner of the mark NIC-OUT for cigarette filters and that respondent is not entitled to the registration for NIC OUT.

**Decision:** The petition to cancel is granted on the ground that respondent is not the owner of the mark NIC OUT.

#### Footnotes

- 1 Reg. No. 3350041 issued for NIC OUT on December 4, 2007, from an application filed March 21, 2006. On January 8, 2013, respondent filed a combined Declaration of Use and Incontestability under Sections 8 & 15, in which it alleged that “no final decision adverse to owner’s claim of ownership of such mark for those goods or services exists, or to the owner’s right to register the same or to keep the same on the register; and no proceeding involving said rights pending and not disposed of in either the U.S. Patent and Trademark Office or the courts exist.” (emphasis added). The Section 15 Declaration was filed after this proceeding was instituted, and therefore the latter statement was inaccurate. The Section 8 Declaration was accepted and the Section 15 Declaration was acknowledged. Acknowledgement of a Section 15 Declaration by the Patent and Trademark Office is a purely ministerial act; there is no examination of the Declaration.
- 2 We have endeavored in this opinion to be consistent and reference petitioner’s claimed mark as NIC-OUT (with a hyphen) and respondent’s mark as NIC OUT (without a hyphen), but it is clear that the presence or absence of a hyphen is insignificant to our ultimate decision. Further, while the registration at issue is for the mark NIC OUT, respondent submitted evidence of use of the mark NIC-OUT (with a hyphen) to support its Section 8 Declaration and said evidence was accepted.
- 3 “A deposition on written questions is a cumbersome, time-consuming procedure,” however, “it may be the only means by which a deposition may be taken in a foreign country.” TBMP Section 703.02(m). However, a testimonial deposition taken in a foreign country must be taken by deposition upon written questions unless the Board, upon motion for good cause, orders that the deposition be taken by oral examination, or the parties so stipulate. [Trademark Rule 2.123\(a\)\(2\)](#), [37 C.F.R. § 2.123\(a\)\(2\)](#). Petitioner’s witnesses were located in Israel and Canada, which we assume is the reason that their depositions were taken on written questions.
- 4 A preliminary amendment was filed on March 27, 2006 amending the mark from NIC-OUT to NIC OUT. No mention was made of the amendment by the Examining Attorney. Thus, NIC-OUT and NIC OUT were treated as legally identical.
- 5 In its statement of use, respondent alleged a date of first use of December 8, 2003 and a date of first use in commerce of January 7, 2004. These dates correspond to dates during which respondent obtained petitioner’s NIC-OUT product from Mr. Maslov.
- 6 All three agreements have been marked “confidential.”
- 7 Higgins deposition of November 7, 2011, p. 8, lines 17-25 and p. 9, line 1.
- 8 Higgins deposition of November 7, 2011, p. 9, lines 14-24.
- 9 Although Mr. Higgins used the term “partner” in his testimony to describe Mr. Maslov, we understand that term to be used, not in its legal sense, but as a colloquial way to refer to the other party to a contract, as neither agreement purports to, or does, establish a legal partnership between his company and Mr. Maslov’s company.
- 10 Higgins deposition of November 7, 2011, p. 27, lines 6-10.
- 11 We also note that petitioner and respondent had no relationship whatsoever prior to May 2007. Thus, at the time respondent filed the underlying application, it could not have obtained any rights in the trademark from petitioner, the mark’s owner.



- 12 In fact, the affirmative defenses as asserted by respondent did not provide any factual basis for them. Further, respondent's arguments consist solely of conclusory statements.
- 13 We note that respondent, in stating that it has asserted its various affirmative defenses, made the statement in its brief, "Respondent pursues these defenses and does not waive these defenses." It is not sufficient to simply make this statement. Respondent was under a burden to take some affirmative action if it actually wished to pursue them. To the extent that they have not been waived, we find that respondent has failed to prove them.

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2013 WL 11247709 (Trademark Tr. & App. Bd.)

THIS OPINION IS NOT A PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

UNITED HOMECARE SERVICES, INC.

v.

BENJAMIN H. SANTOS

Cancellation No. 92053738

July 26, 2013

\*1 Before [Quinn](#), [Lykos](#), and Adlin  
Administrative Trademark Judges

**By the Board:**

This case now comes up for consideration of respondent's request for reconsideration, filed March 5, 2013, and petitioner's combined motion for summary judgment and motion for leave to amend its complaint, filed March 22, 2013. Petitioner's motion for summary judgment is fully briefed, but respondent did not respond to petitioner's motion for leave to amend.

