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

Proceeding	91217792
Party	Plaintiff Andale Energy Drink Co., LLC
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Attachments	Motion to Strike Applicant's First Counterclaim and Affirmative Defenses.pdf(295350 bytes)

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

Andale Energy Drink Co., LLC,)	
)	
Opposer,)	Opposition No. 91217792
)	Serial No. 85/891,919
v.)	Mark: DALÉ
)	
ACP IP, LLC,)	
)	
Applicant.)	
)	
)	

MOTION TO STRIKE APPLICANT'S FIRST COUNTERCLAIM AND AFFIRMATIVE

DEFENSES

Pursuant to the Federal Rules of Civil Procedure (“Fed. R. Civ. P.”) Rule 12(f) and § 506.01 of the Trademark Trial and Appeal Board Manual of Procedure (“TBMP”), Opposer, Andale Energy Drink Co., LLC (“Opposer”) hereby moves the Trademark Trial and Appeal Board (“TTAB”) to strike Applicant, ACP IP, LLC’s (“Applicant”) first counterclaim for "likelihood of confusion" and some of the "affirmative defenses" contained in its Answer, which are legally insufficient and improper as a matter of law.

INTRODUCTION

On August 11, 2014, Opposer filed a Notice of Opposition against Appl’n Ser. No. 85/891,919, owned by Applicant, to which Applicant filed its Answer and Counterclaims on

September 19, 2014. Opposer now moves to strike Applicant's first counterclaim for "likelihood of confusion", which is based entirely on immaterial allegations contained in ¶¶ 3, 4 and 6 which, even if assumed to be true, cannot state a plausible claim for relief as a matter of law. As such, the counterclaim is legally insufficient and should be stricken. Further, Opposer moves to strike ¶¶ 1, 2, 4, and 5 of Applicant's "affirmative defenses", as the affirmative defenses are merely bare, conclusory statements that do not provide any notice to Opposer as to the basis for the defenses as required by the TBMP rules and the FRCP. Additionally, ¶ 2 contains immaterial, impertinent and/or scandalous matter which is improper and should be stricken. For the reasons set forth below, Applicant's first counterclaim and ¶¶ 1, 2, 4, and 5 of the "affirmative defenses" should be stricken as legally insufficient and improper.

ARGUMENT

“[T]he Board may order stricken from a pleading any insufficient defense or any redundant, immaterial, impertinent or scandalous matter.” Fed. R. Civ. P. 12(f); *Ohio State University v. Ohio University*, 51 USPQ2d, 1289, 1292 (TTAB 1999); TBMP § 506.01. Although motions to strike are not favored, *id.*, they are permissible and will be granted when appropriate. *Id.* The Board also has the authority to strike an impermissible or insufficient claim or portion of a claim from a pleading. *Id.* Here, Applicant essentially argues in its counterclaim for "likelihood of confusion" that the use of the song lyric and "tagline" DALÉ by a third party, Armando Perez p/k/a Pitbull, to promote his music, apparel, and for advertising the beverages of *other unrelated third parties*, somehow creates prior trademark rights in DALÉ for goods "overlapping" with Opposer's energy drinks. *See* Counterclaims, ¶¶ 3, 4, 6, 8. However, these allegations, even if

true, could not establish prior trademark rights in DALÉ for beverages or related goods or services as a matter of law. Therefore, the counterclaim should be stricken as legally insufficient.¹

Further, The claimed "affirmative defenses" in the Answer do not meet the standards established by § 311.02(b) of the TBMP, which states that "the pleading should include enough detail to give the plaintiff fair notice of the basis for the defense." Fed. R. Civ. P. Rule 8(b); *Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1538 (TTAB 2007); *McDonnell Douglas Corp. v. National Data Corp.*, 228 USPQ 45, 47 (TTAB 1985) (bald allegations without further details are insufficient to provide fair notice). Here, the defenses asserted are bare and conclusory in nature and fail to provide sufficient detail to meet this standard. By failing to plead the necessary facts to establish the affirmative defenses, Opposer does not have fair notice of the basis of the defenses. Additionally, ¶ 2 of the affirmative defenses ("Opposer filed the Notice of Opposition for the purpose of harassment and extortion") is highly inflammatory and irrelevant, and Opposer should not be required to conduct discovery on these improper and immaterial accusations of "harassment and extortion". Accordingly, ¶¶ 1, 2, 4, and 5 of the "affirmative defenses" should also be stricken as improper and legally insufficient.

