

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA

TRULIANT FEDERAL CREDIT
UNION,

Plaintiff,

v.

SUNTRUST BANKS, INC. and BB&T
CORPORATION,

Defendants.

Civil Action No.: 19-CV-601

**DEFENDANT’S FIRST AMENDED
ANSWER AND COUNTERCLAIMS**

By filing this lawsuit, Plaintiff Truliant Federal Credit Union is improperly attempting to monopolize the common term “TRU-.” But the truth of the matter is that no one can exclusively own the term “TRU.” Many banks, credit unions, financial service companies, and others use “TRU” in their names without confusion. In this crowded field, consumers can easily differentiate among these various uses of “TRU.” Some of the banks and credit unions that have registered or use marks with the term “TRU” include:





In addition to those banks and credit unions, nearly 200 entities have obtained federal trademark registrations for marks containing “TRU-” for other types of financial products and services. Below is only a small sample:





The ubiquitous use of “TRU-” is not limited to financial services. In fact, consumers are exposed to dozens of marks every day containing variants of TRU-, including these and hundreds of other examples:





TRUE RELIGION

Against the backdrop of extensive third-party use of “TRU-” formatives, Defendant’s¹ entry into this marketplace with TRUIST is unlikely to cause confusion. Plaintiff’s rights to “TRU” are narrow and limited to its particular name TRULIANT mark, which is a combination of the words TRUE and RELIANT. Defendant’s name TRUIST is different. It is a shorter name, consisting of two syllables, and ending in -IST. In contrast, Plaintiff’s name has three syllables, pronounced true-LY-ant, and is often depicted with the words “Federal Credit Union.”

¹ On December 6, 2019, Defendant SunTrust Banks, Inc. merged into Defendant BB&T Corporation and on December 7, 2019, BB&T Corporation changed its name to Truist Financial Corporation (throughout this First Amended Answer and Counterclaims, the originally named Defendants are jointly referred to as “Truist” or “Defendant”).



While differences between the two word marks alone are enough to distinguish them in this very crowded field, the legal test is not the two words in isolation, but a comparison of the two names as they appear in the actual marketplace, including with other words (like “Truliant Federal Credit Union”), logos, color schemes, and other branding. Plaintiff depicts its name “Truliant Federal Credit Union” in a blue and yellow color scheme with a sunburst logo.



With no idea whatsoever about how the TRUIST mark would actually appear in the marketplace, Plaintiff filed this action. Defendant has recently provided its planned new logo and visual identity treatment to Plaintiff under a non-disclosure agreement because the logo has not yet been publicly revealed. The marks—as actually used in the

marketplace—could not be more dissimilar not only in terms of appearance, sound, and meaning—but also logo, color scheme, design, and stylization. There is no risk that anyone would confuse these marks in context in actual marketplace use. Moreover, the parties’ services are different. Plaintiff is a credit union while Defendant is a bank. As Plaintiff has admitted, credit unions and banks are very different. TRUIST is not likely to confuse any person, particularly consumers making important decisions about their hard-earned money.

Defendant went through an extensive, three-month naming process with one of the world’s leading branding firms to develop a unique and memorable name, and spent another five months working on equally unique and memorable branding. The entire purpose was to create a name and brand differentiating TRUIST from every other financial institution in the country. With all due respect to Plaintiff’s employees, Defendant does not want to be confused with them or any other financial institution, and it defies credulity to suggest that Defendant went through this lengthy process to trade on or undermine the goodwill of anyone else.

In addition to denying Plaintiff’s claims, Defendant asserts several affirmative defenses as well as counterclaims against Truliant Federal Credit Union seeking, among other relief, declarations from this Court that: (1) the name TRUIST does not infringe TRULIANT or any of Truliant Federal Credit Union’s other trademarks; and (2) Truliant Federal Credit Union does not own the exclusive right to use the unregistered “TRU-” designations asserted in its Complaint.

PARTIES

1. Truist lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 1.

2. Truist admits that, prior to December 7, 2019, SunTrust Banks, Inc. was a corporation organized and existing under the laws of the State of Georgia that had its principal place of business in Atlanta, Georgia, but denies that SunTrust Banks, Inc. currently exists as a separate entity or that it ever identified itself as “SunTrust Trust.”

