

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

Goodman

Mailed: December 15, 2004

Opposition No. 91160234

Leo Stoller, d/b/a Central
Mfg.

v.

Airframe Business Software,
Inc.

Before Hohein, Chapman and Rogers, Administrative Trademark
Judges.

By the Board:

This case now comes up on the following motions:

- 1) opposer's (pro se) motion to strike applicant's affirmative defenses, filed June 21, 2004;¹
- 2) opposer's motion to dismiss applicant's counterclaims, filed June 25, 2004;²
- 3) opposer's motion for Fed. R. Civ. P. 11 sanctions, filed July 23, 2004;³ and
- 4) applicant's motion for Fed. R. Civ. P. 11 sanctions, filed July 6, 2004.

¹ Certificate of mailing and certificate of service dated June 18, 2004.

² Certificate of mailing and certificate of service dated June 19, 2004.

³ Certificate of service showing first served on applicant on June 25, 2004; copy filed with Board with certificate of mailing and certificate of service date of July 20, 2004.

We turn first to opposer's motion to strike applicant's affirmative defenses.

In support of its motion, opposer argues that with regard to the first affirmative defense, opposer has stated a claim upon which relief may be granted; that with regard to applicant's second (fraud), third (unclean hands) and fourth (estoppel) affirmative defenses, they do not allege sufficient facts for opposer to "defend against";⁴ that the affirmative defense of fraud is not pled with sufficient particularity; and that there are no grounds in the notice of opposition to warrant the type of defenses alleged.

In response, applicant argues that opposer has not met his burden in that his "cursory motion to strike does not make any showing that applicant's affirmative defenses are irrelevant to this case or that they have any 'clearly apparent' insufficiencies"; that opposer's motion "amounts to little more than opposer's disagreement with the defenses" and "is plainly not a ground upon which to strike [the defenses]"; and that the affirmative defense of fraud has been set forth with particularity.

With regard to the first affirmative defense of failure to state a claim, a plaintiff may use a motion to strike this defense to test the sufficiency of the complaint in

⁴ We take this reference to mean opposer is asserting that the defenses do not provide sufficient notice for opposer to know what applicant will attempt to prove at trial.

advance of trial. See *S.C. Johnson & Son Inc. v. GAF Corporation*, 177 USPQ 720 (TTAB 1973). Thus, the question to be determined by way of opposer's motion to strike applicant's first affirmative defense is whether the notice of opposition sets forth facts which, if proved, would entitle opposer to the relief he seeks.

In the present case, applicant seeks to register the mark AIRFRAME BUSINESS SOFTWARE, INC. for "computer software for database management of business processes and information management."⁵ Registration has been opposed on the grounds of likelihood of confusion, dilution, lack of bona fide intent to use, fraud, and unclean hands.

With regard to opposer's standing, we find that opposer has sufficiently alleged a real interest in this proceeding by his allegations of prior use and ownership of AIRFRAME common law marks and registrations.

With regard to the ground of likelihood of confusion, we find that opposer has sufficiently alleged priority of use and likelihood of confusion in the notice of opposition.⁶

⁵ Application Serial No. 78233204, filed on April 2, 2003, based on applicant's assertion of an intention to use the mark in commerce.

⁶ See e.g., paragraphs 2, 3, 6, 7, 8, 10, 12, 13, 15, 18, 19, 20, 21, 22, 24, 25, 26, 27, 28, and 32.

With regard to the ground of dilution, we find that opposer has adequately alleged dilution in paragraphs 16, 17 and 23.

With regard to opposer's claim of applicant's lack of a bona fide intention to use the mark, paragraph 42 of the notice of opposition reads that "[t]he applicant had no valid intent to use its mark in commerce." Opposer's conclusory statement is clearly insufficient to allege lack of bona fide intent to use because no facts upon which this allegation is based have been set forth in the notice of opposition. Therefore opposer's claim of applicant's lack of bona fide intent to use is dismissed.

With regard to opposer's allegations of fraud, as set forth in paragraphs 31, 35 through 38, 41 and 43 of the notice of opposition, we find that the allegations in paragraphs 35, 36 and 43 are inapplicable to the opposed application.⁷ We find the remaining allegations in paragraphs 31, 37, 38 and 41 lack the necessary averments of fact to support opposer's belief that applicant knew of a third party's superior right to use AIRFRAME. See e.g., *King Automotive, Inc. v. Speedy Muffler King, Inc.*, 212 USPQ

⁷ Paragraph 35 of the notice of opposition references specimens of use and paragraph 36 references a statement of use. However, the opposed application was published under Section 1(b) and no allegation of use has been filed, and no notice of allowance has issued to allow for the filing of a statement of use. Additionally, paragraph 43 of the notice of opposition refers to

801 (CCPA 1981). Therefore, opposer's claim of fraud is dismissed.

Opposer has also pled unclean hands in paragraph 43 of the notice of opposition. This is not a ground for opposition, and therefore, this allegation is stricken. See *e.g., Aquion Partners L.P. v. Envirogard Products Ltd.*, 43 USPQ2d 1371, 1372 n.3 (TTAB 1997) ("unclean hands is an affirmative defense, not a ground for opposition").

In summary, opposer's allegations of likelihood of confusion and dilution are sufficient to state a claim; the allegations of applicant's lack of a bona fide intent to use and fraud are dismissed as insufficiently pled⁸; and the allegation of unclean hands is unavailable as a ground for opposition and is stricken.

