

beginning on September 17, 2018; however, on August 22, 2018, Counsel filed a proposed order (entered today) waiving the jury and proceeding with a bench trial.

The case is presently before the Court on the Plaintiff's motion for summary judgment, filed June 22, 2018. The motion seeks summary judgment granting the Plaintiff's claims of:

- (1) trademark infringement of a registered mark in violation of Tenn. Code Ann. §§ 47-25-501, *et seq.* and
- (2) unfair competition and deceptive trade practices in violation of the Tennessee Consumer Protection Act, codified at Tenn. Code Ann. §§ 47-18-101, *et seq.*;

and (3) dismissing Defendant's counterclaim asserting Declaratory Judgment; Trademark Infringement of an unregistered mark in violation of Tenn. Code Ann. §§ 47-25-516; and Unfair Competition and Deceptive Trade Practices In Violation Of The Tennessee Consumer Protection Act, Tenn. Code Ann. §§47-18-101, *et. seq.*

In opposition, the Defendant asserts that the Court should deny the Plaintiff's *Motion For Summary Judgment* and that the Court summarily rule in Defendant's favor on summary judgment to (1) dismiss the Plaintiff's claims with prejudice and (2) grant summary judgment in his favor on his counterclaim, even though the Defendant did not file a cross-motion for summary judgment under Rule 56 of the Tennessee Rules of Civil Procedure.

Rulings

After studying the arguments of Counsel, the summary judgment record, and the applicable law, the Court ORDERS the following.

- (1) The Plaintiff's *Motion For Summary Judgment* on her affirmative claims of Trademark Infringement of a Registered Mark in Violation of TENN. CODE ANN. §§ 47-25-501, *et seq.* and Unfair Competition & Deceptive Trade Practices in Violation of the Tennessee Consumer Protection Act, TENN. CODE ANN. §§ 47-18-101, *et seq.* are denied because there exist genuine issues of material fact in the summary judgment record on the essential elements of who had first use of the mark, tacking, and the likelihood of confusion, and the trial scheduled for September 17, 2018 shall proceed on these claims.

- (2) The Plaintiff's *Motion For Summary Judgment* on the Defendant's counterclaim of (1) Declaratory Judgment; (2) Trademark Infringement Of An Unregistered Mark In Violation Of TENN. CODE ANN. §§ 47-25-516; and (3) Unfair Competition & Deceptive Trade Practices In Violation Of The Tennessee Consumer Protection Act, TENN. CODE ANN. §§ 47-18-101, *Et. Seq.* is granted as barred in equity by laches and, as a matter of law by the statute of limitations of the Tennessee Consumer Protection Act, and all the causes of action of the counterclaim are dismissed with prejudice.

Consistent with the foregoing Rulings, it is additionally ORDERED that the Defendant's informal request to summarily "dismiss Plaintiff's claims with prejudice" and for "this Court to rule in his favor on summary judgment regarding his counterclaims" are denied.

It is further ORDERED that in the upcoming trial on September 17, 2018, the Court shall use the instruction that was used in the United States Supreme Court case of *Hana Fin., Inc. v. Hana Bank* on the meaning of tacking in determining the outcome in this case.

A party may claim priority in a mark based on the first use date of a similar but technically distinct mark where the previously used mark is the legal

equivalent of the mark in question or indistinguishable therefrom such that consumers consider both as the same mark. This is called ‘tacking.’ The marks must create the same, continuing commercial impression, and the later mark should not materially differ from or alter the character of the mark attempted to be tacked.

135 S. Ct. 907, 910 (2015).

The analysis of the record and law on which these rulings are based are provided below.

Summary Judgment Standard

In deciding the pending motions the Court has applied the following standard issued by the Tennessee Supreme Court in *Rye v. Women’s Care Center of Memphis*, 477 S.W.3d 235, 264-265 (Tenn. 2015).

[W]hen the moving party does not bear the burden of proof at trial, the moving party may satisfy its burden of production either (1) by affirmatively negating an essential element of the nonmoving party’s claim or (2) by demonstrating that the nonmoving party’s evidence *at the summary judgment stage* is insufficient to establish the nonmoving party’s claim or defense. . . . [A] moving party seeking summary judgment by attacking the nonmoving party’s evidence must do more than make a conclusory assertion that summary judgment is appropriate on this basis. Rather, Tennessee Rule 56.03 requires the moving party to support its motion with “a separate concise statement of material facts as to which the moving party contends there is no genuine issue for trial.” Tenn. R. Civ. P. 56.03. “Each fact is to be set forth in a separate, numbered paragraph and supported by a specific citation to the record.” *Id.* When such a motion is made, any party opposing summary judgment must file a response to each fact set forth by the movant in the manner provided in Tennessee Rule 56.03. “[W]hen a motion for summary judgment is made [and] . . . supported as provided in [Tennessee Rule 56],” to survive summary judgment, the nonmoving party “may not rest upon the mere allegations or denials of [its] pleading,” but must respond, and by affidavits or one of the other means provided in Tennessee Rule 56, “set forth specific

facts” *at the summary judgment stage* “showing that there is a genuine issue for trial.” Tenn. R. Civ. P. 56.06. The nonmoving party “must do more than simply show that there is some metaphysical doubt as to the material facts.” *Matsushita Elec. Indus. Co.*, 475 U.S. at 586, 106 S. Ct. 1348. The nonmoving party must demonstrate the existence of specific facts in the record which could lead a rational trier of fact to find in favor of the nonmoving party [emphasis in original].

In addition, “Summary judgment should be granted when the nonmoving party’s evidence at the summary judgment stage is ‘insufficient to establish the existence of a genuine issue of material fact for trial.’ *Rye*, 477 S.W.3d at 264 (citing Tenn. R. Civ. P. 56.04). If the moving party does not meet its initial burden of production, the nonmoving party’s burden is not triggered and the motion for summary judgment should be denied. *Town of Crossville Hous. Auth.*, 465 S.W.3d 574, 578 (Tenn. Ct. App. 2014) (citations omitted).” *Jackson v. CitiMortgage, Inc.*, No. W201600701COAR3CV, 2017 WL 2365007, at *5 (Tenn. Ct. App. May 31, 2017).

Parties’ Positions

The Plaintiff argues that summary judgment should be granted on her claims of trademark infringement and Tennessee Consumer Protection Act (“TCPA”) on these grounds.

- (1) The Plaintiff has senior priority over the Defendant to the trademark SALON MOGULZ because (1) she has continuously used the mark since October 1, 2007 to identify her services and distinguish them from related services provided by others and (2) she registered the mark on October 10, 2016, prior to the Defendant applying to register MOGULS BARBER AND LOUNGE on November 16, 2016.
- (2) The Defendant’s use of MOGULS BARBER AND LOUNGE is likely to cause confusion pursuant to the eight factor test to determine confusion in trademark

infringement cases: “(1) strength of the plaintiff's mark; (2) relatedness of the goods; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) likely degree of purchaser care; (7) defendant's intent in selecting the mark; (8) likelihood of expansion of the product line.” *Willowbrook Home Health Care Agency, Inc. v. Willow Brook Ret. Ctr.*, 769 S.W.2d 862, 867 (Tenn. Ct. App. 1988) (quoting *Frisch's Restaurant, Inc. v. Elby's Big Boy, Inc.*, 670 F.2d 642, 648 (6th Cir.1982) (citations omitted)).