By way of background, petitioner has filed a petition for cancellation of Registration No. 3185323 for the following mark:



for "Employment agency services, employment staffing, recruitment, placement, hiring and career networking services, also known as, employment counseling; career placement, personnel management consultation; personnel management; personnel placement and recruitment; personnel relocation; employment outplacement services."<sup>1</sup> In its petition for cancellation, petitioner pleads prior common law use of the mark UNITED HOMECARE for home healthcare services and ownership of an application to register the mark in standard character format for "Geriatric health care management services; Healthcare; Home health care services," which has since matured to registration.<sup>2</sup> As grounds for cancellation, petitioner alleges that respondent's mark is likely to cause confusion with petitioner's previously used pleaded mark pursuant to Trademark Act Section 2(d), [15 U.S.C. Section 1052\(d\)](#). In his amended answer and counterclaim, respondent denied the salient allegations in the petition for cancellation and asserted counterclaims for abandonment and "mutilation" of the pleaded mark and an affirmative defense of laches. The Board, in an order dated January 30, 2013 (the "Prior Order"), dismissed without prejudice respondent's counterclaims for abandonment and "mutilation" and struck respondent's laches defense. Moreover, as a discovery sanction, the Board has deemed respondent to have conceded that there is a likelihood of confusion between the parties' marks and ruled that "petitioner need not prove likelihood of confusion at trial, as it is now established." Board's Order of May 29, 2012, p. 5.

We turn first to respondent's request for reconsideration of the Prior Order. Under [Trademark Rule 2.127\(b\)](#), a request for reconsideration of a Board decision must be filed within one month from the date of the decision. Respondent's request for reconsideration is therefore untimely and will be given no further consideration.<sup>3</sup>

\*2 We next address petitioner's motion for leave to amend its petition for cancellation to assert a claim of abandonment. Respondent has not opposed petitioner's motion for leave to amend. Nonetheless, we will not treat petitioner's motion as conceded but shall exercise our discretion to consider the motion on its merits. See [Trademark Rule 2.127\(a\)](#). Petitioner may amend its petition for cancellation only by written consent of respondent or by leave of the Board. See [Fed. Civ. P. 15\(a\)](#); TBMP § 507.02(a). In general, the Board liberally grants leave to amend pleadings at any stage of a proceeding when justice so requires, unless entry of the proposed amendment would violate settled law or be prejudicial to the rights of the adverse party or parties. See *id.*; see also [Am. Optical Corp. v. Am. Olean Tile Co.](#), 168 USPQ 471, 473 (TTAB 1971). “Nonetheless, the granting of leave to amend a pleading is within the discretion of the Board and is allowed only ‘when justice so requires.’” [Trek Bicycle Corp. v. Style Trek Ltd.](#), 64 USPQ2d 1540, 1541 (TTAB 2001) (quoting [Fed. R. Civ. P. 15\(a\)](#)). In deciding whether to grant leave to amend, the Board may consider undue delay, prejudice to the opposing party, bad faith or dilatory motive, futility of the amendment and whether the party has previously amended its pleadings. See [Foman v. Davis](#), 371 U.S. 178, 182 (1962). “The timing of the motion for leave to amend is a major factor in determining whether respondent would be prejudiced by allowance of the proposed amendment.” [International Finance Corp. v. Bravo](#), 64 USPQ2d 1597, 1604 (TTAB 2002). A motion for leave to amend should be filed as soon as any ground for such amendment becomes apparent. Any party who delays filing a motion for leave to amend its pleading and, in so delaying, causes prejudice to its adversary, is acting contrary to the spirit of [Rule 15\(a\)](#) and risks denial of that motion. See 6 Wright, Miller and Kane, Federal Practice and Procedure, Section 1488 (3d ed. 2013).

We find that petitioner has unduly delayed in seeking to amend its complaint and that this delay is prejudicial to respondent. Petitioner asserts that a claim for abandonment became “apparent” during discovery in this proceeding. Petitioner's Brief, p. 18. However, the discovery responses that petitioner points to as raising the issue are dated January 20, 2012, which is fourteen months prior to petitioner's seeking leave to amend. See Respondent's Interrogatory Responses (attached to petitioner's brief but not identified by an exhibit number). Petitioner has provided no explanation for why it delayed fourteen months before moving for leave to amend its complaint, and in the absence of a compelling reason for the delay, we find it to be unreasonable. [Trek Bicycle](#), 64 USPQ2d at 1541 (finding undue delay where opposer waited eight months before moving to add a dilution claim and failed to explain the reason for its delay). Moreover, respondent would suffer prejudice if petitioner were permitted to add a claim for abandonment at this juncture. “It is incumbent on petitioner to identify all claims promptly in order to provide respondent with proper notice. Otherwise, allowing piecemeal prosecution of this case would unfairly prejudice respondent by increasing the time, effort and money that respondent would be required to expend to defend against petitioner's challenge to its registration.” [Media Online Inc. v. El Clasificado Inc.](#), 88 USPQ2d 1285, 1287 (TTAB 2008).<sup>4</sup>

\*3 Accordingly, petitioner's motion for leave to amend the petition for cancellation to add a claim of abandonment is hereby **DENIED**.

