

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION**

METH LAB CLEANUP, LLC,

Plaintiff,

v.

Case No. 8:14-cv-3129-T-26TBM

SPAULDING DECON, LLC and
LAURA SPAULDING,

Defendants.

**MOTION FOR PARTIAL SUMMARY JUDGMENT AND INCORPORATED
MEMORANDUM OF LAW**

Plaintiff, METH LAB CLEANUP, LLC (hereinafter referred to as “Plaintiff”), by and through the undersigned counsel, files herewith its Motion for Partial Summary Judgment against Defendants, SPAULDING DECON, LLC (“Spaulding Decon”) and LAURA SPAULDING (“Spaulding”) (hereinafter collectively referred to as “Defendants”), pursuant to Fed. R. Civ. P. 56, and states as follows:

MEMORANDUM OF LAW

I. Introduction

Plaintiff moves the Court for an order directing entry of a partial summary judgment in its favor as to Count I of its Complaint (Doc. 1). This motion is made on the grounds that the pleadings and discovery of record filed in this action, the Affidavit of Julie Mazzuca (attached hereto as Exhibit “A”), and the Affidavit of Brad Taylor (attached hereto as Exhibit “B”) sufficiently establish Plaintiff’s cause of action for breach of a confidential settlement agreement to warrant direction of judgment in favor of Plaintiff as a matter of law, and shows the absence

of a triable issue of material fact in this action, other than as to the amount of Plaintiff's damages and attorney's fees and costs.

II. Summary Judgment Standard

A party is entitled to summary judgment when "there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(a); Celotex Corp. v. Catrett, 477 U.S. 317, 325 (1986); Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 247-48 (1986). "The existence of some factual disputes between the litigants will not defeat an otherwise properly supported summary judgment motion; 'the requirement is that there be no genuine issue of material fact.'" Whitehead v. City of Bradenton, 2015 U.S. Dist. LEXIS 51559, at *4 (M.D. Fla. Apr. 20, 2015) (quoting Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248, 106 S. Ct. 2505, 91 L. Ed. 2d 202 (1986) (emphasis in original)).

"The substantive law applicable to the claimed causes of action will identify which facts are material." Whitehead, 2015 U.S. Dist. LEXIS 51559, at *4 (citing Anderson, 477 U.S. at 248). "Throughout this analysis, the court must examine the evidence in the light most favorable to the non-movant and draw all justifiable inferences in its favor." Whitehead, 2015 U.S. Dist. LEXIS 51559, at *4 (citing Anderson, 477 U.S. at 255). However, once the moving party demonstrates the absence of a genuine issue of material fact, "the nonmoving party must go beyond the pleadings through the use of affidavits, depositions, answers to interrogatories and admissions on file, and designate specific facts showing that there is a genuine issue for trial." Whitehead, 2015 U.S. Dist. LEXIS 51559, at *4-5 (citing Celotex, 477 U.S. at 324). "The evidence must be significantly probative to support the claims." Whitehead, 2015 U.S. Dist. LEXIS 51559, at *4-5 (citing Anderson, 477 U.S. at 248-49). "Only disputes over facts that might affect the outcome of the suit under the governing law will properly preclude the entry of

summary judgment. Factual disputes that are irrelevant or unnecessary will not be counted.” Anderson, 477 U.S. at 248. If “the evidence of a genuine issue of material fact is ‘merely colorable’ or of insignificant probative value, summary judgment is appropriate.” Camp Creek Hospitality Inns v. Sheraton Franchise Corp., 139 F.3d 1396, 1400 (11th Cir. 1998).

III. Undisputed Facts

Defendants admit that Spaulding Decon is a limited liability company with its principal place of business in Hillsborough County, Florida and that Spaulding is an individual who resides in Hillsborough County, Florida. See Defendants’ Answer, Affirmative Defenses, Counterclaims, Third Party Complaint, and Demand for Jury Trial (Doc. 17, ¶¶ 2-3). Defendants also admit that venue is proper in this Court and jurisdiction may be proper. (Doc. 17, ¶¶ 4-5).

Defendants admit that a prior complaint was filed by Plaintiff against Defendants in Meth Lab Cleanup, LLC v. Spaulding Decon, LLC and Laura Spaulding (Case No. 8:10-CV-2550-T-30TGW) (“Trademark Case”). (Doc. 17, ¶ 7). Defendants admit that Plaintiff and Defendants agreed to settle the Trademark Case pursuant to terms contained in the Confidential Settlement Agreement. (Doc. 17, ¶ 8). This Court adopted the Confidential Settlement Agreement and “ORDERED that the ‘Trademarks-in-Suit’ . . . are valid and enforceable under both the Lanham Act and the common law of the State of Florida.” (Doc. 48, Trademark Case). Defendants further admit that Paragraph 15 of the Confidential Settlement Agreement provides attorney’s fees for the prevailing party in any litigation to enforce the Confidential Settlement Agreement. (Doc. 17, ¶ 19).

