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

Proceeding	91205048
Party	Plaintiff Habitat for Humanity International, Inc.
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Attachments	2012.06.27 Opposer's Motion to Strike Applicants' Affirmative Defenses and Support Brief.pdf (11 pages)(191601 bytes)

In the matter of Application Serial No. 85/451,415

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

HABITAT FOR HUMANITY)	
INTERNATIONAL, INC.,)	
)	
Opposer,)	Opposition No. 91205048
)	
vs.)	Mark: SWIPEFORHUMANITY
)	
DANNY K. CHOI, and)	
)	
MELINDA A. CHOI,)	
)	
Applicants.)	

OPPOSER’S MOTION TO STRIKE APPLICANTS’ AFFIRMATIVE DEFENSES AND SUPPORTING BRIEF

Opposer Habitat for Humanity International, Inc., pursuant to Federal Rule of Civil Procedure 12(f), respectfully moves the Board to strike as insufficient Applicants Danny K. Choi and Melinda A. Choi’s affirmative defenses from their Answer. Additionally, as the Board’s determination of Opposer’s motion will affect the scope of the discovery in this proceeding, Opposer moves that the proceeding be suspended pending consideration of this motion and that, after the Board decides the motion, the deadlines for initial discovery conference, discovery, and trial be reset.

I. PROCEDURAL BACKGROUND

On October 19, 2011, Applicants filed an application to register the mark SWIPEFORHUMANITY (Serial No. 85/451,415). The mark was published for opposition in the *Official Gazette* on April 10, 2012. Opposer timely filed its Notice of Opposition on May 2, 2012. On June 6, 2012, Applicants filed their Answer. In their Answer, in addition to specific admissions and denials, Applicants assert, in a general and conclusory fashion, ten affirmative

defenses, namely, (1) failure to state a claim upon which relief can be granted; (2) estoppel and acquiescence; (3) that Opposer will not be damaged by registration of Applicants' mark; (4) waiver; (5) laches; (6) unclean hands; (7) that Applicants' conduct was lawful, privileged, justified, reasonable, and in good faith; (8) no likelihood of confusion; (9) fair use; and (10) fraud.

II. ARGUMENT AND CITATION TO AUTHORITY

The Board may, upon motion or its own initiative, strike from any pleading an insufficient defense. Fed. R. Civ. P. 12(f); *see also* TBMP § 506.01. In this case, because Applicants' affirmative defenses are legally insufficient and/or improper, it is appropriate for them to be stricken before the parties expend their time and resources, and the Board's time and resources, on unnecessary discovery, testimony, argument and briefing. Accordingly, Opposer requests that the Board strike Applicants' affirmative defenses.

A. Applicants' Affirmative Defenses Consist of Mere Conclusory Allegations, Do Not Provide Opposer with Fair Notice of the Basis of Each Defense, and Should be Stricken as Insufficient

As an initial matter, each of Applicants' affirmative defenses fails to meet the pleading standards established by the Federal Rules of Civil Procedure. Rule 8(b) of the Federal Rules of Civil Procedure requires that "the elements of a defense should be stated simply, concisely, and directly," or in other words, "in short and plain terms." However, a pleading "should include enough detail to give the plaintiff fair notice of the basis of the defense." TBMP § 311.02(b). *See also IdeasOne Inc. v. Nationwide Better Health Inc.*, 89 U.S.P.Q.2d 1952, 1953 (T.T.A.B. 2009) (applying the principle that a claim or defense must be specific enough to provide fair notice to the adverse party of the restriction being sought). Thus, bald allegations without any further detail are insufficient to provide an opposer with fair notice of an applicant's defenses.

See Otto Int'l Inc. v. Otto Kern GmbH, 83 U.S.P.Q.2d 1861, 1864 (T.T.A.B. 2007) (“[A] party must do more than make a bald allegation in the language of the statute . . . [to give] fair notice of the basis for petitioner’s claim.”).

Plainly stated, Applicants have failed to meet this standard. For example, Applicants’ fourth affirmative defense of waiver merely states, “Opposer is barred, in whole or in part, from relief by the Doctrine of Waiver.” Pleadings such as these leave Opposer only to guess as to the specific conduct that Applicants allege provide the basis for their affirmative defenses. In similar cases, the Board has stricken affirmative defenses where applicants failed to show any allegations of conduct that, if proven, would prevent opposers from prevailing on their claims. *See, e.g., Veles Int’l Inc. v. Ringling Cedars Press LLC*, Consolidated Opp. Nos. 91182303 and 91182304 (T.T.A.B. June 2, 2008) (striking, *sua sponte*, applicant’s affirmative defenses of waiver, estoppel, and unclean hands). On this basis alone, the Board should strike each and every of Applicants’ affirmative defenses.