We now consider petitioner's motion for summary judgment. Summary judgment is only appropriate where there are no genuine disputes as to any material facts, thus allowing the case to be resolved as a matter of law. [Fed. R. Civ. P. 56\(a\)](#). The party seeking summary judgment bears the burden of demonstrating the absence of any genuine dispute of material fact, and that it is entitled to a judgment under the applicable law. See [Celotex Corp. v. Catrett](#), 477 U.S. 317, 323 (1986); [Sweats Fashions, Inc. v. Pannill Knitting Co. Inc.](#), 833 F.2d 1560, 4 USPQ2d 1793, 1796 (Fed. Cir. 1987). A factual dispute is genuine if, on the evidence of record, a reasonable fact finder could resolve the matter in favor of the non-moving party. See [Opryland USA Inc. v. Great Am. Music Show Inc.](#), 970 F.2d 847, 23 USPQ2d 1471, 1472 (Fed. Cir. 1992); [Olde Tyme Foods, Inc. v. Roundy's, Inc.](#), 961 F.2d 200, 22 USPQ2d 1542, 1544 (Fed. Cir. 1992). Evidence on summary judgment must be viewed in a light most favorable to the non-movant, and all justifiable inferences are to be drawn in the non-movant's favor. [Lloyd's Food Prods., Inc. v. Eli's, Inc.](#), 987 F.2d 766, 25 USPQ2d 2027, 2029 (Fed. Cir. 1993); [Opryland USA](#), *supra*. The Board may not resolve genuine disputes as to material facts; it may only ascertain whether genuine disputes as to material facts exist. See [Lloyd's Food Prods.](#), 25 USPQ2d at 2029; [Olde Tyme Foods](#), 22 USPQ2d at 1542.

Upon careful consideration of the parties' arguments and the evidence presented by petitioner, and drawing all inferences with respect to the motion in favor of respondent as the non-moving party, we find that genuine disputes of material fact preclude granting summary judgment in favor of petitioner. Although likelihood of confusion has been established, petitioner has failed to satisfy its burden of demonstrating that there are no genuine disputes of material fact with respect to priority. Specifically, petitioner did not submit any documentary evidence of use of its pleaded mark prior to respondent's priority date. Moreover, the declarations of petitioner's President/CEO and Director, which are substantially identical, are vague as to exactly when petitioner started using the pleaded mark. For example, Paragraph 16 of the declarations states: "Throughout its proud 35 [year] history, [petitioner] has consistently and continuously identified itself and its services to the public with the mark 'UNITED HOMECARE.'" Fox and Leon Declarations, ¶ 16. This statement lacks specificity regarding how, when and perhaps most importantly in connection with which services petitioner has used its pleaded mark. In the absence of any documentary evidence regarding actual use of the pleaded mark prior to respondent's priority date, petitioner's substantively identical declarations fall short of establishing that there are no genuine disputes of material fact regarding priority. Accordingly, petitioner's motion for summary judgment is hereby **DENIED**.<sup>5</sup>

\*4 Proceedings herein are resumed, and disclosure, trial and other dates are reset as follows:

Plaintiff's Pretrial Disclosures	8/29/2013
Plaintiff's 30-day Trial Period Ends	10/13/2013
Defendant's Pretrial Disclosures	10/28/2013
Defendant's 30-day Trial Period Ends	12/12/2013
Plaintiff's Rebuttal Disclosures	12/27/2013
Plaintiff's 15-day Rebuttal Period Ends	1/26/2014

In each instance, a copy of the transcript of testimony, together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. [Trademark Rule 2.125](#).

Briefs shall be filed in accordance with [Trademark Rules 2.128\(a\) and \(b\)](#). An oral hearing will be set only upon request filed as provided by [Trademark Rule 2.129](#).

#### Footnotes

- <sup>1</sup> Filed on August 15, 2005 and issued on December 19, 2006, claiming dates of first use of January 1, 1988.
- <sup>2</sup> Registration No. 4041207, filed on March 1, 2011 and issued on October 18, 2011, claiming dates of first use of January 3, 1975. As is the case here, "[a] plaintiff which pleads ownership of an application in its complaint does not have to amend its pleading to assert the resultant registration, so long as it issues before the plaintiff's testimony period closes." TBMP § 314 (3d ed. rev.2 2013) (citing *Edom Laboratories Inc. v. Lichter*, 102 USPQ2d 1546, 1547 (TTAB 2012) and *UMG Recordings Inc. v. O'Rourke*, 92 USPQ2d 1042, 1045 (TTAB 2009)).
- <sup>3</sup> However, even if we were to consider the request for reconsideration, respondent has failed to establish that the Board erred in reaching its decision based on the facts before it and the applicable law. See [Trademark Rule 2.127\(b\)](#) and TBMP § 518.

- 4 In addition, petitioner's factual allegations regarding respondent's failure to use his mark on his website and his lack of promotional materials dated after 2008, if proved, would not establish that petitioner is entitled to relief. Respondent may be using his mark in manners other than on his website and he may be using promotional materials from 2008 or earlier to promote his services today.
- 5 The parties should note that the evidence submitted in connection with the motion for summary judgment is of record only for consideration of that motion. To be considered at final hearing, any such evidence must be properly introduced in evidence during the appropriate trial period. See *Levi Strauss & Co. v. R. Josephs Sportswear Inc.*, 28 USPQ2d 1464, 1465 n.2 (TTAB 1993); *Pet Inc. v. Bassetti*, 219 USPQ 911, 913 n.4 (TTAB 1983); *American Meat Institute v. Horace W. Longacre, Inc.*, 211 USPQ 712, 716 n.2 (TTAB 1981).

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