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

| Proceeding | 92064526 |
|---------------------------|--|
| Party | Plaintiff Wellnext LLC |
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| Submission | Opposition/Response to Motion |
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| Signature | /Anthony Robinson/ |
| Date | 11/23/2016 |
| Attachments | Response to Motion to Suspend - 11-23-16.pdf(5309779 bytes) |

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

Wellnext LLC,

Petitioner,

For the marks WELLNX and WELLNX LIFE SCIENCES

vs.

Wellnx Life Sciences Inc.

Registrant.

Cancellation No. 92064526

RESPONSE TO MOTION TO SUSPEND

On September 26, 2016, Petitioner filed a petition for cancellation against Registration Nos. 3733444 and 3683450, WELLNX and WELLNX LIFE SCIENCES (the "Marks"), for abandonment. Registrant is warehousing the Marks in violation of well-established regulations and laws. Petitioner did not base its cancellation action on the likelihood of confusion between the Marks and any trademarks or service marks owned by Petitioner, as the Marks have been registered for more than five (5) years and have achieved incontestability. The issue presented in the instant cancellation action is whether Registrant deliberately ceases to use the trademark for three or more years, with no intention of using the trademark again in the future. Issues related to trademark infringement are not relevant to the abandonment inquiry or analysis.

On November 1, 2016, Registrant sued Petitioner in federal court for trademark infringement (the "Trademark Infringement Litigation").¹ In the Trademark Infringement Litigation, Registrant asserts the following causes of action:

- Infringement of Registered Trademark.
- False Designation, Passing Off & Unfair Competition.
- Tradename Infringement under the Lanham Act and Delaware State Law.
- Violation of Delaware Consumer Fraud Act.
- Violation of Delaware Uniform Deceptive Trade Practices Act.

¹ Wellnx Life Sciences Inc. v. Wellnext LLC, Civil Action No. 1:16-cv-01016-UNA (D. Del. November 1, 2016). A copy of the Complaint is attached hereto as Exhibit A.

On November 10, 2016, Registrant filed the Motion to Suspend on the grounds that "the litigation involves issues and claims in common" with the instant cancellation proceeding. The relevant rule of procedure of the Board, codified in 37 CFR § 2.117, provides that "[w]henever it shall come to the attention of the Trademark Trial and Appeal Board that a party or parties to a pending case are engaged in a civil action or another Board proceeding <u>which may have a</u> <u>bearing on the case</u>, proceedings before the Board may be suspended until termination of the civil action or the other Board proceeding. (Emphasis added.)

Given that the causes of action in the Trademark Infringement Litigation do not involve the same legal issues that are before the Board in the instant cancellation proceeding, it follows that the Trademark Infringement Litigation will have no bearing on the instant cancellation proceeding. Even in the event that Registrant succeeds in the Trademark Infringement Litigation, Petitioner will still have a viable claim for cancellation based on abandonment.

For example, the cancellation proceeding is related to the fact that Registrant does not use the Marks as part of an ongoing program to exploit the products it owns commercially. Rather the house marks SLIMQUICK[®] and NAUTURE'S SCIENCE[®] are the marks that are exploited commercially. The use of the Marks has not been "bona fide" and it is apparent from Registrant's specimens that no customer could plausibly be deemed to depend upon the Marks to identify the source of the products. The Marks could not have contributed significantly to the revenue generated by the sales of Registrant's products bearing the house marks SLIMQUICK® and NAUTURE'S SCIENCE[®] (i.e., Lose 3x, Garcinia Cambogia, Green Coffee Bean, Raspberry Ketone) because of the very limited placement on the Marks on the side and bottom panels of packaging where information about manufacturers, distributors, and packagers are customarily provided. While the quantity, scope, or degree of use must necessarily be considered, qualitative factors are the focus of the legal analyses of abandonment. Mere sales of a product featuring a mark are of no avail in an effort to prove continued "use" of a mark in the sense of § 1227 of the Lanham Act absent a bona fide intent to commercially exploit the mark, even if said use is continuous, not sporadic, and amount to hundreds of unit sales annually. Registrant's specimens evidence a deliberate marketing strategy to generate revenue by commercially exploiting its house marks SLIMQUICK[®] and NAUTURE'S SCIENCE[®] not, the Marks. Registrant's deliberate decision to place the Marks on the side panel in small font where they are entirely dominated by Registrant's house marks SLIMQUICK[®] and NAUTURE'S SCIENCE[®] with respect to prominence and frequency of display is not consistent with a bona fide intent to

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commercially exploit the Marks. Bona fide use is required to avoid abandonment. Rather, it is apparent from the quality of Registrant's use of the Marks that its primary objective is trademark maintenance and to prevent others from using the Marks.

None of these issues of abandonment will be litigated in the Trademark Infringement Litigation. Moreover, even if Registrant prevails on its trademark infringement claims in the Trademark Infringement Litigation, Petitioner will still have standing to petition for abandonment of the Marks. Accordingly, the Trademark Infringement Litigation will have no bearing on the instant cancellation proceeding.

For the above-stated reasons, Wellnext LLC respectfully requests that the Board deny Registrant's Motion to Suspend.

Respectfully submitted,

Date: November 23, 2016

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<u>/s/ Anthony Robinson</u> Anthony Robinson General Counsel Wellnext LLC 1301 Sawgrass Corporate Parkway Sunrise, Florida 33323 Telephone (954) 233-3300 x1235 Email: anthonyr@wellnexthealth.com

CERTIFICATE OF SERVICE

I hereby certify that a true and complete copy of the foregoing Response to Motion to Suspend was served by First Class Mail, with sufficient postage prepaid, on the 23rd day of November, 2016, upon Registrant's attorney,

William C. Wrigt Epstein Drangel LLP 60 East 42nd Street, Suite 2520 New York, NY 10165 <u>wwright@ipcouselors.com</u> Office: 212/292-5390

> <u>/s/ Anthony Robinson</u> Anthony Robinson General Counsel Wellnext LLC 1301 Sawgrass Corporate Parkway Sunrise, Florida 33323 Telephone (954) 233-3300 x1235 Email: anthonyr@wellnexthealth.com

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