B. Applicants’ First Affirmative Defense Is Not an Affirmative Defense and Should Be Stricken.

Applicants’ first affirmative defense alleges that “Opposer has failed to state a claim upon which relief can be granted.” The Board has noted that failure to state a claim is not really an affirmative defense “because it relates to an assertion of the insufficiency of the pleading of opposer’s claim rather than a statement of defense to a properly pleaded claim.” *Castro v. Cartwright*, Opposition No. 91188477 (T.T.A.B. Sept. 5, 2009). In this respect, failure to state a claim is more properly asserted as a motion to dismiss, rather than as an affirmative defense. *Motion Picture Ass’n of Am. Inc. v. Respect Sportswear Inc.*, 83 U.S.P.Q.2d 1555, 1557 n.5 (“Inasmuch as applicant did not file a motion to dismiss the instant opposition on the basis of Fed. R. Civ. P. 12(b)(6), we treat this ‘defense’ as having been waived.”). Moreover, an opposer

in an opposition proceeding may use an applicant's "defense" of failure to state a claim upon which relief can be granted to test the sufficiency of the defense in advance of trial, by moving pursuant to Fed. R. Civ. P. 12(f) to strike the defense. *Order of Sons of Italy in Am. v. Profumi Fratelli Nostra AG*, 36 U.S.P.Q.2d 1221, 1222 (T.T.A.B. 1995). To strike an affirmative defense for failure to state a claim, the Board need only determine if the opposer has adequately pled both its standing and a ground for opposing registration of the applicant's mark. *See id.* at 1223; *Cartwright*, Opposition No. 91188477.

Opposer has pled adequately both of these elements in its Notice of Opposition. In terms of standing, the Opposition states that Opposer owns various marks using the words HABITAT FOR HUMANITY, which were registered and have been in use long prior to the filing date of the SWIPEFORHUMANITY mark of Application Serial Number 85/451,415. These facts establish that Opposer has standing through its direct and personal stake in the outcome of the opposition. *Honda Motor Co. v. Winkelmann*, 90 U.S.P.Q.2d 1660, 1662 (T.T.A.B. 2009) (citing *Ritchie v. Simpson*, 170 F.3d 1092, 50 U.S.P.Q.2d 1023, 1097 (Fed. Cir. 1999)). The Opposition also sets forth grounds for opposing Applicants' application that, if proved, entitle Opposer to refusal of Applicants' application. Specifically, the Opposition alleges that Opposer's marks have at least two component words – FOR HUMANITY – that are identical to those words in Applicants' mark; that Opposer has priority of use over Applicants; that the goods identified by Applicants' mark (financial services that facilitate monetary donations to charitable programs) are very similar to those services Opposer offers under several of its marks; and, finally, that Opposer would be harmed by registration of Applicants' mark. *See* Notice of Opposition ¶¶ 8-9, 14-18. Opposer has clearly asserted valid grounds to oppose under sections 2(d) and 13(a) of the Lanham Act, 15 U.S.C §§ 1052 and 1063. Accordingly, Applicants' affirmative defense of

failure to state a claim should be stricken. *Order of Sons of Italy in Am.*, 36 U.S.P.Q.2d at 1223; *Embarcadero Techs., Inc. v. Delphix Corp.*, Opposition No. 91197762 (Jan. 10, 2012) (striking applicant's affirmative defense for failure to state a claim for lack of merit in the proceeding).

C. Applicants' Second and Fifth Affirmative Defenses are Inapplicable in Opposition Proceedings and Should Be Stricken.

Applicants' second and fifth defenses allege estoppel, acquiescence, and laches. As to acquiescence and laches, these defenses are severely limited in opposition proceedings because the relevant time period is not measured from when an opposer gains knowledge of an applicant's use of a mark, but rather, from when the mark in question was published for opposition. Any delay prior to publication is irrelevant because publication marks the first time that an opposer could challenge registration of the mark. *See Nat'l Cable Television Assoc. Inc. v. Am. Cinema Editors, Inc.*, 937 F.2d 1572, 19 U.S.P.Q.2d 1424, 1432 (Fed. Cir. 1991) (measure for laches runs no earlier than publication for opposition, not from knowledge of use); *Sunkist Growers, Inc. v. Smile Factory, LLC*, 2009 TTAB Lexis 683, at *7-8 (T.T.A.B. 2009) (in an opposition proceeding, laches and acquiescence "do not begin to run until the mark is published for opposition."); *Barbara's Bakery Inc. v. Landesman*, 82 U.S.P.Q.2d 1283, 1292 n.14 (T.T.A.B. 2007) (noting that the defenses of laches, acquiescence and estoppel generally are not available in opposition proceedings); *see also* TMBP § 311.02(b) ("[T]he availability of laches and acquiescence is severely limited in opposition . . . proceedings [because] these defenses start to run from the time of knowledge of the application . . . not from the time of knowledge of use.").

