

**IN THE UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

PRIMERICA, INC.,

Plaintiff,

v.

HOW MONEY WORKS, LLC, et al.,

Defendants.

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1:21-CV-01613-ELR

ORDER

Presently before the Court are Defendants How Money Works LLC, Wealthwave, LLC, and Thomas Mathews’ “Motion to Stay Action” [Doc. 17] and Plaintiff Primerica, Inc.’s “Motion for Leave to File Sur-reply.” [Doc. 23]. The Court’s rulings and conclusions are set forth below.

I. Background

This case emerges from a trademark dispute between two (2) Parties over the mark HOW MONEY WORKS (“the Mark”). See Compl. [Doc. 1]. Plaintiff Primerica, Inc. (“Primerica”) is a financial services company and alleges that it and its predecessors have been using the Mark for more than thirty (30) years in its products and services. See id. ¶¶ 1–2. In 2017, Defendant Wealthwave, LLC (“Wealthwave”), of whom Defendant Thomas Mathews is the sole member,

obtained a federal registration of the Mark, which it assigned to Defendant How Money Works, LLC (“HMW”) on May 30, 2019. [See Doc. 21 at 4]. On August 7, 2019, Primerica sent a letter to Defendants, by which it contended that HMW’s use of the Mark infringed upon Primerica’s prior common law trademark rights. [See id. at 5]. In the same letter, Primerica demanded that Defendants cease all use, advertising, and promotion of the Mark. [See id.]

Additionally, on August 7, 2019, Primerica filed a Petition for Cancellation with the Trademark Trial and Appeal Board (“TTAB”), an administrative tribunal, alleging that HMW’s registration and use of the Mark were likely to cause confusion. [See Docs. 17 at 3; 21 at 5]. Discovery in the action before the TTAB (the “TTAB Proceeding”) began in October 2019, and after several stipulated extensions, closed on September 11, 2020. [See Docs. 17 at 4; 21 at 5]. However, Primerica immediately filed an Amended Petition for Cancellation against HMW, wherein Primerica alleged for the first time that HMW had failed to use the Mark in connection with “relevant services.” [See Doc. 17 at 4]. HMW consented to Primerica’s filing of the Amended Petition and the TTAB Proceeding moved into the evidentiary phase of trial (otherwise known as the “testimony period”). [See id.]

Primerica’s testimony period closed on December 10, 2020, during which it produced “Amended Pretrial Disclosures,” which purportedly identified evidence of actual confusion by HMW’s use of the Mark. [See Docs. 17 at 4–5; 21 at 5–6].

HMW filed a motion to strike the supposed evidence of actual confusion because Primerica failed to comply with the Federal Rules of Civil Procedure, which the TTAB granted in an order dated April 13, 2021. [See Doc. 17 at 5–6]. Further, this TTAB order set forth a revised schedule providing that HMW’s testimony period and Primerica’s rebuttal testimony period would close on July 26, 2021, with all trial briefing to be completed on November 8, 2021. [See id. at 6].

On April 20, 2021, Primerica filed the instant suit in this Court, alleging federal, state, and common law claims of unfair competition, trademark dilution, and deceptive trade practices, as well as a claim seeking cancellation of HMW’s registration of the Mark pursuant to 15 U.S.C. § 1119. See generally Compl. Subsequently, Primerica moved to suspend the TTAB Proceeding, which the TTAB granted. [See Docs. 17 at 6; 21 at 6]. However, the Board noted that “if the district court suspends the civil action to allow the [TTAB Proceeding] to go forward, the Board will entertain a motion to resume the [TTAB Proceeding].” [See Doc. 17 at 6].

Thus, Defendants filed their instant “Motion to Stay” on April 29, 2021, requesting that the Court stay this action to permit the TTAB Proceeding to conclude. [Id.] Primerica opposes Defendants’ motion. [Doc. 21]. Having been fully briefed, Defendants’ motion to stay is now ripe for the Court’s review.