- (3) The affirmative defense of “tacking” for the Defendant to establish priority in his “Moguls” mark is inapplicable because the “Defendant has failed to present any evidence to meet his exceedingly strict burden for a tacking defense, and cannot rely on that theory to escape summary judgment in Plaintiff’s favor.” *Plaintiff’s Reply In Support Of Her Motion For Summary Judgment*, pp. 8-9 (August 14, 2018).

As to the Defendant’s counterclaim, the Plaintiff argues summary judgment is appropriate in her favor to dismiss all the causes of action of the counterclaim based upon laches and the bar of the TCPA’s statute of limitations.

In this case, the doctrine of laches bars all of Defendant’s counterclaims. Like the Lanham Act, the Tennessee Trademark Act contains no statute of limitations. Accordingly, in the Sixth Circuit, “courts use the doctrine of laches to determine whether a suit should be barred.” Audi, 469 F.3d at 545. Applying the three-year statute of limitations for an action for tortious injury to property, the Sixth Circuit has held that the presumption of laches period for trademark infringement claims is three years. Tandy Corp. v. Malone & Hyde, Inc., 769 F.2d 362, 366 (6th Cir. 1985). Laches equally applies to Defendant’s TCPA claim, which is also barred by the TCPA’s one year statute of limitations, which runs from the date of a person’s discovery of the allegedly unlawful act or practice, and by the TCPA’s five year statute of repose. See Tenn. Code Ann. § 47-18-110.

The doctrine of laches provides that “equity will not intervene on behalf of one who has delayed unreasonably in pursuing his rights.” Dennis Joslin Co., LLC v. Johnson, 138 S.W.3d 197, 200 (Tenn. Ct. App. 2003). “Laches has two essential elements: (1) an inexcusably long delay caused by the claimant's negligence in asserting its claim; and (2) an injury to another's rights resulting from this delay.” State ex rel. Elvis Presley Int'l Mem'l Found. v. Crowell, 733 S.W.2d 89, 101 (Tenn. Ct. App. 1987). A trial court’s decision regarding the application of laches will not be reversed

absent an abuse of discretion. John P. Saad & Sons, Inc. v. Nashville Thermal Transfer Corp., 715 S.W.2d 41, 46 (Tenn. 1986) (holding laches barred contract action after claimant failed to make demand for nearly four years). In the trademark context, courts have found the doctrine of laches to bar claims of infringement where the responding party has invested money and effort into its business under the mark in question during the years in which the claimant knew about yet took no steps to stop the responding party's use of the mark. See Johnny's Fine Foods, Inc. v. Johnny's Inc., 286 F. Supp. 2d 876, 881-82 (M.D. Tenn. 2003).

Here, laches should preclude Defendant's offensive counterclaims because (1) he has known about Plaintiff's use of the mark in connection with hair services since she began using the mark in 2007, and he inexcusably waited until the filing of his counterclaim in 2017 before asserting any claim; and (2) Plaintiff invested significant time and resources into the mark, not knowing anyone else had a possible claim to the mark. Laches should apply to bar all of Defendant's counterclaims. Defendant's TCPA claim is further barred by that statute's one year statute of limitations and its four year statute of repose.

Plaintiff's Memorandum Of Law In Support Of Summary Judgment, pp. 18-19 (June 22, 2018).

In opposition, the Defendant argues that Plaintiff's motion for summary judgment should be denied, and summary judgment should be granted in the Defendant's favor to dismiss Plaintiff's claims with prejudice based on the following.

- (1) The Defendant has priority of ownership of the "Moguls" mark over the Plaintiff because he, and not the Plaintiff, "is the first and senior user of the Moguls mark in the haircare industry in the Nashville area whether it is with a "Z" or an "S" at the end." *Defendant/Counter-Plaintiff Southall's Response To Plaintiff/Counter-Defendant's Motion For Summary Judgment And Memorandum Of Law*, p. 5 (July 31, 2018).
- (2) The Defendant's subsequent registrations of "Moguls Barber and Lounge and Mr. Southall's statements that it was the first time that he used the specific name of Moguls Barber and Lounge...does not diminish his first use of the mark Moguls of Nashville and use of the mark Moguls Barber and Lounge prior to any subsequent registrations he made" because "Mr. Southall has continued to use the

mark Moguls throughout his career following his graduation from barber school and the development of his business plan.” *Defendant/Counter-Plaintiff Southall’s Response To Plaintiff/Counter-Defendant’s Motion For Summary Judgment And Memorandum Of Law*, p. 6 (July 31, 2018).

- (3) Because the Defendant was the first user of the trademark, the Defendant does not create confusion with his use.

The Defendant did not provide any legal argument in response to the Plaintiff’s argument that she is entitled to summary judgment on the Defendant’s counterclaim as barred by laches and the TCPA’s statute of limitations.

Trademark Law and Its Application to Summary Judgment Record

(1) Plaintiff’s Complaint—Plaintiff’s Summary Judgment Motion Denied

The summary judgment record presents three legal issues with respect to the Plaintiff’s complaint to recover for trademark infringement and TCPA: first in use, tacking and likelihood of confusion. The essential legal elements of these issues are identified below and applied to the summary judgment record.

Ownership Acquired by First Use

Under both Tennessee and federal law, ownership of a trademark is acquired through first actual use in the market and is not dependent on registration.

— *Men of Measure Clothing, Inc. v. Men of Measure, Inc.*, 710 S.W.2d 43, 45–46

(Tenn. Ct. App. 1985):

Defendant has not registered the “Men of Measure” mark under either the Lanham Act or any pertinent statute. However, it is generally recognized a trade-mark does not necessarily derive its existence from registration under state or federal statutes; nor does its validity depend upon novelty, invention or discovery. Rather, trade-

mark rights stem from prior appropriation and use in trade. *Blue Bell, Inc. v. Farah Mfg. Co., Inc.*, 508 F.2d 1260 (5th Cir.1975); *Schwinn Bicycle Co. v. Murray Ohio Mfg. Co.*, 339 F.Supp. 973 (M.D.Tenn.1971); *aff'd.*, 470 F.2d 975 (6th Cir.1971). As the court in *Blue Bell* noted, exclusive rights in a trade-mark vest in “one who first uses it in connection with specified goods. [Citations omitted.] Such use need not have gained wide public recognition, [citations omitted] and even a single use in trade may sustain trade mark rights if followed by continuous commercial utilization.” *Blue Bell*, 508 F.2d at 1265. Moreover, a first user's rights are *46 not restricted by a subsequent user's registration of the name. 87 C.J.S., *Trade-Marks, Trade-Names, and Unfair Competition*, § 30 (1954). Similar rules obtain for the acquisition of rights in trade names. *Id.*

— *Ward v. Knox Cty. Bd. of Educ.*, No. 3:11-CV-438-TAV-CCS, 2014 WL 3368510, at *7 (E.D. Tenn. July 9, 2014), *aff'd*, 612 Fed. Appx. 269, 2015 WL 2166928 (6th Cir. 2015):

At common law, ownership of trademark or service mark rights is obtained by actual use.” *Allard Enters., Inc. v. Advanced Programming Res., Inc.*, 249 F.3d 564, 571–72 (6th Cir.2001) (citing J. Thomas McCarthy, 2 McCarthy on Trademarks and Unfair Competition § 16:1 (4th ed.2000)). “The first to use a mark in the sale of goods or services is the ‘senior user’ of the mark and gains common law rights to the mark in the geographic area in which the mark is used. *Id.* at 572.