3. Truist admits the allegations in Paragraph 3, except that Truist states that BB&T Corporation’s name is now Truist Financial Corporation.

JURISDICTION AND VENUE

4. Truist admits that this Court has subject matter jurisdiction over Truliant Federal Credit Union’s claims. Truist denies the remaining allegations in Paragraph 4.

5. Truist admits that it is subject to personal jurisdiction in this judicial District. Truist denies the remaining allegations in Paragraph 5.

6. Truist denies the allegations in Paragraph 6.

7. Truist admits that venue is proper in this judicial District.

FACTS COMMON TO ALL CLAIMS FOR RELIEF

8. Truist lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 8.

9. Truist admits that (a) the records of the United States Patent and Trademark Office (the “USPTO”) indicate that Truliant Federal Credit Union is the owner of record

of U.S. Trademark Registration No. 2,437,545 for TRULIANT for “credit union services”; and (b) Exhibit A to the Complaint purports to contain a copy of the certificate evidencing that registration. Truist lacks knowledge or information sufficient to form a belief about the truth of the remaining allegations in Paragraph 9.

10. Truist admits that the USPTO’s records indicate that U.S. Trademark Registration No. 2,437,545 was registered on March 20, 2001 on the Principal Register, but Truist lacks knowledge or information sufficient to form a belief about the truth of the remaining allegations in Paragraph 10.

11. Truist denies the allegations in Paragraph 11.

12. Truist lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 12.

13. Truist admits that Exhibit B appears to be a certificate issued by the USPTO showing registration of the mark TRULIANCES for “automobile buying services” and “insurance agency services, financial planning services, and investment brokerage services.” Truist lacks knowledge or information sufficient to form a belief about the truth of the remaining allegations in Paragraph 13.

14. Truist lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 14.

15. Truist lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 15.

16. Truist denies the allegations in Paragraph 16 because Truist is a holding company that is not regulated by the Federal Deposit Insurance Corporation and does not directly provide any of the services listed in Paragraph 16 itself.

17. Truist denies that it directly provides financial services and lacks knowledge or information sufficient to form a belief about the truth of the remaining allegations in Paragraph 17.

18. Truist admits that in February 2019, its predecessors-in-interest collectively announced that they were planning to merge and that they were planning to create the sixth largest bank in the United States. Because those entities were not banks, but holding companies for entities that were merged and renamed Truist Financial Corporation and branded TRUIST, Truist denies the remaining allegations in Paragraph 18.

19. Truist admits that, on or about June 12, 2019, its predecessors-in-interest announced that the combined bank would be named “Truist Bank,” and that over time both the BB&T and SunTrust brands will be transitioned to the TRUIST brand. Truist denies the remaining allegations in Paragraph 19.

20. Truist admits its predecessors-in-interest made a public announcement regarding the proposed use of the TRUIST brand name. Truist denies the remaining allegations in Paragraph 20.

21. Truist admits that it had actual knowledge of the existence of TRULIANT FEDERAL CREDIT UNION before it chose and revealed the name TRUIST, and admits that it had constructive notice of Truist Federal Credit Union’s federal registrations of

TRULIANT for “credit union services” (Reg. No. 2,437,545) and of TRULIANCES for “insurance agency services, financial planning services, and investment brokerage services” (but not for the “automobile buying services” shown in Exhibit B to the Complaint) (Reg. No. 2,993,020), but otherwise denies the remaining allegations in Paragraph 21.

22. Truist denies the allegations in Paragraph 22.

23. Truist denies the allegations in Paragraph 23.

24. Truist denies the allegations in Paragraph 24.

25. Truist denies the allegations in Paragraph 25.

26. Truist denies the allegations in Paragraph 26.

27. Truist denies the allegations in Paragraph 27.

28. Truist denies the allegations in Paragraph 28.

29. Truist denies the allegations in Paragraph 29.

30. Truist denies the allegations in Paragraph 30.

FIRST CLAIM FOR RELIEF
(Trademark Infringement in Violation of Lanham Act § 32, 15 U.S.C. § 1114)

31. Truist repeats and incorporates each answer contained in the preceding paragraphs as if fully set forth herein.

32. Truist denies the allegations in Paragraph 32.

33. Truist denies the allegations in Paragraph 33.

34. Truist admits that it does not have a license, consent, or permission from Truliant Federal Credit Union to use the TRUIST name, but states that no such license, consent, or permission is necessary.

