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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91200105
Party	Defendant Cleary Chemicals, LLC
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

	)	In re Matter of Trademark
	)	Application No. 77/942162
EMD CROP BIOSCIENCE INC.,	)	Filed: Feb. 23, 2011
Opposer,	)	
	)	Opposition No. 91200105
v.	)	
	)	
	)	
CLEARY CHEMICALS, LLC,	)	
Applicant.	)	
	)	

BRIEF IN OPPOSITION TO MOTION TO STRIKE AND MOTION FOR JUDGMENT ON THE PLEADINGS

Now comes Applicant, Cleary Chemicals, LLC ("Cleary"), and opposes the two motions brought by Opposer, EMD Crop Bioscience, Inc. ("EMD"), for the reasons that follow:

EMD would have the Board strike Cleary's counterclaim seeking restriction of the identification of its goods on the ground that "[Applicant's] counterclaim is not the proper procedure to restrict the identification of goods." EMD's motion to strike should be denied because the matter presented in the counterclaim has bearing on the issues in this case. The counterclaim serves a dual purpose. First, it gives fair notice to EMD of the facts Cleary believes support the absence of a likelihood of confusion. (See III, Counterclaims, paragraph 4.) Second, it gives fair notice to EMD that if the Board finds that Cleary is not entitled to registration in the absence of a restriction of the description of its goods, then Cleary is seeking registration with the stated restriction, which may be approved and entered. (Section III, Counterclaims, paragraph 5.) It is factually supportive of the affirmative defense of paragraph 23, section II (proposed restriction of description of goods); it therefore does not "clearly have no

bearing on the issues in the case" warranting that it be stricken. It should be of no consequence that it is presented as a "counterclaim" as opposed to an "affirmative defense", for it is fundamental that if a party mistakenly designates a defense as a counterclaim or a counterclaim as a defense, it must, if justice requires, be treated as though it were correctly designated. Fed.R.Civ.P. 8(c)(2).

EMD would have the Board grant it judgment on the pleadings with respect to Cleary's counterclaim for cancellation for fraud "since there are no material facts in dispute and Opposer is entitled to judgment as a matter of law." EMD's motion should be denied because (1) Cleary has stated sufficient facts as to state a claim for fraud; (2) judgment on the pleadings is inappropriate because there exists at least a genuine issue as to EMD's intent in making false representations to the Trademark Office; (3) EMD has submitted matters outside of the pleadings, which if considered by the Board will require that motion be treated as a summary judgment motion; (4) it is premature for the Board to treat the matter as a summary judgment motion in that initial disclosures have not been made; and (5) Cleary should be permitted to pursue discovery on the issue. For this reason, Cleary herewith presents a declaration under Rule 56 (d) stating why it cannot present facts essential to justify its opposition at this time, and requests that the Board defer or deny EMD's motion to allow it time to take discovery.

Cleary's opposition as to both of these motions is set forth with particularity below.

I. CLEARY'S COUNTERCLAIM GIVES FAIR NOTICE OF FACTS IN THE FIRST INSTANCE SUPPORTING THE ABSENCE OF A LIKELIHOOD OF CONFUSION, IN THE SECOND INSTANCE THAT THE RESTRICTION WILL AVOID A LIKELIHOOD OF CONFUSION AND THAT IT IS CONSENTING TO A RESTRICTION OF THE DESCRIPTION OF ITS GOODS IN THE EVENT THAT THE BOARD DEEMS THE SAME NECESSARY

Motions to strike are not favored, and matter will not be stricken unless it clearly has no bearing upon the issues in a case. TMBP 506.01, citing in part, *Ohio State University v. Ohio*

University, 51 USPQ2d 1289, 1292 (TTAB 1999). The primary purpose of pleadings is to give fair notice of claims and defenses asserted, therefore, when this purpose is served, the Board may decline to strike even objectionable pleadings where their inclusion will not prejudice the adverse party. *Id.*

In support of its motion to strike, EMD argues that pursuant to TMBP 514, Cleary must file a motion to amend its application. TMBP 514.03 provides that the Board may grant a motion to amend an application or registration which is the subject of an inter partes proceeding, but contrary to EMD it does not provide that this is the sole procedure by which an applicant can seek to amend. TMBP 514.03 further provides as follows:

> If a defendant, whose application or registration is the subject of a Board inter partes proceeding, wishes to defend by asserting that it is at least entitled to a registration with a particular restriction, the defense should be raised *either in the defendant's answer to the complaint, or by way of a timely motion to amend* the application or registration to include the restriction.

