

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

Mailed: January 16, 2013

Opposition No. 91205048

Habitat for Humanity
International, Inc.

v.

Danny K. Choi and Melinda A.
Choi

**M. Catherine Faint,
Interlocutory Attorney:**

On January 15, 2013 the Board held a telephone conference involving William A. Bryner and Samantha L. Hayes, counsel for Habitat for Humanity International, Inc., and Kit M. Stetina and Stephen Z. Vegh, counsel for Danny K. Choi and Melinda A. Choi. Before the Board is opposer's motion to strike applicants' affirmative defenses asserted in their answer. Applicants have asserted eleven affirmative defenses. The motion is fully briefed.¹

The Board carefully considered the arguments raised by counsel for both parties, as well as the supporting correspondence and the record of this case, in coming to a

¹ The certificate of service attached to applicants' answer contains a typographical error identifying the document as "responses to opposer's requests for production of documents." Applicants are reminded to exercise care in its filings before the Board.

determination regarding the above matters. During the telephone conference, the Board made the following findings and determinations.

Opposer's motion to strike is **granted in part**, for the reasons set forth below. Applicants' motion in the alternative for leave to replead any stricken affirmative defenses is **granted in part**. The Board sua sponte **strikes** applicants' Affirmative Defense No. 11.

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); 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*, 5C Wright & Miller, *Federal Practice & Procedure Civil 3d* § 1381 (Westlaw update 2013). Nonetheless, the Board grants motions to strike in appropriate instances.

1.) **Affirmative Defense No. 1, failure to state a claim upon which relief can be granted.**

The Board stated in *S.C. Johnson & Son, Inc. v. GAF Corp.*, 177 USPQ 720, 720 (TTAB 1973):

While Rule 12(b)(6) permits a defendant to assert in his answer the "defense" of failure to state a claim upon which relief can be granted, it necessarily follows that the plaintiff may utilize this assertion to test the sufficiency of the plaintiff's pleading in advance of trial by moving under Rule 12(f) of the Federal Rules of Civil Procedure to strike the "defense" from the defendant's answer. *See also Order of Sons of Italy*, 36 USPQ2d at 1222. Thus, the striking of the defense that a complaint fails to state a claim upon which relief could be granted may be appropriate when the legal sufficiency of the plaintiff's pleading is readily apparent. *See* 5C Wright & Miller, *Fed. Prac. & Pro. Civ. 3d* § 1381 (Westlaw update 2012).

In order to state a claim upon which relief can be granted, a plaintiff need only allege such facts as would, if proved, establish that (1) the plaintiff has standing to maintain the proceedings, and (2) a valid ground exists for opposing the registration sought. *See Young v. AGB Corp.*, 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998), and cases cited therein. To survive a motion to dismiss, a complaint must "state a

claim to relief that is plausible on its face." *Doyle v. Al Johnson's Swedish Restaurant & Butik Inc.*, 101 USPQ2d 1780, 1782 (TTAB 2012) quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007)).

After review of the notice of opposition, the Board finds that the notice of opposition is legally sufficient and that it clearly contains allegations, which, if proven at trial, would establish opposer's standing and a valid ground for opposing the involved mark. Specifically, opposer has adequately pleaded its standing by alleging facts which demonstrate a real interest in the outcome of this proceeding in paragraphs 8 - 10 of the notice of opposition. See *Lipton Industries, Inc. v. Ralston Purina Co.*, 213 USPQ 185, 189 (TTAB 1982).

Considering next whether opposer has asserted a proper Section 2(d) claim of priority and likelihood of confusion, the Board finds the allegations set forth in paragraphs 8 - 18 of the notice of opposition provide adequate notice of opposer's claim. See *King Candy Co. v. Eunice King's Kitchen, Inc.*, 182 USPQ 108 (CCPA 1974).

Whether these allegations are true is a question of fact to be determined at trial. In view of the foregoing, opposer's motion to strike applicants' Affirmative Defense No. 1 is **granted** and said defense is hereby **stricken**.