A true and correct copy of the Confidential Settlement Agreement at issue in this matter has been filed under seal and as admitted by Defendants speaks for itself. The language of the

Confidential Settlement Agreement is also a fact which cannot be refuted by Defendants, and which is supported by the Affidavit of Mazzuca.

Paragraph K of the Confidential Settlement Agreement states that “[b]y entering into this Agreement, the Parties agree to the validity and enforceability of [Plaintiff’s] Trademarks-in-Suit, as well as [Plaintiff’s] Copyrights-in-Suit, as both defined below.” Furthermore, under “Definitions,” “Trademarks-in-Suit” shall refer to:

U.S. Trademark Registration No. 3,662,396 filed on September 4, 2007 and issued on August 4, 2009 for the mark **METH LAB CLEANUP LLC** in International Class 041, U.S. Trademark Registration 3,662,399 filed on September 6, 2007 and issued on August 4, 2009 for the mark **METH LAB CLEANUP LLC** in International Class 042, and U.S. Trademark Registration 3,662,398 filed on September 6, 2007 and issued on August 4, 2009 for the mark **METHLAB [sic] CLEANUP LLC** in International Class 040.

Paragraph 1, Definitions, Confidential Settlement Agreement (emphasis in original). “The ‘Copyrights-in-Suit’ shall refer to Registration No. TX 6-837-133 issued on September 6, 2007 for the [Plaintiff] Training Manual, Revision I and Registration No. 6-841-055 issued on September 17, 2007 for www.methlabcleanup.com [sic] content.”

Further, under the Terms of Agreement, paragraph 3 of the Confidential Settlement Agreement states:

Defendants, including but not limited to Spaulding Decon and Laura Spaulding (as well as their employees, successors, related companies, agents, representatives, consultants, and contractors) agree and admit that the "Copyrights-in-Suit" which are again defined above as Copyright Registration No. TX 6-837-133 (effective dated [sic] September 6, 2007) entitled "Meth Lab Cleanup LLC, Clandestine Drug Lab Decontamination Training Manual, Revision I" and Registration No. TX 6-841-055 (effective date September 17, 2007) entitled www.methlabcleanup.com are valid and enforceable under the United States Copyright Act. Defendants shall not contest or challenge the validity or enforceability of such copyrights in any subsequent matter, litigation, or related legal proceeding.

Paragraph 7 under the Terms of Agreement of the Confidential Settlement Agreement outlines the restrictions and restraints against Defendants' future use of the Copyrights-in-Suit and Trademarks-in-Suit:

7. Restrictions and Restraintment of Defendants Future Use of Copyrights-in-Suit and Trademarks-in-Suit :

Defendants Spaulding Decon, Ms. Spaulding and any person or entity acting in concert with, or at the direction of such Spaulding Decon and Ms. Spaulding, including any and all contractors, managers, agents, servants, employees, partners, assignees, and any others over which such Defendant may exercise control, are hereby RESTRAINED and RESTRICTED FROM, from engaging in, directly or indirectly, or authorizing or assisting any third party to engage in, any of the following activities in the United States and throughout the world:

a. copying, manufacturing, importing, exporting, marketing, sale, offering for sale, distributing or dealing in any product or service that uses, or otherwise making any use of, any of the Copyrights-in-Suit and the Trademarks-in-Suit (subject to the definition found in Paragraph 2 of the Consent Final Order as well as the limitations found in Paragraphs 9 and 10), and/or any intellectual property that is confusingly or substantially similar to, or that constitutes a colorable imitation of, any of the Copyrights-in-Suit and the Trademarks-in-Suit, whether such use is as, on, in or in connection with any trademark, service mark, trade name, logo, design, *Internet use, website, domain name, metatags, advertising, promotions, solicitations, commercial exploitation, television, web-based or any other program, service, or otherwise;*

.....

(emphasis added).

Paragraph 8 under the Terms of Agreement of the Confidential Settlement Agreement provides the *only* exception to Defendants' use of the Trademarks-in-Suit . Paragraph 8 reads as follows:

8. Defendants' Right to Accurately Describe Services: Plaintiff, Ms. Mazzuca and Mr. Mazzuca herein agree that Spaulding Decon (but none of its contractors, agents, or affiliates) may continue to use the term "meth lab cleanup" *to generally describe the nature of services offered* by Spaulding Decon, subject to the limitation, and that such use is not an intellectual property infringement.

(emphasis added).

Notably, there is no exception to use “meth lab cleanup” as a meta tag, to specifically describe the nature of services offered by Defendants, or to optimize the search-ability of Defendants’ Website. In fact, Paragraph 7a, referenced above, specifically forbids Defendants from using the term “meth lab cleanup” as a metatag.