TMBP 311.02(b) also expressly provides as follows:

> A request by defendant to restrict its identification of goods or services under Section 18 of the Trademark Act, 15 U.S.C. §1068, must be made *either by way of an affirmative pleading in the answer (as originally filed, or as amended, or deemed amended) or by way of motion* under 37 CFR §2.133, in order to be considered by the Board.

See also, *Personnel Data Sys. Inc. v. Parameter Driven Software Inc.*, 20 USPQ2d 1863, 1865 (TTAB 1991).

Here, Cleary has complied with TMBP 514.03 by expressly asserting that it is at least entitled to a registration with a particular restriction in its answer to the complaint, both in Section II, Affirmative Defenses, Paragraph 23, and in Section III, Counterclaims, Paragraph 5 as follows:

> As such, Applicant is at least entitled to a registration with a restriction in the identification of goods as follows: fungicides for domestic use, and fungicides for agricultural use, namely outdoor terrestrial turf and ornamental agricultural

fungicides.

Cleary has also met the only other requirements under TMBP 514.03, namely, it has alleged facts that when proven demonstrate that the restriction will avoid a likelihood of confusion and that under the proposed restriction Cleary's registration will not include the products on which EMD is using the mark. It can be shown that a restriction will avoid a likelihood of confusion by delineating different channels of trade and different users. *Penguin Books Ltd. v. Rainer Eberhard dba Penguin Computer Consultants*, 48 USPQ2d 1280, 1286 (TTAB 1997). Almost the entirety of Paragraph 23, Section II, Affirmative Defenses, is devoted to a statement of the facts regarding the realities of the marketplace , which when proven, will do just that—delineate both the channels of trade and different users. The same is true of Paragraph 4, Section III, Counterclaims. "Crop" (i.e., food) and "turf and ornamental" (i.e., nonfood) are different segments of the relevant product market such that the parties' respective products are not sold through the same channels or by the same distributors or to the same end customers. EMD admits using the mark TORQUE for natural molecule or bacteria for plant growth enhancement in agriculture *crops*. (Doc. 1, Notice of Opposition, Par. 2.) Cleary uses the mark TORQUE for fungicides for agricultural use, more particularly, *turf and ornamental* fungicides.

Finally, there is no requirement under TMBP 514.03 that the applicant "state" in its answer that it consents to entry of judgment on the question of likelihood of confusion as to the broader identification of goods. An applicant may deny that there is any likelihood of confusion with respect to its mark and goods as set forth in the application, and at the same time, plead alternatively that it actually uses its mark only on a specific

type (identified in the pleading) of the goods covered by the broad identification in its application. TMBP 3011.02(b). When an applicant elects to plead alternatively as described, the Board may ultimately find that the applicant is entitled to registration without the proposed restriction and allow the applicant time to indicate whether it still wishes to have it entered, or the Board may propose a further refinement of the restriction, or the Board may simply approve and enter the proposed restriction. TMBP 514.03.

II. CLEARY'S COUNTERCLAIM IS NOT INSUFFICIENT, AND EMD'S MOTION FOR JUDGMENT ON THE PLEADINGS IS INAPPROPRIATE AS THERE IS A GENUINE ISSUE OF MATERIAL FACT SUCH THAT EMD IS NOT ENTITLED TO JUDGMENT ON THE SUBSTANTIVE MERITS

A motion for judgment on the pleading may be granted only where on the facts deemed admitted, there is no genuine issue of material fact to be resolved and the moving party is entitled to judgment on the substantive merits of the controversy as a matter of law. TBMP 504.02; *Baroid Drilling Fluids Inv. v. Sun Drilling Prods.*, 24 USPQ2d 1048, 1049 (TTAB 1992). Fraud in trademark cases occurs when an applicant knowingly makes false, material representations because the Lanham Act imposes on an applicant the obligation not to make knowingly inaccurate or knowingly misleading statements. *In re Bose Corp.,* 580 F.3d 1240, 1245 (Fed. Cir. 2009). There is no fraud if a false misrepresentation is occasioned by an honest misunderstanding or inadvertence without a willful intent to deceive. *In re Bose*, 580 F.3d at 1246.