II. Motion to Stay

By their motion, Defendants argue that the Court should exercise its discretion and stay this action to permit the TTAB Proceeding to conclude. [See Doc. 17]. In support, Defendants contend that Plaintiff will not be prejudiced by the stay, but that they will suffer harm from having to re-litigate the case here after almost two (2) years of proceedings in front of the TTAB. [See *id.* at 15–17, 21–23]. Additionally, Defendants argue that any forthcoming TTAB decision is likely to either simplify or wholly dispose of Plaintiff’s claims before this Court. [See *id.* at 17–21]. Plaintiff opposes Defendants’ motion, arguing that granting the requested stay would be immoderate, and thus, an abuse of discretion. [See Doc. 21 at 9].¹ The Court sets out the relevant legal standard before addressing the Parties’ arguments.

¹ As an initial matter, Primerica also filed a “Motion for Leave to File a Sur-Reply.” [Doc. 23]. Generally, sur-replies are disfavored in this district; thus, the Court should only exercise its discretion to allow sur-replies where a valid reason for additional briefing exists. See Bailey v. SCANA Energy Mktg., Inc., No. 1:18-CV-1725-AT-JKL, 2018 WL 7575542, at *3 (N.D. Ga. Dec. 20, 2018), report and recommendation adopted, No. 1:18-CV-1725-AT, 2019 WL 1178429 (N.D. Ga. Jan. 14, 2019) (“Sur-replies are disfavored in this Court, and, although the Court has discretion to allow a sur-reply, it should exercise that decision only where a valid reason for additional briefing exists, such as where the movant raises new arguments in its reply brief.”) (citing Fedrick v. Mercedes-Benz USA, LLC, 366 F. Supp. 2d 1190, 1197 (N.D. Ga. 2005)). “To allow [] surreplies as a regular practice would put the court in the position of refereeing an endless volley of briefs.” Atlanta Fiberglass USA, LLC v. KPI, Co., Ltd., 911 F. Supp. 2d 1247, 1262 (N.D. Ga. 2012) (quoting Garrison v. N.E. Ga. Med. Ctr., Inc., 66 F. Supp. 2d 1336, 1340 (N.D. Ga. 1999)) (internal quotation marks omitted). Here, the Court finds no valid reason to allow additional briefing. Accordingly, the Court denies Plaintiff’s request to submit a sur-reply. [Doc. 23]. Nevertheless, the Court reviewed the proposed sur-reply [Doc. 23-1] and Defendants’ response to the sur-reply, and upon consideration, determined none of the arguments presented therein would change the Court’s decision regarding the instant motion to stay. [Doc. 17].

A. Legal Standard

A district court has “broad discretion to stay proceedings as incident to its power to control its own docket.” See Clinton v. Jones, 520 U.S. 681, 706 (1997) (citing Landis v. N. Am. Co., 299 U.S. 248, 254 (1936) (“the power to stay proceedings is incidental to the power inherent in every court to control the disposition of the causes on its docket with economy of time and effort for itself, for counsel, and for litigants”)). Determining whether a stay is justified requires an “exercise of judgment, which must weigh competing interests and maintain an even balance.” See Landis, 299 U.S. at 254–55.

“When a district court exercises its discretion to stay a case pending the resolution of related proceedings in another forum, the district court must limit properly the scope of the stay. A stay must not be ‘immoderate.’” Ortega Trujillo v. Conover & Co. Commc’ns, 221 F.3d 1262, 1264 (11th Cir. 2000) (quoting CTI–Container Leasing Corp. v. Uiterwyk Corp., 685 F.2d 1284, 1288 (11th Cir. 1982)). “When deciding whether to grant a stay, courts generally consider the following factors: (1) whether a stay would unduly prejudice or present a tactical disadvantage to the nonmovant; (2) whether a stay will simplify the issues in the case; and (3) whether discovery is complete and a trial date has been set.” Collegiate Licensing Co. v. Am. Cas. Co. of Reading, Pa., 842 F. Supp. 2d 1360, 1369 (N.D. Ga. 2012) (internal citation omitted). “The proponent of a stay bears the burden of establishing

its need.” S.E.C. v. CRE Capital Corp., No. 1:09-CV-0114-RWS, 2009 WL 1151739, at *2 (N.D. Ga. Apr. 27, 2009) (internal citation and punctuation marks omitted).