Here, the proper measure of laches and acquiescence began on April 10, 2012, when the SWIPEFORHUMANITY mark was published for opposition. Opposer timely filed its Notice of Opposition on May 2, 2012. Thus, it cannot be said that the delay between publication and

opposition was undue or prejudicial to Applicants' rights. *DAK Indus., Inc. v. Daiichi Kosho Co.*, 25 U.S.P.Q.2d 1622, 1624 (T.T.A.B. 1992). For this reason, Applicants' affirmative defenses of laches and acquiescence are immaterial and should be stricken.

Applicants' estoppel affirmative defense should also be stricken, given that Applicants have failed to assert any basis to support the defense. To successfully assert estoppel, a party must show a misleading inaction or silence where there is a duty to act. *See Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes*, 971 F.2d 732, 735 (Fed. Cir. 1992). Further, the TTAB has held that estoppel may be invoked only by one who has been prejudiced by the conduct relied upon to create the estoppel, and therefore, a party may not base its claim for relief on the asserted rights of strangers with whom it is not in privity of interest. *Soloman-Page Group LLC v. Clinical Res. Network*, 2012 TTAB LEXIS 124, at *14 (T.T.A.B. 2012). Here, Applicants have not pled any facts to suggest that Applicants were materially prejudiced because of their reliance on any misleading inaction or silence, or sufficient facts to support that Applicants are in privity with third parties who might have used similar marks for similar services to those of Opposer. *Id.* at *14-15 (citing *Gastown Inc. of Delaware v. Gas City Ltd.*, 187 U.S.P.Q. 760 (T.T.A.B. 1975)). Like the insufficiencies for laches and acquiescence above, Applicants' conclusory estoppel defense should be stricken as insufficient.

D. Applicants' Ninth Affirmative Defense is Inapplicable in Inter Partes Proceedings Before the Board and Should Be Stricken.

Applicants' ninth affirmative defense alleges that they have made fair use of their SWIPEFORHUMANITY mark. However, the Board has expressly stated that the fair use defense set forth in Lanham Act § 33(b)(4) is a defense that, although available to a defendant in a civil action alleging infringement of a registered mark, "is inapplicable in Board proceedings and may not be used as a defense in overcoming a finding of likelihood of confusion." *UPS of*

Am., Inc. v. Mullen, 2009 TTAB LEXIS 150, at *12 (T.T.A.B. 2009). *See also Truescents LLC v. Ride Skin Care LLC*, 81 U.S.P.Q.2d 1334, 1338 (T.T.A.B. 2006) (finding the fair use defense legally unavailable in an opposition proceeding); TBMP § 311.02(b) (the fair use “has no applicability in inter partes proceedings before the Board.”). Thus, Applicants’ fair use defense should be stricken because such a defense is has no applicability to the current opposition proceeding.

E. Applicants’ Six and Tenth Affirmative Defenses are Insufficiently Alleged and Should Be Stricken.

Applicants’ six and tenth affirmative defenses allege that Opposer’s opposition to registration of the SWIPEFORHUMANITY mark is barred by the Doctrines of Fraud and Unclean Hands. These defenses should be stricken because, as pled, they fail to state any facts that would give adequate notice of the basis for such defenses. Notably, the Board has stated that defenses based on fraud have a heightened pleading standard in that they must state the factual basis for such defenses with particularity. *See Asian & W. Classics B.V. v. Selkow*, 92 U.S.P.Q.2d 1478, 1478-79 (T.T.A.B. 2009) (“[A] petitioner must allege the elements of fraud with particularity in accordance with Fed. R. Civ. P. 9(b) . . .”); TBMP § 311.02(b) (stating that the special requirements under Fed. R. Civ. P. 9 for defenses such as fraud are equally applicable to pleadings submitted to the Board).

Applicants’ pleading of fraud fails to meet this heightened standard, which would require them to state with particularity that, in filing declarations in connection with efforts to register or maintain its marks, Opposer knowingly made specific false, material representations of fact with the intent of obtaining or maintaining a registration to which it was not otherwise entitled.