Looking at Cleary's counterclaim, while Cleary alleges "upon information and belief", it also alleges specific facts going to the elements to be proven (i.e., false, material representations with respect to matters for which the Lanham Act imposes on the applicant the obligation not to

make knowingly inaccurate or knowingly misleading statements—hence the declaration requirement). Paragraph 5 states the following specific facts:

> ...The original application was filed under Section 1(a) of the Trademark Act. No specimen was provided. No date of first use anywhere was provided. The application was not signed and verified as required therefore, the initial application was not complete. In response to an Office Action, Opposer submitted a specimen dated 2008, and fraudulently stated that the specimen had been in use at least as early as the filing date of the application, which was October 19, 2007...

The "intent" element was also pleaded in Paragraph 5:

> .... The described acts of EMD were done knowingly and with the intent to induce the Trademark Examiner to rely thereon and grant said registration...

Therefore, contrary to EMD, Clearly's counterclaim is not insufficient under the test set forth in *Asian and Western Classics B.V. v. Selkow*, 92 USPQ 2d 1478, 1479 (TTAB 2009). Moreover, an inference can be drawn from the stated underlying facts that EMD knew of the falsity of the material misrepresentation as to use. This is distinct from the underlying facts in *King Automotive, Inc. v. Speedy Muffler King, Inc.*, 212 USPQ 801, 803 (CCPA), in which it could not be inferred from the fact that a declarant had knowledge of a third party use of a mark that the declarant had knowledge that the respective uses of the mark by the parties would be likely to confuse.

Because Cleary's counterclaim is not insufficient, for purposes of ruling on EMD's motion for judgment on the pleadings, the Board must accept Cleary's allegations as true. TMBP 504.02; See also *Baroid Drilling Fluids, Inc.*, 24 USPQ2d at 1049. The Board must also take those allegations that EMD has denied as denied. *Id.* Looking at EMD's answer, as well as the argument and attachments to its motion, EMD denies "intent", instead claiming inadvertence, and thereby puts the issue of "intent" into dispute. Simply put, judgment on the pleadings is, therefore, inappropriate.

III. THERE HAVING BEEN NO DISCOVERY IN THIS PROCEEDING, CLEARY IS NOT IN A POSITION TO CHALLENGE THE EVIDENCE THAT EMD HAS PRESENTED IN SUPPORT OF SUMMARY JUDGMENT ON CLEARY'S COUNTERCLAIM FOR FRAUD, WARRANTING DENIAL OR DEFERMENT OF A RULING ON EMD'S MOTION

EMD has presented a declaration from its client in support of its motion for judgment on the pleadings, and to the extent that it is extraneous and the Board considers it, EMD would have the Board treat its motion for judgment on the pleadings as a motion for summary judgment. (Brief at pp. 6-7.) EMD argues that summary judgment is appropriate because there are no genuine issues of material facts, thereby permitting the case to be resolved as a matter of law.

TMBP 504.3 does provide that if, on a motion for judgment on the pleadings, matters outside the pleading are submitted and not excluded by the Board, the motion shall be treated as a motion for summary judgment. However, it is the practice of the Board to notify the parties that it will be treating the motion for judgment on the pleadings as a motion for summary judgment, and give the parties reasonable opportunity to present all material made pertinent to such a motion by Fed. R.Civ.P. 56. *Id.*

While the TMBP is silent as to whether a motion for judgment on the pleadings including matter outside the pleadings may be filed prior to service of initial disclosures, the TMBP provides that a motion for summary judgment may not be filed prior to initial disclosures, and a motion to dismiss including matter outside the pleading will not be considered to be a motion for summary judgment even if the parties treat it as such. TMBP 503.04. The Board has indicated its intent to apply and is urged to apply the same rationale here.[1]

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[1] See footnote 1 of the mailing from the Board dated September 13, 2011 suspending the proceedings. "Inasmuch as the reset deadline for serving initial disclosures (November 13, 2011) is after the date on which opposer filed its motion, and said motion does not state that opposer served its initial disclosures, conversion of said motion to one for summary judgment under Fed. R. Civ. P. 56 would result in a procedurally premature motion."

