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

Proceeding	91208141
Party	Defendant MARQUEZ BROTHERS INTERNATIONAL, INC.
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Attachments	Response to Motion to Strike.pdf (11 pages)(1017053 bytes)

1 affirmative defenses bear directly on Opposer's allegations in this matter. And third, it is
2 Applicant and the Board, not the Opposer, who are prejudiced by Opposer's tactics as Applicant
3 and the Board are faced with unnecessary delay and costs in responding to Opposer's disfavored
4 motion. Applicant's defenses, as written, provide Opposer with fair notice, which is all that is
5 required under the Federal Rules of Civil Procedure. In addition, each of Applicant's affirmative
6 defenses is supportable in law and by facts uncovered to date, and thus is validly asserted at this
7 earliest pleading stage.
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9 ARGUMENT

10 A. Motions To Strike Affirmative Defenses Are Highly Disfavored

11 As Opposer confirms (Motion to Strike, p. 1), motions to strike affirmative defenses are
12 disfavored and a matter will not be stricken unless the defenses clearly have no bearing upon the
13 issues under litigation. See, e.g., Ohio State University v. Ohio University, 51 USPQ2d 1289,
14 1293 (TTAB 1999); see also Harsco Corp. v. Electrical Sciences Inc., 9 USPQ2d 1570 (TTAB
15 1998); FRA S.p.A. v. Surg-O-Flex of America, Inc., 194 USPQ 42, 46 (S.D.N.Y. 1976); Leon
16 Shaffer Golnick Advertising, Inc. v. Willima G. Pendil Marketing Co., Inc., 177 USPQ 401, 402
17 (TTAB 1977).
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19 The primary purpose of pleadings under the Federal Rules of Civil Procedure is to give
20 fair notice of the claims or defenses asserted. The Board may decline to strike even objectionable
21 pleadings where their inclusion will not prejudice the adverse party, but rather will provide fuller
22 notice of the basis for a claim or defenses. See, Order of Sons of Italy in America v. Profumi
23 Fratelli Nostra AG, 36 USPQ2d 1221, 1223 (TTAB 1995). Under Rule 12(f), the only
24 appropriate function of a motion to strike affirmative defenses is to "avoid the expenditure of
25 time and money that must arise from litigating spurious issues by dispensing with those issues
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1 prior to trial.” Security People, Inc., V. Classic Woodworking, LLC, 2005 WL 645592, *2
2 (N.D.Cal. 2005).

3 **B. The Challenged Affirmative Defenses Are Properly Pled, Are Related To Opposer’s**
4 **Claim, And Help To Narrow The Issues For Trial**

