ESTTA Tracking number: **ESTTA447616**
Filing date: **12/21/2011**

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

Proceeding	91202009
Party	Defendant Motorola Trademark Holdings, LLC
Correspondence Address	KRISTIN J ACHTERHOF KATTEN MUCHIN ROSENMAN LLP 525 W MONROE STREET CHICAGO, IL 60661 UNITED STATES kristin.achterhof@kattenlaw.com, cathay.smith@kattenlaw.com, shirley.cole@kattenlaw.com
Submission	Reply in Support of Motion
Filer's Name	Cathay Y. N. Smith
Filer's e-mail	kristin.achterhof@kattenlaw.com, cathay.smith@kattenlaw.com
Signature	/s/
Date	12/21/2011
Attachments	Reply In Support of Motion to Suspend.pdf (10 pages)(337649 bytes)

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

XOOM CORPORATION, Opposer, v. MOTOROLA TRADEMARK HOLDINGS, LLC, Applicant.	Opposition No.: 91202009

REPLY IN SUPPORT OF MOTION TO SUSPEND PROCEEDING
PENDING RESOLUTION OF CIVIL ACTION

Applicant Motorola Trademark Holdings, LLC ("Motorola") submits this Reply to briefly address issues raised by Opposer Xoom Corporation ("Opposer") in its Response to Applicant's Motion to Suspend Proceedings (hereinafter, the "Response").

1. On November 14, 2011, Motorola filed with the Trademark Trial and Appeal Board (the "Board") a Notice of Related Civil Action and Request to Suspend Proceeding (the "Motion") seeking to suspend this proceeding pending resolution of the civil action filed by Opposer against Motorola in the Northern District of California, Case No. 3:11-cv-00848 (hereinafter, the "Civil Action").

2. On December 8, 2011, Opposer filed its Response, objecting to suspension of this proceeding, yet failing to cite a single case where the Board has refused to suspend a Board proceeding in circumstances similar to this case.[1] Rather, Opposer spends most of its Response

[1] Instead, Opposer relies solely upon one inapposite case, *Boyds Collection Ltd. v. Herrington & Co.*, 65 USPQ2d 2017 (TTAB 2003), to support its opposition to Motorola's Motion. However, unlike here, the petitioner in that case did not initiate the civil action or file its motion to suspend until after the trial period in the Board proceeding had closed and a dispositive motion was already pending. Here, Opposer only recently initiated this Board proceeding 8 months after Opposer initiated the Civil Action against Motorola.

arguing, without support, that the affirmative defenses raised by Motorola in its Answer are "invalid." In the end, Opposer's Response presents no legitimate basis why the Board should not suspend this proceeding pending resolution of the Civil Action.

A. <u>This Proceeding Should Be Suspended Pending Resolution Of The Civil Action</u>

3. The Board's general practice is to suspend proceedings before it when any party to a pending Board proceeding is involved in a civil action which may have a bearing on the case before the Board. *See Xoom Corporation v. Motorola Trademark Holdings, LLC*, Opp. No. 91202575, at *1-2 (December 12, 2011) (attached hereto as **<u>Exhibit 1</u>**); Trademark Rule 2.117(a). Additionally, Trademark Rule 2.117(a) clearly indicates that the parties to the civil action and the Board proceeding at issue need not be completely identical. *Xoom Corporation*, Opp. No. 91202575, at *2.

4. In this proceeding, Opposer has opposed Motorola's application for the trademark "XOOM" under Trademark Act Section 2(d), 15 U.S.C. Section 1052(d). In the Civil Action, Opposer claims that Motorola's alleged use of "XOOM" constitutes trademark infringement, false designation of origin, unfair competition, and false advertising. Contrary to Opposer's claim in the Response, the Civil Action is likely to be dispositive of this proceeding. Nevertheless, even if the Civil Action is not necessarily dispositive of this proceeding, the district court's finding with regard to Opposer's claims in the Civil Action clearly may have a bearing upon Opposer's Section 2(d) claim in this proceeding and would be binding upon the Board. *See Xoom Corporation*, Opp. No. 91202575, at *3.