Also pertinent is that Fed.R.Civ.P. 56 currently provides that if a nonmovant shows by affidavit or declaration, that for specified reasons it cannot present facts essential to justify its opposition, the Court may defer considering the motion or deny it, or allow time to take discovery or issue any other appropriate order.

As can be seen from the declaration of counsel presented herewith, discovery has yet to commence in this action and counsel has had no opportunity to obtain information solely in the possession of EMD with respect to support of its counterclaim. As can also be seen from the declaration of counsel, there has been no opportunity to challenge the declarant. As such, Cleary requests that the Board, in its discretion, either deny the motion or defer considering it.

IV. CLEARY'S COUNTERCLAIM IS NOT INSUFFICIENT BECAUSE CLEARY DID NOT SPECIFICALLY ALLEGE DAMAGE NOR IS THE FACT THAT CLEARY BROUGHT A COUNTERCLAIM AN ADMISSION THAT THERE EXISTS A LIKELIHOOD OF CONFUSION

EMD argues that Cleary's counterclaim is insufficient because Cleary did not specifically allege damage. EMD argues "Presumably, Applicant contends that there exists a likelihood of confusion between Opposer's registered mark and Applicant's mark for its goods." Both EMD's argument and presumption are without merit.

A counterclaimant need not plead its standing to assert a counterclaim to cancel a registration pleaded by the opposer in its opposition. *Ohio State University*, 51 USPQ2d at 1293. The counterclaimant's standing in such a case is inherent in its position as defendant to the notice of opposition. *Id.*

V. CONCLUSION

EMD's motion to strike Cleary's counterclaim affirmatively pleading its defense that it is at least entitled to registration with the proposed restriction must be denied. The matter

presented in Cleary's counterclaim has bearing on the issues in this case and provides fair notice to EMD.

EMD's motion for judgment on the pleadings must be denied. Cleary has stated sufficient facts as to state a claim for fraud, and there exists at least a genuine issue as to EMD's intent in making false representations to the Trademark Office. Further, because EMD has submitted matters outside of the pleadings, which if considered by the Board will require that motion be treated as a summary judgment motion, ruling on the motion should be denied or delayed and Cleary should be permitted time to pursue discovery on the issue.

Respectfully Submitted,

Date October 4, 2011

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing BRIEF IN OPPOSITION TO MOTION TO STRIKE AND MOTION FOR JUDGMENT ON THE PLEADINGS has been sent by first class U.S. Mail, postage prepaid, to:

Edward M. Prince, Esq.
Alston & Bird LLP
950 F Street NW, The Atlantic Building
Washington, DC 20004

Attorney for Opposer, *EMD Crop Bioscience, Inc.,* on the 4th day of October 2011

/Tama L. Drenski/
Tama L. Drenski

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Applicant.	)	
	)	

DECLARATION OF TAMA L. DRENSKI GIVEN PURSUANT TO FED.R.CIV. P. 56(D)

I, Tama L. Drenski, do hereby make this declaration under penalty of perjury and pursuant to 28 U.S.C. § 1746:

1. I am counsel of record for Cleary Chemicals, LLC in the captioned opposition;

2. The docket in this matter discloses that EMD Crop Bioscience Inc. ("EMD") filed a combined motion to strike and motion for judgment on the pleadings directed to the counterclaims of Cleary Chemicals, LLC on September 14, 2011 (Doc. 13);

3. In the document, EMD asks the Board to convert its motion for judgment on the pleadings to a motion for summary judgment if the Board elects to consider the materials outside the pleadings that EMD attached in support of its motion;

4. It is my good faith belief that those materials put into issue EMD's intent in filing its initial application to register the trademark TORQUE and EMD's subsequent filing of a specimen and Declaration;

5. Discovery has yet to commence in this proceeding; a discovery conference has not been held; initial disclosures have not been served; and the undersigned has not had an opportunity to challenge the statements made by Charles Broughton in his declaration in support of EMD's motion for judgment on the pleadings; and

6. As a consequence of the foregoing status of the proceeding, it is my good faith belief that Cleary cannot present facts essential to justify its opposition to EMD's motion for judgment on the pleadings should the Board treat it as a motion for summary judgment.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge and belief.

Date: Oct 4, 2011

Tama Drenski

Tama L. Drenski