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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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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.)	

REPLY BRIEF IN SUPPORT OF OPPOSER’S MOTION TO STRIKE
APPLICANTS’ AFFIRMATIVE DEFENSES

Opposer Habitat for Humanity International, Inc. (“Opposer”) respectfully submits this reply brief in further support of its Motion to Strike Applicants’ Affirmative Defenses and Supporting Brief.

I. INTRODUCTION

As demonstrated in the motion to strike, and as discussed further below, Applicants’ affirmative defenses are legally insufficient and/or improper. In opposition to the motion to strike, Applicants Danny K. Choi and Melinda A. Choi (“Applicants”) filed a brief on July 16, 2012. Applicants spend their entire brief inviting the Board to weigh its disfavor of motions to strike over Applicants’ obligation to adequately plead legally cognizable affirmative defenses under Rules 8 and 9 of the Federal Rules of Civil Procedure. However, it is in precisely cases such as this where Applicants merely recite affirmative defenses by name and plead no facts whatsoever to support them – that the Board has seen fit to strike affirmative defenses from the pleadings. It is therefore appropriate for the Board to strike those defenses before the parties are

required to expend their time and resources, and the Board's time and resources, on discovery, testimony, argument, and briefing of affirmative defenses that are insufficiently pled or not legally cognizable.

II. REPLY ARGUMENT

A. It Is Appropriate for the Board to Strike Insufficiently Pled or Unavailable Affirmative Defenses

Applicants encourage the Board to treat their affirmative defenses permissively and argue that the formulaic recitation of their affirmative defenses “provide[s] Opposer with as much notice as the rules require.” Despite Applicants’ obfuscation to the contrary, the United States Supreme Court has determined that under Fed. R. Civ. P. 8(a), a party’s “obligation to provide the ‘grounds’ of his ‘entitle[ment] to relief’ requires more than labels and conclusions” *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 555 (2007) (citations omitted). Thus, conclusory legal statements wholly devoid of any factual content setting forth the nature of a party’s claims violate Rule 8’s general pleading requirements. *Ashcroft v. Iqbal*, 556 U.S. 662, 678-79 (2009). Similarly, affirmative defenses that provide no plausible factual support and fail to allege the necessary elements of a defense do not satisfy the pleading requirements of the Federal Rules. *Shaw v. Prudential Ins. Co. of Am.*, No. 10-03355, 2011 WL 1050004, at *2 (W.D. Mo. Mar. 21, 2011); *Castillo v. Roche Labs., Inc.*, No. 10-20876-CIV, 2010 WL 3027726, at *2 (S.D. Fla. Aug. 2, 2010); *Shinew v. Wszola*, No. 08-14256, 2009 WL 1076279, at *5 (E.D. Mich. Apr. 21, 2009). Applying this standard, the Board has stricken affirmative defenses where applicants failed to aver conduct that, if proven, would prevent opposers from prevailing on their claims. *See, e.g., Castro v. Cartwright*, Opposition No. 91188477 (T.T.A.B. Sept. 5, 2009); *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). Here, Applicants' affirmative defenses provide Opposer and the Board nothing – not even a terse, formulaic description – of the facts supporting their affirmative defenses. This method of pleading prevents Opposer from responding to these supposed defenses and properly tailoring its discovery as the opposition progresses.

Likewise, Applicants ignore governing law that dictates that several of Applicants' affirmative defenses are simply unavailable or immaterial in opposition proceedings. *See, e.g., UPS of Am., Inc. v. Mullen*, 2009 TTAB LEXIS 150, at *12 (T.T.A.B. 2009) (holding that fair use is inapplicable in Board proceedings and may not be used as a defense in overcoming a finding of likelihood of confusion); *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.”). Accordingly, the Board should strike each of Applicants' affirmative defenses under Rule 12(f).

B. Applicants Cannot Avoid Their Pleading Obligations By Arguing That a Lesser Standard Applies

Applicants attempt to distract the Board from established pleading requirements by arguing that the Board should not strike the defenses unless the matters clearly have no bearing upon the issues under litigation and the defenses' inclusion will prejudice Opposer. In support of this argument, Applicants rely on *Harsco Corporation v. Electrical Sciences, Inc.*, 9 U.S.P.Q.2d 1570 (T.T.A.B. 1988). *Harsco* involved a petition for cancellation in which the respondent

moved to strike portions of the petition. The Board declined to grant the motion to strike, finding that the petition set forth factual allegations that gave the respondent “a more complete notice of petitioner’s claim.” *Id.* at 1572. The Board’s decision in *Harsco* is inapposite, however, because a plain reading of that case shows that the petition actually set forth factual details in support of its claims. By contrast, in cases with facts more similar to those here, the Board has not hesitated to strike affirmative defenses where applicants failed to plead any allegations of conduct. *See, e.g., Castro*, Opposition No. 91188477 (T.T.A.B. Sept. 5, 2009); *Veles, Int’l Inc.*, Consolidated Opp. Nos. 91182303 and 91183304 (T.T.A.B. June 2, 2008).

