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

Proceeding	91208855
Party	Defendant The Wine Group LLC
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Submission	Motion to Strike
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1 **BEFORE THE UNITED STATES PATENT AND TRADEMARK OFFICE**  
2 **TRADEMARK TRIAL AND APPEAL BOARD**

3  
4 Application Serial No. 85/736,374

5 Mark: (B)URBAN

6 Class: 33

7 \_\_\_\_\_ )  
8 **GREATER LOUISVILLE** )  
9 **CONVENTION & VISITORS** )  
10 **BUREAU,** )

11 Opposer/Respondent, )

12 v. )

13 **THE WINE GROUP, LLC,** )

14 Applicant/Counterclaimant. )  
15 \_\_\_\_\_ )

Opposition No. 91208855

**MOTION TO STRIKE**  
**AFFIRMATIVE DEFENSES 2-4**

16 Applicant filed a Counterclaim for cancellation (Docket No. 5). On February 26, 2013,  
17 Opposer filed its Answer to the Counterclaim and asserted four “Affirmative Defenses” (Docket  
18 No. 7). Applicant hereby moves to strike Affirmative Defenses 2-4 under Federal Rule of Civil  
19 Procedure 12 (f). *American Vitamin Products, Inc. v. Dow Brands Inc.*, 22 U.S.P.Q.2d 1313  
20 (TTAB 1992); *S.C. Johnson & Son, Inc. v. GAF Corp.*, 177 U.S.P.Q. 720 (TTAB 1973); see  
21 TBMP § 506.01.<sup>1</sup>

22 //

23 <sup>1</sup> The First Affirmative Defense merely states asserts that Counterclaimant has failed to  
24 state a claim on which relief has been granted. This is not a true “affirmative defense” but  
merely a denial of the claim. *Hornblower & Weeks Inc. v. Hornblower & Weeks Inc.*, 60  
U.S.P.Q.2d 1733, 1738 n.7 (TTAB 2001). Counterclaimant is not asking the Board to strike this  
defense or review the sufficiency of the petition.

1 **PLEADING STANDARDS**

2 Federal Rule of Civil Procedure 12(b)(6) permits dismissal for "failure to state a claim  
3 upon which relief can be granted." Dismissal is appropriate where the Complaint or defense  
4 lacks a cognizable legal theory or sufficient facts to support same. *See Balistreri v. Pacifica*  
5 *Police Dep't*, 901 F.2d 696, 699 (9th Cir. 1990). A proper pleading under Rule 8 "does not need  
6 detailed factual allegations" but the "[f]actual allegations must be enough to raise a right to relief  
7 above the speculative level." *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555 (2007). "[A]  
8 plaintiff's obligation to provide the `grounds' of his `entitle[ment] to relief' requires more than  
9 labels and conclusions, and a formulaic recitation of the elements of a cause of action will not  
10 do." *Id.* The court must accept as true all "well-pleaded factual allegations." *Ashcroft v. Iqbal*,  
11 556 U.S. 652, 129 S. Ct. 1937, 1950 (2009). However, the court is not "required to accept as true  
12 allegations that are merely conclusory, unwarranted deductions of fact, or unreasonable  
13 inferences." *Sprewell v. Golden State Warriors*, 266 F.3d 979, 988 (9th Cir. 2001); *see also Doe*  
14 *I v. Wal-Mart Stores, Inc.*, 572 F.3d 677, 683 (9th Cir. 2009). "In sum, for a Complaint to  
15 survive a motion to dismiss, the non-conclusory factual content, and reasonable inferences from  
16 that content, must be plausibly suggestive of a claim entitling the plaintiff to relief." *Moss v. U.S.*  
17 *Secret Service*, 572 F.3d 962, 969 (9th Cir. 2009) (citations omitted).

18 The same principles apply to motions to strike affirmative defenses under Rule 12 (f).  
19 *Cal. Dep't of Toxic Substances Control v. Alco Pac., Inc.*, 217 F. Supp. 2d 1028, 1032-33 (C.D.  
20 Cal. 2002); *California v. United States*, 512 F. Supp. 36, 38 (N.D. Cal. 1981). Affirmative  
21 defenses must be supported with factual allegations because bare statements that merely recite  
22 legal conclusions do not provide the opposing party with fair notice of the defense asserted.  
23 *Barnes v. AT&T Pension Benefit Plan-NonBargained Program*, 718 F. Supp. 2d 1167, 1170 (9th  
24

1 Cir. 2010)(citing *Wyshak v. City Nat'l Bank*, 607 F.2d 824, 827 (9<sup>th</sup> Cir. 1979)); *see, e.g.*,  
2 *Qarbon.com Inc. v. eHelp Corp.*, 315 F. Supp. 2d 1046, 1049-50 (N.D. Cal. 2004) (striking  
3 defenses that did no more than name the defenses without listing their elements or supporting  
4 facts).

