

The Application of the First-to-File Rule Where Fruit is the First Ingredient

December 18, 2019 – The TMCA

by Daniel Goldberger



In a dispute between two fruit product

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manufacturers concerning whether the phrase “Fruit is Our 1st Ingredient” is protectable as a trademark the parties initially litigated the application of the “first-to-file” rule where an anticipatory declaratory judgment suit is filed to achieve a jurisdictional advantage over a later-filed infringement action in another forum. *J.M. Smucker Company v. Promotion In Motion, Inc.*, [Case No. 5:19-cv-1116 \(N.D. Ohio\)](#). The Ohio district court held that the anticipatory suit should not be given priority, declined to enforce the first-to-file rule, and dismissed the case in favor of the second-filed case in another district.

To understand why the later-filed case took precedence, some background is required, first.

In early April 2019, Promotion in Motion, Inc. (“PIM”), the maker of Welch’s Fruit Snacks, sent a cease and desist letter to J.M. Smucker Company (“Smucker”), who manufactures consumer food products such as jams, jellies and preserves, claiming that Smucker was infringing PIM’s trademark “Fruit is Our 1st Ingredient.” At the time, both parties were using the phrase to describe fruit-based products where fruit was, in fact, the first ingredient in the product. In the cease and desist letter, PIM alleged that the use of the same slogan was likely to deceive consumers into believing that the products were affiliated and that Smucker’s conduct violated PIM’s trademark rights under the Lanham Act.

To no surprise, Smucker disagreed, and responded to PIM on April 19, 2019 that the phrase was “merely descriptive and incapable of functioning as a mark,” that no consumers recognized that phrase as a trademark, and that the phrase had no “commercial impression” outside of its ordinary meaning.

PIM rejected Smucker’s position in its response letter dated April 30 and warned Smucker that if it continued to use the phrase, PIM would take steps to “protect its rights.” Having received no response for two weeks, PIM followed-up on May 14, asking for a response “by the end of this week.” Smucker responded the following day stating that it needed to speak with its outside counsel, who was out of town, and would provide a response the following week “after the INTA Annual Meeting.”

However, that’s not exactly what happened. Although Smucker did provide a response on May 17, Smucker **also** filed a complaint in the United States District Court for the Northern District of Ohio seeking a declaratory judgment that its use of the phrase was non-infringing. And, Smucker failed to mention that it had filed the lawsuit in its response to PIM, which was sent the same day it filed the lawsuit. While Smucker did not serve the complaint immediately—it waited until May 30—PIM learned of the filing and filed its own complaint for trademark infringement on May 24 in the United States District Court for the District of New Jersey. *See Promotion in Motion, Inc. v. The J.M. Smucker Company*, Case No. 2:19-cv-12927 (D.N.J.).

In the Ohio case, PIM moved to dismiss the complaint on the ground that it constituted an “anticipatory action designed to deprive PIM of its choice of forum.” PIM asked the court to disregard the general first-to-file rule because the first filed lawsuit was motivated by forum shopping and “deceptive gamesmanship”; specifically, that Smucker used the excuse of its counsel being out of town—at INTA—to lull PIM into inaction so Smucker could get its lawsuit, in Ohio, on file before PIM could do so—in New Jersey.

The first-to-file rule prevents duplicative litigation in different districts. When a duplicative or overlapping lawsuit is filed, it will be dismissed in favor of the first filed lawsuit provided certain criteria are met. However, even when the criteria are met, courts retain discretion to reject the rule when there are “equitable considerations” present. Those equitable considerations include “inequitable conduct, bad faith, an anticipatory lawsuit or forum

shopping” on behalf of the party that filed first.

After finding that the first-to-file rule presumptively applied, the Court turned to the equitable considerations. Anticipatory suits are closely scrutinized when they involve declaratory judgments, like Smucker’s, because their utility diminishes when subsequent, “coercive” suits are filed and because of the possibility that it was filed for an improper purpose.

In reaching its decision, the court found that Smucker’s lawsuit was filed for the improper purpose of “procedural fencing,” which is essentially forum shopping. The court focused heavily on Smucker’s request for more time to respond to PIM because its outside counsel was attending INTA, only to file a lawsuit a lawsuit several days later without even telling PIM that it was doing so in its letter response sent the same day. Based on that conduct, the court held that “Smucker’s declaratory judgment complaint was motivated by improper forum shopping.” The court accordingly dismissed Smucker’s declaratory judgment action in Ohio, and the parties are currently litigating their dispute in New Jersey.

While we don’t yet know whether the phrase is protectable (and if it is, who owns it), we do know that you can’t do what Smucker did. Courts will not look kindly upon manipulative conduct with the aim of winning a race to the courthouse. We’ll follow-up and let you know what happens if and when the New Jersey court decides the merits of the case.