B. Discussion

Having set forth the relevant legal standard, the Court now proceeds to its analysis of Defendants’ motion to stay. The Court first considers whether the stay would be immoderate. As noted above, whether a stay is immoderate depends on the scope of the stay—of which the duration is a factor—and the district court’s reasons for the stay. See Trujillo, 221 F.3d at 1264. Plaintiff cites to Hines v. D’Artois, stating that “the former Fifth Circuit held that a stay ‘pending completion of [Equal Employment Opportunity Commission (EEOC)] proceedings’ was ‘indefinite in duration’” to support its argument. [See Doc. 21 at 10] (citing 531 F.2d 726 (5th Cir. 1976)).² However, the Court finds the circumstances surrounding the stay ordered by the district court in Hines to be distinguishable from the circumstances of the case at hand.

In Hines, the plaintiffs first filed suit in district court seeking redress for allegedly discriminatory practices by their employer. See 531 F.2d at 728. During discovery, the district court stayed the case *sua sponte* and ordered the plaintiffs to

² Decisions by the former Fifth Circuit issued before October 1, 1981, are binding as precedent in the Eleventh Circuit. See Bonner v. City of Prichard, Ala., 661 F.2d 1206, 1207 (11th Cir. 1981) (en banc).

initiate Title VII proceedings before the EEOC. See id. In the instant matter, Plaintiff first sought relief by initiating the TTAB Proceeding and the Parties litigated before the TTAB for twenty (20) months before filing the instant suit. [See Docs. 17 at 3–6; 21 at 5–6]. Because the TTAB Proceeding is nearing completion, awaiting a decision from the TTAB will likely take far less time than the EEOC proceeding contemplated in Hines. See 531 F.2d at 730.

Further, in Trujillo, the Eleventh Circuit found a stay indefinite when the parallel litigation was “not progressing quickly” and a trial date had not been set. See 221 F.3d at 1265 n.4. Plaintiff contends that TTAB Proceeding is similarly indefinite because the TTAB typically does not issue its decisions until approximately 25 to 30 months from the date a party initiates a proceeding, even where nothing delays or extends the case. [See Doc. 21 at 14] (citing 3 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 20:101 (5th ed. 2021)). Here, the testimony periods and briefing deadlines—which, together, constitute a trial in front of the TTAB—were scheduled to conclude on November 8, 2021, just twenty-seven (27) months after Plaintiff initiated the TTAB Proceeding in August 2019.³ [Doc. 17 at 6]. Thus, unlike in Trujillo, the Court finds that the TTAB Proceeding is advancing towards completion.

³ The above timeline accounts for the four (4) month suspension of the TTAB Proceeding that occurred while the Board considered HMW’s motion to strike. [See Doc. 21 at 14].

Nonetheless, the Court recognizes that the exact length of a stay in this case pending the TTAB's decision (and any subsequent appeals) remains unknown.⁴ Thus, such a stay must be supported by sufficient reasoning. See Societe Nationale D'Industries Nutritive S.A.E. v. Coca-Cola Co., No. CV 1:08-CV-3565-TWT, 2009 WL 10688837, at *4 (N.D. Ga. Feb. 6, 2009), aff'd, 410 F. App'x 179 (11th Cir. 2010) ("Half of the consideration of whether a stay is immoderate is whether the reasoning of the district court is sufficient to grant the indefinite stay.") (internal quotation omitted). Upon consideration of the Parties' arguments and relevant

