

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

GCP

Mailed: March 6, 2012

Opposition No. 91203192

Beats Electronics, LLC

v.

Merkury Innovations, LLC

By the Trademark Trial and Appeal Board:

This case now comes before the Board for consideration of opposer's motion (filed March 1, 2012) to strike applicant's affirmative defenses asserted in its answer filed on January 23, 2012.¹

While the time for applicant to file a response to the motion to strike has yet to expire, the Board, pursuant to its inherent authority to manage its docket, suggested that the issues raised in opposer's motion should be resolved by telephonic conference as permitted by TBMP § 502.06 (3d ed. 2011). The Board advised applicant that it may advance arguments in response to the motion to strike during the telephone conference. The Board contacted the parties to discuss the date and time for holding the phone conference.

¹The Board notes that applicant filed a counterclaim concurrently with its answer. The Board further notes that opposer filed its answer to applicant's counterclaim on March 2, 2012.

The parties agreed to hold a telephone conference on Tuesday, March 6, 2012 at 11 a.m. Eastern time. The conference was held as scheduled among Luis M. Lozada, as counsel for opposer, Holly Pekowsky, as counsel for applicant, and George C. Pologeorgis, as a Board attorney responsible for resolving interlocutory disputes in this case.

The Board carefully considered the arguments raised by the parties during the telephone conference, as well as the supporting correspondence and the record of this case, in coming to a determination regarding the above matters. During the telephone conference, the Board made the following findings and determinations:

Opposer's Motion to Strike

Opposer's motion to strike is **granted**, in part, and **denied**, in part, for the reasons set forth below.

Pursuant to Fed. R. Civ. P. 12(f), the Board may order stricken from a pleading any insufficient or impermissible defense, or any redundant, immaterial, impertinent or scandalous matter. *See also* Trademark Rule 2.116(a), 37 C.F.R. § 2.116(a); and TBMP § 506 (3d ed. 2011). 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., Ohio State University v. Ohio University*, 51 USPQ2d 1289, 1293 (TTAB 1999); and *Harsco Corp. v. Electrical*

Sciences Inc., 9 USPQ2d 1570 (TTAB 1988). Inasmuch as the primary purpose of pleadings under the Federal Rules of Civil Procedure is to give fair notice of the claims or defenses asserted, the Board 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. See, e.g., *Order of Sons of Italy in America v. Profumi Fratelli Nostra AG*, 36 USPQ2d 1221, 1223 (TTAB 1995) (amplification of applicant's denial of opposer's claims not stricken). Further, 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. See, generally, Wright & Miller, 5C Fed. Prac. & Proc. Civ.3d § 1381 (2008). Nonetheless, the Board grants motions to strike in appropriate instances.

Applicant asserts the following affirmative defenses in its answer to opposer's notice of opposition:

Affirmative Defense No. 1

There is no likelihood of confusion between Merkury's URBAN BEATZ mark and BE's purported marks since the respective marks are sufficiently different, in their entireties, to avoid confusion.

Affirmative Defense No. 2

BE has failed to plead or establish that it own a family of BEATS marks as that term is used in trademark law.

Affirmative Defense No. 3

There is no likelihood of confusion between Merkury's UBRAN BEATZ mark and BE's purported marks since "beats"

is descriptive and/or highly suggestive in relation to headphones.

Affirmative Defense No. 4

There is no likelihood of confusion between Merkury's UBRAN BEATZ mark and BE's purported marks since BE's purported marks are only entitled to a very narrow scope of protection due to third party marks.

Affirmative Defense No. 5

There is no likelihood of confusion between Merkury's UBRAN BEATZ mark and BE's purported marks since by BE's own admission, during prosecution of Registration No. 3,532,627, "'beats' is suggestive of the beat accompanying music, and, as such, this mark is not particularly strong."

Affirmative Defense No. 6

There is no likelihood of confusion between Merkury's UBRAN BEATZ mark and BE's purported marks since, by BE's own admission, during prosecution of Registration No. 3,532,627, consumers of headphones are sophisticated.

Affirmative Defense No. 7

There is no likelihood of confusion between Merkury's UBRAN BEATZ mark and BE's purported marks since BE's mark is only entitled to a narrow scope of protection, as evidenced by the fact that BE has already entered into a coexistence agreement with the owner of Registration No. 2,550,923 for the mark LIGHT BEATS for headphones.

Affirmative Defense No. 8

There is no likelihood of confusion between Merkury's UBRAN BEATZ mark and BE's purported marks due to consumer confusion.

Affirmative Defense No. 9

BE's claims are barred by the doctrine of unclean hands.

Affirmative Defense No. 10

BE has failed to state a claim upon which relief may be granted.

Affirmative Defense No. 11

Upon information and belief, BE's claims are barred under the doctrine of equitable estoppel.

Affirmative Defense No. 12

Merkury has insufficient information upon which to form a belief as to whether it may have additional unstated Affirmative Defenses. Merkury reserves the right to assert additional Affirmative Defenses in the event discovery indicates that they are appropriate.

