

**THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA**

BADIA SPICES, INC.,

Plaintiff,

vs.

GEL SPICE COMPANY, INC.

Defendant.

Civil Action: 1:15-cv-24391-MGC

GEL SPICE COMPANY, INC.,

Counterclaim Plaintiff,

vs.

BADIA SPICES, INC.,

Counterclaim Defendant.

**DEFENDANT’S RESPONSE TO PLAINTIFF’S SUPPLEMENTAL
MEMORANDUM OF LAW REGARDING DEFENDANT’S AFFIRMATIVE
DEFENSES AND COUNTERCLAIMS BASED ON GENERICNESS**

Defendant/Counterclaim Plaintiff Gel Spice Company, Inc. (“Gel” or “defendant”), through its undersigned counsel, submits this memorandum of law in opposition to the supplemental memorandum of law by plaintiff Badia Spices, Inc.¹ (“Badia” or “plaintiff”) in support of its motion for summary judgment in connection with Defendant’s genericness defense and counterclaim.

I. INTRODUCTION

As the Court is aware, on September 13, 2016, Gel moved for summary judgment on Badia’s trademark infringement claims² on grounds that COMPLETE SEASONING and SAZON COMPLETA are generic and not entitled to trademark protection, or, alternatively, that there is no

¹ All references to Plaintiff’s Supplemental Memorandum of Law in Support of Granting Summary Judgment in Favor of Plaintiff on Defendant’s Affirmative Defenses and Counterclaims Based on Genericness dated May 1, 2017 [ECF No. 112] appear herein as “Badia Br. at ____.”

² Those claims include federal trademark infringement under 15 U.S.C. §1114(1); federal unfair competition, false description and false designation of origin as to marks under 15 U.S.C. §1125(a); and common law trademark infringement and unfair competition. [See Badia’s Complaint, ECF No. 1.]

likelihood of confusion between Badia's alleged marks and Gel's Spice Supreme Sazon Complete Mix Seasoning. [ECF No. 50.] Badia also cross-moved for summary judgment on its affirmative claims. [ECF No. 52.] After briefing was completed, the Court heard oral argument on April 19, 2017, following which the Court ruled from the bench that "defendant and Counterclaimant Gel Spice Company's motion for summary judgment, ECF No. 50, is denied, and Plaintiff's motion No. 52 is denied." (*See* April 19, 2017 hearing transcript at 32:4-6, attached hereto as Exhibit A (hereafter "April 19 Tr.").)

The Court's ruling was concise, but it was not ambiguous. Summary judgment was denied as to both parties, and the next task for the Court and counsel was scheduling the trial. (*See id.* at 32:7-33:9.) Nonetheless, at the April 26, 2017 calendar call, Badia insisted that what it described as the Court's April 19, 2017 "findings" left a gaping need for the Court to "narrow" and "clarify the issues" for trial. (*See* April 26, 2017 hearing transcript at 2:17-21, attached hereto as Exhibit B (hereafter "April 26 Tr.").) The Court acquiesced and gave Badia the opportunity to clarify its vague request for "clarification" via supplemental briefing.

Now that plaintiff has filed its supplemental submission, however, its agenda – as if there were ever serious doubt – is now crystal clear. Badia simply sought a pretext for rearguing its motion. The Court, in an unusual grant of leave following a ruling on a dispositive motion, allowed Badia the chance to submit supplemental argument on a narrow, procedural issue. But what Badia has done under the pretext of "narrowing" and "clarifying" is elbow its way back to the podium after the Court has ruled and made an impermissible appeal for a "do-over."

Badia's submission is improper because it far exceeds the narrow scope of supplemental briefing authorized by the Court. Moreover, as outlined below, its motion is entirely meritless because it is premised on a fundamental misstatement of the law concerning summary judgment under Fed. R. Civ. P. 56. Badia's *de facto* motion for reconsideration fails to respect the basic distinction between the role of a district court in ruling on a motion for summary judgment and that of a finder of fact entrusted with resolving a case after summary judgment is denied.