2.) **Affirmative Defense Nos. 2, 4 and 5: Estoppel, Acquiescence, Waiver and Laches**

Our reviewing court has held that the affirmative defenses of laches and/or waiver caused by undue delay in bringing a proceeding are inapplicable in opposition proceedings, because the earliest date laches may begin to run is the publication of the opposed application.²

² The Board notes, however, that "under certain circumstances, a laches defense in an opposition proceeding may be based upon opposer's failure to object to an applicant's earlier registration of substantially the same mark for substantially the same goods."). See *Aquion Partners L.P. v. Envirogard Prod. Ltd.*, 43 USPQ2d 1371, 1373 (TTAB 1997). Here, however, applicants have not alleged ownership of an earlier-issued registration of substantially the same mark for substantially the same goods as its involved mark and identified goods to form a valid basis for its laches defense.

See *National Cable Television Ass'n Inc. v. American Cinema Editors Inc.*, 937 F.2d 1572, 19 USPQ2d 1424, 1432 (Fed. Cir. 1991) (given brief period allowed for filing an opposition under Trademark Rule 2.101(c), delay would be all but impossible to prove); *Panda Travel Inc. v. Resort Option Enterprises Inc.*, 94 USPQ2d 1789, 1797 (TTAB 2009) ("In an opposition, where the objection is to the issuance of a registration of a mark and the plaintiff had prior knowledge of applicant's use, laches starts to run when the mark in question is published for opposition."); *Teledyne Technologies Inc. v. Western Skyways Inc.*, 78 USPQ2d 1203, 1210 n. 10 (TTAB 2006) ("[I]n the absence of actual knowledge prior to the close of the opposition period, the date of registration is the operative date for calculating laches."). Further, the pleading of the equitable defenses of acquiescence and estoppel requires applicants to plead facts in connection with the defenses, which if proven, would entitle applicants to prevail on their affirmative defenses. Merely pleading the legal conclusions of acquiescence, estoppel, waiver or laches is not a proper affirmative defense. See, e.g., *Panda Travel*, 94 USPQ2d at 1797 (in opposition proceeding equitable estoppel must be tied to registration of applicant's mark).

Applicants have not provided sufficient allegations of fact to put opposer on notice of the basis upon which the defenses are being asserted. See *Heller Finance, Inc. v. Midwehy Powder Co.*, 883 F.2d 1286, 1294 (7th Cir. 1989) (upholding motion to strike affirmative defenses because they were bare bones, conclusory allegations); and *Fleet Business Credit Corp. v. National City Leasing Corp.*, 191 F.R. D. 568, 570 (N.D. Ill. 1999) (bare bones waiver and estoppel defenses fail to sufficiently plead the affirmative defenses).

Accordingly, opposer's motion to strike applicants' Affirmative Defense Nos. 2, 4 and 5 is **granted** and said defenses are hereby **stricken**.

3.) Affirmative Defense No. 6 Unclean Hands

As noted above, applicants must do more than assert the defense of unclean hands, they must also set forth with specificity allegations of conduct on opposer's part that would prevent opposer from prevailing on its claim. The defense, however, is alleged merely as a

conclusory allegation which does not give opposer fair notice as to specific conduct which provides the basis therefor. *Midwest Plastic Fabricators Inc. v. Underwriters Laboratories Inc.*, 5 USPQ2d 1067, 1069 (TTAB 1987) (denying motion to amend to add bare allegation of unclean hands as lacking specificity).

Accordingly, opposer's motion to strike applicants' Affirmative Defense No. 6 is **granted** and said defense is hereby **stricken**.

4.) Affirmative Defense No. 9: Fair Use

Applicants' Affirmative Defense No. 9 alleges, "[a]pplicants have made fair use" of their mark. The "fair use" defense of Trademark Act § 33(b)(4), 15 U.S.C. §1115(b)(4), is a defense available to a defendant in a federal action charging infringement of a registered mark. As such, it has no applicability in inter partes proceedings before the Board, which deal solely with the issue of registrability.³ See *Truescents LLC v. Ride Skin Care, LLC*, 81 USPQ2d 1334, 1338 (TTAB 2006). Accordingly this affirmative defense is inapplicable, and is therefore **stricken**.

5.) Affirmative Defense No. 10: Fraud

Applicants' Affirmative Defense No. 10 alleges fraud in the procurement of opposer's pleaded registrations,

[F]or 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 donation and is generic and/or descriptive for the same.