Qualcomm Inc. v. FLO Corp., 93 U.S.P.Q.2d 1768, 1770 (T.T.A.B. 2012). Moreover, as to fraud, the Board has held that an applicant’s failure to disclose to the PTO the asserted rights of

another person is not fraudulent unless the applicant knew that another user possessed a superior or clearly established right to use the same or a substantially similar mark for the same or substantially identical services as those for which registration is sought, and *intended* to procure a registration to which it was not entitled. *Id.* at 1770 (citing *Intellimedia Sports Inc. v. Intellimedia Corp.*, 43 U.S.P.Q.2d 1203, 1206-07 (T.T.A.B. 1997)).

Instead, Applicants' Answer only states that Opposer's claims are barred "for failing to disclose that the word Humanity is in wide use by third parties in relation to financial and electronic transaction services for supporting charitable contributions and donations and is generic and/or descriptive for the same." Without more, this statement is insufficient to put Opposer on notice regarding the alleged "wide use" of the word Humanity for the relevant services. In addition, Applicants have failed to assert any facts to suggest that Opposer *knew* of any users who possessed superior or clearly established rights in the word Humanity for financial and electronic transaction services for supporting charitable contributions and donations, and that Opposer thereby *intended to deceive* the PTO. Thus, Applicants have failed to sufficiently allege any facts or specific conduct in support of fraud that, if proved, would prevent Opposer from prevailing on its claims. Consequently, Applicants' fraud affirmative defense should be stricken.

Similarly, Applicants' claim for unclean hands fails to meet the required heightened pleading standard. Assertions of unclean hands are often based on allegations of fraud or misrepresentation. *See Hornblower & Weeks, Inc. v. Hornblower & Weeks, Inc.*, 60 U.S.P.Q.2d 1733, 1738 (T.T.A.B. 2001). In that regard, Fed. R. Civ. P. 9(b) requires pleading with particularity claims of fraud, misrepresentation, or other inequitable conduct. *Exergen Corp. v. Wal-Mart Stores, Inc.*, 575 F.3d 1312, 1328 (Fed. Cir. 2009) (reasoning that merely putting the words "inequitable conduct" in an answer is not sufficient to "unleash the mischief" of the

defense). Applicants do not cite a single underlying fact in support of their defense of unclean hands, much less meet the pleading requirements of Fed. R. Civ. P. 9. For this reason, Applicants' affirmative defense of unclean hands also should be stricken as insufficient.

F. Applicants' Remaining Affirmative Defenses are Redundant and Should Be Stricken.

Finally, to the extent that Applicants plead additional "affirmative defenses" such as their good faith and lawful conduct, lack of confusion in the marketplace, and that Opposer will not be damaged by registration of Applicants' mark, these assertions "are more in the nature of amplifications of its denials of the salient allegations contained in the notice of opposition." *Motion Picture Ass'n of Am. Inc.*, 83 U.S.P.Q.2d at 1557 n.5. Thus, these affirmative defenses are simply redundant of Applicants' denials and should be stricken accordingly. *See, e.g., Blackhorse v. Pro Football, Inc.*, 98 U.S.P.Q.2d 1633, 1638 (T.T.A.B. 2011) (striking applicant's affirmative defense that Opposer would not be damaged); *Activision Publ'g, Inc. v. Oberon Media, Inc.*, Opposition No. 91195500 (T.T.A.B. Sept. 10, 2009) (finding applicant's affirmative defense of no likelihood of confusion merely redundant of applicant's denials and failing to provide "any fuller notice of how applicant intends to defend this opposition."); *Textron, Inc. v. Gillette Co.*, 180 U.S.P.Q. 152, 154 (T.T.A.B. 1973) (finding that applicant's affirmative defense of no likelihood of confusion would add nothing of substance to applicant's answer).

III. CONCLUSION

None of Applicants' affirmative defenses satisfy the standards and requirements set forth under Fed. R. Civ. P. 8(b) and 9¹. Contrary to the pleading requirements, Applicants only offer conclusory, unsupported statements, without any consideration of the actual applicability of the

¹ (Where applicable.)

defenses to the allegations. As a result, both the Opposer and the Board are left to speculate as to what facts, if any, support these defenses. Further, the Board has held that multiple of Applicants' affirmative defenses are either immaterial or inapplicable in opposition proceedings. As such, the affirmative defenses should be stricken as insufficiently pled or immaterial.

For the foregoing reasons, Opposer requests that each of Applicants' affirmative defenses be stricken.

Respectfully submitted this 27th day of June, 2012.

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CERTIFICATE OF SERVICE

This is to certify that the foregoing MOTION TO STRIKE APPLICANTS’
AFFIRMATIVE DEFENSES AND SUPPORTING BRIEF was served on Applicants by
depositing a true and correct copy in the U.S. first class mail, postage pre-paid, addressed as
follows:

Kit M. Stetina
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This the 27th day of June 2012.

/Samantha L. Hayes/
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