5. Accordingly, for all of the reasons set forth in Motorola's Motion and in the Board's recent decision in *Xoom Corporation v. Motorola Trademark Holdings, LLC*, Opp. No. 91202575 (December 12, 2011), this proceeding should be suspended.

B. Opposer's Improperly Raised Arguments Relating to Motorola's Affirmative Defenses Should Be Disregarded

6. Opposer's Response also raises matters that are not germane to Motorola's Motion – namely, the "validity" of Motorola's affirmative defenses. Opposer argues in its Response that Motorola's affirmative defenses are "invalid," but Opposer fails to properly make a motion to strike Motorola's affirmative defenses pursuant to Federal Rule of Civil Procedure ("Rule") 12(f). Opposer's improper arguments relating to Motorola's affirmative defenses should be disregarded unless and until Opposer files a proper motion to strike under Rule 12(f).

7. Indeed, even if the one paragraph in Opposer's Response may be considered a proper motion to strike Motorola's affirmative defenses (which it should not), Opposer has far from met its burden under Rule 12(f) to demonstrate that Motorola's affirmative defenses should be stricken. Moreover, in order to prevent inconsistent rulings, the Board should suspend this proceeding pending resolution of the Civil Action before it considers a motion to strike Motorola's affirmative defenses.

8. "Motions to strike are not favored, and matter will not be stricken unless it clearly has no bearing upon the issues in the case." *See*, e.g., TBMP 506.01; *Louis E. Bondurant v. A.B. Dick Company*, Opp. No. 91124367, 2006 WL 2645996, at *1 (August 24, 2006) ("[I]nasmuch as applicant's affirmative defenses merely amplify applicant's general denial of the grounds for opposition, and because the Board generally does not favor motions to strike, opposer's motion to strike applicant's affirmative defenses ... is denied"); *First Horizon Corp. v. Christopher B. Colwell*, Opp. No. 91158548, 2004 WL 1950711, at *2 n. 4 (August 27, 2004) (the Board "disfavors motions to strike..."); *Conserval Sarl v. Anhing Corp.*, Opp. No. 91154290, 2004 WL 49827, at *5 (Jan. 7, 2004) ("Motions to strike in general are viewed with disfavor and matter will not be stricken unless it clearly has no bearing on the issues involved"). The primary

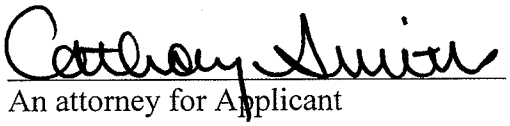
purpose of pleadings, under the Federal Rules of Civil Procedure, is to give fair notice of the claims or defenses asserted. TBMP 506.01. Thus, the Board, in its discretion, may decline to strike even objectionable pleadings where their inclusion will not prejudice the adverse party, but rather will provide fuller notice of the basis for a claim or defense. TBMP 506.01. A defense will not be stricken as insufficient if the insufficiency is not clearly apparent, or if it raises factual issues that should be determined on the merits. TBMP 506.01 (citing C. WRIGHT & A. MILLER, FEDERAL PRACTICE AND PROCEDURE Civil 3d § 1381 (2009)). Here, Motorola's affirmative defenses are relevant to the issues in this proceeding, and Opposer cannot show prejudice. Accordingly, Opposer has not met its burden under Rule 12(f), and Motorola's affirmative defenses should not be stricken.

WHEREFORE, for the reasons discussed above, and for the reasons discussed in Motorola's Motion and the Board's recent order in *Xoom Corporation v. Motorola Trademark Holdings, LLC*, Opp. No. 91202575 (December 12, 2011) (Exhibit 1), Applicant Motorola Trademark Holdings, LLC respectfully requests that the Board suspend this proceeding pending resolution of the Civil Action between the parties.

December 21, 2011

Respectfully submitted,

Motorola Trademark Holdings, LLC



An attorney for Applicant

Kristin J. Achterhof
Cathay Y. N. Smith
KATTEN MUCHIN ROSENMAN LLP
525 West Monroe Street
Chicago, Illinois 60661-3693
Telephone: (312) 902-5200
Facsimile: (312) 902-1061

Exhibit 1

Xoom Corporation v. Motorola Trademark Holdings, LLC,
Opposition No. 91202009

Applicant's Exhibit

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

Baxley

Mailed: December 12, 2011

Opposition No. **91202575**

Xoom Corporation

v.