⁴ Plaintiff argues that a stay in this case would be indefinite when taking into account any appeal of the TTAB decision. [See Doc. 21 at 10–11, 19–22]. However, Plaintiff subsequently states that it is likely that either it or HMW will appeal the TTAB decision and is "virtually inevitable that this Court will review that decision de novo." [Id. at 20]. In such an appeal before a district court, the case can be expanded to include additional claims and injunctive relief for trademark infringement. See Fuller Prod. Co. v. Fuller Brush Co., 299 F.2d 772, 774 (7th Cir. 1962); B & B Hardware, Inc. v. Hargis Industries, Inc., 575 U.S. 138, 155 (2015) ("district courts can cancel registrations during infringement litigation, just as they can adjudicate infringement in suits seeking judicial review of registration decisions"). Thus, Plaintiff effectively concedes that it is likely that a stay of this matter would last only until a "virtually inevitable" forthcoming appeal of the TTAB decision by the non-prevailing Party (at which time this Court would review both the initial TTAB decision and any other claims by Plaintiff). [Doc. 21 at 20]. Therefore, the interests of judicial efficiency support granting a stay in this matter, and the Court finds Plaintiff's contentions to the contrary unavailing.

caselaw, and pursuant to the Court’s inherent power to control its own docket, the Court finds a stay is appropriate in this action.⁵

Not only is the TTAB Proceeding is advancing towards completion, but the TTAB Proceeding involves the same Mark and is much more procedurally advanced than this litigation. Over the course of nearly two (2) years, Primerica and HMW (“the Parties”) have expended significant time and resources in TTAB Proceeding. [Doc. 17 at 3–4, 16–17, 22]. Indeed, the Parties had already completed a lengthy discovery process and Plaintiff’s testimony phase before this suit was filed. [See *id.* at 16]. Additionally, the final aspects of the TTAB Proceeding—Defendant HMW’s testimony period, Plaintiff’s rebuttal period, and the trial briefs—have been scheduled and was due to be completed by November 2021. [See *id.* at 6, 16]. In comparison, this case is in its infancy as no scheduling order has been issued and no

⁵ The Court notes that Defendants did not seek a stay pursuant to the primary jurisdiction doctrine, but only argued that a stay was appropriate in the exercise of the Court’s discretion. [See Docs. 17; 22 at 13]. The Court finds that the primary jurisdiction doctrine does not support of a stay of this case. [See Doc. 21 at 7–8]. The primary jurisdiction doctrine promotes a “proper relationships between the court and administrative agencies charged with particular regulatory duties” and applies where a claim that is cognizable in the courts is placed within the competence of an administrative body such that the judicial process should be suspended to await the outcome of the administrative body’s proceeding. See *United States v. W. Pac. R. Co.*, 352 U.S. 59, 63, 77 (1956); see also *Goya Foods, Inc., v. Tropicana Products, Inc.*, 846 F.2d 848, 851 (2d Cir. 1988). While the Eleventh Circuit has not addressed the applicability of this doctrine in a trademark infringement action, the Court finds the reasoning of other courts in this Circuit persuasive. See *Deltona Transformer Corp. v. Noco Co.*, No. 6:19-CV-308-ORL-41LRH, 2019 WL 5390476, at *11 (M.D. Fla. Sept. 16, 2019), report and recommendation adopted, 2019 WL 5558818 (M.D. Fla. Oct. 29, 2019) (explaining that other Court of Appeals and one other district court in the Eleventh Circuit have concluded that “the doctrine should not apply to stay a trademark infringement lawsuit”). Thus, this Court does not rely on the primary jurisdiction doctrine in this case, but only considers whether a stay is warranted pursuant to its inherent discretion.

discovery has taken place. Thus, Primerica is likely to obtain an adjudication of its cancellation claim more quickly before the TTAB than it would in this Court.