Applicant's First Counterclaim for "Likelihood of Confusion" is Legally Insufficient and Should be Stricken

Here, Applicant's first counterclaim for "likelihood of confusion" is based entirely on allegations that "DALÉ " is a "prominent lyric" in the music of an unrelated third party, "Armando Perez p/k/a Pitbull", and that Applicant (but not Mr. Perez) has used DALÉ for musical recordings,

¹ Opposer has also filed concurrently herewith a Motion to Dismiss the counterclaim pursuant to Fed. R. Civ. P. 12(b)(6).

live performances, apparel, and as "tagline" for advertising the beverages and automobiles of unrelated third parties since 2004. Counterclaims, ¶¶ 3-4. Applicant's allegations, even if assumed to be true, fall far short of alleging a plausible claim of Applicant's prior use of DALE for "energy drinks" or even for related goods or services.

First, even if Applicant has used DALE for "musical recordings", Applicant's alleged "musical recordings" are simply too different from Applicant's "energy drinks" and related beverages to state a plausible claim of likelihood of confusion. See *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 545, 127 S. Ct. 1955, 167 L. Ed. 2d 929 (2007) (requiring allegations stating "plausible grounds" for relief). Applicant's bare allegations that these disparate goods "overlap" is implausible and insufficient.

Second, Applicant cannot plausibly allege a likelihood of confusion between DALE for "live performances" or "apparel" and ANDALE for "energy drinks" and similar beverages. Energy drinks and "live performances" and "apparel" are simply unrelated goods and services, and Opposer should not be forced to engage in extensive discovery on the issue of the relatedness of beverages, apparel, and live musical performances. See *Twombly, supra* ("[a]sking for plausible grounds does not impose a probability requirement at the pleading stage; it simply calls for enough facts to raise a reasonable expectation that discovery will reveal evidence [to support the claims]."). Applicant's allegations of an "overlap" between these disparate goods and services are simply too implausible to support a claim of likelihood of confusion.

Last, Opposer alleges that it has used DALE "in television commercials for products such as soft drinks, alcoholic beverages and automobiles, since at least as early as 2004"; ¶ 4; and more

specifically that "it used the mark DALÉ in connection with national and international endorsements for soft drinks, beer and other related beverages, including Dr. Pepper, Budweiser and Voli Vodka". ¶ 6. Although unclear, Applicant appears to allude to use and/or licensing of the image or likeness of a *third party* (Mr. Perez) and his alleged verbal "tagline" DALÉ (concededly a mere song lyric, ¶ 4) for the promotion and/or endorsement of the beverages of *unrelated third parties*. Such alleged use of DALÉ for the goods of others (and not even by the Applicant) is not a trademark or service mark use within the meaning of Section 45, and thus cannot establish priority of use of DALÉ as a matter of law.

It is axiomatic that a mark is used on goods when "it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale" *and* "the goods are sold or transported in commerce"; and "on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce. . . .". 15 U.S.C. § 1127 (Section 45 of the Lanham Act). Here, Mr. Perez's alleged use of DALÉ for the beverages of *others* is not a trademark use by *Applicant* and is insufficient to establish priority of use of DALÉ for beverages.² Nor has Applicant alleged that any licensee or related company is using DALÉ for beverages such that the use (for *beverages*) inures to the benefit of Applicant. Nor has Applicant alleged the word DALÉ was ever affixed or placed on the goods in any manner. Rather, the allegations support only a conclusion that Applicant has verbally uttered the word DALÉ in commercials to promote the goods of others—not any goods of

² Applicant's alleged use of DALÉ for "automobiles" is irrelevant.

Applicant. Such verbal utterances to promote the goods of others is not trademark use of DALÉ for beverages by Applicant, and thus cannot establish priority of use for beverages as a matter of law.

Even assuming DALÉ—a mere song lyric—is an element of Mr. Perez's image or likeness, the utterance of DALÉ in the commercials of others is not service mark use because Applicant has not sufficiently alleged any cognizable beverage-related services of its own. For example, simply uttering DALÉ in the beer commercials of others, without any allegation or even a suggestion that *Applicant* (as opposed to third party beverage producers) would be perceived as the *source* of those commercials, is not service mark use within the meaning of Section 45 of the Lanham Act. On these facts—assuming their truth—no consumer could perceive *Applicant* as the source of the beverage advertisements. Rather, consumers would assume that the advertisements originated from the beverage producers—not from Applicant or Mr. Perez—neither of whom produce beverages.³ Simply stated, none of these alleged activities could possibly rise to the level of establishing trademark or service mark rights for energy drinks or related goods or services. Applicant's claim is not only implausible, it is impossible to prove as a matter of law. Accordingly, Applicant's first counterclaim for "likelihood of confusion" should be stricken as legally insufficient.