II. SUMMARY JUDGMENT STANDARD

A court does not weigh evidence on a motion for summary judgment, but, instead, will grant such a motion only where "there is no genuine dispute as to any material fact and that the movant is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(a). "A factual dispute is

material if resolving the factual issue might change the suit's outcome under the governing law.” *Griffin v. Blue Cross & Blue Shield Healthcare Plan of Ga., Inc.*, 153 F. Supp. 3d 1390, 1393-94 (N.D. Ga. 2015), citing *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). The essential question is “whether the evidence presents a sufficient disagreement to require submission to a jury or whether it is so one-sided that one party must prevail as a matter of law.” *Anderson*, 477 U.S. at 252. Significantly, even where a court, on summary judgment, finds that material facts which could provide a basis for judgment as a matter of law are undisputed, the motion may not be granted if a reasonable fact finder could “draw more than one inference from the facts.” *Lawrence v. Courtyards at Deerwood Ass'n*, 318 F. Supp. 2d 1133, 1139 (S.D. Fla. 2004).

A party is entitled to proceed to trial if he or she demonstrates “sufficient evidence supporting the claimed factual dispute” – the issue of material fact need not be “resolved conclusively in favor of the party asserting its existence.” *Anderson*, 477 U.S. at 248-49. And when a district court declines to address an issue on summary judgment without explicitly reserving it, that silence has no effect on the questions to be addressed at trial, regardless of whether it is a “threshold issue,” which, in theory, almost any “issue” can be. *See, Jackson v. Seaboard C. L. R. Co.*, 678 F.2d 992 (11th Cir. 1982).

III. DISCUSSION

A. THE ISSUE OF GENERICNESS HAS BEEN PROPERLY RESERVED FOR THE JURY AS THE FINDER OF FACT.

Plaintiff's argues that because the Court identified sufficient questions of disputed fact to preclude summary judgment for either side on likelihood of confusion, plaintiff's mark must not be generic because “genericness is a threshold issue.” This is a non-sequitur. The fact that the Court simply addressed the various likelihood of confusion factors in denying summary judgment does not amount to a ruling on the genericness issue which, in any event, is typically a jury issue anyway. *See, PODS Enters. v. U-Haul Int'l, Inc.*, Case No. 8:12-cv-01479, 2015 U.S. Dist. LEXIS 29849, at *5 (M.D. Fla. Mar. 10, 2015) (“whether a given term is generic is a question of fact.”) (citing cases). So while genericness is a threshold issue, it is one **for the jury**. If, as is likely, the **jury** finds that COMPLETE SEASONING is generic for the goods claimed by plaintiff (“a blend of seasoning”), there will be no need for it to engage in a likelihood of confusion analysis. A jury verdict of genericness disposes of all of plaintiff's claims.

In contrast, the Court's discussion of the likelihood of confusion factors in the context of the parties' cross-motions for summary judgment does not mean there are no genuine issues of material fact as to whether the alleged marks COMPLETE SEASONING or SAZON COMPLETA or both, are generic. If that were the case, the Court would have granted plaintiff's motion for summary judgment in part and issued an order under Fed. R. Civ. P. 56(d) "indicat[ing] which portion of the case is no longer in controversy, and directing further proceedings in the action." *Lytle v. Freedom Int'l Carrier, S. A.*, 519 F.2d 129, 133 (6th Cir. 1975). Instead, the Court expressly denied both parties' motions for summary judgment on any and all grounds. (See April 19 Tr. at 32:4-6.) This is hardly surprising as to genericness, considering both the extensive record evidence of third-party use of "complete seasoning" and the damning admission by Joseph Badia that he chose the name "Complete Seasoning" for his complete seasoning product because "that's what it is."³ [ECF No. 49 at 10, citing Exhibit 10 to the motion.] At oral argument, Badia's only response to the extensive evidence of third-party use was to essentially deny that it is happening – a fact dispute which, as a matter of black-letter law, cannot be resolved on summary judgment. See *Anderson*, 477 U.S. at 522.