Ownership rights flow only from prior use—either actual or constructive.” *Id.* “Federal registration of a trademark or service mark cannot create rights and priority over others who have previously used the mark in commerce, but federal registration is prima facie evidence of the registrant's ownership and exclusive right to use the mark, 15 U.S.C. §§ 1057(b), 1115(a), and constitutes constructive use of the mark.” *Id.* (citation omitted). “‘Constructive use’ means that which establishes a priority date with the same legal effect as the earliest actual use of a trademark at common law. *Id.* (citation omitted).

— “Ownership of trademark or service mark rights is obtained by actual use.” *Blackwood v. Blackwood*, No. 3:03-CV-691, 2005 WL 2096857, at *3 (E.D. Tenn.

Aug. 30, 2005) (citing *Allard Enterprise, Inc. v. Advance Programming Resources, Inc.*, 249 F.3d 564, 571 (6th Cir.2001)).

— 74 AM. JUR. 2D *Trademarks and Tradenames* § 9 (West 2018) (footnotes omitted):

The right to the exclusive use of a particular mark or name as a trademark or trade name is ordinarily founded on the priority of appropriation; that is, the claimant of the trademark must have been the first to use or employ the mark on like articles of production in the same market or competitive territory. Registration modifies this system slightly, allowing slight sales plus notice in the government register to substitute for substantial sales made without notice.

Factors relevant to the priority determination include which party first developed and affixed the trademark onto the products in question, which party's name first appeared in connection with the products, which party has maintained the quality and uniformity of the products, with which party does the public identify the products, and which party has goodwill associated with the products.

— TCPA claims under Tennessee law have been uniformly analyzed under the same likelihood of confusion standards as trademark infringement. *See General Conf. Corp. of Seventh-Day Adventists v. McGill*, 624 F. Supp. 2d 883, 891 (W.D. Tenn. 2008), *aff'd*, 617 F.3d 402 (6th Cir. 2010) (citing *Microsoft Corp. v. Sellers*, 411 F. Supp. 2d 913, 920 (E.D. Tenn.2006) (“Likelihood of customer confusion is the essence of the test for a violation of the Tennessee Consumer Protection Act.”)).

Thus, as provided in the above law, for the Plaintiff to succeed on summary judgment on her claims of trademark infringement and TCPA in this lawsuit, she must first prove that she is the “senior user” of the mark.

Applying the foregoing law to the summary judgment record, it is undisputed that (1) since October 1, 2007, the Plaintiff has continuously used the mark SALON MOGULZ to identify her services and distinguish them from related services provided by others; and (2) on October 10, 2016, the Tennessee Secretary of State issued Reg. No. 50650 to Plaintiff for SALON MOGULZ.

In defense to these facts, the Defendant's Responses to paragraphs 15 and 19 of the Statements of Undisputed Material Fact identify competing facts that the Plaintiff is not the "senior user" of the mark because the Defendant began using a form of the "Moguls" mark in as early as 2000, some seven years *before* the Plaintiff began using the SALON MOGULZ mark.

15. Defendant began using MOGULS BARBER AND LOUNGE in approximately September 2016. (Southall Depo. at 38:3-9) (pertinent pages attached to Notice of Filing as **Exhibit L**).

RESPONSE:

Disputed. Mr. Southall began using the mark Moguls in the name of his business Moguls of Nashville City Club as early as 2000 when he finished barber school and drafted his business plan for his business concept (Deposition of Andre Southall, Page 16, Line 15-23 attached to Mr. Southall's Notice of Filing as Exhibit 2.). His business concept for his service included providing haircuts, shoe shines, massages, wine, cigars, suits, ties, etc. for his clientele. (Id. and Mr. Southall's Business Plan attached to Notice of Filing as Exhibit 3.) Mr. Southall began by selling memberships to Moguls for the monthly haircut and shoeshines even though he was working in someone else's shop at the time he started Moguls of Nashville City Club. (Deposition of Andre Southall, Page 17, Line 1-6 and 11-14 attached to Mr. Southall's Notice of Filing as Exhibit 2.) Mr. Southall registered his business name and mark with MANTA, an online business website indicating that he began in 2000. (Copy of MANTA Registration attached to Notice of Filing as Exhibit 4.)

He continued developing his business concept and services as he presented it to his clients. Mr. Southall provided to and sent prospective clients letters introducing his business services with his business name and logo. (Copy of Letter to Client attached to Notice of Filing as Exhibit 5.) One of his clients, Demetrius Brewer, has been “a member of Moguls since as early as 2004” and participated as his model during his State of Tennessee licensing board test. (Declaration of Demetrius Brewer at ¶ 2, attached to Mr. Southall’s Notice of Filing as Exhibit 6.) Another client, Elder Howard Young, recalls that Mr. Southall discussed his business and name with him as early as 2000. Mr. Southall hired Elder Young in 2006 to create an electronic media promotion for Moguls of Nashville City Club and work on other marketing for his business. (Declaration of Elder Howard Young at ¶ 3, attached to Mr. Southall’s Notice of Filing as Exhibit 7.) Mr. Southall provided Elder Young with a description of his membership packages to assist with the development of his marketing efforts. (Copy of Membership Descriptions attached to Mr. Southall’s Notice of Filing as Exhibit 8.) Another client of Mr. Southall, David E. Green, confirmed that Mr. Southall had discussed his business plan with him between 2003 and 2005 and showed him his business plan and logo. (Declaration of David E. Green at ¶ 3, attached to Mr. Southall’s Notice of Filing as Exhibit 9.) Mr. Green later became a member of Moguls shortly after October 2016 following a discussion with Mr. Southall regarding the benefits of membership. Id.

Mr. Southall consistently offered his service packages under the mark Moguls in the name Moguls of Nashville City Club since 2000 and in the business name of Moguls Barber and Lounge since 2016. (Deposition of Andre Southall, Page 53, Line 1-15, Page 54, Line 20-25, and Page 55, Line 1-12.)

Mr. Southall describes the business services that are offered under Moguls Barber and Lounge as a continuation of the services he offered under Moguls of Nashville City Club which includes tailoring, shoeshines, haircuts, and event rental space. (Deposition of Andre Southall, Page 30, Line 17-25.) Mr. Southall began using the mark Moguls in the business name Moguls Barber and Lounge once he acquired his new space in September 2016 and began offering event rental space. (Answer and Counterclaim of Defendant Andre Southall, Paragraph 10.)

