

UNITED STATES DEPARTMENT OF COMMERCE
Patent and Trademark Office
Trademark Trial and Appeal Board
2900 Crystal Drive
Arlington, Virginia 22202-3513

Kuhlke/rc

Mailed: March 19, 2002

Opposition No. 150,161

Innovative Programming
Associates, Inc.

v.

Varian, Inc.¹ by merger
with Vankel Technology
Group

Before Cissel, Wendel, and Holtzman, Administrative
Trademark Judges.

By the Board:

On November 26, 2001, applicant filed an answer to the opposition and a counterclaim to restrict opposer's pleaded registration under Section 18 of the Trademark Act by modifying the identification of goods. On December 26, 2001, opposer filed its answer to applicant's counterclaim and asserted three affirmative defenses.

This case now comes up for consideration of applicant's motion (filed January 7, 2002) to strike opposer's affirmative defenses. The motion is fully briefed.

¹The merger of Vankel Technology Group, the original applicant, with Varian, Inc. is recorded with the Assignment Branch at Reel

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The defenses applicant seeks to strike are set forth below.

(1) Opposer is the owner of Reg. No. 1,284,179 and it is entitled to the full rights of ownership granted under the Lanham Act.

(2) Applicant failed to state a claim upon which relief may be granted.

(3) Applicant should pay for reasonable costs incurred by opposer.

In support of its motion, applicant states that the first defense "should be stricken because it merely reiterates opposer's claim of rights in its mark, without setting forth a true affirmative defense, such as, for example, estoppel or unclean hands."

Further, applicant states that opposer's second affirmative defense should be stricken because "applicant's counterclaim does state a claim upon which relief can be granted and opposer has presented absolutely no facts which lead to any other conclusion."

Finally, applicant states that the third defense "should be stricken because the Board does not have authority to hold any person in contempt, or to award attorney's fees, other expenses, or damages to any party [citation omitted]."

No. 2349/Frame No. 0063. The case caption has been updated to reflect this change.

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In opposition to the motion, opposer states that claiming ownership of its trademark registration in its first defense is a "defense [that] is not immaterial or redundant and at the very least the presence of the defense in the pleadings cannot prejudice applicant."

Further, opposer states that "[i]nasmuch as opposer has filed the required Section 8 and 15 declarations, applicant's [sic] ownership rights in the mark are incontestable," therefore "applicant's counterclaim to restrict opposer's ownership rights fails to state a claim on which relief may be granted."

Finally, as to costs, opposer states that it "has included this defense so as to preserve it if needed in subsequent actions."

We turn first to opposer's second affirmative defense of failure to state a claim. While Fed. R. Civ. P. 12(b)(6) permits a defendant to assert in the answer the "defense" of failure to state a claim upon which relief can be granted, it necessarily follows that a plaintiff may utilize this assertion to test the sufficiency of the defense in advance of trial by moving under Fed. R. Civ. P. 12(f) to strike the "defense" from the defendant's answer. See *S.C. Johnson & Son Inc. v. GAF Corporation*, 177 USPQ 720 (TTAB 1973).

To withstand a motion to dismiss for failure to state a claim upon which relief can be granted, plaintiff need only

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allege such facts as would, if proved, establish that (1) the plaintiff has standing to maintain the proceeding, and (2) a valid ground exists. See *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982).

For purposes of determining a motion to dismiss for failure to state a claim upon which relief can be granted, all of plaintiff's well-pleaded allegations must be accepted as true, and the pleading must be construed in the light most favorable to plaintiff. See 5A Wright & Miller, *Federal Practice and Procedure: Civil 2d Section 1357* (1990). Dismissal for insufficiency is appropriate only if it appears certain that the plaintiff is entitled to no relief under any set of facts which could be proved in support of its claim. See *Stanspec Co. v. American Chain & Cable Co., Inc.*, 531 F.2d 563, 189 USPQ 420 (CCPA 1976).

The standing question is an initial inquiry directed solely to establishing the personal interest of the plaintiff. To meet this requirement, a plaintiff need only show that it has a real interest in the outcome of the proceeding. *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999); *Jewelers Vigilance Committee, Inc. v. Ullenberg Corp.*, 823 F.2d 490, 2 USPQ2d

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2021 (Fed. Cir. 1987); *Estate of Biro v. Bic Corp.*, 18 USPQ 1382, 1385 (TTAB 1991).

In this case, applicant's standing, that is applicant's personal interest in the proceeding, arises out of its position as defendant in the opposition. See *Syntex (U.S.A.) Inc. v. E.R. Squibb & Sons Inc.*, 14 USPQ2d 1879 (TTAB 1990); *Bankamerica Corp. v. Invest America*, 5 USPQ2d 1076 (TTAB 1987).

Turning now to the sufficiency of applicant's counterclaim, a counterclaim to restrict the identification of goods in a registration under Section 18 of the Trademark Act must include allegations that (1) entry of the proposed restriction will avoid a finding of likelihood of confusion, and (2) the opponent is not using its mark on the goods or services that will be effectively excluded by the proposed restriction. *Milliken & Company v. Image Industries, Inc.*, 39 USPQ2d 1192 (TTAB 1996). We find that paragraphs 1 through 8 of applicant's counterclaim sufficiently set forth a request for restriction under Section 18.²

² Specifically, applicant alleges that:

6...by modifying and/or restricting the goods in opposer's registration by providing the "function" of opposer's computer programs, it will be even clearer than now appears that there is no likelihood of confusion between opposer's mark used on opposer's goods and applicant's mark as used with applicant's services.

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With regard to opposer's argument that its pleaded registration is incontestable, Section 15 provides incontestable rights of use and to that extent is irrelevant to a cancellation proceeding before the Board. Once a registration has been in existence for five years the grounds on which a cancellation action may be brought under Section 14 are limited regardless of whether Section 15 incontestability has been invoked. *Strang Corporation v. The Stouffer Corporation*, 16 USPQ2d 1309, 1311 (TTAB 1990). However, registrations over five years old may be restricted under Section 18. See *Eurostar Inc. v. "Euro-Star" Reitmoden GmbH & Co. KG*, 34 USPQ2d 1266 (TTAB 1994).

In view of the above, and since the counterclaim is legally sufficient, applicant's motion to strike opposer's second affirmative defense is granted and opposer's second affirmative defense is hereby stricken.

Turning to opposer's third defense, it is well established that the Board does not have the authority to award attorney's fees, other expenses, or damages to any party. See Trademark Rules 2.120(f), 2.120(g)(1), and 2.127(f); TBMP Section 502.06.

7... applicant further alleges that opposer is not using its LABCAT on the goods that will be effectively excluded by the proposed restriction.

Applicant also included a proposed amendment.

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Accordingly, applicant's motion to strike opposer's third defense is granted and opposer's third defense is hereby stricken.

Finally, opposer's first defense is an acceptable pleading in that it is an amplification of opposer's denial of applicant's allegations and gives applicant a more complete notice of opposer's position. *See Harsco Corp. v. Electrical Sciences, Inc.*, 9 USPQ2d 1570 (TTAB 1988). Accordingly, applicant's motion to strike opposer's first defense is denied.

In summary, applicant's motion to strike opposer's second and third defenses is granted, and applicant's motion to strike opposer's first defense is denied.

Opposer's consented motion (filed January 17, 2002) for a thirty-day extension of time to file an answer to applicant's first set of interrogatories, and first request for production of documents is granted.

Dates remain as set in the December 19, 2001 order.