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

Proceeding	91204057
Party	Defendant Kabam, Inc.
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the matter of Trademark Application

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International Class:	041

Activision Publishing, Inc., Opposer, v. Kabam, Inc., Applicant.	Opposition No. 91204057 Applicant's Opposition to Opposer's Motion to Strike Applicant's Affirmative Defenses

APPLICANT'S OPPOSITION TO OPPOSER'S MOTION TO STRIKE APPLICANT'S AFFIRMATIVE DEFENSES

Applicant, Kabam, Inc. submits this Opposition to Opposer's Motion to Strike Applicant's Affirmative Defenses. Applicant respectfully requests the Board deny Opposer's Motion or, in the alternate, allow Applicant to file an amended answer.

I. Applicant's Answer Should Be Allowed To Proceed with its Affirmative Defenses Intact.

Applicant's affirmative defenses are reasonably pled and relevant to the underlying claims made by Opposer. Accordingly, Applicant's affirmative defenses should not be stricken. Applicant did not take a "kitchen sink" approach to its affirmative defenses, but rather considered carefully its position given the information it had at the time of filing.

Case law and statute support Applicant's position that motions to strike are disfavored and should not be granted without a clear showing that the affirmative defenses are not relevant. "Motions to strike are not favored, and matter will not be stricken unless it clearly has no bearing upon the issues in the case." TBMP § 506.01; *San Francisco Baseball Associates L.P. v. Gogo Sports, Inc., Opposition No*. 91203112. "The primary purpose of the pleadings . . . is to give fair notice of the claims or defenses asserted." *Id*. "[T]he 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. 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." *Id*.

In moving to strike Applicant's affirmative defenses, Opposer is trying to force Applicant to make its full case on the pleadings. Such a standard has never been part of American jurisprudence. Indeed, current case law on the pleading standard for affirmative defenses concludes that affirmative defenses "need not be plausible to survive; [they] must merely provide fair notice of the issue involved." *Tyco Fire Prods. LP v. Victaulic Co.,* 777 F. Supp. 2d 893, 900 (E.D. Pa. 2011). Filing a motion to strike at this early stage of the opposition – particularly when Applicant clearly did not take a buckshot approach to its answer – is a heavy-handed tactic designed to hamstring Applicant and limit the scope of reasonable discovery. Accordingly, the motion should not be granted.

II. Applicant Reasonably Plead Acquiescence as an Affirmative Defense

Applicant's defense of acquiescence is legally appropriate under the circumstances to defend against Opposer's claim of likelihood of confusion. Moreover, Applicant reasonably believes Opposer engaged in conduct indicative of acquiescence.

The defense of acquiescence is allowed by statute in opposition proceedings, "[i]n all inter partes proceedings equitable principles of laches, estoppel, and acquiescence, where applicable may be considered and applied." 15 U.S.C.A § 1069; *Christian Broadcasting Network, Inc. v. ABS-CBN Int'l*, 84 USPQ2d 1560 (TTAB 2007). Notwithstanding Opposer's sweeping – and completely baseless – claim that acquiescence is unavailable in TTAB proceedings as a rule, case law and federal statute make clear Applicant may bring a defense of acquiescence.

Opposer chooses to ignore its own pleadings in making its first claim that acquiescence is unavailable here because descriptiveness is alleged. Opposer also pleads likelihood of confusion and dilution, for which the defense of acquiescence is clearly available. *Christian Broadcasting Network, Inc.*, 84 USPQ2d 1560 (acquiescence asserted and formed basis of cancellation petition based on likelihood of confusion). The defense of acquiescence is barred only when confusion is inevitable. *Ultra-White Co., Inc. v. Johnson Chemical Industries, Inc*., 465 F.2d 891, 175 USPQ 166, 167 (CCPA 1972). Such a determination cannot – and should not – be made at the pleadings stage.

Furthermore, acquiescence, unlike laches, is not a defense based merely on passive consent related to the passage of time; acquiescence involves a factual finding regarding Opposer's conduct "that amounted to an assurance to the defendant, express or implied, that the plaintiff would not assert [its] trademark rights against the defendant." *Coach House Restaurant, Inc. v. Coach & Six Restaurants, Inc*., 934 F.2d 1551, 1558 (11th Cir. Ga. 1991) ("difference between acquiescence and laches is that laches denotes passive consent and acquiescence denotes active consent."); *Tonka Corp. v. Rose Art Indus*., 836 F. Supp. 200, 218 (D.N.J. 1993) (acquiescence requires finding of conduct on "the plaintiffs part that amounted to an assurance to

the defendant, express or implied, that the plaintiff would not assert [its] trademark rights against the defendant"). Applicant reasonably and lawfully raised the affirmative defense of acquiescence because it believes – and intends to show through discovery – that Opposer cannot be permitted to stop third party use of WARFARE (the portion of the mark that both parties share) because it has engaged in conduct that induced Applicant to select its mark. Where facts may develop supporting matters pled and the insufficiency of the pleading is not "clearly apparent," a motion to strike should be denied. *San Francisco Baseball Associates L.P, supra.*

Frankly, Opposer's cited cases are inapposite to the facts in this case. Opposer cites *Callaway Vineyard & Winery v. Endsley Capital Group*, 63 USPQ2d 1919 (TTAB 2002) as a basis for its contentions, even knowing that case did not involve likelihood of confusion as a claim. Similarly, Opposer cites to *Barbara's Bakery Inc. v. Landesman*, 82 USPQ2d 1283, because a footnote states "laches, acquiescence or estoppel" *generally* are not available in opposition proceedings; yet all three cases cited by the Board in the actual case belie that conclusion.