19. In his application to register MOGULS BARBER AND LOUNGE with the Tennessee Secretary of State, Defendant swore to the fact that he did not use the mark until September 1, 2016. (Southall Depo. at 45:17-24).

RESPONSE:

Disputed. Mr. Southall has used the mark Moguls since 2000 as described in his Response to Paragraph 15 above. However, Mr. Southall began using the mark Moguls in the name Moguls Barber and Lounge in September 2016 when he moved to his new location as described in his Response to Paragraph 15 above and as indicated in his application to register with the Tennessee Secretary of State. His registration of the name Moguls Barber and Lounge does not diminish his protection of his unregistered mark Moguls prior to his registration with the Tennessee Secretary of State.

Defendant/Counter-Plaintiff Southall's Response To Plaintiff/Counter-Defendant's Statement Of Undisputed Material Facts In Support Of Her Motion For Summary Judgment, pp. 4-6; 7 (Aug. 13, 2018).

In rebuttal to Defendant's statement that he began using the "Moguls" mark from as early as 2000, the Plaintiff has admitted into the summary judgment record the Defendant's application to register the "Moguls Barber And Lounge" mark on November 16, 2016. In that application with the Tennessee Secretary of State, the Defendant swore to the fact that he did not use the "Moguls Barber And Lounge" mark until September 1, 2016.

Doctrine of Tacking

In sur-rebuttal, the Defendant does not dispute that September 1, 2016 was the first time he used the specific name "Moguls Barber And Lounge," but asserts

nevertheless that he has continuously used the word “Moguls” throughout his entire career dating back to as early as 2000 to describe his business.

Plaintiff attempts to confuse the issue of Mr. Southall’s registration of Moguls Barber and Lounge and Mr. Southall’s statements that it was the first time that he used the specific name of Moguls Barber and Lounge. However, this does not diminish his first use of the mark Moguls of Nashville and use of the mark Moguls Barber and Lounge prior to any subsequent registrations he made. The uniqueness of the mark is based on the use of the word “Moguls”, and Mr. Southall has continued to use the mark Moguls throughout his entire career following his graduation from barber school and the development of his business plan. As the court explained in *Allard*, registration of a mark only creates a rebuttable presumption of use as of the filing date; however, the determining factor is whether an individual’s use prior to registration was legally sufficient to establish prior ownership. *Allard* at 1870. The Court further stated that its analysis shifts to “use in commerce” and “that the stricter standard contemplates instead commercial use of the type common to the particular industry in question.” *Id. quoting Paramount Pictures Corp. v. White*, 31 U.S.P.Q.2D (BNA) 1768, 1774 (TTAB 1994), *aff’d*, 108 F.3d 1392 (Fed. Cir. 1997). As stated in the facts above, Mr. Southall was using his unregistered mark in commerce well before Plaintiff changed the name of her business.

The assertion by Defendant of these facts raises the legal doctrine of “tacking”, *i.e.* the Defendant’s ability to rely on an earlier form of the “Moguls” mark, when now using a modified version of that mark to establish priority in the trademark.

Trademark owners sometimes cease using their literal registered marks in favor of modified or modernized versions. As McCarthy explains,

[s]uch changes in the form of marks have been legally attacked on two grounds: (1) that the change resulted in abandonment of rights in the old form; (2) that the change prevents the user from tracing priority of use back to a date of first use of the old form of the mark.

J. Thomas McCarthy, 3 McCarthy on Trademarks and Unfair Competition § 17:25 (4th ed.2015) [hereinafter McCarthy], This ability to rely on an

earlier form of a mark, when now using a modified version of that mark, is often called “tacking.” Courts have referenced tacking in both abandonment and priority contexts. *See* *1368 *Hana Fin., Inc. v. Hana Bank*, —U.S. —, 135 S.Ct. 907, 909, 190 L.Ed.2d 800 (2015) (recognizing that “tacking” encompasses situations where an entity makes modifications to its marks over time, but is still able to “clothe [that] new mark with the priority position of an older mark”); *Sunstar, Inc. v. Alberto–Culver Co.*, 586 F.3d 487, 496 (7th Cir.2009) (explaining that the rule of “tacking on” “makes the use by a trademark’s owner of a variant of his original trademark a defense to a claim that replacing the original with the variant constituted the abandonment ... of the trademark”). McCarthy also recognizes that “[i]mproper tacking [by using a modified mark that materially alters the earlier mark] can result in ‘abandonment’ of the old form of the mark” if the elements of abandonment—nonuse with intent not to resume use—are satisfied. McCarthy § 17:26.

Jack Wolfskin Ausrüstung Fur Draussen GmbH & Co. KGAA v. New Millennium Sports, S.L.U., 797 F.3d 1363, 1367–68 (Fed. Cir. 2015).

The legal defense of “tacking” in the trademark context was recently addressed by the United States Supreme Court in *Hana Fin., Inc. v. Hana Bank*, 135 S. Ct. 907 (2015). In that case, the United States Supreme Court explained the role of “tacking” in trademark disputes and its implication as a question of fact when presented on summary judgment.

Rights in a trademark are determined by the date of the mark's first use in commerce. The party who first uses a mark in commerce is said to have priority over other users. Recognizing that trademark users ought to be permitted to make certain modifications to their marks over time without losing priority, lower courts have provided that, in limited circumstances, a party may clothe a new mark with the priority position of an older mark. This doctrine is called “tacking,” and lower courts have found tacking to be available when the original and revised marks are “legal equivalents” in that they create the same, continuing commercial impression. The question presented here is whether a judge or a jury should determine whether tacking is available in a given case. Because the tacking inquiry operates

from the perspective of an ordinary purchaser or consumer, we hold that a jury should make this determination.

As discussed above, the general rule adopted by lower courts has been that two marks may be tacked when the original and revised marks are “legal equivalents.” This term refers to two marks that “create the same, continuing commercial impression” so that consumers “consider both as the same mark.”¹ *Van Dyne–Crotty, Inc.*, 926 F.2d, at 1159 (internal quotation marks omitted); see, e.g., *George & Co., LLC v. Imagination Entertainment Ltd.*, 575 F.3d 383, 402 (C.A.4 2009); *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1047–1048 (C.A.9 1999); *Data Concepts, Inc.*, 150 F.3d, at 623. “The commercial impression that a mark conveys must be viewed through the eyes of a consumer.” *911 *DuoProSS Meditech Corp. v. Inviro Medical Devices, Ltd.*, 695 F.3d 1247, 1253 (C.A.Fed.2012); see 3 J. McCarthy, *Trademarks and Unfair Competition* § 17:26, p. 17–71 (4th ed. 2014) (“ ‘Commercial impression,’ like most issues in trademark law, should be determined from the perspective of the ordinary purchaser of these kinds of goods or services”).

