

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

BUO

Mailed: June 14, 2013

Opposition No. 91208141

Goya Foods, Inc.

v.

Marquez Brothers
International, Inc.

Benjamin U. Okeke, Interlocutory Attorney:

Now before the Board is opposer's motion, filed January 4, 2013, to strike applicant's asserted affirmative defenses. Opposer asserts that applicant has not sufficiently pleaded its defenses and that striking applicant's affirmative defenses "will be helpful in narrowing and limiting issues in this proceeding, thereby also serving as a guide in conducting discovery." Additionally, opposer seeks to have the Board test the sufficiency of its own pleading by moving to strike applicant's defense of failure to state a claim upon which relief can be granted. Applicant contends that opposer is improperly attempting to litigate the factual merits of the case during the pleadings stage and that its affirmative

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defenses have been pleaded sufficiently to the standards of the Federal Rules of Civil Procedure. The motion has been fully briefed.

In its answer applicant asserts six affirmative defenses: 1) failure to state a claim upon which relief can be granted; 2) laches; 3) waiver; 4) estoppel; 5) lack of likelihood of confusion; and 6) priority.

For the reasons set forth below opposer's motion is **GRANTED in part** and **DENIED in part**.

1) Failure to State a Claim Upon Which Relief Can be Granted.

A defense alleging that a plaintiff has failed to state a claim upon which relief can be granted is an attack on the sufficiency of the plaintiff's pleadings. The defense, when raised as an affirmative defense, is subject to a motion to strike, which sanctions the Board to determine the sufficiency of the pleadings. *See Order of Sons of Italy in Am. v. Profumi Fratelli Nostra AG*, 36 USPQ2d 1221 (TTAB 1995) *citing S.C. Johnson & Son Inc. v. GAF Corp.*, 177 USPQ 720 (TTAB 1973).

Applicant's contention that opposer is seeking to litigate the factual merits of the case during the pleadings stage is not well taken. A motion to dismiss for failure to state a claim upon which relief may be granted

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is a test solely of the legal sufficiency of a complaint. See *Advanced Cardiovascular Sys. Inc. v. SciMed Life Sys. Inc.*, 988 F.2d 1157, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993). In order to withstand such a motion, a complaint need only allege such facts as would, if proven, establish that the plaintiff is entitled to the relief sought; that is, that (1) the plaintiff has standing to maintain the proceeding, and (2) a valid ground exists for denying the registration sought. *Young v. AGB Corp.*, 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998). The complaint need only "state a claim to relief that is plausible on its face." *Bell Atlantic Corp. v. Twombly*, 550 U.S. 554, 570 (2007); see also *Ashcroft v. Iqbal*, 556 U.S. 662 (2009). Opposer is not under a burden to prove its case in its notice of opposition. *Enbridge, Inc. v. Excelerate Energy Ltd. P'ship*, 92 USPQ2d 1537, n.10 (TTAB 2009).

A. Standing

Opposer has alleged ownership of two registrations for the marks 'CASERA' and 'CASERITA' in standard character format.¹ Notice of Opposition, ¶ 5. Opposer's claim of ownership of these registrations is sufficient to plead its standing, i.e. a personal interest in this proceeding. See

¹ Registration Nos. 2740494 and 3040516, for use in connection with processed vegetables and chicken croquettes respectively.

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Giersch v. Scripps Networks Inc., 90 USPQ2d 1020, 1022 (TTAB 2009); *Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982); *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842 (Fed. Cir. 2000).

B. Priority

To the extent opposer intends to rely on its pleaded registrations, priority will not be an issue in this opposition so long as opposer properly makes of record status and title copies of the pleaded registrations during the time designated for opposer to take testimony. See Trademark Rule 2.122(d)(1); *King Candy Co. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974). In other words, opposer need not prove (and therefore need not allege) that the marks in its registrations were "previously used ... and not abandoned" in order to prevail. See Trademark Act § 2(d), 15 U.S.C. 1052(d). Nonetheless, opposer has also alleged that its marks were in use at least as early as 1979 and 1972 respectively and have been in continuous use. Notice of Opposition, ¶¶ 6 and 7. These allegations predate the constructive use date of the subject application-September 23, 2011.² Therefore, opposer has sufficiently pleaded its priority.

² The filing date of the application is the earliest date upon which applicant could rely without proof by "competent evidence"

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C. Likelihood Of Confusion

The notice of opposition alleges that the applied-for mark and opposer's pleaded marks are identical or at least "confusingly similar." Notice of Opposition, ¶¶ 11 and 12. Additionally, opposer states that "[t]he goods of Applicant and Opposer are substantially related in part and generally related in part." *Id.* ¶ 13. The notice of opposition further alleges that registration of the applied-for mark "will cause the relevant purchasing public to erroneously assume and thus be confused, misled, or deceived, that Applicant's Goods are made by, licensed by, controlled by, sponsored by, or in some way connected, related or associated with Opposer, all to Opposer's irreparable damage." Notice of Opposition, ¶ 18.