Motorola Trademark Holdings, LLC

Andrew P. Baxley, Interlocutory Attorney:

On November 18, 2011, two days after the commencement and institution of this proceeding, applicant filed a motion to suspend this proceeding pending final dispostion of a civil action styled *Xoom Corp. v. Motorola Trademark Holdings, LLC*, Case No. CV11-0848-JCS, filed in the United States District Court for the Northern District of California. Opposer filed a brief in opposition thereto.

In opposition to applicant's motion, opposer contends that the civil action is not dispositive of this proceeding because the civil action will be decided under a different standard than this proceeding and that the civil action involves additional parties. Opposer further contends that applicant has yet to file an answer herein.

The Board's general practice is to suspend proceedings before it when any party to a pending Board proceeding is

involved in a civil action which may have a bearing on the Board case.[1] See Trademark Rule 2.117(a). Although the USPTO has expertise in determining trademark registrability, such determinations are is not within the USPTO's exclusive jurisdiction. See *American Bakeries Co. v. Pan-O-Gold Baking Co.*, 2 USPQ2d 1208 (D.C. Minn. 1986). To the extent that a civil action in a Federal district court involves issues in common with those in a Board proceeding, the district court's findings are binding on the Board, whereas the Board's findings are merely advisory to the district court. See *id.;* TBMP Section 510.02(a) (3d ed. 2011). The Board does not require that an answer be filed before it will consider a motion to suspend pending resolution of a civil action. See TBMP Section 510.02(a).

In the above-captioned opposition proceeding, opposer has opposed registration of applicant's involved mark under Trademark Act Section 2(d), 15 U.S.C. Section 1052(d). In the civil action, opposer's claims include trademark infringement, false designation of origin, unfair competition, and false advertising. Opposer correctly notes that the civil action is not necessarily dispositive of this proceeding. See, e.g., *Jet Inc. v. Sewage Aeration Systems*, 223 F3d 1360, 55 USPQ2d 1854, 1857 (Fed. Cir. 2000) (civil

[1] Rule 2.117(a) clearly indicates that the parties to the other case and the Board proceeding at issue need not be completely identical.

actions for trademark infringement and cancellation proceedings involve different transactional facts). Nonetheless, the district court's findings with regard to opposer's claims therein clearly may have a bearing upon opposer's Section 2(d) claim in this proceeding and would be binding upon the Board.

In addition, opposer asks in its complaint in the civil action that applicant be permanently enjoined from using any confusingly similar designation to opposer's pleaded XOOM mark. If applicant is enjoined from using its involved MOTOROLA XOOM mark, any such injunction may have a bearing upon whether or not applicant can properly assert, as it does in its involved application, that, "to the best of his/her knowledge and belief no other person, firm, corporation, or association has the right to use the mark in commerce, either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods/services of such other person, to cause confusion, or to cause mistake, or to deceive."

Accordingly, in the interests of judicial economy and of avoiding potentially inconsistent results, the Board finds that the civil action may have a bearing upon this proceeding and that suspension of this case pending final disposition, including any appeals or remands, of Case No. CV11-0848-JCS is warranted, and applicant's motion to

suspend is granted. Proceedings are suspended pending final determination, including any appeals or remands, of Case No. CV11-0848-JCS.

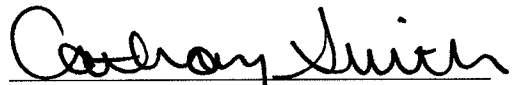
The Board will make annual inquiry as to the status of Case No. CV11-0848-JCS. Within twenty days after the final determination thereof, applicant should notify the Board so that this case may be called up for appropriate action. During the suspension period, the Board should be notified of any address changes for the parties or their attorneys.

CERTIFICATE OF SERVICE

I hereby certify that I have caused a true and correct copy of the forgoing to be served upon:

Rochelle D. Alpert
Leigha E. Weinberg
Morgan Lewis & Bockius LLP
One Market, Spear Street Tower
San Francisco, CA 94105

by E-Mail and First Class Mail, postage prepaid, this 21st day of December, 2011.



Cathay Y. N. Smith