5 The Board has long applied these fundamental principles. As TBMP § 311.02 (b) makes  
6 clear, “[t]he elements of a defense should be stated simply, concisely, and directly. However, the  
7 pleading should include enough detail to give the plaintiff fair notice of the basis of the defense”  
8 (footnotes omitted). A defense will be stricken if it consists of a conclusory allegation that does  
9 not give fair notice of the specific conduct which provides the basis for it. *See, e.g., Veles Int'l*  
10 *Inc. v. Ringing Cedars Press LLC*, Consolidated Opp. Nos. 91182303 and 91182304 (TTAB  
11 June 2, 2008) (unpublished) (affirmative defenses of waiver, estoppel and unclean hands  
12 stricken) (citing *Lincoln Logs Ltd. v. Lincoln Precut Log Homes, Inc.*, 971 F.2d 732 (Fed. Cir.  
13 1992) and *Midwest Plastic Fabricators Inc. v. Underwriters Labs. Inc.*, 5 U.S.P.Q.2d 1067  
14 (TTAB 1987)).

## 15 **SECOND AFFIRMATIVE DEFENSE**

16 As a second affirmative defense, Respondent asserts: “*The counterclaim is barred by the*  
17 *doctrines of laches, estoppel and acquiescence.*”

18 This defense should be stricken under *Twombly/Ashcroft* because it fails to state any facts  
19 from which the Board could determine whether it is plausible. It is simply a conclusory  
20 allegation that these defenses exist and that they bar relief. Neither the Board nor  
21 Counterclaimant has any idea why.

22 Each of the asserted defenses fails for additional reasons, as set forth below:

23 //

1           • **Laches**

2           A laches defense requires a party is required “to establish that there was undue or  
3 unreasonable delay [by petitioner] in asserting its rights, and prejudice to [respondent] resulting  
4 from the delay.” *Bridgestone/Firestone Research Inc. v. Automobile Club de l’Ouest de la*  
5 *France*, 245 F.3d 1359 (Fed. Cir. 2001); *see Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes*  
6 *Inc.*, 971 F.2d 732 (Fed. Cir. 1992). There are no facts alleged by which the Board could  
7 determine whether a laches claim is plausible. In fact, there are no facts alleged at all.

8           The laches defense is particularly implausible here. The laches “clock” does not begin to  
9 run until the opposing party “knew or should have known that it had a right of action, yet did not  
10 act to assert or protect its rights.” *Bridgestone/Firestone, supra*, at 1362. Here, the two  
11 registrations were issued in March 2011 and July 2013, respectively, and Applicant would not  
12 have had any standing (i.e. “a right of action”) to petition to cancel either prior to the date of the  
13 Notice of Opposition (January 15, 2013) because: (a) the Examining Attorney did not cite either  
14 of the registrations against the application during its examination, and (b) Counterclaimant has  
15 not yet begun to use the mark and is not claiming priority. Thus, Counterclaimant’s standing  
16 (injury) exists *solely* because Respondent filed the Notice of Opposition on January 15, 2013  
17 (Docket No. 1). Thus, on the pleadings, the laches period did not begin running until January 15,  
18 2013 – eleven (11) days before the Counterclaim was filed on January 24, 2013 (Docket No 5).  
19 There is no way that an 11 day “delay” could ever give rise to a laches defense.

20           In addition, the claim against registration no. 4,178,113 is that the Respondent engaged in  
21 naked licensing, i.e., it failed to control the quality of the services rendered under the mark. The  
22 Board has held that the laches defense does not apply in those circumstances. *Midwest Plastic*  
23 *Fabricators Inc. v. Underwriters Laboratories Inc.*, 5 U.S.P.Q.2d 1067 (TTAB 1987).

1           • **Estoppel**

2           Estoppel occurs where a party has been prejudiced by the conduct of the other party  
3 relied upon to create the estoppel. *See Textron, Inc. v. The Gillette Company*, 180 U.S.P.Q 152,  
4 154 (TTAB 1973) (internal citations omitted). Here, there are no facts alleged whereunder it is  
5 plausible that Applicant had some privity with the Respondent such that it suffered some kind of  
6 prejudice in the filing and maintenance of its registrations. Respondent has therefore failed to  
7 state a viable affirmative defense. *See Gastown Inc. of Delaware v. Gas City Ltd.*, 187 U.S.P.Q.  
8 760 (TTAB 1975).