Turning first to applicant's Affirmative Defenses Nos. 1-8, the Board construes such affirmative defenses as mere amplifications of applicant's denials to the allegations in the notice of opposition. Nevertheless, we see no harm in leaving these defenses in the pleading since they provide opposer more complete notice of applicant's position regarding opposer's asserted claim of priority and likelihood of confusion. Accordingly, opposer's motion to strike Affirmative Defenses 1-8 is **denied**. See *Order of Sons of Italy in America v. Profumi Fratelli Nostra AG*, 36 USPQ2d at 1223.

Applicant's Affirmative Defense No. 9 is that of unclean hands. We find that inasmuch as applicant has failed to set forth any allegations of conduct on the part of opposer that would constitute unclean hands, the defense lacks the necessary specificity and is therefore stricken as insufficient. See *Midwest Plastic Fabricators Inc. v. Underwriters Laboratories Inc.*, 5 USPQ2d 1067, 1069 (TTAB 1987).

With regard to applicant's Affirmative Defense No. 10, the Board notes that this asserted defense is not a true affirmative defense because it relates to an assertion of the insufficiency of the pleading of opposer's claims rather than a statement of a defense to a properly pleaded claim. In view thereof, this asserted defense will not be considered as such. See *Hornblower & Weeks Inc. v. Hornblower & Weeks Inc.*, 60 USPQ2d 1733, 1738 n.7 (TTAB 2001).

Nonetheless, a motion to strike the defense of failure to state a claim upon which relief can be granted and/or insufficient notice pleading may be used by a plaintiff to test the sufficiency of its pleading in advance of trial. *Order of Sons of Italy in America*, 36 USPQ2d at 1222. Accordingly, in determining whether to strike applicant's Affirmative Defense No. 10, it is necessary to look at the sufficiency of opposer's pleading.

In order to withstand the assertion that a pleading fails to state a claim, a plaintiff need only allege such facts that would, if proved, establish that (1) the plaintiff has standing to maintain the proceeding, and (2) a valid ground exists for opposing registration of the involved mark. The pleading must be examined in its entirety, construing the allegations therein liberally, as required by Fed. R. Civ. P. 8(f), to determine whether it contains any allegations, which, if proved, would entitle the plaintiff to the relief sought.

Opposition No. 91203192

See Cunningham v. Laser Golf Corp., 222 F.3d 943, 55 USPQ2d 1842 (Fed. Cir. 2000); *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982); and TBMP § 503.02 (3d ed. 2011).

Following a careful review of opposer's notice of opposition filed on December 29, 2011, the Board finds that opposer's pleading is legally sufficient to the extent that it clearly contains allegations which, if proven, would establish opposer's standing and its asserted ground of priority and likelihood of confusion. In view thereof, opposer's motion is granted with regard to applicant's Affirmative Defense No. 10 and said defense is stricken.

With regard to applicant's Affirmative Defense No. 11 of equitable estoppel, we note that it has been consistently held that the doctrine of estoppel may be invoked only by one who has been prejudiced by the conduct relied upon to create the estoppel, and a party may not therefore base its claim for relief on the asserted rights of strangers with whom it is not in privity of interest. *See Textron, Inc. v. The Gillette Company*, 180 USPQ 152, 154 (TTAB 1973) (internal citations omitted).

In this case, because applicant has not alleged that it was induced to select its mark because of the conduct of opposer or that applicant is in privity with third parties who have used similar marks for similar goods or services with

opposer's acquiescence thereto, applicant's pleading is insufficient. See *Gastown Inc. of Delaware v. Gas City Ltd.*, 187 USPQ 760 (TTAB 1975). In view thereof, opposer's motion to strike as it pertains to Affirmative Defense No. 11 is **granted** and such defense is hereby stricken as insufficient.²

Although opposer's motion does not concern applicant's Affirmative Defense No. 12, we, *sua sponte*, find that this is not an appropriate affirmative defense but merely an advisory statement that applicant reserves the right to amend its answer at some future date to add additional affirmative after conducting discovery in this matter. A defendant cannot reserve unidentified defenses since it does not provide a plaintiff fair notice of such defenses. Accordingly, the Board, *sua sponte*, strikes applicant's Affirmative Defense No. 12. Notwithstanding the foregoing, if applicant, after conducting discovery in this matter, believes that such discovery has revealed a viable affirmative defense,

²During the telephone conference, applicant's counsel argued that, since applicant has already asserted affirmative defenses that no likelihood of confusion exists in light of opposer's statements against interest made during the prosecution of the underlying application of one of its pleaded registered marks, these statements serve as a factual foundation for applicant's asserted affirmative defense of equitable estoppel. The Board notes, however, that equitable estoppel may not be derived from opposer's inconsistent position taken during the prosecution of the underlying applications of its pleaded registrations. See *American Rice, Inc. v. H.I.T. Corp*, 231 USPQ 793, 798 (TTAB 1986).

Opposition No. 91203192

applicant, at such time, may file a motion for Board approval to amend its answer to assert such viable affirmative defense.

In summary, opposer's motion to strike applicant's pleaded affirmative defenses is granted in regard to Affirmative Defense Nos. 9-11 and denied with respect to Affirmative Defense Nos. 1-8. Additionally, the Board, *sua sponte*, strikes applicant's Affirmative Defense No. 12.

Proceedings are resumed. Trial dates remain as previously reset by Board order dated February 1, 2012.

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 taking of testimony. Trademark Rule 2.125.

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