35. Truist denies the allegations in Paragraph 35.

36. Truist denies the allegations in Paragraph 36.

37. Truist denies the allegations in Paragraph 37.

38. Truist denies the allegations in Paragraph 38.

39. Truist denies the allegations in Paragraph 39.

SECOND CLAIM FOR RELIEF
(False Designation of Origin and Unfair Competition in Violation of Lanham Act
§ 43(a), 15 U.S.C. § 1125(a))

40. Truist repeats and incorporates each answer contained in the preceding paragraphs as if fully set forth herein.

41. Truist denies the allegations in Paragraph 41.

42. Truist admits that it does not have a license, consent, or permission from Truliant Federal Credit Union to use the TRUIST name, but states that no such license, consent, or permission is necessary.

43. Truist denies the allegations in Paragraph 43.

44. Truist denies the allegations in Paragraph 44.

45. Truist denies the allegations in Paragraph 45.

46. Truist denies the allegations in Paragraph 46.

47. Truist denies the allegations in Paragraph 47.

48. Truist denies the allegations in Paragraph 48.

**THIRD CLAIM FOR RELIEF
(Trademark Infringement Under the Common Law)**

49. Truist repeats and reincorporates each answer contained in the preceding paragraphs as if fully set forth herein.

50. Truist lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 50.

51. Truist denies the allegations in Paragraph 51.

52. Truist denies the allegations in Paragraph 52.

53. Truist admits that it does not have a license, consent, or permission from Truliant Federal Credit Union to use the TRUIST name, but states that no such license, consent, or permission is necessary.

54. Truist denies the allegations in Paragraph 54.

55. Truist denies the allegations in Paragraph 55.

56. Truist denies the allegations in Paragraph 56.

Truist denies each allegation of the Complaint not specifically admitted or otherwise specifically responded to here. Truist denies that Truliant Federal Credit Union is entitled to any relief requested in the Complaint, and respectfully requests that Truliant Federal Credit Union's request for judgment and damages be denied, Truist be awarded costs and fees incurred in defending against Truliant Federal Credit Union's meritless Complaint, and that Truist be granted such other relief as the Court deems just and proper.

DEFENSES

First Defense (Abandonment)

Plaintiff's claims as to the mark TRULIANCES are barred because the mark has been abandoned.

Second Defense (Equitable Estoppel)

Plaintiff's claims are barred, in whole or in part, by the doctrine of equitable estoppel based on Truliant Federal Credit Union's actions, including years of knowing silence and inaction as to countless third parties using similar TRU-formative marks, which is conduct that prejudiced Truist and upon which Truist relied to its detriment.

Third Defense (Unclean Hands)

Plaintiff's claims are barred, in whole or in part, by the doctrine of unclean hands based on Truliant Federal Credit Union's assertion of trademark rights in (1) TRULIANCES, which Truliant Federal Credit Union abandoned before filing this lawsuit, and (2) the descriptive uses of TRU-FINANCIAL CHECKUP, TRUISM, TRUGUIDANCE, TRULY DIFFERENT., TRULY CARING., TRULY REFRESHING., TRULY HELPFUL., TRULY PERSONAL., TRULY AFFORDABLE., and #TRUCOMMUNITY, which are not protectable trademarks.

COUNTERCLAIMS

Pursuant to Federal Rule of Civil Procedure 13, Truist asserts the following counterclaims against Truliant Federal Credit Union:

1. Truist seeks a declaration from this Court that Defendant's use of TRUIST does not infringe any right of Truliant Federal Credit Union in any of its marks.

2. Truist also seeks a declaration that Truliant Federal Credit Union does not own the exclusive right to use the descriptive "TRU-" phrases asserted in the Complaint because (1) Truliant Federal Credit Union is not making protectable trademark use of those phrases and (2) countless third parties in the financial services sector are using the letters "TRU-" in their trademarks.