Moreover, Opposer has shown that it would be unfairly prejudiced if Applicants’ affirmative defenses are not stricken. Allowing Applicants to proceed based on these unsupported defenses would require Opposers to expend unnecessary time and resources on discovery, testimony, argument, and briefing. Further, because Applicants fail to set forth any factual bases for their affirmative defenses, Applicants would be permitted to conduct boundless discovery on matters that are irrelevant to the present opposition and ultimately would not prevent Opposer from succeeding on its claims. *See Canadian St. Regis Band of Mohawk Indians ex. Rel. Francis v. New York*, 278 F. Supp. 2d 313, 325 (S.D.N.Y. 2003) (“The requirements of prejudice to the plaintiff may be satisfied if the inclusion of the defense would result in increased time and expense of trial, including the possibility of extensive and burdensome discovery.”) The Board should not allow Applicants to waste Opposer’s and the Board’s time and resources exploring defenses for which Applicants have provided no factual basis in their pleadings and which, in many instances, are not legally cognizable in opposition proceedings.

C. Applicants Ignore Board Precedent Striking Amplifications of Denials As Redundant

Next, Applicants argue that their defenses of no damage and no likelihood of confusion are permitted because “they serve to give the Opposer fuller notice of the position Applicants plan to take in defense of their rights to registration.” To support this claim, Applicants point to footnotes in *Humana Inc. v. Humanomics Inc.*, 3 U.S.P.Q.2d 1696 (T.T.A.B. 1987), and *Maytag Co. v. Luskins, Inc.*, 228 U.S.P.Q. 747 (T.T.A.B. 1986), where the Board elected to treat the applicants’ amplifications of their denials as allegations, rather than as affirmative defenses. *Humana*, 3 U.S.P.Q.2d at 1697 n.5; *Maytag*, 228 U.S.P.Q. at 747. However, neither case involved a motion to strike, and in both cases the Board’s treatment of the affirmative defenses was irrelevant because the Board actually sustained the oppositions and denied registration to the applicants. *Humana*, 3 U.S.P.Q.2d at 1700; *Maytag*, 228 U.S.P.Q. at 752.

Further, Applicants ignore previous decisions in similar cases where the Board has stricken affirmative defenses that were redundant of applicants’ denials. *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). Accordingly, Applicants’ additional “affirmative defenses” – such as their supposed good faith and lawful

conduct, lack of confusion in the marketplace, and that Opposer will not be damaged – are redundant of Applicants’ denials and should therefore be stricken.

D. Applicants Have Failed to State with Particularity Their Claims Based on Fraud and Have Misstated Opposer’s Duty to Disclose

Applicants virtually concede that their unclean hands defense, which is subject to a heightened pleading standard under Rule 9(b), is insufficiently pled. Applicants mention in passing the unclean hands defense in the same section of their brief as their fraud claim, but spend the rest of the section discussing the fraud claim and fail to provide any further support for the unclean hands defense or its pleading.

As to the alleged fraud defense, Applicants cannot attempt to cure their deficient pleadings by now explaining in their brief the basis of their defense. In order to properly plead fraud in a trademark opposition proceeding, a party must allege *with particularity* that the applicant knowingly made a false, material misrepresentation when applying for trademark registration, with intent to deceive the PTO. *Enbridge Inc. v. Excelerate Energy LP*, 92 U.S.P.Q.2d 1537, 1540 (T.T.A.B. 2009). Intent to deceive is the “indispensable element” in the analysis of a fraud claim or defense. *In re Bose Corp.*, 91 U.S.P.Q.2d 1938, 1941 (Fed. Cir. 2009). Here, Applicants fail to assert any facts to suggest that Opposer *knew* of any users who possessed superior or clearly established rights in the word HUMANITY for similar goods or services, and more importantly, that Opposer *intended to deceive* the PTO. Applicants attempt to overcome this deficiency by arguing that their pleadings “infer” that Opposer must have been aware of facts that were material to the PTO’s decision to grant registration of Opposer’s marks. However, pleadings must “contain explicit rather than implied expressions of the circumstances constituting fraud.” *King Auto., Inc. v. Speedy Muffler King, Inc.*, 667 F.2d 1008, 212 U.S.P.Q.