After Plaintiff’s discovery of Defendants’ breach of the Confidential Settlement Agreement, Plaintiff’s counsel immediately sent Defendants a cease and desist letter (“C & D Letter”). (Affidavit of Mazzuca, ¶ 6; Attachment “A” to the Affidavit of Mazzuca). Plaintiff’s counsel informed Defendants of all their actions, which Plaintiff was aware of, which constituted breaches of the Confidential Settlement Agreement. (Affidavit of Mazzuca, ¶ 7; Attachment “A” to the Affidavit of Mazzuca). As pages 4 and 5 of the C & D Letter states, Defendants’ use of “Meth Lab Cleanup” in capital letters, as a header, and as a meta tag violates Paragraph 7, Terms of Agreement, of the Confidential Settlement Agreement. (Affidavit of Mazzuca, ¶ 8; Attachment “A” to the Affidavit of Mazzuca).

In response to Plaintiff’s C & D Letter, Defendants’ counsel responded with an “authorized response” (“Response Letter”). (Affidavit of Mazzuca, ¶ 9; Attachment “B” to the Affidavit of Mazzuca). Defendants “agree[d] that they [would] remove, within (10) days of [the Response Letter], any and all headers, metatags, and related content from www.MethLabServices.com, as well as any related internet information used for search engine optimization regarding the term ‘Meth Lab Cleanup.’” (Affidavit of Mazzuca, ¶ 10; Attachment “B” to the Affidavit of Mazzuca). Defendants also “agree[d] that the following additional trademark registrations are valid, enforceable and distinctive:

- U. S. Trademark Registration No. 4,288,271
- U. S. Trademark Registration No. 4,288,270

- U. S. Trademark Registration No. 4,227,724

as provided under applicable state and federal law because of their filing and registration.” (Affidavit of Mazzuca, ¶ 11; Attachment “B” to the Affidavit of Mazzuca). Defendants also stated that “Spaulding [Decon] intends to comply with the terms of the Confidential Settlement Agreement effective January 26, 2011.” (Affidavit of Mazzuca, ¶ 12; Attachment “B” to the Affidavit of Mazzuca). Finally, “Spaulding [Decon] agree[d] that they will not use any of the previously identified six trademark registrations for the mark METH LAB CLEANUP in upper case, or any colorable imitation thereof, as an Adword, or in any form of sponsored link campaign.” (Affidavit of Mazzuca, ¶ 13; Attachment “B” to the Affidavit of Mazzuca). Prior to filing suit, Plaintiff relied upon the admissions and representations of Defendants in the Response Letter and as a result, withheld filing this action. (Affidavit of Mazzuca, ¶ 14).

IV. Argument

A. Count I – Breach Of Confidential Settlement Agreement

The facts necessary to support Plaintiff’s breach of contract action are not complicated and are as follows:

- a. Plaintiff and Defendants agree that the parties agreed to settle the Trademark Case pursuant to the terms of the Confidential Settlement Agreement which necessarily means that the Confidential Settlement Agreement is a valid and binding contract;
- b. the terms of the Confidential Settlement Agreement at issue in this case are clear and Plaintiff only has to show the Defendants breached any one of its terms to be entitled to summary judgment;
- c. Paragraph 7(a) of the Confidential Settlement Agreement *prohibits use* “of the Copyrights-in-Suit and the *Trademarks-in-Suit* whether such use is as, on, in or *in connection with any . . . Internet use, website, domain name, metatags, advertising, promotions, solicitations, commercial exploitation . . . or otherwise;*” and
- d. Defendants used “Meth Lab Cleanup” as a meta tag (“Meta Tag”) in Defendants’ Website, www.methlabservices.com (“Website”).

In order to divert the Court's attention from the facts and law of this case, the Defendants have tried to suggest that a reading of the full Confidential Settlement Agreement would somehow change the reading of the individual paragraphs and terms of the Confidential Settlement Agreement, such as with Paragraph 7(a). (Doc. 17, ¶¶ 11-18). When the Confidential Settlement Agreement is read as a whole, it only broadens the interpretation of the terms at issue. The Confidential Settlement Agreement was an agreement of the parties to end prior litigation and end the Defendants' infringement of Plaintiff's intellectual property rights, as alleged in the complaint in the Trademark Case.

"The elements of a breach of contract action are (1) a valid contract; (2) a material breach; and (3) damages." Beck v. Lazard Freres & Co., LLC, 175 F.3d 913, 914 (11th Cir. 1999). The parties agreed to the terms of the Confidential Settlement Agreement and thus a valid contract was formed and has been proven without dispute. (Doc. 17, ¶ 8). Defendants cannot dispute that Defendants' Website contained the Meta Tag and that they have control and ownership of their Website. (Affidavit of Mazzuca, ¶ 15).

