

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

TTAB

CLOVERHILL PASTRY)
VEND CORPORATION)
)
Opposer,)
)
v.)
)
10 STAR ENTERPRISES, INC.,)
)
Applicant.)
_____)

Opposition No. 91181131

70067126

APPLICANT'S PRELIMINARY RESPONSE TO
"OPPOSER'S MOTION TO AMEND ITS NOTICE OF OPPOSITION"

AND

MOTION TO STRIKE ALL REFERENCES IN OPPOSER'S
PAPERS, FILED FEBRUARY 8, 2010, THAT REFER TO
ANY CLAIM THAT APPLICANT DID NOT SIGN ITS
TRADEMARK APPLICATION IN GOOD FAITH

Applicant has moved for more time to respond to Opposer's various papers. At present, Applicant is still investigating both the law and the facts and hopes to be able to supplement the following response, if the request for more time is granted.

APPLICANT OBJECTS TO OPPOSER'S
MOTION TO AMEND ITS NOTICE OF OPPOSITION

Applicant objects to "Opposers Motion to Amend its Notice of Opposition".

Applicant also moves to strike, from the various papers which Opposer filed on February 8, 2010, any and all reference to any alleged claim of bad faith on the part of Applicant.



In support of the foregoing, Applicant relies on:

1. The attached declarations of Badger and Maher.
2. The nine page document entitled "APPLICANT'S RESPONSE TO OPPOSER'S REQUEST FOR PRODUCTION."
3. The various papers comprising Exhibits A, B, C, D and E, attached to the declaration of Teresa D. Tambolas filed herein on February 8, 2010.
4. Applicant's letter to Opposer dated October 6, 2008.

BRIEF

Preliminary

Mrs. Maher has been making and selling cookies for money for many years. As early as 2001, Mrs. Maher's husband incorporated the cookie business by forming the Florida corporation 10 Star Enterprises, Inc. (see attached Maher declaration). From 2001 to 2009, Mr. Maher consulted an expert in the field of small businesses on how to run the cookie business and how to develop a cookie where all of its ingredients were organic, (see attached Badger declaration). In 2006, Mrs. Maher applied for an "Intent to Use" trademark. Mrs. Maher continuously from 2002 to date has been experimenting with and selling cookies having organic ingredients. (see page 6 infra and see also the attached Maher declaration).

The Badger declaration shows that Mr. Maher died in 2009 which reduced the personnel running the cookie business from two to one.

The Mahers never had a business plan. When Mrs. Maher filed the trademark application in 2006, she had many years of experience making and selling cookies. (See Opposer's Exhibit A, *supra*).

In connection with both of Applicant's said objection and said motion to strike there are two grounds supporting Applicant's position, as follows:

1. Opposer was late in filing its motion to amend.
2. Opposer's assertions of bad faith are baseless and are based on bad law and erroneous facts.

OPPOSER WAS LATE IN
RAISING THE BAD FAITH ISSUE

Discovery lasted about two years* and this Board in its August 27, 2009 Order, at page 14, said "The parties should resolve any future discovery disputes promptly and allow the case to go forward to trial without further Board intervention". Applicant filed its motion for summary judgment about a week later and over a month before the discovery period expired on October 19, 2009. The Board expressly allowed Applicant's motion to go forward (see Board's Order of January 7, 2010). But Opposer waited over four months after the discovery period expired and filed papers based on alleged facts (Applicant never had a business plan) that had been known to Opposer over a year earlier as will appear in the next paragraph hereof. If Opposer's motion is granted there would be a new long discovery period.

On May 23, 2008, Applicant responded to an Opposer document request by saying Applicant would "produce all of Applicant's documents for inspection and copying, except for documents relating to taxes and attorney-client documents"**. Applicant followed by

*All extensions of time were at the request of Opposer.

**See page 1 of the attached documents entitled: "APPLICANT'S RESPONSE TO OPPOSER'S REQUEST FOR PRODUCTION," and Applicant's letter to Opposer of October 6, 2008.

sending Opposer all of its documents, and Opposer could see at once that Applicant had no business plan. Thus Opposer knew as early as 2008 that Applicant did not have a business plan. The alleged absence of a business plan is the basis of Opposer's charge that Applicant filed its trademark in bad faith. Thus, Opposer knew well over a year before it raised the issue of bad faith that Applicant had no business plan. Moreover, since the discovery period lasted about two years it would be unreasonable to assume that Opposer did not know about all documents in Applicant's possession long before the close of discovery.

Moreover, Opposer was well aware that Mrs. Maher had been making and selling cookies for 20 years before she applied for the trademark. (see Teresa Tambolas's Exhibit A -- Applicant's Initial Disclosure).

Opposer admits that it knew the facts on which its motion to amend is based as early as September 21, 2009,* but did not file its motion until almost five months later.

Clearly, Opposer has unduly delayed filing its specious motion to amend and the same should be denied.

*See page 1 of "OPPOSER'S MOTION TO AMEND NOTICE OF OPPOSITION".

THE LAW RELATING TO PROOF OF BAD FAITH IN THE
SIGNING OF INTENT TO USE TRADEMARK APPLICATIONS

J. Thomas McCarthy on Trademark and Unfair Competition Sec. 19.14 (4 Ed) recommends that trademark rule 2.89(d) control the "intent to use" cases, as follows:

The PTO has listed several examples in Rule 2.89(d) which, while strictly relating to the showing of good cause for an extension of time, are helpful in formulating a working definition of the kinds of things that could provide the needed "objective" evidence of good faith. The PTO Rules provide that efforts evidencing an ongoing effort to make use of a mark could consist of "product or service research or development, market research, manufacturing activities, steps to acquire distributors, steps to obtain required governmental approval, or other similar activities." Evidence of these types of activities would provide objective evidence of a firm intention to use the applied-for mark.

This clearly means that "good faith" may be proved by performing research or by carrying on the business. Moreover, the absence of a business plan is some evidence of bad faith only when there are good reasons to believe that there was a business plan that was withheld. The case quoted at the bottom of page 5 of Opposer's Motion applies to any document, not necessarily a business plan.

The absence of a business plan is evidence of bad faith only when there is proof that there was a business plan that was not produced. There is no assumption that Applicant had a business plan. For example, should we assume children who start a lemonade stand have a business plan? Similarly, consider a housewife that has made and sold cookies for many years. Is she expected to have a business plan that tells her how to make and sell cookies?

Clearly a small business run by husband and wife making and selling cookies does not need a business plan.

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