There is no authority for Badia's contention that the Court's silence on the genericness issue at the summary judgment stage amounted to a silent ruling on the matter, even if the issue of genericness is a "threshold matter." The record before the Court made the granting of summary judgment denying the genericness defense impossible as a matter of law. Indeed, the most that can be said in support of the argument that the Court did not deny summary judgment on genericness, in fact, is that the Court implicitly reserved on the issue of genericness for purposes of granting **Gel, not Badia**, summary judgment on that ground. (*Id.*) Given Joseph Badia's admissions, plaintiff's implausible denial of evidence showing years of third-party use, and simple analysis of the words involved, such a ruling by the Court would be eminently appropriate.

The more logical understanding of the Court's statements at oral argument, however – given the absence of either an explicit reservation by the Court or detailed written findings of fact and conclusions of law – is that they amounted to what the Eleventh Circuit described, in *Jackson v. Seaboard*, *supra*, as "dicta," or what we might describe as judicial colloquy by which the Court characterized the issues and put them over for resolution at trial. See, *id.*, 678 F.2d at 1015 n.34

³ In fact, Badia completely avoided addressing Mr. Badia's multiple admissions concerning genericness, possibly the most compelling evidence on the issue in this case, at oral argument. (See generally, April 19 Tr.)

(“The court’s disposition of this issue did not take legal effect until it was incorporated by reference into the court’s findings of fact and conclusions of law made after the trial.”). Moreover, these issues remain listed as those to be tried in this case, in the joint pretrial stipulation [ECF No. 82], the proposed jury instructions [ECF No. 93] and proposed verdict form [ECF No. 93-1]. There is no authority, on this record, for them to be resolved other than through the trial process.

B. THE COURT’S REMARKS WERE NOT A “FINDING” THAT BADIA’S MARKS ARE STRONG.

Badia argues, bizarrely, that the Court “impliedly” not only ruled that Badia’s marks are not generic, but that it did so on the ground that Badia’s marks are “strong.” Badia’s argument rests entirely on its incontestable registrations and the following statement made by the Court in its casual remarks concerning the likelihood of confusion factors: “**I think** the marketplace would well out that Badia does have the stronger mark in this case.” (April 19 Tr. at 31:6-8; emphasis added.) This observation is not a “ruling,” nor could it be, for at least two reasons. One is that such a determination would require the weighing of factual evidence, which is not a proper judicial function on summary judgment. Indeed, the Court made no findings that delineated “the marketplace” and referred to no evidence concerning how it could conclude – much less that it was a matter of undisputed fact – how “the marketplace” would view the mark. (*See generally, id.*)

The second reason is that, as a matter of trademark law, the “strength” factor for likelihood of confusion concerns *only* the strength of Badia’s alleged mark on its own terms – *not* how it “compares” in “strength” to Gel’s mark. *See, Welding Servs. v. Forman*, 509 F.3d 1351, 1360 (11th Cir. 2007) (“Trademark law distinguishes four gradations of distinctiveness of marks, in descending order of strength: fanciful or arbitrary, suggestive, descriptive, and generic”). The primary factors in assessing trademark strength are “the extent of third party usage and the relationship between the name and the service or good it describes.” *Freedom Sav. & Loan Ass’n v. Way*, 757 F.2d 1176, 1182 (11th Cir. 1985). Another indicator of trademark strength is whether there is a logical correlation between name and product; thus, “if a seller of a product or service would naturally use a particular name” – as the evidence demonstrates is manifestly the case here – “it is weakly protected.” *Id.*, at 1182.

While Badia clings to its insistence that incontestable registrations are conclusive evidence of trademark strength, it is well established that such status does not automatically render Badia's alleged marks strong, as set out at length in Gel's summary judgment briefing. [ECF No. 63 at 10-11.] "That a mark enjoyed incontestable status in the past says very little about its current strength in the marketplace." *See* 6 McCarthy § 32:155, quoted in *Sovereign Military Hospitaller Order of Saint John v. Fla. Priory of the Knights Hospitallers of the Sovereign Order of Saint John*, 809 F.3d 1171, 1184 (11th Cir. 2015). Even courts that have drawn a connection between incontestability and strength acknowledge that while "an incontestable mark is generally considered a 'relatively strong mark,' this presumption may be rebutted by evidence of extensive third-party use of the mark." *Fla. Int'l Bd. of Trs.*, 91 F. Supp. 3d, 1265, 1275 (S.D. Fl. 2015) (citations omitted).