Opposer has alleged facts regarding the similarity of the marks and relatedness of the goods, and damage to opposer that would result from the registration of applicant's mark. These are sufficient facts which, if proven, would entitle opposer to the relief it seeks under Trademark Act Section 2(d), 15 U.S.C. § 1052(d).

of an earlier date of actual use. See Trademark Rule 2.122(b)(2) (the date of use in an application is not evidence on behalf of the applicant; "a date of use of a mark must be established by competent evidence"); see also *Coach Servs. Inc. v. Triumph Learning LLC*, 96 USPQ2d 1600, 1606 n.7 (TTAB 2010).

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Therefore, opposer's pleading of its likelihood of confusion claim is sufficient.

D. False Suggestion of a Connection

Whenever the sufficiency of any complaint has been challenged by a motion to dismiss, it is the duty of the Board to examine the complaint in its entirety. See *IdeasOne Inc. v. Nationwide Better Health*, 89 USPQ2d 1952, 1953 (TTAB 2009). On the ESSTA cover sheet for the notice of opposition, opposer indicates that it intends to plead a claim of false suggestion of a connection under Trademark Act Section 2(a), 15 U.S.C. § 1052(a). However, because opposer did not plead such a claim in the text of the notice of opposition, that "claim" is insufficiently pleaded and will be given no further consideration. If opposer actually intended to assert a separate claim of false suggestion of a connection under Section 2(a) of the Trademark Act, opposer's claim would need to be repleaded in order to provide sufficient facts to support the elements of such a claim.³

³ To state a claim of false suggestion of a connection under Trademark Act Section 2(a), opposer must allege facts from which it may be inferred (1) that applicant's mark points uniquely to opposer as an entity -- i.e., that applicant's mark is opposer's identity or "persona;" (2) that purchasers would assume that goods sold under applicant's mark are connected with opposer; and (3) either (a) that opposer was the prior user of applicant's mark, or the equivalent thereof, as a designation of its identity or "persona", or (b) that there was an association of the mark

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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. rev. 2012).

Accordingly, opposer's motion is **GRANTED**, and applicant's first affirmative defense is **STRICKEN** inasmuch as opposer has sufficiently pleaded a claim of likelihood of confusion.

2) Laches, Waiver and Estoppel

Opposer is largely correct in its assertion that the affirmative defenses of laches, waiver, and estoppel are severely limited in opposition proceedings because they begin to run from the time the mark is published for opposition, not from the time of knowledge of use. *See Bausch & Lomb Inc. v. Karl Storz GmbH & Co. KG*, 87 USPQ2d 1526, 1531 (TTAB 2008) (conduct which occurs prior to publication of application for opposition generally cannot support a finding of equitable estoppel); *Barbara's Bakery*

with opposer prior in time to applicant's use. *See Miller Brewing Co. v. Anheuser-Busch Inc.*, 27 USPQ2d 1711, 1712-13 (TTAB 1993).

The Board is doubtful of opposer's ability to plead—and ultimately prove — that the applied-for mark points uniquely to opposer as *its persona* as necessary for a claim of false suggestion, and cautions opposer to consider carefully whether to attempt to separately assert this claim.

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Inc. v. Landesman, 82 USPQ2d 1283, 1292 n.14 (TTAB 2007) (defenses of laches, acquiescence or estoppel generally not available in opposition proceeding). Given the brief period allowed for filing an opposition, see Trademark Rule 2.101(c), laches would be all but impossible to prove.

However, while the defenses may be limited, there is no strict rule that these defenses cannot be raised in an opposition given appropriate circumstances. "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." *Aquion Partners L.P. v. Envirogard Prod. Ltd.*, 43 USPQ2d 1371, 1373 (TTAB 1997).

However, applicant's laches defense, for the same reasons as its alluded to *Morehouse* defense,⁴ would not

⁴ Applicant appears to confuse the *Morehouse* defense with laches by citing the *Morehouse* case in support of its statement that "if the defendant already owns a registration for essentially the same mark for essentially the same goods or services, laches, waiver, and estoppel may be deemed to run from the time action could be taken against the prior registration." App. Br. at 5, citing *Morehouse Mfg. Corp. V. J. Strickland And Co.*, 407 F.2d 881, 160 USPQ 715 (CCPA 1969).

However, the *Morehouse* defense stands for the proposition that, as a matter of law, an opposer cannot be damaged, within the meaning of Section 13 of the Trademark Act, by the issuance to an applicant of a second registration when applicant already has an existing, unchallenged registration of the same mark for the same goods. See *O-M Bread, Inc. v. U.S. Olympic Comm'n*, 65 F.3d 933, 36 USPQ2d 1041, 1045 (Fed. Cir. 1995); and TBMP §

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apply in this circumstance. Where, as in the present case, the goods in the subject application are not substantially similar to the goods claimed in the prior registration, neither *Morehouse* nor the narrow circumstances for use of laches applies. See *Teledyne Techs. Inc. v. Western Skyways Inc.*, 78 USPQ2d 1203, 1209 (TTAB 2006) *aff'd unpub*, 208 Fed. Appx. 886, 887 (Fed. Cir. Dec. 6, 2006) (*Morehouse* defense fails where goods in the involved registration are clearly different from those in prior registrations); *Aquion Partners L.P.*, 43 USPQ2d at 1374 ("in order to tack on the prior registration of this mark as notice to opposer for purposes of its laches defense, applicant must establish that the goods are the same or substantially similar").