A "meta tag" or "metatag" is a tag in HyperText Markup Language ("HTML"), used to create web pages "that is inserted at the top of a Web page chiefly to describe its content and provide keywords for use by search engines. "metatag," Dictionary.com Unabridged, Random House, Inc., <http://dictionary.reference.com/browse/metatag> (last visited May 11, 2015); (Affidavit of Taylor, ¶ 9). Meta tags are extremely important in search engine optimizations ("SEO") because SEOs place a high value on meta tags which determine the order of webpage listings when search engines, such as Google®, are used to seek information on the Internet. (Affidavit of Taylor, ¶ 11). Further, meta tags require affirmative action to be placed on a website. (Affidavit of Taylor, ¶ 12).

In the present case, Defendants' Website used, as early as April of 2014 and as recent as May 11, 2015, a company named WordPress to allow them to add meta tags thus increasing the likelihood that Defendants' Website would appear at the top of any search list when "meth lab cleanup" was searched by potential customers. (Affidavit of Taylor, ¶ 13). The importance of meta tags and ultimately web page listings is the primary reason Plaintiff negotiated in the Confidential Settlement Agreement to have the use of the Trademarks-in-Suit and Copyrights-in-Suit as meta tags restricted and restrained. (Affidavit of Mazzuca, ¶ 17).

The Meta Tags affirmatively placed on Defendants' Website by the Defendants, are identical to or at least confusingly and substantially similar to at least one of the Copyrights-in-Suit and the Trademarks-in Suit as defined in the Confidential Settlement Agreement. (Affidavit of Mazzuca, ¶ 18). By placing the Meta Tags on Defendants' Website, Defendants materially breached the Confidential Settlement Agreement and Plaintiff has been damaged accordingly. (Affidavit of Mazzuca, ¶ 19). Specifically, Plaintiff has incurred damage to its reputation, lost profits, and lost both current and future customers. (Affidavit of Mazzuca, ¶ 20).

Plaintiff has engaged the undersigned attorneys and has agreed to pay said attorneys reasonable attorney's fees and costs. (Affidavit of Mazzuca, ¶ 38).

B. The Defendants' Affirmative Defenses Are Without Merit.

Failure To State A Cause Of Action. Defendants first affirmative defense claims Plaintiff failed to state a cause of action for breach of the Confidential Settlement Agreement. Each element of the Plaintiff's cause of action for breach of the Confidential Settlement Agreement, however, has been properly pled and proven. Furthermore, "[a]n affirmative defense that simply contains conclusory allegations is improper." Meitis v. Park Square Enters.,

2009 U.S. Dist. LEXIS 95919, at *8 (M.D. Fla. Sept. 24, 2009) (citing Microsoft Corp. v. Jesse's Computers & Repair, Inc., 211 F.R.D. 681, 684 (M.D. Fla.2002). “The affirmative defense must be stricken if it provides no more than a bare bones conclusory allegation.” Meitis, 2009 U.S. Dist. LEXIS 95919, at *9. All of Defendants’ affirmative defenses are not pled with sufficiency, are conclusory, and should be struck in accordance with Rules 8 and 12(f), Fed. R. Civ. P., without further consideration.

Unclean Hands. Defendants assert that Plaintiff’s claim is barred because of Plaintiff’s unclean hands and Plaintiff’s own fault. It is impossible to know to what action or actions Defendants refer as no factual basis is provided. Regardless, to succeed on Defendants’ affirmative defense of unclean hands, they must demonstrate that “the doors of a court of equity” should be closed to Plaintiff because Plaintiff is “tainted with inequitableness or bad faith relative to the matter in which he seeks relief, however improper may have been the behavior of [Defendants].” Precision Instrument Mfg. Co. v. Auto. Maint. Mach. Co., 324 U.S. 806, 814 (1945). Plaintiff has not performed any improper acts against Defendants, nor have Defendants alleged any such conduct so unclean hands cannot be an affirmative defense to breach of the Confidential Settlement Agreement.

Laches. Defendants assert that Plaintiff’s claim is barred by the doctrine of laches. This defense is completely baseless. Under Florida law, "laches" is an equitable doctrine that is applied to bar a claim at equity based not upon the number of years that have lapsed but upon unreasonable delay in enforcing a right, coupled with a disadvantage to the person against whom the right is sought to be asserted. In re Biddiscombe Intern., L.L.C., 392 B.R. 909 (Bankr. M.D. Fla. 2008). “The laches defense requires proof of three elements: (1) a delay in asserting a right or claim; (2) that the delay was not excusable; and (3) that the delay caused the defendant undue