Applicant's Affirmative Defenses in ¶¶ 1, 2, 4, and 5 are Improper and Legally Insufficient, and Should be Stricken

Applicant's "affirmative defenses", ¶ 1 ("fails to state a claim"), ¶ 2 ("unclean hands"), ¶ 4,

³ Applicant does not allege that it produces beverages.

("Opposer has not been and will not be damaged . . .") and ¶ 5 ("Opposer has not established that it has standing to maintain its claims") are merely bare, conclusory assertions which the courts have held as legally insufficient as they do not provide proper notice to the Opposer as to the nature of the defenses. *See Northwestern Corp. v. Gabriel Mfg. Co., Inc.*, Not Reported in F.Supp., 1996 WL 732519 (N.D. Ill. 1996) (striking bare bones affirmative defense of failure to state a claim upon which relief can be granted); *Tome Engenharia E. Transportes, Ltd. v. Malki*, Not Reported in F.Supp., 1996 WL 172286 (N.D. Ill 1996), *Flazsa v. TNT Holland Motor Exp., Inc.*, 155 F.R.D. 612, 614 (N.D.Ill 1994), and *In re Olympia Brewing Co. Securities Litigation*, Not Reported in F.Supp., 1985 WL 3928 (N.D. Ill 1985). Affirmative defenses should be stated simply, concisely, and directly, Fed. R. Civ. P. 8(d)(1), but at a minimum they must provide enough detail to give the plaintiff fair notice of the basis for the defense. *Fair Indigo*, 85 USPQ2d at 1538; *McDonnell Douglas Corp.*, 228 USPQ at 47 (bald allegations in the language of the statute do not provide fair notice of the basis of the defense); TBMP §311.02(b).

Applicant's "Affirmative Defense" of "Fails to State a Claim" Should be Stricken as Legally Insufficient

Applicant's "affirmative defense" of ¶ 1 baldly concludes "The Notice of Opposition fails to state a claim upon which relief may be granted", without providing Opposer with any details as to why the Applicant believes the claim to be insufficient. The Board should find that such a bare, conclusory statement fails to properly notify the Opposer of any specific deficiencies within the Notice of Opposition, and thus Applicant's affirmative defense is legally insufficient and should be stricken.

Moreover, this “defense” is not a cognizable affirmative defense at all. An affirmative defense is a defense that assumes the allegations in a complaint to be true and then goes on to assert new matter that eliminates or limits the defendant’s ordinary liability stemming from those allegations. *Amanda Blackhorse, Marcus Briggs, Phillip Gover, Jillian Pappan, and Courtney Tsoitigh v. Pro Football, Inc.*, 98 USPQ2d 1633 (TTAB 2011); *See Black’s Law Dictionary* 451 (8th ed. 2004). Such a defense does not negate the elements of the cause of action, but rather provides an explanation that bars the claim entirely. *Id.* The Board has consistently held that failure to state a claim upon which relief can be granted is not an appropriate affirmative defense, as “it relates to an assertion of the insufficiency of the pleading of [plaintiff’s] claim rather than a statement of a defense to a properly pleaded claim.” *Castro v. Cartwright*, Opposition No. 91188477 (September 5, 2009); *See Hornblower & Weeks, Inc. v. Hornblower & Weeks, Inc.*, 60 USPQ2d 1733, 1738 n. 7 (TTAB 2001) (The pleaded “affirmative defense” of failure to state a claim upon which relief can be granted, is not a true affirmative defense and shall not be considered as such).

It is well settled that a motion to strike this “defense” may be used by the Opposer to test its sufficiency prior to trial. *Order Sons of Italy in America v. Profumi Fratelli Nostra AG*, 36 USPQ2d 1221, 1222-23 (TTAB 1995); *Harjo v. Pro Football, Inc.*, 1994 WL 262249, 30 USPQ2d 1828, 1830 (TTAB 1994); *S.C. Johnson & Son, Inc. v. GAF Corporation*, 177 USPQ 720 (TTAB 1973). To withstand the “defense” of failure to state a claim upon which relief can be granted, Opposer need only allege that (1) the Opposer has standing to maintain the proceeding, and (2) a valid ground exists for cancelling the mark. *Id.*; *Bayer Consumer Care AG v.*

Belmora LLC, 90 USPQ2d 1587 (TTAB 2009); *Fair Indigo*, 85 USPQ2d at 1538; *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 187 (CCPA 1982).

Additionally, “the [complaint] must be examined in its entirety, construing the allegations therein liberally, as required by Fed. R. Civ. P. 8(f), to determine whether it contains any allegations which, if proved, would entitle plaintiff to the relief sought.” *Fair Indigo*, 85 USPQ2d at 1538.