As to waiver and estoppel, opposer may well have taken some action prior to or during the prosecution of the subject application that may have given applicant the impression that opposer did not intend to assert its rights

311.02(b) (3d ed. rev. 2012). This proposition, unlike laches, has nothing to do with the measurement of elapsed time.

Further, waiver and estoppel are not time dependent defenses, but instead turn on the conduct of plaintiff. See *Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes Inc.*, 23 USPQ2d 1701 (Fed. Cir. 1992) ("The elements of equitable estoppel are (1) misleading conduct, which may include not only statements and action but silence and inaction, leading another to reasonably infer that rights will not be asserted against it; (2) reliance upon this conduct; and (3) due to this reliance, material prejudice if the delayed assertion of such rights is permitted.") (emphasis added).

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against the application. See *Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes Inc.*, 23 USPQ2d 1701 (Fed. Cir. 1992); *Copperweld Corp. v. Astralloy-Vulcan Corp.*, 196 USPQ 585, 590-91 (TTAB 1977). While these claims are not categorically inapposite to the case, they lack factual support in the pleadings.

Affirmative defenses, like claims in a notice of opposition, must be supported by enough factual background and detail to fairly place the opposer on notice of the basis for the defenses. See *IdeasOne Inc.*, 89 USPQ2d at 1953; *Ohio State Univ. v. Ohio Univ.*, 51 USPQ2d 1289, 1292 (TTAB 1999) (primary purpose of pleadings "is to give fair notice of the claims or defenses asserted"). A party must allege sufficient facts beyond a tender of 'naked assertion[s]' devoid of 'further factual enhancement,' to support its claims. *Iqbal*, 556 U.S. at 663 (2009), quoting *Twombly*, 550 U.S. at 570 (2007).

Applicant merely names these equitable defenses without pleading any factual background to support them. We agree with opposer, Opp. Rpl. Br. at 2, that applicant's conclusory assertion that "[t]he detail set out in Applicant's fifth and sixth affirmative defenses is a sufficient basis to assert" these defenses, is untenable. A full review of applicant's pleading does not uncover any

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facts which, if proven, would support these claims. Applicant does not allege that opposer engaged in any conduct, or failed to act when required, which led applicant in filing the subject application to rely on opposer's conduct as indicating its intention not to assert its rights.

Accordingly, inasmuch as we have found that these defenses are limited in their applicability to opposition proceedings, and further that they have not been sufficiently pleaded in the answer, opposer's motion to strike is **GRANTED** as to applicant's second, third and fourth affirmative defenses, and applicant's second, third and fourth affirmative defenses are **STRICKEN**.

3) Likelihood of Confusion

The fifth "affirmative defense" merely amplifies applicant's denials and provides fuller notice of how applicant intends to defend this opposition. *See Ohio State Univ.*, 51 USPQ2d at 1292. Although it is not necessarily an affirmative defense, opposer will not be heard to argue that it is being prejudiced by being provided with advance notice of applicant's strategy. *See Id.; Order of Sons of Italy in Am.*, 36 USPQ2d at 1223.

The Board, in its discretion, may decline to strike even objectionable pleadings where their inclusion will not

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prejudice the adverse party, but rather will provide fuller notice of the basis for a claim or defense. *Id.*

Accordingly, opposer's motion is **DENIED** with respect to applicant's fifth affirmative defense.

4) Priority

The sixth affirmative defense fails because, as stated, priority will not be an issue in this case where opposer has pleaded ownership of valid registrations.

Accordingly, opposer's motion is **GRANTED** as to the sixth affirmative defense, and applicant's sixth affirmative defense is **STRICKEN**.

Proceedings are resumed and conferencing, disclosure, discovery and trial dates are reset as follows:

Time to File Amended Answer	7/2/2013
Deadline for Discovery Conference	8/1/2013
Discovery Opens	8/1/2013
Initial Disclosures Due	8/31/2013
Expert Disclosures Due	12/29/2013
Discovery Closes	1/28/2014
Plaintiff's Pretrial Disclosures	3/14/2014
Plaintiff's 30-day Trial Period Ends	4/28/2014
Defendant's Pretrial Disclosures	5/13/2014
Defendant's 30-day Trial Period Ends	6/27/2014
Plaintiff's Rebuttal Disclosures	7/12/2014
Plaintiff's 15-day Rebuttal Period Ends	8/11/2014

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

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after completion of taking of testimony. Trademark Rule 2.125.

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