9           • **Acquiescence**

10          Acquiescence requires proof of three things: “(1) That petitioner actively represented that  
11 it would not assert a right or a claim; (2) that the delay between the active representation and  
12 assertion of the right or claim was not excusable; and (3) that the delay caused the registrant  
13 undue prejudice.” *Coach House Restaurant Inc. v. Coach and Six Restaurants Inc.*, 934 F.2d  
14 1551, 1558-59 (11<sup>th</sup> Cir. 1991); *see Hitachi Metals International v. Yamakyu Chain Kabushiki*,  
15 209 U.S.P.Q. 1057, 1067 (TTAB 1981); *CBS, Inc. v. Man’s Day Publishing Co., Inc.*, 205  
16 U.S.P.Q. 470, 473-474 (TTAB 1980). Again, no such conduct is alleged such that there would be  
17 a plausible claim of acquiescence to the registrations.

18 **THIRD AFFIRMATIVE DEFENSE**

19          As a third affirmative defense, Respondent asserts: “*The counterclaim is barred by the*  
20 *doctrine of unclean hands.*”

21          This defense should be stricken under *Twombly/Ashcroft* because it fails to set out any  
22 facts from which the Board could determine whether it is plausible. It is simply a conclusory  
23 assertion that the defense exists and will bar relief. *See Midwest Plastic Fabricators Inc. v.*  
24

1 *Underwriters Laboratories Inc.*, 5 U.S.P.Q.2d 1067, 1069 (TTAB 1987). *Activision Publ’g, Inc.*  
2 *v. Oberon Media, Inc.*, Opp. No. 91195500, at 3-4 3 (TTAB September 10, 2010)(unpublished)  
3 (dismissing affirmative defense of unclean hands where applicant failed to allege specific  
4 conduct providing basis for defense).

5 The defense is also legally insufficient because it sounds in fraud, and such  
6 defenses must state the factual basis for them with particularity. *See* 37 C.F.R. §2.106(b)(1);  
7 TBMP 311.02(b) (where fraud is pleaded, the provisions of Fed. R. Civ. P. 9 governing the  
8 pleading of that matter should be followed). Unclean hands is an equitable concept that bars  
9 relief because the other party did not act “fairly and without fraud or deceit as to the controversy  
10 in issue.” *Precision Instrument Mfg. Co. v. Auto Maint. Mach. Co.*, 324 U.S. 806, 815 (1945).  
11 Conclusory statements of unclean hands, absent a recitation of the facts reflecting the basis for  
12 the alleged inequitable conduct, do not meet the pleading requirements of Fed. R. Civ. P. 9. *See,*  
13 *Cent. Admixture Pharm. Servs. v. Advanced Cardiac Solutions, P.C.*, 482 F.3d 1347, 1356 (Fed.  
14 Cir. 2007) (“inequitable conduct, while a broader concept than fraud, must be pled with  
15 particularity”). Because Respondent does not allege a single fact in support of its defense it does  
16 not satisfy Rule 9 and must be dismissed.

#### 17 **FOURTH AFFIRMATIVE DEFENSE**

18 As a fourth affirmative defense, Respondent asserts: “*The counterclaim is barred by the*  
19 *doctrine of express or implied waiver.*”

20 Waiver is an affirmative defense in contract cases where the breaching party agreed to  
21 forego complete performance of the contract. *Westfed Holdings, Inc. v. United States*, 407 F.3d  
22 1352, 1360 (Fed. Cir. 2005). As pleaded, the allegation is implausible because there are no

23 //

24

1 pleaded facts from which the Board could conclude that there was an agreement between the  
2 parties and that Counterclaimant had forgone enforcement of it to the detriment of Respondent.

3 **CONCLUSION**

4 Respondent's affirmative defenses 2-4 are nothing more than conclusory assertions that  
5 the stated defenses apply and will bar relief. There are no facts alleged on which the Board  
6 could determine whether the defense are plausible, and in the case of laches it is facially  
7 implausible and inapplicable. Accordingly, affirmative defenses 2-4 should be stricken.

8 Respectfully submitted,

9 **LAW OFFICE OF PAUL W. REIDL**

10 

11 By: \_\_\_\_\_

12  
13 Dated: March 6, 2013

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22 *The Wine Group*

1 **PROOF OF SERVICE**

2 On March 6, 2013, I caused to be served the following document:

3 **MOTION TO STRIKE AFFIRMATIVE DEFENSES 2-4**

4 on Opposer by placing a true copy thereof in the United States mail enclosed in an envelope,  
5 postage prepaid, addressed as follows to their counsel of record at his present business address:

6 John A. Galbreath  
7 Galbreath Law Offices  
8 2516 Chestnut Woods Ct.  
9 Reisterstown, MD 21136-5523

10 Executed on March 6, 2013 at Half Moon Bay, California.

11  
12   
13

14 \_\_\_\_\_