

## US: TRADE MARKS

**Laches defence in a cancellation proceeding**

**Katten Muchin Rosenman**  
New York



Karen Artz Ash and Bret J Danow

In *Ava Ruha Corp d/b/a Mother's Market & Kitchen v Mother's Nutritional Center Inc*, the US Patent and Trademark Office's Trademark Trial and Appeal Board (TTAB) issued a precedential decision regarding a registrant's ability to assert a laches defence in a cancellation proceeding. The petitioner Ava Ruha, which owned a trade mark registration for the stylised mark, Mother's Market & Kitchen, had filed petitions to cancel trade mark registrations owned by the respondent for the marks, Mother's (stylized) and Mother's Nutritional Center, on the grounds of likelihood of confusion, fraud and dilution. In its answer, the respondent asserted the affirmative defence of laches; and the parties subsequently filed cross-motions for summary judgment on the laches issue.

The TTAB noted that a laches defence is an available defence for claims of likelihood of confusion and dilution, but not for fraud. In order to prevail on the affirmative defence of laches, a respondent is required "to establish that there was undue or unreasonable delay [by petitioner] in asserting its rights, and prejudice to [respondent] resulting from the delay". In its analysis, the TTAB evaluated how to calculate the length of time between when a petitioner first has notice of a defendant's use of the mark at issue and when the petitioner files the cancellation action. In this connection, the TTAB held that when a petitioner does not have actual notice of a respondent's use of a mark prior to the close of the opposition period, then the date that the certificate of registration issued is the operative date for calculating the period of time relating to the laches claim. However, if there is actual knowledge of the defendant's use of the mark, then the date of publication is the operative date for calculating laches.

In *Ava Ruha Corp*, the petitioner had ac-

tual knowledge of defendant's use of the mark. Therefore, the date to begin calculating laches was the publication date, June 16 2009. The petitioner did not file the petition for cancellation action until August 21 2012, making the length of the delay a little over three years and two months. Relying on past precedent, the TTAB noted that shorter time periods than the one involved in the case had previously supported a laches defence. Having determined that the length of delay was sufficient to support a claim of laches, the TTAB then turned to whether the delay was undue or unreasonable.

To support its position, the petitioner asserted the doctrine of progressive encroachment, namely, that its delay was justified because it did not have a reason to seek cancellation of the respondent's mark until after the respondent's business was redirected in way that more directly competed with the petitioner. However, since the services offered by the respondent were specified in its certificates of registration, the TTAB held that "for purposes of an attack on a registration, there can be no progressive encroachment where the alleged encroachment is within the scope of registration".

Finally, because the respondent changed its economic position during the period of delay, having expended millions of dollars growing its business and investing in stores, the TTAB found, as a matter of law, that the respondent would be subject to economic prejudice if its registrations were to be cancelled. Therefore, the TTAB held that the petitioner's delay (i) was unreasonable; and (ii) prejudiced the respondent, such that the laches defence was shown and the dilution claim barred. Further, since there was laches, the TTAB held that the petitioner cannot prevail on a claim of likelihood of confusion and, instead, will have to proffer evidence that shows confusion to be inevitable, a standard "which is an increment higher than that required for a finding of likelihood of confusion".

This case is instructive because it demonstrates that even what seems like a relatively short period of time – three years and two months – can be deemed to be an unreasonable delay and prevent a party from being able to cancel what it believes to be an objectionable third party registration.