3. In addition, Truist asks this Court to direct the United States Patent and Trademark Office ("USPTO") to cancel Truliant Federal Credit Union's registration for the mark TRULIANCES (Reg. No. 2,437,545) because Truliant Federal Credit Union abandoned that mark by ceasing trademark use of TRULIANCES with no intent to resume use in the reasonably foreseeable future.

4. In connection with these Counterclaims, Truist seeks, among other relief, the attorneys' fees and costs incurred in defending against Truliant Federal Credit Union's lawsuit, which is without merit.

THE PARTIES

5. At the time this lawsuit was filed, BB&T Corporation ("BB&T") was a corporation organized and existing under the laws of the state of North Carolina, having its principal place of business in Winston-Salem, North Carolina.

6. At the time this lawsuit was filed, SunTrust Banks, Inc. was a corporation organized and existing under the laws of the State of Georgia, having its principal place of business in Atlanta, Georgia.

7. On December 6, 2019, SunTrust Banks, Inc. merged into BB&T and ceased to exist as a separate legal entity. On December 7, 2019, BB&T, the surviving company from the merger, changed its name to Truist Financial Corporation (“Truist”).

8. Truist is a corporation organized and existing under the laws of the state of North Carolina, having its principal place of business in Charlotte, North Carolina. Truist is regulated by the Federal Reserve Board.

9. Truiliant Federal Credit Union is not a bank, but a credit union chartered by the National Credit Union Association, having its principal place of business in Winston-Salem, North Carolina.

10. Unlike Truiliant Federal Credit Union, Truist does not provide credit union services and has no plans to offer such services.

JURISDICTION AND VENUE

11. This Court has subject matter jurisdiction over Truist’s federal counterclaims pursuant to 28 U.S.C. §§ 1331 and 1338(a), and over Truist’s state-law counterclaims pursuant to 28 U.S.C. §§ 1367 and 1338(b). These counterclaims arise under the Declaratory Judgment Act, 28 U.S.C. § 2201, and the Lanham Act, 15 U.S.C. §§ 1114, 1119, 1125, *et seq.*

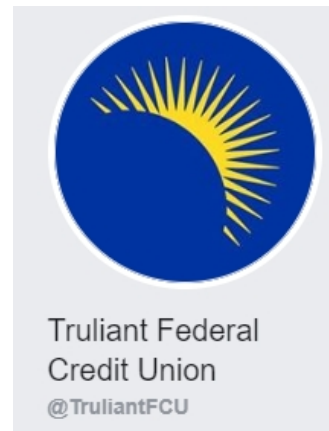
12. This Court has personal jurisdiction over Truliant Federal Credit Union based on its systematic and continuous contacts with the State of North Carolina and its consent to the jurisdiction of this Court based on its filing of this action.

13. Venue is proper under 28 U.S.C. § 1391(b) because Truliant Federal Credit Union is doing business in this judicial District and therefore may be found in this District, and/or a substantial part of the events giving rise to these counterclaims occurred in this judicial District.

FACTS COMMON TO ALL COUNTERCLAIMS

14. Truliant Federal Credit Union is a membership credit union. In order to join the credit union, potential member-owners must meet one of the following eligibility requirements: (1) live, work, worship, or attend school in certain, specific counties in North Carolina, South Carolina or Virginia; (2) be an employee of certain companies; (3) be a member of the American Consumer Council; or (4) have an immediate family member or household member who is a member-owner.

15. In its advertisements and promotional materials, Plaintiff displays its TRULIANT mark with a distinctive logo and the words FEDERAL CREDIT UNION, as shown below:



16. Plaintiff’s advertisements tout that it is not bank, but a credit union, and that banks and credit unions are very different. Indeed, on its website, Truliant states that “there are many ways Truliant differs from mainstream financial institutions.” The website also states that “Truliant is not a bank,” is “unlike a community bank or mega-bank,” and is “an alternative financial services provider.”

17. Todd Hall, Plaintiff’s President, penned an article on how “[b]anks and credit unions are two very different animals.”