To show standing, the complaint need only allege facts sufficient to show that Opposer has a real interest in the proceeding, and a reasonable basis for its belief that it would suffer some kind of damage if Applicant’s mark is maintained on the register. *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999); *Lipton Industries, Inc.*, 213 USPQ at 189; TBMP § 309.03(b). Here, Opposer has alleged ownership of a trademark registration for ANDALE; Notice of Opposition at ¶ 4; prior common law rights in ANDALE; *id.* at ¶ 3, 11; and a likelihood of confusion. *Id.* at ¶ 12. Accordingly, Opposer has shown standing.

In addition to standing, Opposer must also plead at least one statutory ground for the opposition. TBMP § 309.03(c). Acceptable grounds include priority and likelihood of confusion under Section 2(d) of the Lanham Act. Opposer clearly pleaded the grounds of priority and likelihood of confusion, Notice of Opposition at ¶¶ 11-14, which, if proved, would entitle Opposer to relief. Therefore, the Notice of Opposition is sufficient and Applicant’s affirmative defense in ¶ 1 should be stricken.

Applicant's "Affirmative Defense" of Lack of Standing is Improper and Legally Insufficient

In ¶ 4 of the "affirmative defenses", Applicant asserts that "Opposer has not been and will not be damaged by the registration of the mark DALE". The next paragraph, ¶ 5, similarly alleges

that "Opposer has not established that it has standing to maintain its claims against Applicant". In both ¶¶ 4 and 5, Applicant essentially argues that Opposer lacks standing to bring the opposition—a claim the Board has previously stricken as failing to constitute a proper affirmative defense. *Amanda Blackhorse, supra*. In order to bring an opposition proceeding before the Board, an Opposer must have a reasonable belief that it would be damaged by the registration of the opposed mark. Trademark Act § 13, 15 U.S.C. § 1063(a). The term “damage” only concerns a party’s standing to file an opposition. *See Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 n.2 (Fed. Cir. 1999); TBMP § 303.03. By use of the term "damage", Applicant is challenging Opposer’s standing. As discussed above, Opposer has adequately pleaded standing in this opposition. As such, Applicant’s “affirmative defenses” in ¶¶ 4 and 5 are insufficient, improper, and should be stricken.

Applicant's "Affirmative Defense" of "Unclean Hands" Based on Allegations of "Harassment and Extortion" is Improper and Legally Insufficient

As explained above, the pleading should include enough detail to give the plaintiff fair notice of the basis for the defense.” *See* Fed. R. Civ. P. 8(d)(1); *See IdeasOne Inc. v. Nationwide Better Health Inc.*, 89 USPQ2d 1952, 1953 (TTAB 2009); *Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1538 (TTAB 2007) (elements of each claim should include enough detail to give fair notice of claim); and *Ohio State University v. Ohio University*, 51 USPQ2d 1289, 1292 (TTAB 1999) (primary purpose of pleadings “is to give fair notice of the claims or defenses asserted”). Bald allegations, such as Applicant's vague, unsupported accusations of "harassment and extortion" in ¶ 2 Applicant’s "affirmative defenses", have repeatedly been stricken as legally

insufficient on their faces as they fail to give Opposer or the Board any factual basis for the defenses. *McDonnell Douglas Corp. v. National Data Corp.*, 228 USPQ 45, 47 (TTAB 1985) (bald allegations in the language of the statute, did not provide fair notice of basis of petitioner's Trademark Act § 2(a), 15 U.S.C. § 1052(a) claim); *Castro v. Cartwright*, Opposition No. 91188477 (September 5, 2009).

Moreover, these accusations of "harassment and extortion" are highly inflammatory, improper, legally meaningless, and irrelevant to the Board's determination of the trademark registration issues in this proceeding. Inasmuch as these baseless accusations of "harassment and extortion" are devoid of any specific factual allegations, Applicant's "unclean hands" affirmative defense fails to meet the standard of providing fair notice to Opposer, as set forth in Fed. R. Civ. P. 8(b) and TBMP § 311.02(b), and therefore should be stricken as legally insufficient.

CONCLUSION

Based on the foregoing, Opposer respectfully requests that Opposer's Motion to Strike Applicant's First Counterclaim and Affirmative Defenses be granted, and that the above matter be stricken and given no further consideration.

Respectfully submitted,

Date: November 7, 2014

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PROOF OF SERVICE

I hereby certify that a true and complete copy of the foregoing **MOTION TO STRIKE APPLICANT'S FIRST COUNTERCLAIM AND AFFIRMATIVE DEFENSES** has been served on Jaime Rich Vining, the listed Correspondent for Applicant, on November 7, 2014, via First Class U.S. Mail, postage prepaid to:

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