prejudice.” Conagra, Inc. v. Singleton, 743 F.2d 1508, 1517 (11th Cir. 1984) (citing Environmental Defense Fund v. Alexander, 614 F.2d 474, 478 (5th Cir. 1980), cert. denied, 449 U.S. 919 (1980)). Generally, if equitable proceedings (such as proceedings for the reformation of a contract) are time-barred, they are not barred by the statutes of limitation but by laches. FLA. STAT. § 95.114(6); Corinthian Investments, Inc. v. Reeder, 555 So. 2d 871, 873 (Fla. Dist. Ct. App. 1989). Laches denotes passive consent. Univ. of Ala. Bd. of Trs. v. New Life Art, Inc., 683 F.3d 1266, 1281 (11th Cir. 2012). Plaintiff filed this lawsuit on December 16, 2014, within four (4) years after the Confidential Settlement Agreement was executed and within months of Plaintiff’s discovery of Defendants’ actions which was in April of 2014. (Affidavit of Mazzuca, ¶ 21). No delay has occurred and Defendants have not been unduly prejudiced. Furthermore, no consent has been given by Plaintiff, whether actively or passively. Even if this Court determines some delay occurred, it is due to Defendants’ admissions and representations in their Response Letter which Plaintiff relied upon and in good faith tried to resolve this matter without the need for this Court’s intervention. (Affidavit of Mazzuca, ¶ 22; Attachment “B” to the Affidavit of Mazzuca). Plaintiff has diligently policed its intellectual property and defended it on a constant basis against any known infringer and, as in this case, after breach of the Confidential Settlement Agreement. (Affidavit of Mazzuca, ¶ 23). Additionally, Defendants do not provide any details as to what laches would apply or for the length of the laches that would apply. Laches cannot be a proper affirmative defense to breach of the Confidential Settlement Agreement.

Non-Breach. According to Defendants’ fourth affirmative defense, Defendants have taken no action inconsistent with or in violation of the Confidential Settlement Agreement. This is not an affirmative defense at all. “An affirmative defense is generally a defense that, if established, requires judgment for the defendant even if the plaintiff can prove his case by a

preponderance of the evidence.” Wright v. Southland Corp., 187 F.3d 1287, 1303 (11th Cir. 1999); Biller v. Cafe Luna of Naples, Inc., 2015 U.S. Dist. LEXIS 48247, at *2 (M.D. Fla. Apr. 13, 2015). “A defense that simply points out a defect or lack of evidence in a plaintiff’s case is not an affirmative defense.” TraderPlanet.com, LLC v. Found. for the Study of Cycles, Inc., 2014 U.S. Dist. LEXIS 70550, at *3 (M.D. Fla. May 22, 2014) (citing In re Rawson Food Service, Inc., 846 F.2d 1343, 1349 (11th Cir. 1988)). Non-breach simply points out an alleged defect in Plaintiff’s breach of contract claim and cannot be an affirmative defense. Furthermore, Plaintiff has shown that Defendants did breach the Confidential Settlement Agreement and as such, Defendants’ claim that they did not is therefore moot. Defendants cannot establish non-breach when Plaintiff has proved its case. Therefore, Defendants cannot properly claim non-breach as an affirmative defense.

Waiver, Consent, Acquiescence, And Estoppel. Defendants assert that Plaintiff has waived, consented to, and acquiesced in Defendants’ breach of the Confidential Settlement Agreement. Furthermore, Defendants assert that Plaintiff is otherwise estopped from making its claim.

“In order to prevail on the affirmative defense of waiver, the defendant must show: ‘(1) the existence at the time of the waiver of a right, privilege, advantage, or benefits that may be waived; (2) the actual or constructive knowledge thereof; and (3) an intention to relinquish that right, privilege, advantage or benefit.’” Allstate Prop. & Cas. Ins. Co. v. Hanley, 2015 U.S. Dist. LEXIS 29868, at *5 (M.D. Fla. Mar. 11, 2015) (quoting Regions Bank v. The 62' Ocean Sport Fish, Hull I.D. No. XY0011462J203, 2014 U.S. Dist. LEXIS 816, 2014 WL 37748, at *2 (S.D. Fla. Jan. 6, 2014)). Plaintiff only became aware of Defendants’ breach of the Confidential Settlement Agreement in April of 2014. (Affidavit of Mazzuca, ¶ 21). At no time did Plaintiff

intend to or actually relinquish or waive any right, privilege, advantage, or benefit relating to seeking damages against Defendants for their breach of the Confidential Settlement Agreement. (Affidavit of Mazzuca, ¶ 24). Plaintiff's action in sending the C & D Letter clearly evidences that it did not and would not waive any action against Defendants for their breaches of the Confidential Settlement Agreement. (Affidavit of Mazzuca, ¶¶ 6-8; Attachment "A" to the Affidavit of Mazzuca). Therefore, Plaintiff could not have waived the breach of the Confidential Settlement Agreement and Defendants cannot rely on waiver as an affirmative defense.