Application of a test that relies upon an ordinary consumer's understanding of the impression that a mark conveys falls comfortably within the ken of a jury. Indeed, we have long recognized across a variety of doctrinal contexts that, when the relevant question is how an ordinary person or community would make an assessment, the jury is generally the decisionmaker that ought to provide the fact-intensive answer. See, e.g., *United States v. Gaudin*, 515 U.S. 506, 512, 115 S.Ct. 2310, 132 L.Ed.2d 444 (1995) (recognizing that “ ‘delicate assessments of the inferences a “reasonable [decisionmaker]” would draw ... [are] peculiarly one[s] for the trier of fact” (quoting *TSC Industries, Inc. v. Northway, Inc.*, 426 U.S. 438, 450, 96 S.Ct. 2126, 48 L.Ed.2d 757 (1976); first alteration in original)); *id.*, at 450, n. 12, 96 S.Ct. 2126 (observing that the jury has a “unique competence in applying the ‘reasonable man’ standard”); *Hamling v. United States*, 418 U.S. 87, 104–105, 94 S.Ct. 2887, 41 L.Ed.2d 590 (1974) (emphasizing “the ability of the juror to ascertain the sense of the ‘average person’ ” by drawing upon “his own knowledge of the views of the average person in the community or vicinage from which he comes” and his “knowledge of the propensities of a ‘reasonable’ person”); *Railroad Co. v. Stout*, 17 Wall. 657, 664, 21 L.Ed. 745 (1874) (“It is assumed that twelve men know more of the common affairs of life than does one man, [and] that they can draw

wiser and safer conclusions from admitted facts thus occurring than can a single judge”).

This is certainly not to say that a judge may never determine whether two marks may be tacked. If the facts warrant it, a judge may decide a tacking question on a motion for summary judgment or for judgment as a matter of law. See Fed. Rules Civ. Proc. 50, 56(a). And if the parties have opted to try their case before a judge, the judge may of course decide a tacking question in his or her factfinding capacity. We hold only that, when a jury trial has been requested and when the facts do not warrant entry of summary judgment or judgment as a matter of law, the question whether tacking is warranted must be decided by a jury.

Hana Fin., Inc. v. Hana Bank, 135 S. Ct. 907, 909; 910–11 (2015).

In her *Reply*, the Plaintiff acknowledges the existence of the “tacking” defense on the issue of priority of the “Moguls” mark but argues that summary judgment is still appropriate because the Defendant has offered no evidence to meet the exceedingly strict burden for a tacking defense.

Defendant attempts to minimize the impact of his sworn statements by relying on his alleged use of a different mark, MOGULS OF NASHVILLE CITY CLUB, which he cannot do as a matter of law. Although Defendant never uses the term “tacking” in his pleadings or briefs, it is an affirmative defense that Defendant appears to be relying on. As explained below, Defendant has offered no evidence to meet the “exceedingly strict” standard for tacking.

“If the facts warrant it, a judge may decide a tacking question on a motion for summary judgment or for judgment as a matter of law.” *Hana Fin., Inc. v. Hana Bank*, 135 S. Ct. 907, 911, 190 L. Ed. 2d 800 (2015). It is only in cases when the facts do not warrant summary judgment that the issue must be reserved for the jury. *Id.*

In *Hana*, the Supreme Court defined “tacking” as follows:

Rights in a trademark are determined by the date of the mark's first use in commerce. The party who first uses a mark in commerce is said to have priority over other users.

Recognizing that trademark users ought to be permitted to make certain modifications to their marks over time without losing priority, lower courts have provided that, in limited circumstances, a party may clothe a new mark with the priority position of an older mark. This doctrine is called “tacking”

Id. at 909. “[T]he general rule adopted by lower courts has been that two marks may be tacked when the original and revised marks are ‘legal equivalents.’ This term refers to two marks that ‘create the same, continuing commercial impression’ so that consumers ‘consider both as the same mark.’” *Id.* at 910.

Subsequently, in 2016, the federal District Court for the District of Columbia explained:

The standard for “tacking,” however, is exceedingly strict: “The marks must create the *same, continuing commercial impression*, and the later mark should not materially differ from or alter the character of the mark attempted to be tacked.” *Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1048 (9th Cir. 1999) (quoting *Van Dyne–Crotty, Inc. v. Wear–Guard Corp.*, 926 F.2d 1156, 1159 (Fed. Cir.1991)) (emphasis in original). Tacking is permitted “only in rare instances.” *Van Dyne–Crotty*, 926 F.2d at 1160 (citation and quotation marks omitted); *see also Brookfield Commc'ns*, 174 F.3d at 1047 (stating that it is permitted only in “exceptionally narrow instance[s]”). In order to meet this high bar, the previously used mark must be “the legal equivalent of the mark in question or indistinguishable therefrom” such that consumers “consider both as the same mark.” *Van Dyne–Crotty*, 926 F.2d at 1159; *see also PLM I*, 69 F. Supp. 3d at 195 (“The critical inquiry under a tacking analysis is whether a consumer would consider the prior and subsequent designs to be the “same mark.” (citations omitted)); *One Indus., LLC v. Jim O'Neal Distrib., Inc.*, 578 F.3d 1154, 1161 (9th Cir. 2009) (“[T]acking will be allowed only if the marks are virtually identical.”); *Quiksilver, Inc. v. Kymsta Corp.*, 466 F.3d 749, 758 (9th Cir. 2006) (“The later mark must be indistinguishable from the original mark at the time that the later mark is introduced.”).

Paleteria La Michoacana, Inc. v. Productos Lacteos Tocumbo S.A. DE C.V., 188 F. Supp. 3d 22, 57 (D.D.C. 2016). In *Paleteria*, the court ultimately held that the party relying on tacking failed to meet “the ‘exceedingly strict’ standard for tacking” when it failed to produce any evidence of consumers’ perceptions. *Id.* at 60.

The Court in this case should reach the same conclusion as in *Paleteria* since Defendant has failed to present any evidence that consumers consider MOGULS BARBER AND LOUNGE to be the “same mark” as MOGULS NASHVILLE CITY CLUB, or that the two marks have created “the same, continuing commercial impression,” setting aside the fact that they are not “virtually identical.” *E.g., id.* at 60. Although Defendant has attached four declarations to his Response, none of the declarants testify about this issue, none discuss MOGULS BARBER AND LOUNGE, and none testify that they consider MOGULS BARBER AND LOUNGE to be “virtually identical” to MOGULS NASHVILLE CITY CLUB. Ultimately, Defendant has failed to present any evidence to meet his exceedingly strict burden for a tacking defense, and he cannot rely on that theory to escape summary judgment in Plaintiff’s favor.²

FN. 2. It is axiomatic that a party may not rely on tacking to another mark when that mark, itself, infringes on a third party’s rights. Here Defendant cannot rely on any use he may have made of MOGULS NASHVILLE CITY CLUB because that mark likely infringes on the rights of the Nashville City Club. In his deposition, Defendant testified: “I actually got the Nashville City Club name because a friend of mine was a member of the . . . Nashville City Club.” *See Southall Depo.* at 18:2-5 (copy attached hereto as **Exhibit B**). The Nashville City Club has continuously used the mark NASHVILLE CITY CLUB since 1957. *See Certified Copy of Trademark/Service mark Certificate of Registration for NASHVILLE CITY CLUB* (attached hereto as **Exhibit A**). The Court may take judicial notice of the records from the Tennessee Secretary of State pursuant to Tenn. R. Evid. 201. *See e.g., Mettke v. Hewlett Packard Co.*, No. 2:11-CV-00410, 2012 WL 1158629, at *3 (S.D. Ohio Apr. 6, 2012) (citing *Music Makers Holdings, LLC v. Sarro*, No. RWT 09cv1836, 2010 WL 2807805, 2 fn. 1 (D. Md. July 15, 2010)), for the proposition that “[t]he Court may take judicial notice of matters of public record from sources-such as the [Patent and Trademark Office] whose accuracy cannot be reasonably questioned.”).