801 (C.C.P.A. 1981). Applicants' implied expressions of the circumstances constituting fraud here fail to meet the standard required by Fed. R. Civ. P. 9.

Moreover, even if the Board permitted Applicants to amend their pleadings to conform to the standards of Fed. R. Civ. P. 9, Applicants have not provided any facts to suggest that their amended pleadings would cure the deficiencies articulated above. Applicants' fraud theory suggests that Opposer was obligated to search out, identify, and call to the PTO's attention third-party uses of marks that incorporate the word HUMANITY, thereby supposedly making that term generic and/or descriptive. Applicants fail to cite any authority supporting this proposition. In fact, Opposer had no duty to investigate and report to the PTO other possible uses of the same or similar mark. *See, e.g., Perry v. Gen. Conf. Corp.*, 39 U.S.P.Q.2d 1385, 1391 (T.T.A.B. 1996) (finding applicant had no duty to disclose third-party uses of the term SEVENTH-DAY ADVENTIST where petitioner argued that term was generic); *Heaton Enters. v. Lang*, 7 U.S.P.Q.2d 1842, 1849 (T.T.A.B. 1988) ("Where . . . the affiant believed and was claiming that it had a right to the mark superior to that of other parties who might be using it, fraud is not shown by proof that registrant was aware of those other uses."). Nor is there any duty to disclose others' uses discovered after the filing of the application oath. *V&V Food Prods., Inc. v. Cacique Cheese Co.*, 683 F. Supp. 662, 666 (N.D. Ill. 1988). Rather, the registration process "allocates a portion of the obligation to protect the rights of senior users to those persons or entities who claim such rights." *Money Store v. Harriscorp Fin.*, 689 F.2d 666, 671 (7th Cir. 1982). *See also Maids to Order of Ohio Inc. v. Maid-to-Order Inc.*, 78 U.S.P.Q.2d 1899, 1908-09 (T.T.A.B. 2006). Thus, even if Applicants had set forth sufficient facts to support their fraud theory – which they have not – this purported defense still fails as a legal matter.

E. Applicants' Request For Leave to Amend its Affirmative Defenses Should Be Denied

Finally, although Fed. R. Civ. P. 15(a) provides that leave to amend pleadings “should [b]e freely give[n] . . . when justice so requires,” it is not automatic. Rather, the Board will exercise its discretion to deny leave to amend where, among other things, “entry of the proposed amendment would be prejudicial to the rights of the adverse party or would violate settled law.” *Trek Bicycle Corp. v. StyleTrek Ltd.*, 64 U.S.P.Q.2d 1540, 1541 (T.T.A.B. 2001); TBMP § 507.02 (and cases cited therein). Applicants’ request for leave to amend should be denied because the proposed defenses are contrary to settled law and legally insufficient, and are therefore futile. *See, e.g., Am. Express Mktg. & Dev. Corp. v. Gilad Dev. Corp.*, 94 U.S.P.Q.2d 1294, 1300 (T.T.A.B. 2010) (applicant’s proposed affirmative defense was contrary to settled law and therefore denied as futile); *Media Online Inc. v. El Clasificado Inc.*, 88 U.S.P.Q.2d 1285, 1287 (T.T.A.B. 2008) (denying leave to amend where plaintiff’s fraud claim, as pleaded, was legally insufficient). Applicants were given a full and fair opportunity to properly plead their affirmative defenses in their Answer. Even if amended, their pleadings still must meet the requirements of Fed. R. Civ. P. 8, 9, and 11. Applicants have not provided any additional information to suggest that they could plausibly allege facts that would meet these obligations. Therefore, the Board should deny Applicants’ request for leave to amend their pleadings.

III. CONCLUSION

For the forgoing reasons, the Board should strike each of Applicants’ affirmative defenses as insufficiently pled or immaterial to this proceeding. Additionally, Opposer respectfully submits that Applicants’ request for leave to file an amended answer should be denied.

This the 3rd of August, 2012.

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CERTIFICATE OF SERVICE

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

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This the 3rd day of August, 2012.

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