As to consent, Defendants must prove that Plaintiff intended to allow Defendants to breach the Confidential Settlement Agreement, thus surrendering Plaintiff's rights in its intellectual property. Thornton v. J Jargon Co., 580 F. Supp. 2d 1261, 1282 (M.D. Fla. 2008) (waiver of copyright requires intent by the copyright proprietor to surrender rights in his work). At no time did Plaintiff consent in any fashion to Defendants' breach of the Confidential Settlement Agreement or, more specifically, their actions causing the breach. (Affidavit of Mazzuca, ¶ 25). Therefore, no consent was given to Defendants and consent is not a proper affirmative defense.

"The defense of acquiescence requires proof of three elements: (1) the plaintiff actively represented it would not assert a right or claim; (2) the delay between the active representation and assertion of the right or claim was not excusable; and (3) the delay caused the defendant undue prejudice." Angel Flight of Ga., Inc. v. Angel Flight Am., Inc., 522 F.3d 1200, 1207 (11th Cir. 2008) (citing Coach House Rest., Inc. v. Coach & Six Rests., Inc., 934 F.2d 1551, 1558 (11th Cir. 1991)). Plaintiff never represented that it would not assert its breach of the Confidential Settlement Agreement claim or any other possible claim relating to Defendants'

improper actions. (Affidavit of Mazzuca, ¶ 26). Therefore, acquiescence is not a viable affirmative defense.

“Equitable estoppel requires that Defendants prove: (1) [Plaintiff] misrepresented material facts; (2) [Plaintiff] was aware of the true facts; (3) [Plaintiff] intended that the misrepresentation be acted on or had reason to believe that Defendants would rely on the misrepresentation; (4) Defendants did not know, nor should they have known the true facts; and (5) Defendants reasonably and detrimentally relied on the misrepresentation.” Buccellati Holding Italia Spa v. Laura Buccellati, LLC, 5 F. Supp. 3d 1368, 1376 (S.D. Fla. 2014) (citing Dawkins v. Fulton Cnty. Gov’t, 733 F.3d 1084, 1089 (11th Cir. 2013)). Plaintiff has not misrepresented any material fact to Defendants and has not intended that any misrepresentation, even if one accidentally occurred, to be acted on or for Defendants to rely upon any misrepresentation. (Affidavit of Mazzuca, ¶ 27). Even if a misrepresentation did occur, however unlikely, Defendants knew or should have known the true facts and Defendants did not reasonably or detrimentally rely on any misrepresentation by Plaintiff. (Affidavit of Mazzuca, ¶ 28). Equitable estoppel is also an inappropriate affirmative defense.

In addition, Defendants do not provide any factual details or basis as to how Plaintiff waived, consented to, or acquiesced in the actions of Defendants or why Plaintiff is estopped from making its claim. See Wlodynski v. Ryland Homes of Fla. Realty Corp., 2008 U.S. Dist. LEXIS 114040, at *7 (M.D. Fla. June 20, 2008) (court struck defendant’s waiver and estoppel defenses because defendant set forth no facts to support those defenses). Plaintiff has not waived, consented to, or acquiesced in Defendants’ breach of the Confidential Settlement Agreement nor is Plaintiff estopped from bringing its claim against Defendants. (Affidavit of Mazzuca, ¶¶ 24-25, 29).

Failure To Mitigate Damages. Defendants assert that Plaintiff failed to mitigate its damages. Plaintiff, however, has no control over Defendants' Website and cannot in any way mitigate the damage caused by Defendants' improper actions. (Affidavit of Mazzuca, ¶¶ 15-16, 30). "A plaintiff's duty to mitigate damages arises only after" a defendant's improper conduct. See Coquina Invs. v. Rothstein, 2011 U.S. Dist. LEXIS 121039, at *48 (S.D. Fla. Oct. 19, 2011). As soon as Plaintiff learned of Defendants' breach of the Confidential Settlement Agreement, Plaintiff sought out counsel to file this suit. Furthermore, no opportunity arose for Plaintiff to mitigate the damages caused by Defendants' breach of the Confidential Settlement Agreement, except through this Court. (Affidavit of Mazzuca, ¶ 30). In addition, Defendants do not provide any factual details or basis as to how Plaintiff failed to mitigate its damages. See Merrill Lynch Bus. Fin. Servs. v. Performance Mach. Sys. U.S.A., 2005 U.S. Dist. LEXIS 7309, 38 (S.D. Fla. Mar. 4, 2005) (court struck affirmative defense of failure to mitigate because it contained only a bare-bones conclusory allegation and was therefore deficient). Therefore, failure to mitigate damages is not a proper or properly pled affirmative defense.