Plaintiff’s Reply In Support Of Her Motion For Summary Judgment, pp. 7-9 (Aug. 14, 2018).

In analyzing and applying the “exceedingly strict” standard articulated in *Paleteria La Michoacana, Inc. v. Productos Lacteos Tocumbo S.A. DE C.V.*, 188 F. Supp. 3d 22, 57 (D.D.C. 2016) to this case, the Court sees that the issue of tacking in *Paleteria* was not decided on summary judgment, but rather was decided after a full trial on the merits of the issue. *See, e.g., Paleteria La Michoacana, Inc. v. Productos Lacteos Tocumbo S.A. DE C.V.*, 188 F. Supp. 3d 22, 30 (D.D.C. 2016) (“*Complaint Count I*: The Court denied summary judgment to both parties after concluding that new evidence presented by PLM created a genuine dispute of material fact as to whether the “tacking” doctrine is applicable in order to establish priority of use for its LA INDITA MICHOACANA mark. *See* First Revised Order ¶ 10; *PLM I*, 69 F.Supp.3d at 192–96.); *see also Paleteria La Michoacana, Inc. v. Productos Lacteos Tocumbo S.A. De C.V.*, 69 F. Supp. 3d 175, 196 (D.D.C. 2014) (“[I]t is less than ideal for a court, sitting in relative isolation, to speculate about what consumers may think regarding the similarity of two marks as a question of law. In fact, such a conclusion would be inconsistent with the rule in this Circuit that the ‘likelihood of confusion’ inquiry, which requires a similar fact-intensive comparison between marks, is a question of fact for a jury to decide. *See Globalaw Ltd. v. Carmon & Carmon Law Office*, 452 F.Supp.2d 1, 48 (D.D.C.2006); *Pro-Football, Inc. v. Harjo*, 284 F.Supp.2d 96, 117 (D.D.C.2003); *see also Louangel, Inc. v. Darden Rests., Inc.*, No. 2:12–CV–00147, 2013 WL 1223653, at *2 (S.D.Tex. Mar. 22, 2013) (‘The courts’ treatment of the tacking question is commensurate with their treatment of the related issue of ‘likelihood of confusion’ in the trademark context.’). Thus, consistent

with this Circuit’s approach to the “likelihood of confusion” inquiry, the Court concludes that tacking presents a question of fact that ultimately must be decided by a jury unless evidence is so strong that it permits only one conclusion such that summary judgment is appropriate.”).

At this stage of the proceedings, in order to avoid summary judgment, the Defendant must show that there is a genuine issue of material fact for trial which could lead a rational trier of fact to find in favor of the nonmoving party on the issue of tacking.

After the moving party so moves, “any party opposing summary judgment must file a response to each fact set forth by the movant in the manner provided in Tennessee Rule 56.03.” *Id.* “ ‘[W]hen a motion for summary judgment is made [and] ... supported as provided in [Tennessee Rule 56],’ to survive summary judgment, the nonmoving party ‘may not rest upon the mere allegations or denials of [its] pleading,’ but must respond, and by affidavits or one of the other means provided in Tennessee Rule 56, ‘set forth specific facts’ at the summary judgment stage ‘showing that there is a genuine issue for trial.’ ” *Id.* (citing Tenn. R. Civ. P. 56.06).

The nonmovant “must do more than simply show that there is some metaphysical doubt as to the material facts.” *Id.* (citing *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 586, 106 S. Ct. 1348 (1986)). The nonmoving party must demonstrate the existence of specific facts in the record which could lead a rational trier of fact to find in favor of the nonmoving party. *Id.*

Summary judgment should be granted when the nonmoving party's evidence at the summary judgment stage is “insufficient to establish the existence of a genuine issue of material fact for trial.” *Id.* (citing Tenn. R. Civ. P. 56.04). If the moving party does not meet its initial burden of production, the nonmoving party's burden is not triggered and the motion for summary judgment should be denied. *Town of Crossville Hous. Auth.*, 465 S.W.3d 574, 578 (Tenn. Ct. App. 2014) (citations omitted).

Jackson v. CitiMortgage, Inc., No. W201600701COAR3CV, 2017 WL 2365007, at *5 (Tenn. Ct. App. May 31, 2017).

Here, the Defendant has come forward with more than “metaphysical doubt as to the material facts.” In defense of summary judgment, the Defendant has filed the following ten exhibits:

1. Tanzy Clark-Wright’s Deposition Transcript (pertinent pages),
2. Andre Southall’s Deposition Transcript (pertinent pages),
3. Moguls of Nashville Business Plan,
4. Printout from MANTA.com – Moguls of Nashville Registration,
5. Copy of Letter to Clients from Moguls of Nashville,
6. Declaration of Demetrius Brewer,
7. Declaration of Elder Howard Young,
8. Copy of Membership Descriptions for Moguls of Nashville,
9. Declaration of David E. Green,
10. Declaration of Alaina Southall.

The totality of these exhibits provide specific facts in the record that could lead a rational trier of fact to find in favor of the Defendant on the issue of priority and tacking as it relates to the “Moguls” mark.

For example, in the *Declarations* of Demetrius Brewer and David E. Green, both individuals acknowledge the connection between the Defendant’s alleged prior use of “Moguls” and his current business today under the MOGULS BARBER AND LOUNGE mark. According to the *Declaration of Demetrius Brewer*, he has “been a member of Moguls since as early as 2004” in which his “membership started at \$75.00 per month with cash payments” but “now that [the Defendant] has added a new space and more to

offer I'm still a member at the \$1500 a year." *Declaration Of Demetrius Brewer*, ¶¶ 2, 3, filed July 31, 2018.

Similarly, in the *Declaration of David E. Green*, Mr. Green testifies that he "had discussions with Mr. Southall regarding his business plans for the development of a barber shop and lounge between 2003 and 2005...[a]t such time, Mr. Southall indicated his desire to name his barber shop and lounge 'Moguls of Nashville' and provided me with a copy of certain information that displayed the 'Moguls of Nashville' logo along with a general description of his business plan." According to Mr. Green, he became an official member of the Defendant's business after Mr. Southall provided me with an official summary of the membership benefits in October 2016." *Declaration Of David E. Green*, ¶ 3, filed July 31, 2018.