5 Federal Rules of Civil Procedure 8(c) and 12 require that all potentially applicable
6 affirmative defenses be raised in the Answer. Pursuant to the Rules, an affirmative defense may
7 be waived if not asserted in the Answer. An affirmative defense may be based on the facts of the
8 case, or it may be a defense arising from the law that governs the case. Applicant has the right to
9 explore issues in discovery and establish the validity of an affirmative defense.
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11 The standard for pleading an affirmative defense is low. All that is required under Rule
12 8(c) and Trademark Rule 311.02(b) is a “short and plain” statement of the claim. An affirmative
13 defense may be stricken only if it is found deficient as a matter of federal notice pleading. See,
14 Security People, 2005 WL 645592 at *2. This “fair notice” pleading standard is met even if the
15 affirmative defense merely recites the legal doctrine which bars the claim, where the factual
16 particulars appear elsewhere in the record. Id., citing Wyshak v. City National Bank, 607 F.2d
17 824, 827 (9th Cir. 1979). Applicant’s Answer sets forth the factual basis for its defenses and
18 therefore its affirmative defenses were sufficiently pled to meet the minimal pleading standard.
19 In the event that the Board finds that any of Applicant’s affirmative defenses were not pled in
20 sufficient detail, Applicant requests leave to amend the relevant affirmative defenses to make a
21 more explicit connection between the facts and the defenses (See Motion for Leave to Amend, in
22 Section D, below.)
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25 Opposer’s claim that Applicant’s affirmative defenses are legally insufficient is simply an
26 argument that the affirmative defenses should not apply on the merits. However, “a defense will
27 not be stricken as insufficient if the insufficiency is not clearly apparent, or if it raises factual
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1 issues that should be determined on the merits.” TBMP § 506.01. Here, Applicant’s fifth and
2 sixth affirmative defenses (Applicant’s Answer, p. 4, ¶ 5, and p. 5, ¶ 6) explain how Applicant
3 plans to defend itself by raising factual issues as to the issue of likelihood of confusion.
4 Applicant’s remaining affirmative defenses merely serve to notify Opposer that Applicant plans
5 to rely on the equitable defenses of the sufficiency of Opposer’s pleading, laches, waiver, and
6 estoppel. (Applicant’s Answer, p. 4, ¶¶ 1-4.) Opposer seeks to prematurely litigate these issues
7 on the merits. However, Applicant respectfully requests that the Board make this determination
8 only after careful review of the evidence submitted at trial.
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10 Last, “an answer may include affirmative assertions that, although they may not rise to
11 the level of an affirmative defense, nevertheless state the reasons for, and thus amplify, the
12 defendant’s denial of one or more of the allegations in the complaint. The amplifications of
13 denials, whether referred to as ‘affirmative defenses,’ ‘avoidances,’ ‘affirmative pleadings,’ or
14 ‘arguments,’ are permitted by the Board because they serve to give the plaintiff fuller notice of
15 the position which the defendant plans to take in defense of its right to registration.” TBMP
16 § 311.02(d). Opposer argues that some of Applicant’s affirmative defenses are merely arguments
17 in furtherance of its denial of Opposer’s likelihood of confusion claim. (Motion to Strike, pp. 5-
18 6.) Even if accurate, there is no harm in leaving these defenses in the pleading since they provide
19 Opposer more complete notice of Applicant’s position regarding Opposer’s asserted claim of
20 priority and likelihood of confusion. Order of Sons of Italy in America, 36 USPQ2d at 1223.
21 Opposer has not met its burden to strike affirmative defenses directly related to this proceeding.
22 Applicant’s affirmative defenses are properly pled and place Opposer on notice of Applicant’s
23 defenses.
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1 **1. Applicant’s first affirmative defense of failure to state a claim is properly pled**
2 **and directly traces the requirements of the Federal Rules of Civil Procedure.**

3 Under the Federal Rules of Civil Procedure, all that is required to meet the federally
4 approved failure to state a claim defense is to allege that Opposer’s opposition “fails to state a
5 claim upon which relief can be granted.” Form 30 to Fed. R. Civ. Proc. Applicant has complied
6 with this requirement. Applicant’s first affirmative defense raises questions as to the validity and
7 sufficiency of Opposer’s grounds for opposition. Therefore its first affirmative defense is legally
8 and factually sufficient under the Federal Rules. Even at this preliminary stage of the
9 proceedings, Applicant raises significant issues regarding whether consumers could be confused
10 by Applicant’s registration of a second CASERA mark in light of the Parties’ longstanding
11 coexistence. After discovery and presentation of the fully developed factual record, Applicant
12 can and will succeed on the merits of its first affirmative defense in proving that Opposer cannot
13 show a likelihood of confusion between the Parties’ marks.

14 **2. Applicant’s second, third, and fourth affirmative defenses of laches, waiver, and**
15 **estoppel are properly pled and relate directly to Opposer’s allegations in this**
16 **matter.**

17 Opposer states that the defense of laches is not available to Applicant. (Motion to Strike,
18 p. 4.) Laches, waiver, and estoppel are generally unavailable in an opposition proceeding
19 because these equitable defenses start to run from the time of knowledge of the application for
20 registration (that is, from the time the mark is published for opposition), not from the time of
21 knowledge of use. TBMP § 311.02(b) and cases cited therein. However, there are certain
22 exceptions. For example, if the defendant already owns a registration for essentially the same
23 mark for essentially the same goods or services, laches, waiver, and estoppel may be deemed to
24 run from the time action could be taken against the prior registration. See Morehouse Mfg. Corp.
25 v. J. Strickland & Co., 407 F.2d 881, 56 C.C.P.A. 946, 160 USPQ 715 (CCPA 1969). These
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1 defenses are based on the Morehouse defense, are properly pled, and need not be stricken.