18. Plaintiff’s branch locations are marked with prominent signage:





19. TRUIST is a coined name. It will be used as the name of a bank, not a credit union. It will be presented with a distinctive logo. The logo, though not yet publicly revealed, is highly distinctive and original.

20. When rolling out its new name, Truist has been linking the mark TRUIST to its well-known legacy banks.



21. While TRUIST is a distinctive and memorable term, the formative “TRU-” is not.

22. “TRU” is a commonly used short hand abbreviation for TRUE.

23. The TRU formative is used by many banks and credit unions, including:



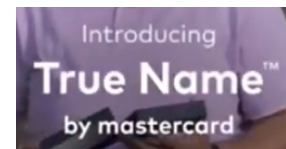
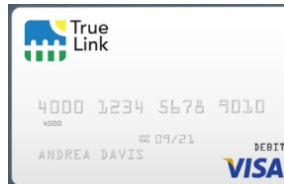


24. TRU also is used extensively in connection with many other related types of financial services and products, including:



TruFinancials

Tru Haven Insurance





25. The TRU formative is used extensively for countless consumer products and services, including the following examples:



26. These third-party uses are extensive, ongoing, and ubiquitous throughout the United States, including throughout North Carolina, South Carolina, and Virginia.

27. The United States Patent and Trademark Office has registered almost 200 marks containing the “TRU” formative for various types of financial and insurance services.

28. Because the marketplace is crowded with TRU marks, each mark is entitled only to narrow protection.

29. In the marketplace, consumers perceive TRUIST and TRULIANT as very dissimilar marks based on differences in sight, sound, and connotation.

30. Truist’s intended branding, including the logo, colors, and other branding elements, has been disclosed to Truliant Federal Credit Union, and is very different from their branding.

31. Financial services are not an impulse or low-involvement purchase. Credit union members and bank customers are thoughtful and exercise care when purchasing financial services or engaging in financial transactions.

32. On information and belief, Truliant Federal Credit Union ceased bona fide use of TRULIANCES at least as early as January 2016 with no intent to resume use of that mark in the reasonably foreseeable future, or is making only token use intended to preserve its federal service mark registration.

COUNT ONE
(Declaration Of Non-Infringement)

33. Truist incorporates the foregoing paragraphs as though fully set forth in this Paragraph.

34. In its Complaint, Truliant Federal Credit Union alleges that Defendant's use of TRUIST is likely to be confused with TRULIANT and other designations purportedly owned by Truliant Federal Credit Union (the "Asserted Marks").

35. An actual and justiciable controversy exists between Truist and Truliant Federal Credit Union concerning whether Defendant's use of TRUIST constitutes trademark infringement or unfair competition as to each of the Asserted Marks under the Lanham Act and under the laws of the State of North Carolina.

36. As they are used or intended to be used in the actual marketplace, no likelihood of confusion exists between TRUIST and any of the Asserted Marks.

37. Defendant has been and will continue to be harmed by Truliant Federal Credit Union's allegations of trademark infringement and unfair competition.

38. Defendant seeks a declaration that its use of TRUIST does not constitute trademark infringement or unfair competition as to any of the Asserted Marks under the Lanham Act or the laws of North Carolina.

COUNT TWO
(Declaration Of No Valid Trademark Rights)

39. Truist incorporates the foregoing paragraphs as though fully set forth in this Paragraph.

40. In its Complaint, Truliant Federal Credit Union asserts rights in the marks TRU-FINANCIAL CHECKUP, TRUISM, TRUGUIDANCE, TRULY DIFFERENT., TRULY CARING., TRULY REFRESHING., TRULY HELPFUL., TRULY

PERSONAL., TRULY AFFORDABLE., and #TRUCOMMUNITY (the “Alleged TRU Marks”) against Truist.

41. An actual and justiciable controversy exists between Truist and Truliant Federal Credit Union concerning whether Truliant Federal Credit Union owns valid trademark rights in the Alleged TRU Marks.

42. Truliant Federal Credit Union does not own a federal registration for any of the Alleged TRU Marks.

43. Each of the Alleged TRU Marks is merely descriptive of the services in connection with which Truliant Federal Credit Union uses such mark.