However, Primerica argues that granting a stay would prejudice Primerica by depriving it of the opportunity to obtain full relief because the TTAB cannot grant injunctive relief or determine its claims of infringement, unfair competition, or deceptive trade practices. [See Doc. 21 at 12–15]. The Court finds this argument unpersuasive. Primerica could have initiated suit before this Court in 2019 when it learned of Defendants’ alleged infringement; however, it chose instead to initiate a cancellation proceeding in front of the TTAB, despite the limited relief available in that forum. [See *id.* at 6]. Thereafter, Primerica litigated its case before the TTAB for nearly two (2) years before commencing the present action. Granting a stay under these circumstances is not “punishment” as Plaintiff contends. [See *id.* at 11–12, 16]. Indeed, Plaintiff’s initial choice to litigate before the TTAB—and to continue doing so for two (2) years—undermines its argument that its claims now require immediate relief to prevent irreparable harm. See Anstalt v. Bacardi & Co., No. CV 16-06411-GHK, 2016 WL 7635955, at *4 (C.D. Cal. Nov. 16, 2016) (“Moreover, the fact that plaintiff did not assert its claims for trademark infringement and unfair competition until almost three years after defendant began using the [] mark undermines its argument that these claims require immediate resolution.”).

Several district courts have rejected similar arguments by parties claiming prejudice in analogous circumstances. See Shaf Int’l, Inc. v. Ultimate Leather Apparel, Inc., No. CV 20-2569 (JMV), 2020 WL 7137929, at *2 (D.N.J. Dec. 7, 2020) (“Moreover, [plaintiff] litigated the case before the TTAB for nearly a year before commencing this action in the District Court. If it wanted to have its claims decided in the federal court, [plaintiff] could have filed the case here in the first instance. Lack of prejudice weighs in favor of a stay.”); Tigercat Int’l, Inc. v. Caterpillar Inc., No. 16-CV-1047-GMS, 2018 WL 2049816, at *5 (D. Del. May 2, 2018) (“[The plaintiff] was alerted that [the defendant] was going to enforce its rights in its marks on several occasions, the first of which being when [the plaintiff] received [the defendant]’s notice-letter on February 25, 2013. Presumably, at that point, the so-called “cloud” began to cast its pall over [the plaintiff]’s brand and for three years [the plaintiff] seemed unconcerned. . . . Thus, the court finds that [the plaintiff] has not shown that it will suffer harm or prejudice as a result of a stay.”). Thus, the Court finds that the stay would not prejudice Plaintiff.

The Court recognizes that the TTAB does not have the power to grant the full relief Plaintiff requests from this Court. See Compl.; see also B & B Hardware, Inc., 575 U.S. at 153, 168. However, the Court finds that a TTAB decision regarding the underlying issues—such as Primerica’s priority over the Mark, likelihood of

confusion, and HMW’s use of the Mark—will aid in the resolution of this case. [Doc. 17 at 18].

Nonetheless, Plaintiff contends that the TTAB’s decision will not simplify the issues because of “the procedural particularities of TTAB proceedings” and appeals. [See Doc. 21 at 19–21]. To fully address this argument, the Court must first discuss these procedural particularities. A TTAB decision may be appealed to either (1) the Federal Circuit or (2) any federal district court. See 15 U.S.C. § 1071; [Doc. 21 at 19]. An appeal to the Federal Circuit proceeds “on a closed record and no new evidence is permitted.” [See Doc. 21 at 19]. In contrast, an appeal to a district court permits new evidence, which is reviewed alongside the TTAB records “with ‘de novo’ scrutiny.” [See id. at 20] (citing at Kappos v. Hyatt, 556 U.S. 431, 437–38 (2012)). However, where no new evidence is submitted upon such appeal, the district court reviews the TTAB findings of fact pursuant to the “substantial evidence” standard. See Belmora, LLC v. Bayer Consumer Care AG, 338 F. Supp. 3d 477, 484–488 (E.D. Va. 2018) (“In sum, any new evidence submitted to the court on a disputed factual question is considered de novo. . . while factual findings made by the Board which are untouched by new evidence presented to the court are reviewed under the substantial evidence standard mandated by the Administrative Procedure Act.”). Pursuant to the substantial evidence standard, the district court

will uphold the TTAB's findings of fact so long as they are not arbitrary, capricious, or otherwise not in accordance with law. See id.