2 Applicant is the owner of incontestable Reg. No. 1,934,691 for CASERO and Reg. No.
3 3,720,632 for CASERA, both in class 29. (Applicant's Answer, p. 4, ¶5). Opposer did not
4 oppose registration of either of these marks nor has Opposer objected to Applicant's use of its
5 CASERO and CASERA marks in connection with class 29 food products in the many years of
6 concurrent use of the Parties' respective marks. As such, Opposer has unreasonably delayed in
7 asserting any claimed rights against Applicant causing Applicant material prejudice due to that
8 delay. Opposer's unreasonable delay includes the Parties' substantial coexistence without any
9 confusion or challenge by Opposer, as well as Opposer's failure to oppose Applicant's prior
10 registrations. No additional facts are required to put Opposer on notice of Applicant's second,
11 third, and fourth affirmative defenses. Cell Atl. Corp. v. Twombly, 550 U.S. 544, 570 (2007)
12 (finding that Rule 8 requires only "enough facts to state a claim to relief that is plausible on its
13 face."); see also, Erickson v. Pardus, 551 U.S. 89, 93 (2007) ("[s]pecific facts are not
14 necessary"). The Board has approved of a laches defense based on the same issues raised here,
15 i.e., Opposer's failure to object to Applicant's similar registrations. See Aquion Partners, L.P. v.
16 Enviorgard Prods. Ltd., 43 U.S.P.Q.2d (BNA) 1371 (TTAB 1997) (finding that a "laches defense
17 in [an] opposition proceeding may be based upon opposer's failure to object to [an applicant's]
18 earlier registration of substantially [the] same mark for substantially [the] same goods");
19 Copperweld Corp. v. Astralloy-Vulcan Corp., 196 U.S.P.Q. (BNA) 585, 590-91 (TTAB 1977)
20 (permitting a laches defense in an opposition based upon opposer's failure to object to
21 applicant's prior registrations.)

22 In addition, estoppel can be pled by alleging: (1) misleading conduct by the opposer,
23 which led the applicant to infer that the opposer will not assert its alleged rights against the
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1 applicant; (2) the applicant's reliance upon this conduct; and (3) material prejudice caused by the
2 opposer's delay in asserting its alleged rights. Lincoln Logs Ltd. v. Lincoln Pre-cut Log Homes,
3 Inc., 971 F.2d 732, 734, 23 USPQ2d 1701, 1703 (Fed. Cir. 1992). Here, Applicant relied upon
4 Opposer's misleading conduct including its delay in asserting any claimed rights and on
5 information and belief Opposer's consent to the Parties' substantial co-existence without any
6 confusion. Applicant relied on this conduct in development of the pending application at issue
7 and was thereby materially prejudiced. Opposer can dispute whether Applicant's existing
8 CASERO and CASERA registrations are sufficiently similar to support a laches, waiver, or
9 estoppel defense, but such an argument should be made after the Parties have had an opportunity
10 to conduct discovery and full briefing on the merits. Factual and legal disputes should not be
11 decided on a motion to strike at the pleadings stage. See TBMP 506.01.

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14 Opposer incorrectly states that Applicant "does not submit any evidence or argument
15 regarding such defenses." (Motion to Strike, p. 5.) Applicant clearly outlined facts in support of
16 its arguments, putting Opposer on fair notice of the factual basis for the defenses of laches,
17 waiver, and estoppel based on the content of Applicant's Answer. The detail set out in
18 Applicant's fifth and sixth affirmative defenses is a sufficient basis to assert the defenses of
19 laches, estoppel, and waiver. The factual allegations need not be repeated under each affirmative
20 defense heading. So long as they are included somewhere in the record, Opposer has fair notice
21 of the basis for the claims. Wyshak, 607 F.2d at 827.

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23 **3. Applicant's fifth and sixth affirmative defenses regarding a lack of likelihood of**
24 **confusion and Applicant's priority are properly pled and have a direct bearing**
25 **on the issues of the case.**

26 Applicant is entitled to raise the arguments contained in Applicant's fifth and sixth
27 affirmative defenses (Applicant's Answer, p. 4, ¶ 5, and p. 5, ¶ 6) even if they do not rise to the

1 level of affirmative defenses. Again, these defenses should not be stricken because they serve to
2 provide notice of how Applicant plans to defend itself at trial. Issues of likelihood of confusion
3 and priority speak directly to whether the instant opposition presents a real case or controversy.
4 Because these defenses have a direct bearing on the issues of the case, and because these
5 defenses raise factual issues that should be determined on the merits, Applicant respectfully
6 submits that its fifth and sixth affirmative defenses should be maintained.
7