Such evidence is amply set forth in the record. Besides third-party use, courts in this Circuit consider "the entire name a third party uses, as well as the kind of business in which the user is engaged" when analyzing the impact of third-party use. *See Safeway Stores, Inc. v. Safeway Discount Drugs, Inc.*, 675 F.2d 1160, 1165 (11th Cir. 1982). Gel has put forth significant evidence of third-party use of Badia's alleged marks, or variations of them. (*See* Exhibit 8 to Gel's Motion for Summary Judgment at GOYA-00000001-15; 19-41; 328-336; 851-863; 871-876; 878-892; 895-901; 952-960; 2844-2845; Exhibit 9 to Gel's Motion for Summary Judgment at GEL-0000234; 237-239; 241-254.) These extensive third-party uses weaken any rights that could be claimed in Badia's alleged marks because they demonstrate that consumers do not identify the terms "complete seasoning" or "*sazon completa*" exclusively with Badia as it insists, but rather with the all-purpose spice blends known as "complete seasoning."⁴ The Court made no findings

⁴ In *Jellibeans, Inc. v. Skating Clubs of Ga., Inc.*, 716 F.2d 833, 841 n.19 (11th Cir. 1983), the Eleventh Circuit discussed the rationale for not protecting generic terms which is instructive here: "To exclude other providers of a good or service from the right to use generic terms once they have been appropriated . . . would quickly result in a situation in which businesses were struggling to convey information about their business in their mark but without using any words that described their business, because those words would already be protected in the service mark of another firm." It is not a coincidence that over two dozen spice manufacturers use or used the terms complete seasoning or *sazon completa* or close variations of them to describe their blended complete seasoning products. They did so because consumers understand these as words that describe a generic category of seasoning product, not any particular brand.

Acknowledging the tension between protecting trademark owners' rights, yet promoting competition, the court went on to state:

[I]t seems that the true legal standard is not simply the 'likelihood of confusion' but rather the 'likelihood of unreasonable confusion.' 'Reasonable' confusion is generated by the legitimate efforts of a business to convey vital information to the public about the basic nature of one's

whatsoever concerning this evidence that could justify an inference as far-reaching as the one Badia claims, in its attempt to essentially turn a denial of summary judgment into the granting of summary judgment – that is, the critical determination, not remotely enunciated here, that Gel has raised *no triable issue of fact* regarding strength of Badia’s claimed marks.

Notwithstanding its comments or “dicta,” the Court held that material issues of fact exist with regard to the likelihood of confusion analysis. Accordingly, Badia may present evidence of trademark strength and rebut Gel’s evidence of third-party use at trial. But nothing that has taken place in this matter, and certainly nothing having to do with the summary judgment motions, justifies exempting Badia from meeting its evidentiary burdens as the party seeking relief in this action.

C. THE COURT HAS NOT REMOVED CONSIDERATION OF ALL SEVEN LIKELIHOOD OF CONFUSION FACTORS FROM THE PURVIEW OF THE JURY AS FACT-FINDER.

Badia’s motion also incorrectly asserts that the Court “ruled” on several likelihood of confusion factors. (Badia’s Br. at 2.) But, again, the Court’s musings at the hearing explaining why summary judgment is not justified here do not amount to “rulings” or “findings of fact.” The only determination the Court made on April 19 was that there would be no grant of summary judgment. This is true notwithstanding the fact that, at the April 19th hearing, Badia’s counsel falsely represented to the Court that that there was “no genuine dispute as to six of the seven likelihood of confusion factors.” (April 19 Tr. at 13:7-13.) There is simply no justification for this gross misstatement, the falsity of which is readily demonstrated by the joint pretrial stipulation filed on February 13, 2017. [ECF No. 82.] There the parties filed a concise statement of issues of law on which the parties agree. There were exactly two: Badia and Gel agree that the parties’ products and consumers are “similar” for purposes of a likelihood of confusion analysis. Aside from these two factors, the parties dispute the remaining five likelihood of confusion factors, and the pretrial filings as well as the summary judgment submissions make this eminently clear.