In view thereof, opposer's motion to strike applicant's first affirmative defense is moot, as we have determined the sufficiency of opposer's pleading.

We now turn to the remainder of applicant's affirmative defenses in considering opposer's motion to strike. Applicant's second affirmative defense, which alleges that opposer has made false statements in his pleading, is

application Serial No. 78319600, which is not involved in this proceeding.

⁸ If during discovery opposer learns information that provides support for these claims, opposer may move to amend the notice of opposition in accordance with the Trademark Rules of Practice.

essentially a Rule 11 motion. Inasmuch as Rule 11 is not a permissible basis for an affirmative defense, this "defense" is stricken. *Cf., Lenoir v. Tannehill*, 660 F. Supp. 42, 44 (S.D. Miss. 1986) ("it appears clearly beyond question that Rule 11 by its express terms only permits an attorney procedurally to raise a claim for sanctions through a motion.")

With regard to the third and fourth affirmative defenses, we find that these defenses are not sufficiently pled. Other than the conclusory statements that opposer's opposition is barred because of opposer's unclean hands and by estoppel, there are no specific allegations of opposer's conduct that, if proved, would prevent opposer from prevailing on his claim, or which would allow opposer to prepare for trial of an estoppel defense. *See, Midwest Plastic Fabricators Inc. v. Underwriters Laboratories Inc.* 5 USPQ2d 1067, 1069 (TTAB 1987) (conclusory allegations are insufficient to state a defense of unclean hands); and *Telectronics Proprietary Ltd. v. Medtronic Inc.*, 7 USPQ2d 1777, 1784 (S.D.N.Y 1988) ("Likewise, the word 'estoppel' without more is not a sufficient statement of a defense.") Accordingly, applicant's third and fourth affirmative defenses are hereby stricken.⁹

⁹ If during discovery applicant learns information that provides support for these defenses, applicant may move to amend its answer in accordance with the Trademark Rules of Practice.

We now turn to opposer's motion to dismiss applicant's counterclaim against opposer's pleaded Registration Nos. 2137218, 2128940, 2138609, 2137059, and 2138806.¹⁰

In support of his motion, opposer argues that the counterclaim fails to state a claim upon which relief can be granted; and that applicant has failed to allege fraud with sufficient particularity.

In response, applicant argues that opposer has failed to demonstrate why the counterclaim for fraud is "not sufficiently clear in its factual allegations"; that the counterclaim is "precise, specific and particular in its assertion"; and that, therefore, opposer's motion to dismiss is without merit.

A motion to dismiss is a test solely of the sufficiency of the allegations set forth in a pleading. For purposes of such a motion, all well pleaded factual allegations of the "complaint" are accepted as true and the "complaint" is viewed in the light most favorable to the non-moving party. Accordingly, a motion to dismiss will not be granted unless it appears to a certainty that the plaintiff has failed to allege any facts which would state a claim under the statute. See *Stanspec Co. v. American Chain & Cable Co., Inc.*, 531 F.2d 563, 189 USPQ 420 (CCPA 1976).

¹⁰ The Board notes that the current records of the Assignment Branch of the USPTO indicate ownership of the registrations in "Central Mfg. Co." a corporate entity.

We have reviewed applicant's counterclaim in its entirety, and conclude that applicant has pled with sufficient particularity the factual basis for its allegations of opposer's fraudulent misrepresentations to the USPTO. See Fed. R. Civ. P. 9(b). Accordingly, opposer's motion to dismiss applicant's counterclaim is denied.

This case will go forward on opposer's current pleaded claims of 2(d) and dilution, applicant has no pleaded affirmative defenses, and applicant's counterclaim of fraud.

We turn next to opposer's motion for Rule 11 sanctions. Inasmuch, however, as the conduct complained of does not constitute a violation of Rule 11, opposer's motion is denied.

Finally, we turn to applicant's motion for Rule 11 sanctions. Inasmuch as applicant did not comply with the "safe harbor" and "separate motion" requirements of the rule, the motion must be and is hereby denied. See Fed. R. Civ. P. 11(c)(1)(A).

Proceedings are resumed.

Opposer is allowed until THIRTY DAYS from the mailing date of this order to file an answer to the counterclaim. See Trademark Rule 2.106(b)(2)(iii).

Discovery and trial dates are reset as follows:

THE PERIOD FOR DISCOVERY TO CLOSE: May 1, 2005

Opposition No. 91160234

30-day testimony period for party in position of plaintiff in the opposition to close: July 30, 2005

30-day testimony period for party in position of defendant in the opposition and plaintiff in the counterclaim to close: September 28, 2005

30-day rebuttal testimony period for defendant in the counterclaim and plaintiff in the opposition to close: November 27, 2005

15-day rebuttal testimony period for plaintiff in the counterclaim to close: January 11, 2006

**Briefs shall be due as follows:
[See Trademark Rule 2.128(a)(2)].**

Brief for plaintiff in the opposition shall be due: March 12, 2006

Brief for defendant in the opposition and plaintiff in the counterclaim shall be due: April 11, 2006

Brief for defendant in the counterclaim and reply brief for plaintiff in the opposition shall be due: May 11, 2006

Reply brief for plaintiff in the counterclaim shall be due: May 26, 2006

In each instance, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rule 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.