As has often been said, "fraud must be pleaded with particularity" that the party knowingly made a false, material misrepresentation when applying for a trademark registration, or when renewing a registration, with intent to deceive the USPTO. *Enbridge Inc. v. Excelerate Energy LP*, 92 USPQ2d 1537, 1540 (TTAB 2009). Applicants' allegation fails to

³ While "fair use" is explicitly included as a defense to a claim of dilution in Section 43(c) of the Lanham Act, 15 USC § 1125(c)(3)(A), opposer has not alleged a claim of dilution.

allege fraud with the required particularity, and is thus legally insufficient.

Further, this defense is essentially a collateral attack on opposer's pleaded registrations and is impermissible absent a counterclaim. Trademark Rule 2.106(b)(2)(ii). See also TBMP § 311.02(b) (3d ed. 2011). We note that applicants have not asserted a counterclaim to cancel opposer's pleaded registration on any ground in this proceeding. Accordingly, this affirmative defense is stricken.

6.) **Affirmative Defense No. 11: "Reservation" of rights**

Although opposer does not clearly seek to strike applicants' Affirmative Defense No. 11, the Board exercises its discretion to consider the matter.

By its "Affirmative Defense" No. 11, applicant "reserves" the right to assert any additional affirmative defenses that become available. We 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. A defendant cannot reserve unidentified defenses since it does not provide a plaintiff fair notice of such defenses. Whether or not applicant may, at some future point, add an affirmative defense would be resolved by way of a motion to amend for Board approval. See Fed. R. Civ. P. 15(a).

Accordingly, Affirmative Defense No. 11 will be given no further consideration and is stricken.

7.) **Affirmative Defense Nos. 3, 7 and 8**

The Board sees these "defenses" as essentially amplifications of applicants' denials, and as such they are permitted to give opposer fuller notice of the position which applicants plan to take in defense of their application. See *Morgan Creek*, 91 USPQ2d at 1136; *Humana Inc. v. Humanomics Inc.*, 3 USPQ2d 1696, 1697 n.5 (TTAB 1987) (allegations under heading "affirmative defenses" were arguments in support of denial of claim rather than true affirmative defenses and were treated as such); *Maytag Co. v. Luskin's, Inc.*, 228 USPQ 747, 747 n.3 (TTAB 1986) (same); *Textron, Inc. v. Gillette Co.*, 180 USPQ 152, 153 (TTAB

1973) (objection to certain paragraphs of answer as verbose and argumentative not well taken).

Accordingly opposer's motion to strike is denied as to Affirmative Defense Nos. 3, 7 and 8.

8.) Applicants' Motion in the Alternative for Leave to Replead Affirmative Defenses

Applicants in their response to the motion to strike, moved in the alternative for leave to amend and replead their affirmative defenses if the defenses were stricken by the Board. Repleading of Affirmative Defense Nos. 1 and 9 would be futile. In view thereof, applicants' motion for leave to amend and replead is denied as to Affirmative Defense Nos. 1 and 9. As to the remaining stricken defenses, the motion is granted to the extent that applicants are allowed until February 14, 2013, to replead its affirmative defenses, consistent with this order. Applicants are reminded of their obligations under Fed. R. Civ. P. 11.

Summary

Affirmative Defense Nos. 1-2, 4-6 and 9-11 are stricken.

Repleading of Affirmative Defense Nos. 1 and 9 would be futile. Applicants have until February 14, 2013 to replead their remaining affirmative defenses consistent with this order.

Dates Reset

Proceedings are resumed. Discovery conference, disclosure, discovery and trial dates are reset as set out below.

Deadline for Discovery Conference	1/29/2013
Discovery Opens	1/29/2013
Deadline to Replead Affirmative Defenses	2/14/2013
Initial Disclosures Due	2/28/2013

Expert Disclosures Due	6/28/2013
Discovery Closes	7/28/2013
Plaintiff's Pretrial Disclosures Due	9/11/2013
Plaintiff's 30-day Trial Period Ends	10/26/2013
Defendant's Pretrial Disclosures Due	11/10/2013
Defendant's 30-day Trial Period Ends	12/25/2013
Plaintiff's Rebuttal Disclosures Due	1/9/2014
Plaintiff's 15-day Rebuttal Period Ends	2/8/2014

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 the 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.