A rational inference can be drawn from these *Declarations* that both of these men consider "Moguls Barber and Lounge" to be the "same mark" as "Moguls Nashville City Club", or that the two marks have created the same, continuing commercial impression, even though they are not virtually identical. Both *Declarations* discuss interactions with the Defendant's business and use of the phrase "Moguls" that occurred both prior to September 1, 2016 and subsequent to September 1, 2016 when the Defendant officially began using the "Moguls Barber and Lounge" mark. No distinction is made in the *Declarations* by either person that the Defendant's business changed in anyway despite the difference and/or variations in names used to describe it.

When considering a motion for summary judgment, the Court “must take the strongest legitimate view of the evidence in favor of the nonmoving party, allowing all reasonable inferences in that party’s favor, and discard all countervailing evidence” and “if there is a dispute as to any material fact or any doubt as to the conclusions to be drawn from that fact, the motion must be denied.” *Byrd v. Hall*, 847 S.W.2d 208, 210–11 (Tenn. 1993), *holding modified by Hannan v. Alltel Publ'g Co.*, 270 S.W.3d 1 (Tenn. 2008). Here, the Court finds that the evidence presented by the Defendant regarding its past use of the “Moguls” marks creates a genuine dispute of material fact as to whether the tacking doctrine is applicable because there is some evidence that a version of the “Moguls” mark was used by the Defendant as early as 2000, and the trier of fact therefore could find that the earlier marks are sufficiently similar to the later marks to create the continuity of commercial impression.

Likelihood of Confusion

In addition to denying Plaintiff summary judgment on her complaint because of issues of fact concerning priority of ownership (first in use and tacking) over the “Moguls” mark, there are genuine issues of material fact on the second element the Plaintiff must prove to prevail on her case: the “likelihood of confusion” element required to establish a trademark infringement. As to this element, independent of the genuine issue of fact as to the priority/tacking issue, the Plaintiff’s motion for summary judgment on her claims is denied.

Under Tennessee law, once priority of ownership in a mark is established, the governing issue in a trademark infringement case is whether the alleged trademark infringement is likely to cause confusion.

The governing issue in trademark and trade name infringement is whether the purported infringer's use of a particular mark "is likely to cause confusion." *WSM, Inc. v. Bailey*, 297 F.Supp. 870, 872 (M.D.Tenn.1969) (citations omitted).

In *Frisch's Restaurant, Inc. v. Elby's Big Boy, Inc.*, 670 F.2d 642, 648 (6th Cir.1982) (citations omitted), the Court identified eight factors to be considered in determining the likelihood of confusion between trademarks. They are: (1) strength of the plaintiff's mark; (2) relatedness of the goods; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) likely degree of purchaser care; (7) defendant's intent in selecting the mark; (8) likelihood of expansion of the product line.

Willowbrook Home Health Care Agency, Inc. v. Willow Brook Ret. Ctr., 769 S.W.2d 862, 867 (Tenn. Ct. App. 1988).

In this case, the Plaintiff argues that summary judgment should be granted on her claims because the "likelihood of confusion" is a legal conclusion to be made by the Court, and, based on the evidence submitted on summary judgment, all eight factors weigh in the Plaintiff's favor of finding as a matter of law that the Defendant's use of the "Moguls" mark has created a likelihood of confusion.

After studying the summary judgment record, however, the Court concludes that even if the Plaintiff can establish priority of ownership to the "Moguls" mark, there is still a genuine issue of material fact on whether the Defendant's use of the "Moguls" mark is likely to cause confusion. In making this decision, the Court concludes that the

issue of “likelihood of confusion” is not purely a legal conclusion to be made by the Court but is a mixed question of law and fact.

This Court considers the question of whether there is a likelihood of confusion to be a mixed question of fact and law. *See Data Concepts, Inc. v. Digital Consulting, Inc.*, 150 F.3d 620, 624 (6th Cir. 1998) *abrogated on other grounds by Hana Fin., Inc. v. Hana Bank*, —U.S. —, 135 S.Ct. 907, 190 L.Ed.2d 800 (2015). Any dispute about the evidence that pertains to the eight factors presents a factual issue. *Id.* at 624 (noting that “[i]f the facts relevant to the applicable factors are contested, factual findings must be made with respect to each of these factors”). In contrast, “the further determination of whether a given set of foundational facts establishes a likelihood of confusion is a legal conclusion.” *Homeowners Grp.*, 931 F.2d at 1107; *Data Concepts*, 150 F.3d at 624 (explaining that “the balancing of [the factual] findings to determine the ultimate issue of likelihood of confusion is a question of law”). To resist summary judgment in a case where the likelihood of confusion is the dispositive issue, a nonmoving party must establish, through pleadings, depositions, answers to interrogatories, admissions and affidavits in the record, that there are genuine factual disputes concerning those *Frisch's* factors which may be material in the context of the specific case. *Homeowners Grp.*, 931 F.2d at 1107.

Progressive Distribution Servs., Inc. v. United Parcel Serv., Inc., 856 F.3d 416, 427 (6th Cir. 2017).

Here, the Defendant has come forward on summary judgment with facts that create a genuine issue of material fact as to the *Frisch's* factors. For example, as to the “relatedness of the goods” and “similarity of the marks factors”, the Defendant has submitted proof at summary judgment that the services/goods the Defendant provides involve not only hair cutting which is similar to the Plaintiff, but also tailoring, shoeshines, and event rental space. According to the Defendant, these additional services make his business distinct from the Plaintiff and not in direct competition. As to the

similarity of marks element, the Defendant offers the proof that, on its face, the two marks – “Moguls” and “Mogulz” – are not identical and “[e]ven though they have the same sound and pronunciation, the visual spelling is very distinguishable.”

Another example of disputed facts involves the factor addressing the “Defendant’s intent in selecting the mark.” On summary judgment, the Plaintiff has put forth facts that the Defendant’s choose to use the “Moguls” mark “after nearly nine years of actual knowledge of Plaintiff’s use of MOGULZ in connection with hair services” which indicates the Defendant’s intent to deceive or confuse customers. In contrast, the Defendant’s proof at summary judgment is that he began using the mark as early as 2000, and that he actually shared his business plan and “Moguls of Nashville City Club” name with the Plaintiff no later than 2006, before the Plaintiff began using the “Mogulz” mark.

This sampling of factual disputes among the *Frisch's* factors shows that summary judgment must be denied on the issue of “likelihood of confusion.”

For all these reasons, the Court denies the *Plaintiff's Motion For Summary Judgment* on her claims of Trademark Infringement of a Registered Mark in Violation of TENN. CODE ANN. §§ 47-25-501, *et seq.* and Unfair Competition & Deceptive Trade Practices in Violation of the Tennessee Consumer Protection Act, TENN. CODE ANN. §§ 47-18-101, *et seq.*, and these claims shall be tried on September 17, 2018.