business, and to invite comparison with one's competitors. Thus implicit in the legal standard is a balancing between the confusion created between the putatively offending service mark and the burden placed on its owner to find a mark which can convey information to the public about the nature of his service. *Id.*

In determining whether there is a likelihood of confusion in a trademark case, a fact finder evaluates a number of elements including: the strength of the trademark, the similarity of the marks, the similarity of the products, the similarity of retail outlets and purchasers, the similarity of advertising media used, the defendant's intent, and actual confusion. *See, AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531, 1538 (11th Cir. 1986), *cert. denied*, 481 U.S. 1041 (1987). Likelihood of confusion is not determined by "merely analyzing whether a majority of the subsidiary factors indicates that such a likelihood exists." *Id.* Rather, the fact-finder determines the weight to be accorded to each factor depending upon the circumstances of the case and then makes the ultimate decision as to whether a likelihood of confusion exists. *See id.*

These evaluations involve the detailed weighing of facts. But once a court denies summary judgment, as it has done here, its limited engagement with the facts is complete and the weighing of evidence is left to the jury. "[A]t the summary judgment stage the judge's function is **not** . . . to weigh the evidence and determine the truth of the matter but to determine whether there is a genuine issue for trial." *Anderson*, 477 U.S. at 249 (emphasis added). "The only issue to be considered by the judge at summary judgment is whether the plaintiff's evidence has placed material facts at issue." *Hairston v. Gainesville Sun Publ'g Co.*, 9 F.3d 913, 921 (11th Cir. 1993). "Summary judgment is not a substitute for the trial of disputed fact issues. Accordingly, the court cannot try issues of fact on a Rule 56 motion but is only empowered to determine whether there are issues to be tried." 10A CHARLES ALAN WRIGHT, ARTHUR R. MILLER, MARY KAY KANE & RICHARD L. MARCUS, FEDERAL PRACTICE AND PROCEDURE § 2712 (3d ed. 1998)). "A judge does not sit as a trier of fact when deciding a motion for summary judgment even if the case is scheduled to be heard without a jury." *Med. Inst. Of Minn. v. Nat'l Ass'n of Trade & Technical Schs.*, 817 F.2d 1310, 1315 (8th Cir. 1987); *Kearney v. Standard Ins. Co.*, 175 F.3d 1084, 1095 (9th Cir. 1999) (*en banc*) (internal citations omitted).

Contrary to Badia's suggestion that the Court's determination that the existence of disputes as to material facts precluded summary judgment amounted to "findings" concerning those issues, "there is **no such thing** as findings of fact on a summary judgment motion." *Kearney*, 175 F.3d at 1095 (emphasis added). Similarly, the fact that both Gel and Badia cross-moved for summary judgment does not mean that there are no material facts in dispute. "[A] movant may be correct in stating that the facts relevant to his theory of the case are not in dispute, yet contest the relevant issues of fact under his opponent's theory." *Hiram Walker & Sons, Inc. v. Kirk Line*, 877 F.2d

1508, 1513 n.4 (11th Cir. 1989) (statement by trial judge that because “all the parties to this action have moved for summary judgment, thereby clearly indicating their accord that no genuine issue of fact remains to be resolved” was “not a correct statement of the law”).

For all the foregoing reasons, defendant Gel Spice Company, Inc. requests that the Court deny plaintiff’s supplemental motion in support of granting summary judgment in favor of plaintiff on defendant’s affirmative defenses and counterclaims based on genericness.

Dated: May 5, 2017

Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on May 5, 2017, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF. I also certify that the foregoing document is being served this day on all counsel of record identified on the Service List below in the manner specified, either via transmission of Notice of Electronic Filing Generated by CM/ECF or in some other authorized manner for those counsel or parties who are not authorized to receive electronically Notices of Electronic Filing.

By: /s/Mark E. Stein

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