Plaintiff's Marks Are Not Entitled To Trademark Protection. Defendants assert that Plaintiff's Marks are generic or merely descriptive and are therefore not entitled to trademark protection. However, the Defendants specifically waived this defense in the Trademark Case and should be estopped from raising this defense currently. As stated in paragraph K of the Recitals in the Confidential Settlement Agreement, Defendants agreed to the validity and enforceability of Plaintiff's Trademarks-in-Suit as well as Plaintiff's Copyrights-in-Suit. (Affidavit of Mazzuca, ¶ 31). In paragraph 2 of the Terms of Agreement in the Confidential Settlement Agreement, Defendants further agreed not to contest, oppose, or seek cancellation of the Trademarks-in-Suit. (Affidavit of Mazzuca, ¶ 32). In addition, Defendants do not provide

any factual details or basis as to why Plaintiff's marks are generic or merely descriptive. Therefore, Plaintiff's Marks are entitled to trademark protection and the Defendants should be estopped from raising a previously waived defense.

Plaintiff's Marks Were Fraudulently Obtained From The USPTO. Defendants assert that Plaintiff obtained its marks from the U.S. Patent and Trademark Office ("USPTO") through fraud. Presumably, Defendants only refer to Plaintiff's registered trademarks. As discussed above related to the protectability of Plaintiff's trademarks, the Confidential Settlement Agreement precludes this affirmative defense. Paragraph K, Recitals and Paragraph 2, Terms of Agreement, Confidential Settlement Agreement; Affidavit of Mazzuca, ¶¶ 31-32.

Further, Defendants have not alleged any supporting facts and additionally, fraud must be pled with particularity. Fed. R. Civ. P. 9(b); Drew Estate Holding Co., LLC v. Fantasia Distrib., 2012 U.S. Dist. LEXIS 7910, at *14 (S.D. Fla. Jan. 24, 2012). The Defendants "must allege '(1) precisely what statements were made in what documents or oral representations . . . , and (2) the time and place of each such statement and the person responsible for making . . . same, and (3) the content of such statements and the manner in which they misled the [USPTO], and (4) what the [Plaintiff] obtained as a consequence of the fraud.'" Drew, 2012 U.S. Dist. LEXIS 7910, at *14 (quoting Ziembra v. Cascade Int'l, Inc., 256 F.3d 1194, 1202 (11th Cir. 2001)). No false or misleading statement was made to the USPTO regarding any of Plaintiff's marks. (Affidavit of Mazzuca, ¶ 33). No time, place, or person has been specified for making the alleged statement(s) nor has any content of such statement(s) been alleged which would have misled the USPTO. Defendants have not even specified which mark or marks were obtained as a consequence of the alleged fraud. Defendants have not met and cannot meet their burden to show fraud on the USPTO.

Plaintiff's Misuse Of Trademark. Defendants assert as another affirmative defense to Plaintiff's Breach of Confidential Settlement Agreement cause of action that Plaintiff misused a trademark. Similar to other affirmative defenses pled by the Defendants, this affirmative defense was waived in the Trademark Case. Paragraph K, Recitals and Paragraph 3, Terms of Agreement, Confidential Settlement Agreement. Although which trademark was allegedly misused is unknown and unpled, or at best unclear, presumably, Defendants are referring to at least one of Plaintiff's registered trademarks. "[C]ourts uniformly allow trademark misuse only as an affirmative defense to a trademark infringement action." Whitney Info. Network, Inc. v. Gagnon, 353 F. Supp. 2d 1208, 1212-13 (M.D. Fla. 2005) (citing Exxon Corp. v. Oxxford Clothes, Inc., 109 F.3d 1069 (5th Cir. 1997) (per curiam) (defendant answered claim of trademark dilution with a number of affirmative defenses, including trademark misuse); Helene Curtis Indus. Inc. v. Church & Dwight Co., Inc., 560 F.2d 1325, 1336 (7th Cir. 1977) (holding that defendant failed to make out the affirmative defense of trademark misuse); Dunn Computer Corp. v. Loudcloud, Inc., 133 F. Supp. 2d 823, 830 (E.D. Va. 2001) ("Trademark misuse is not an independent cause of action, but is, instead only an affirmative defense to a trademark infringement claim.")). Here, Plaintiff's cause of action is for breach of contract and not trademark infringement. Therefore, misuse of any of Plaintiff's trademarks is not a defense to a breach of the Confidential Settlement Agreement.

Even if this Court finds misuse of trademark is a proper affirmative defense, Defendants must prove "that the mark itself has been the basic and fundamental vehicle required and used to accomplish the violation." Helene Curtis Indus., Inc. v. Church & Dwight Co., 560 F.2d 1325, 1337 (7th Cir. 1977) (quoting Carl Zeiss Stiftung v. V.E.B. Carl Zeiss, Jena, 298 F. Supp. 1309,

1315 (S.D.N.Y. 1969)). Plaintiff has not misused any of its marks. (Affidavit of Mazzuca, ¶ 34). In addition, Defendants do not provide any factual details or basis as to how Plaintiff misused any trademark. United Fixtures Co. v. Base Mfg., 2008 U.S. Dist. LEXIS 114766, at *13 (M.D. Fla. Sept. 12, 2008) (the court struck the defense of misuse because the affirmative defense was “totally devoid of any allegations that would put Plaintiff on notice of the factual basis”). For all these reasons, the affirmative defense of misuse of trademark must fail.