44. None of the Alleged TRU Marks has acquired secondary meaning.

45. Truliant Federal Credit Union is not making, and has not made, bona fide trademark use of the Alleged TRU Marks.

46. Truist has been and will continue to be harmed by Truliant Federal Credit Union’s assertion of valid trademark rights in the Alleged TRU Marks against Truist.

47. Truist therefore seeks a declaration that Truliant Federal Credit Union does not own any valid trademark rights in any of the Alleged TRU Marks.

COUNT THREE
(Cancellation Of TRULIANCES Registration, Reg. No. 2,993,020)

48. Truist incorporates the foregoing paragraphs as though fully set forth in this Paragraph.

49. In its Complaint, Truliant Federal Credit Union asserts the mark TRULIANCES, for which Truliant Federal Credit Union purports to own Reg. No. 2,993,020, against Truist.

50. On information and belief, at least as early as January 2016, Truliant Federal Credit Union ceased all bona fide use of the TRULIANCES mark with the intent not to resume such bona fide use in the reasonable foreseeable future.

51. Pursuant to 15 U.S.C. § 1127, the TRULIANCES mark is deemed abandoned.

52. Truist has been and will continue to be harmed by the continued registration of the TRULIANCES mark, because, *inter alia*, Truliant Federal Credit Union is asserting that mark against Truist in this action.

53. Pursuant to 15 U.S.C. § 1119, Truist seeks an order directing the USPTO to cancel Reg. No. 2,993,020.

PRAYER FOR RELIEF

WHEREFORE, Truist requests the following relief:

- a. That the Court dismiss Truliant Federal Credit Union's claims with prejudice;
- b. That Truliant Federal Credit Union take nothing;
- c. A declaration that Truist's use of TRUIST does not constitute trademark infringement or unfair competition as to any of the Asserted Marks under the Lanham Act or the laws of North Carolina;

- d. A declaration that Truliant Federal Credit Union does not own any valid trademark rights in any of the Alleged TRU Marks;
- e. That the Court direct the USPTO to cancel Reg. No. 2,993,020;
- f. That the Court award Truist its attorneys' fees and costs; and
- g. For such other and further relief as the Court deems just and proper.

DATED: December 18, 2019

Respectfully submitted,

KILPATRICK TOWNSEND & STOCKTON LLP

By: /s/ Richard J. Keshian
Richard J. Keshian
N.C. State Bar No. 10681
1001 West Fourth Street
Winston-Salem, North Carolina 27101
Telephone: (336) 607-7300
Email: rkeshian@kilpatricktownsend.com

J. David Mayberry
N.C. State Bar No. 13236
The Grace Building
1114 Avenue of the Americas
New York, New York 10036
Telephone: (212) 775-8830
Email: dmayberry@kilpatricktownsend.com

William H. Brewster
GA State Bar No. 080422
H. Forrest Flemming, III
GA State Bar No. 104962
1100 Peachtree Street, NE, Suite 2800
Atlanta, GA 30309
Telephone: (404) 815-6500
Email: bbrewster@kilpatricktownsend.com
Email: fflemming@kilpatricktownsend.com

KIRKLAND & ELLIS LLP

Dale Cendali
NY Bar No. 1969070 (*pro hac vice*
forthcoming)

Johanna Schmitt
NY Bar No. 3055522 (*pro hac vice*
forthcoming)

601 Lexington Avenue
New York, NY 10022
Telephone: (212) 446-4800
Email: johanna.schmitt@kirkland.com
Email: dale.cendali@kirkland.com

Attorneys for Truist Financial Corporation

CERTIFICATE OF SERVICE

I hereby certify that on this date this **Defendant's First Amended Answer and Counterclaims** was electronically filed with the Clerk of Court using the CM/ECF system, which will send notification of such filing to all attorneys of record.

This the 18th day of December, 2019.

By: /s/ Richard J. Keshian
Richard J. Keshian
KILPATRICK TOWNSEND & STOCKTON LLP
N.C. State Bar No. 10681
1001 West Fourth Street
Winston-Salem, North Carolina 27101
Telephone: (336) 607-7300
Email: rkeshian@kilpatricktownsend.com