Here, Plaintiff claims that awaiting a TTAB decision is "pointless" because in an appeal to this Court Plaintiff would be permitted to present its actual confusion evidence that was struck in the TTAB Proceeding and receive a de novo review. [See Doc. 21 at 20]. In their reply, Defendants argue that the claims asserted in Plaintiff's instant suit would require Plaintiff to prove that it developed common law rights in the Mark prior to HMW's registration: essentially, Plaintiff must show that it had priority. [See Doc. 22 at 11]. Priority is also at issue in the TTAB Proceeding. [Id.] Further, Plaintiff has not pointed to any "new evidence" regarding its priority; thus, Defendants contend that any review on appeal to the district court on this issue would be pursuant to the substantial evidence standard. [Id. at 12–13]. Regardless, the Court finds that the TTAB Proceeding concerns the same Mark and involves the same underlying issues of priority, evidence of confusion, and HMW's use of the Mark, all of which are implicated in Plaintiff's claims. Therefore, even if subject to de novo review by this Court, a TTAB decision would likely aid in simplifying at least some of these replicate issues in this action.

Finally, the case at hand is distinguishable from others wherein a stay was denied by courts of this Circuit. See Deltona Transformer Corp. v. Noco Co., 2019 WL 5390476, at *10–11; see also BP Int'l Rts. Holdings, Inc. v. Bos. Gourmet

Coffeehouse, Inc., 2008 WL 11436772, at *1. Specifically, in Deltona Transformer Corp., where the district court found that a stay would not be appropriate pursuant to its exercise of discretion, the court emphasized that both proceedings—filed within a month of each other—were in their infancy. See id. at *10. Accordingly, the court determined that it was “not a situation where extensive discovery has already taken place in the administrative proceeding such that it would be an unnecessary and wasteful duplication of efforts to engage in discovery here.” See id. Additionally, in Deltona Transformer Corp., “the petition pending before the TTAB only [sought] to cancel one of the [p]laintiff’s four registered trademarks at issue in [the district court] case[,]” and thus, lacked the degree of overlap with the case before the district court that the instant matter shares with Plaintiff’s petition in the TTAB Proceeding at issue. See id.

In BP International Rights Holdings, Inc., the court declined to apply the primary jurisdiction doctrine in a case where the TTAB proceeding was initiated only three (3) months prior to the filing of the suit in district court. 2008 WL 11436772, at *1. However, as discussed above, this Court’s decision is not based on the primary jurisdiction doctrine, but on its inherent discretion. See supra, n.5.

Accordingly, the Court finds that a stay pending a decision in the TTAB Proceeding is warranted pursuant to the Court’s inherent discretion, and that such a

stay would not be immoderate. Landis, 299 U.S. at 254–55; Trujillo, 221 F.3d at 1264. Accordingly, the Court grants Defendants’ motion. [Doc. 17].

III. Conclusion

For the foregoing reasons, the Court **DENIES** Plaintiff’s “Motion for Leave to File Sur-reply” [Doc. 23] and **GRANTS** Defendants’ “Motion to Stay Action.” [Doc. 17]. Accordingly, the Court **STAYS** this action. The Court **DIRECTS** the Parties to file a joint notice on the docket within seven (7) days of any final decision in the TTAB Proceeding.

SO ORDERED, this 7th day of July, 2021.



Eleanor L. Ross
United States District Judge
Northern District of Georgia