Defendants’ Right To Use “Meth Lab Cleanup” In Its Website And Advertising.

Defendants assert that they have a right to use the phrase “meth lab cleanup” in their website and advertising materials. It is not clear where Defendants allegedly derive this right, but paragraph 7 of the Confidential Settlement Agreement clearly restrains and restricts Defendants use of the Trademarks-in-Suit and Copyrights-in-Suit. More specifically, Defendants are restrained and restricted from:

copying, manufacturing, importing, exporting, marketing, sale, *offering for sale*, distributing or dealing in *any product or service that uses*, or otherwise making any use of, *any of the Copyrights-in-Suit and the Trademarks-in-Suit . . .* and/or any intellectual property *that is confusingly or substantially similar to*, or that constitutes a colorable imitation of, *any of the Copyrights-in-Suit and the Trademarks-in-Suit*, whether such use is as, on, in or in connection with any trademark, service mark, trade name, logo, design, *Internet use, website*, domain name, *metatags, advertising, promotions, solicitations, commercial exploitation, television, web-based* or any other program, service, or otherwise.

Confidential Settlement Agreement, ¶ 7(a). (emphasis added).

The only exception to this paragraph is that Spaulding Decon “may continue to use the term ‘meth lab cleanup’ *to generally describe* the nature of services offered by Spaulding Decon.” (Affidavit of Mazzuca, ¶ 35). Defendants never had any right to use the phrase “meth lab cleanup” or any capitalized version of the phrase, such as “Meth Lab Cleanup,” in any other form or for any other purpose other than generally describing the nature of services offered by

Spaulding Decon. (Affidavit of Mazzuca, ¶ 36). Here, the term “meth lab cleanup” is not being used simply to generally describe the nature of the Defendants’ services. It is being used as a meta tag, specifically prohibited by and in breach of the Confidential Settlement Agreement. In addition, Defendants do not provide any factual details or basis as to why Defendants have a right to use the phrase “meth lab cleanup.” Defendants, therefore, have no right to use “meth lab cleanup” as a meta tag.

Plaintiff Has No Intellectual Property Rights Or Contractual Rights To Exclusive Use Of “Meth Lab Services.” Defendants assert that Plaintiff has no intellectual property rights or contractual rights to the exclusive use of the phrase “meth lab services.” The use of “Meth Lab Services” is not at issue in this Motion. Therefore, this affirmative defense, which pertains to a separate breach from the use of “meth lab cleanup” as a meta tag, is not applicable to this Motion and cannot be used as an affirmative defense. Further, as addressed above, Defendants agreed to the validity and enforceability of Plaintiff’s Trademarks-in-Suit as well as Plaintiff’s Copyrights-in-Suit and not to contest, oppose, or seek cancellation of the Trademarks-in-Suit. (Affidavit of Mazzuca, ¶¶ 31-32). Plaintiff has exclusive rights to its trademarks and copyrights. (Affidavit of Mazzuca, ¶ 37). In addition, Defendants do not provide any factual details or basis as to why Plaintiff has no right to exclusivity of use of “meth lab services.” Defendants cannot prove and have no basis for the assertion that Plaintiff has no intellectual property rights or contractual rights to the use of “meth lab cleanup” or “meth lab services,” therefore, this affirmative defense must fail.

WHEREFORE, Plaintiff respectfully requests entry of a Partial Summary Judgment against both Defendants that Defendants breached the Confidential Settlement Agreement and ordering Defendants to:

- a. Remove the “meth lab cleanup” Meta Tags from Defendants’ Website,
- b. Be enjoined from using or allowing to be used any meta tag using the terms “Meth Lab Cleanup” or any confusingly similar terms,
- c. Be enjoined from creating or having created any domain name using any of the following terms or any confusingly similar terms: Meth, Lab, Cleanup,
- d. Pay actual damages to Plaintiff,
- e. Pay Plaintiff’s attorney’s fees and costs, and
- f. Any other and further relief as this Court deems just and proper.

Dated: May 15, 2015.

/s/ Mark F. Warzecha
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was electronically filed this 15th day of May, 2015 via CM/ECF in the United States District Court for the Middle District of Florida with notice and copy of same being electronically served by the Court upon all counsel of record.

/s/ Mark F. Warzecha

Mark F. Warzecha, Esq.

Attorney for Plaintiff