In fact, all of the cases relied upon by Opposer's cited authority fail to establish that Applicant cannot raise acquiescence: *National Cable Television Association v. American Cinema Editors Inc*., 937 F.2d 1572, 19 USPQ2d 1424, 1432 (Fed. Cir. 1991), (acquiescence rejected on summary judgment because no genuine issue of material fact was raised, not because the defense was unavailable); *Coach House Restaurant Inc. v. Coach and Six Restaurants Inc*., 934 F.2d 1551, 19 USPQ2d 1401, 1404-05 (11th Cir. 1991) (acquiescence raised but failed because facts establishing one element were absent from defendant's case); and *Turner v. Hops Grill & Bar Inc*., 52 USPQ2d 1310, 1312 (TTAB 1999) (acquiescence not addressed; defendant raised laches, which formed the defense in summary judgment). Finally, *Embarcadero Technologies,*

Inc. v. Delphix Corp., Opposition No. 91197762 (January 10, 2012) [not precedential], also cited by Opposer, presents the equally generalized statement found in *Barbara's Bakery* without further elaborating.

In short, Applicant can reasonably raise the defense of acquiescence in its pleadings because Opposer has claimed likelihood of confusion and dilution in its own pleadings, claims for which acquiescence is an available defense. Accordingly, the Board should deny Opposer's motion.

III. Applicant Reasonably Asserted the Defense of Unclean Hands

Applicant's limited research and access to facts at the earliest stage in the proceedings suggested, at the time Applicant filed its Answer, that Opposer may have unclean hands in the manner in which it is pleading its case. Thus, Applicant believes its affirmative defense is warranted and puts Opposer on notice that it will seek discovery in this regard.

Case law supports Applicant's position. "The key to determining the sufficiency of pleading an affirmative defense is whether it gives plaintiff fair notice of the defense." *Wyshak v. City Nat'l Bank*, 607 F.2d 824, 827 (9th Cir. 1979). Under Rule8(c), the pleading standards for affirmative defenses "simply requires them to be 'affirmatively state[d].'" *Ferring B.V. v. Watson Labs., Inc*., 2012 U.S. Dist. LEXIS 23616, 8-9 (D. Nev. Feb. 24, 2012). Indeed, "that an affirmative defense need only provide fair notice of the issue" is persuasive. *Id*.

Applicant's pleading has given fair notice to Opposer that Applicant will be seeking facts to support a defense of unclean hands. Applicant's defense of unclean hands is premised on Applicant's belief that Opposer may be moving forward with allegations unsupported by its actual rights according to publicly available record – a case of trademark bullying. The facts in

support of Applicant's defense will necessarily unfold during discovery. For example only, Applicant is aware, on information and belief, that the mark in Reg. No. 3,987,485 was previously registered on the supplemental register, which constitutes evidence of descriptiveness. Furthermore, Applicant has identified several other applications and registrations including the mark WARFARE for use in connection with video games. On these bases, Applicant believes Opposer is singling out Applicant and seeking to preclude Applicant from competing fairly in the marketplace using a mark containing a term that Opposer does not have exclusive rights in and that many of Opposer's other competitors are also using.

All of the foregoing support Applicant's position that it is entitled to raise the affirmative defense of unclean hands against its Opposer. Thus, Opposer's motion should be denied.

IV. **Conclusion**

Applicant did not toss myriad defenses into its answer for the sake of covering its bases. Rather, Applicant pleaded only those affirmative defenses it reasonably believed were relevant and accurate. Opposer has no basis for filing a motion to strike except to hamstring Applicant at an early stage prior to discovery. Applicant respectfully requests the Board deny Opposer's motion on the grounds that (a) Applicant has properly pleaded its affirmative defenses and accordingly given notice to Opposer of how it plans to proceed in its defense; (b) the defenses raised by Application are permitted under statute and relevant case law; and (c) do not prejudice Opposer in any way.

Respectfully submitted,

Cobalt LLP

By:

Dated: August 2, 2012

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 2nd day of August 2012, a true and correct copy of the foregoing OPPOSITION TO OPPOSER'S MOTION TO STRIKE APPLICANT'S AFFIRMATIVE DEFENSES was served upon Opposer by electronic mail to the following addresses:

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_/Shabnam Malek_____
Shabnam Malek