(2) Plaintiff Entitled to Summary Judgment on Defendant's Counterclaim

The Court grants the Plaintiff's motion for summary judgment to dismiss all of the causes of action of Defendant's counterclaim of (1) Declaratory Judgment; (2) Trademark Infringement Of An Unregistered Mark In Violation Of TENN. CODE ANN. §§ 47-25-516; and (3) Unfair Competition & Deceptive Trade Practices In Violation Of The Tennessee Consumer Protection Act, TENN. CODE ANN. §§ 47-18-101, *Et. Seq.* The Court concludes that these claims are barred based on the equitable defense of laches and as a matter of law on the statute of limitations.

In reaching this conclusion, the Court adopts the unrebutted² legal analysis on pages 18-19 of the *Plaintiff's Memorandum Of Law In Support Of Summary Judgment*.

In this case, the doctrine of laches bars all of Defendant's counterclaims. Like the Lanham Act, the Tennessee Trademark Act contains no statute of limitations. Accordingly, in the Sixth Circuit, "courts use the doctrine of

² In the *Plaintiff's Reply In Support Of Her Motion For Summary Judgment*, the Plaintiff argues that the Defendant has waived rebuttal on these arguments because the Defendant failed to respond to these legal arguments.

Defendant failed to respond to Plaintiff's argument that she is entitled to summary judgment on Defendant's counterclaims and that laches bars all of Defendant's counterclaims. By failing to respond to these arguments, Defendant has waived any rebuttal he may have had. *See generally Christenberry v. Ocwen Loan Servicing, LLC*, No. E201701026COAR3CV, 2018 WL 1319167, at *3 (Tenn. Ct. App. Mar. 14, 2018) (citing cases).

Plaintiff's Reply In Support Of Her Motion For Summary Judgment, p. 9 (Aug. 14, 2018). Under Tennessee law, however, the failure to respond to an argument on summary judgment does not *per se* provide that summary judgment should be granted in favor of the moving party. *See, e.g., Union Serv. Indus., Inc. v. Sloan*, No. 88-127-II, 1988 WL 99722, at *2; *3 (Tenn. Ct. App. Sept. 28, 1988) ("An adverse party's failure to respond to a motion for summary judgment does not relieve the moving party of the burden of establishing an entitlement to judgment as a matter of law; rather, an absence of response only precludes factual disputes...In sum, an adverse party's failure to respond to a motion for summary judgment forces the court to accept the moving party's version of the facts as true, but does not mandate a granting of the motion. Entitlement to judgment as a matter of law remains to be established.") (citations omitted).

laches to determine whether a suit should be barred.” Audi, 469 F.3d at 545. Applying the three-year statute of limitations for an action for tortious injury to property, the Sixth Circuit has held that the presumption of laches period for trademark infringement claims is three years. Tandy Corp. v. Malone & Hyde, Inc., 769 F.2d 362, 366 (6th Cir. 1985). Laches equally applies to Defendant’s TCPA claim, which is also barred by the TCPA’s one year statute of limitations, which runs from the date of a person’s discovery of the allegedly unlawful act or practice, and by the TCPA’s five year statute of repose. See Tenn. Code Ann. § 47-18-110.

The doctrine of laches provides that “equity will not intervene on behalf of one who has delayed unreasonably in pursuing his rights.” Dennis Joslin Co., LLC v. Johnson, 138 S.W.3d 197, 200 (Tenn. Ct. App. 2003). “Laches has two essential elements: (1) an inexcusably long delay caused by the claimant’s negligence in asserting its claim; and (2) an injury to another’s rights resulting from this delay.” State ex rel. Elvis Presley Int’l Mem’l Found. v. Crowell, 733 S.W.2d 89, 101 (Tenn. Ct. App. 1987). A trial court’s decision regarding the application of laches will not be reversed absent an abuse of discretion. John P. Saad & Sons, Inc. v. Nashville Thermal Transfer Corp., 715 S.W.2d 41, 46 (Tenn. 1986) (holding laches barred contract action after claimant failed to make demand for nearly four years). In the trademark context, courts have found the doctrine of laches to bar claims of infringement where the responding party has years in which the claimant knew about yet took no steps to stop the responding party’s use of the mark. See Johnny’s Fine Foods, Inc. v. Johnny’s Inc., 286 F. Supp. 2d 876, 881-82 (M.D. Tenn. 2003).

Here, laches should preclude Defendant’s offensive counterclaims because (1) he has known about Plaintiff’s use of the mark in connection with hair services since she began using the mark in 2007, and he inexcusably waited until the filing of his counterclaim in 2017 before asserting any claim; and (2) Plaintiff invested significant time and resources into the mark, not knowing anyone else had a possible claim to the mark. Laches should apply to bar all of Defendant’s counterclaims. Defendant’s TCPA claim is further barred by that statute’s one year statute of limitations and its four year statute of repose.

Plaintiff’s Memorandum Of Law In Support Of Summary Judgment, pp. 18-19 (June 22, 2018).

In addition to the foregoing, dismissal of the Defendant's claim for declaratory judgment is also appropriate under the above reasoning because "[a] declaratory judgment action is merely a procedural device for asserting various types of substantive claims" and "[r]egardless of the name given to the original pleading, courts should look to the substance of the action." *State ex rel. Moore & Associates, Inc. v. West*, 246 S.W.3d 569, 581 (Tenn. Ct. App. 2005) (citations omitted). Here, the Defendant's declaratory judgment action seeks the same relief as his substantive claims for trademark infringement and TCPA. For this reason, the same legal analysis for dismissing those claims based on laches and statute of limitations applies with equal force to the Defendant's counterclaim for declaratory judgment.

In dismissing the counterclaim as a matter of law, the Court concludes that the Defendant can not recover from the Plaintiff. This ruling, however, does not prohibit the Defendant from using and relying on facts alleged in the counterclaim in defending the Plaintiff's claims in the upcoming trial. The Defendant is permitted to use defensively and present any factual allegations raised in his pleadings to the jury in support of his defense to the Plaintiff's claims of trademark infringement and TCPA.

(3) Defendant Not Entitled To Summary Judgment On Plaintiff's Claims

The Defendant did not file a motion for summary judgment pursuant to Rule 56 of the Tennessee Rules of Civil Procedure, but the Defendant has requested the Court to summarily "dismiss Plaintiff's claims with prejudice" and for "this Court to rule in his

favor on summary judgment regarding his counterclaims.” Consistent with the foregoing rulings, this request is denied. That the Court has ruled above that there are genuine issues of material fact which must be decided by a jury on Plaintiff’s claims for recovery precludes granting summary judgment in favor of the Defendant on those claims. As to the Defendant’s affirmative request for judgment on his counterclaim, that too is denied based on the above ruling dismissing the counterclaim with prejudice based upon laches and the statute of limitations.

s/ Ellen Hobbs Lyle
ELLEN HOBBS LYLE
CHANCELLOR
BUSINESS COURT DOCKET
PILOT PROJECT

cc by U.S. Mail, email, or efileing as applicable to:
Stephen J. Zralek
Maria Q. Campbell
Tracey A. Kinslow
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