8 Opposer claims that because its registration for CASERA is incontestable, “asserting a
9 priority over an incontestable mark is unsupportable and the argument is inappropriate.” (Motion
10 to Strike, p. 7.) Opposer’s position is a misstatement of the law. An incontestable registration is
11 not totally immune from any challenge and is vulnerable to attack on several grounds, including
12 challenge by a prior user. See 15 USC § 1115(b); see also, Baron Philippe de Rothschild v.
13 Paramount Distillers, Inc., 923 F. Supp. 433, 438 (S.D.N.Y. 1996) (“[e]ven assuming that the...
14 defendants’ mark is incontestable... it would not be incontestable against a senior user”);
15 DeRosier v. 5931 Business Trust, 870 F. Supp. 941, 948 (D. Minn. 1994) (“[w]hile Defendants’
16 use of their properly registered service mark is otherwise ‘incontestable’... that use must bow,
17 within a circumscribed geographic area, to a prior user’s adoption of the same or a confusingly
18 similar service mark.”) Applicant may rely upon prior rights to defeat a claim of likelihood of
19 confusion involving an incontestable mark.
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22 **C. Opposer Has Not Established The Requisite Prejudice From The Affirmative**
23 **Defenses**

24 Even if Opposer could establish that any of Applicant’s affirmative defenses have a
25 procedural defect, Opposer cannot establish any prejudice resulting from the defenses. “Even
26 where well founded, motions to strike often are denied in the absence of a showing of prejudice
27 to the moving party.” Ciminelli v. Cablevision, 583 F. Supp. 158, 162 (E.D.N.Y. 1984). The
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1 moving party must show that the defenses asserted are so unrelated to the claims at issue that
2 their presence will be prejudicial. See, generally, Wright & Miller, 5C Fed. Prac. and Proc.
3 § 1380 (3d ed. 2010). As shown above, the inclusion of Applicant's defenses will not prejudice
4 Opposer, but rather will provide more complete notice of the basis for Applicant's defenses. See
5 TBMP 506.01. Opposer's failure to establish its burden that it is prejudiced by Applicant's
6 affirmative defenses is therefore an independent and further basis to deny Opposer's motion.
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8 **D. Motion For Leave To File Amended Affirmative Defenses**

9 Should the Board decide that further factual allegations are necessary to support
10 Applicant's affirmative defenses, Applicant respectfully requests leave to amend its affirmative
11 defenses. See Fed. R. Civ. Proc. 15(a). Leave to amend is "freely given when justice so
12 requires." TBMP 503.03. Justice requires leave to amend here where Opposer expressed no
13 objection to Applicant's use of similar marks for years, and on information and belief acquiesced
14 to Applicant's prior registrations and the Parties' substantial co-existence without any instances
15 of actual confusion.
16

17 **CONCLUSION**

18 This motion is a classic example of why motions to strike are disfavored. "Motions to
19 strike can be nothing other than distractions. If a defense is clearly irrelevant, then it will likely
20 never be raised again by the defendant and can safely be ignored. If a defense may be relevant,
21 then there are other contexts in which the sufficiency of the defense can be more thoroughly
22 tested with the benefit of a fuller record, such as on a motion for summary judgment." IBM
23 Corp. v. Comdisco, Inc., 834 F.Supp. 264, 266 (N.D.Ill 1993).
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25 For all the reasons stated above, Opposer's motion is unwarranted and unnecessary.
26 Opposer has fair notice of all the bases for Applicant's affirmative defenses and will have plenty
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1 of opportunity to test the factual and legal merits of Applicant's defenses, as appropriate.
2 Opposer will suffer no prejudice if the Answer remains as is. Applicant requests that the Board
3 deny Opposer's Motion to Strike in its entirety. Alternatively, to the extent that the Board
4 concludes that Applicant has not satisfied the applicable pleading requirements regarding any of
5 its affirmative defenses, Applicant requests that the Board grant it leave to amend those
6 affirmative defenses.
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8 Dated: January 24, 2013

Respectfully submitted,

OWEN, WICKERSHAM & ERICKSON, P.C.

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12 By


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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing APPLICANT'S RESPONSE TO
OPPOSER'S MOTION TO STRIKE was sent to attorneys for Opposer this day by first class
mail, postage prepaid, to the following address:

Stephen L. Baker
Ryan A. McGonigle
Baker and Rannells PA
575 Route 28
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Dated: January 24, 2013


B.C. Dunne

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