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

Proceeding	91221822
Party	Defendant Seven For All Mankind, LLC
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

Seven S.p.A.,	§	
	§	Opposition No. 91221822
Opposer,	§	
	§	
v.	§	
	§	
Seven for All Mankind, LLC,	§	
	§	
Applicant.	§	
	§	

**APPLICANT’S MOTION TO STRIKE AFFIRMATIVE DEFENSES AND
IMPROPER DENIALS FROM OPPOSER’S ANSWER TO COUNTERCLAIMS**

Pursuant to Trademark Board Manual of Procedure § 506.01 and Fed. R. Civ. P. 12(f), Applicant Seven for All Mankind, LLC (“SFAM” or “Applicant”) respectfully moves to strike from Opposer Seven S.p.A.’s (“Opposer”) Answer to SFAM’s Counterclaims (i) impermissible affirmative defenses that the Board has held are unavailable against fraud and abandonment counterclaims, and (ii) insufficient denials that fail to meet the pleading requirements of Fed. R. Civ. P. 8.

I. FACTUAL BACKGROUND

SFAM is the owner of Application No. 86/129,387, published on January 6, 2015, covering the mark SEVEN FOR ALL MANKIND in International Class 18. On May 6, 2015, Opposer filed a Notice of Opposition against SFAM’s Application No. 86/129,387 alleging a likelihood of confusion with Opposer’s Reg. No. 1,708,062. (1 TTABVUE (“Opp. Notice”) ¶¶ 1, 5). SFAM timely filed an Amended Answer and Counterclaims petitioning to cancel Opposer’s Reg. No. 1,708,062 pursuant to 15 U.S.C. § 1064 on the grounds of abandonment and fraud. (5 TTABVUE (“SFAM Counterclaims”) ¶ 3.)

The Trademark Trial and Appeal Board (“Board”) accepted SFAM’s Amended Answer and Counterclaims (6 TTABVUE), and on August 19, 2015 Opposer filed and served by mail an Answer to SFAM’s Counterclaims.¹ In its Answer, Opposer asserted the affirmative defenses of laches, acquiescence and estoppel to SFAM’s fraud and abandonment counterclaims. (7 TTABVUE (“Opp. Answer”) ¶¶ 23-25.) Opposer also asserted many qualified denials based “upon information and belief” with regard to matters that fall squarely within Opposer’s knowledge. (Opp. Answer ¶¶ 4, 8, 9, 10, 11, 14, 15, 16, 17, 20, 21, 22.) Opposer further denied that it had made representations quoted from its own public filings with the USPTO. (Opp. Answer ¶¶ 12, 13.) Finally, Opposer asserted two denials based on its claim that it could not “answer for” “the USPTO’s beliefs” relating to Opposer’s statements in its 1998 Combined Declaration of Use and Incontestability under Sections 8 & 15, 2002 Combined Declaration of Use and Renewal under Sections 8 & 9, and 2012 Combined Declaration of Use and Renewal under Sections 8 & 9. (Opp. Answer ¶¶ 18, 19.)

II. ARGUMENT

A. Legal Standard

Pursuant to Fed. R. Civ. P. 12(f) the Board may order stricken from a pleading any “insufficient defense or any redundant, immaterial, impertinent, or scandalous matter.” *See also* TBMP § 506.01. “The Board also has the authority to strike an impermissible or insufficient claim or portion of a claim from a pleading.” *Id.* The Board has granted motions to strike impermissible affirmative defenses. *See, e.g. American Vitamin Products, Inc. v. DowBrands Inc.*, 22 U.S.P.Q.2d 1313, 1314 (TTAB 1992) (granting motion to strike affirmative defenses on basis that “[w]here the ground for cancellation is abandonment, equitable defenses such as

¹ SFAM’s motion to strike is timely filed within 26 days of the service by mail of Opposer’s Answer. TBMP § 506.02.

laches, bad faith and unclean hands, are not available”); *Bausch & Lomb Inc. v. Leupold & Stevens, Inc.*, 1 U.S.P.Q.2d 1497, 1499-1500 (TTAB 1986) (striking affirmative defense of a prior registration as the defense is “unavailable against a claim of fraud”).

B. Opposer’s Affirmative Defenses Are Insufficient As A Matter of Law

The Board has clearly held “as a matter of law” that the equitable affirmative defenses of laches, acquiescence and estoppel are not available against claims for fraud and abandonment. *Treadwell Drifters, Inc. v. Larry Marshak*, 18 U.S.P.Q.2d 1318, 1320 (TTAB 1990) (holding “as a matter of law, that respondent’s asserted equitable defenses [of laches and equitable estoppel] are not available against claims of fraud and abandonment”). *See also Saint-Gobain Abrasives, Inc. v. Unova Indus. Automation Sys.*, 66 U.S.P.Q.2d 1355, 1359 (TTAB 2003) (“It is well established that the equitable defenses of laches and acquiescence are not available against claims of . . . fraud, and abandonment.”); *Ohio State University v. Ohio University*, 51 U.S.P.Q.2d 1289, 1295 (TTAB 1999) (“laches may not be maintained against certain claims such as fraud”); *TBC Corp. v. Grand Prix Ltd.*, 12 U.S.P.Q.2D 1311, 1313 (TTAB 1989) (“It has been held that where a proceeding is based on . . . fraud, the equitable defenses of laches, acquiescence or estoppel are not applicable . . . Where the proposed ground for cancellation is abandonment, equitable defenses should be unavailable for the same reason they have been held unavailable when the ground asserted is . . . fraud”).

The Board has granted motions to strike, and motions for summary judgment to dismiss improper affirmative defenses. *See, e.g. American Vitamin Products, Inc.*, 22 U.S.P.Q.2d at 1314 (granting a motion to strike affirmative defenses on basis that “[w]here the ground for cancellation is abandonment, equitable defenses such as laches, bad faith and unclean hands, are not available in light of the overriding public interest in removing abandoned registrations from the register.”). In *Treadwell’s Drifters*, the petitioner sought to cancel a registration on grounds

that the registration was fraudulently obtained and maintained through false statements made to the USPTO and that any rights respondent may have had in the registered mark were abandoned. *Treadwell's Drifters*, 18 U.S.P.Q.2d at 1319. In response, the respondent pled the affirmative defenses of laches and equitable estoppel. *Id.* The Board granted petitioner's motion for summary judgment holding "as a matter of law, that respondent's asserted equitable defenses are not available against the claims of fraud and abandonment." *Id.* at 1320. As a result, the Board ordered that "the [equitable] defenses are stricken to the extent that they have been asserted against the claims of fraud and abandonment." *Id.* at 1321.

Despite this clear precedent, Opposer improperly asserted three unavailable affirmative defenses – laches, acquiescence and estoppel – in response to allegations that it abandoned, fraudulently maintained, and fraudulently renewed Reg. No. 1,708,062. (Opp. Answer ¶¶ 23-25.) Opposer's defenses are not available against the claims of fraud and abandonment, as a matter of law, and should be stricken from Opposer's Answer.

Moreover, striking Opposer's affirmative defenses is in line with the Board's stated strong public interest in removing abandoned and fraudulent registrations from the trademark register. As the Board explained in *Saint-Gobain Abrasives*, "[t]he oft-stated rationale for this principle is that it is within the public interest to have certain registrations stricken from the register and that this interest or concern cannot be waived by the inaction of any single person or concern no matter how long the delay persists. The rationale, itself, embodies equitable concerns, that is, to remove from the register matter that should be available to all, marks no longer in use, or marks that were registered by means of fraud on the Office." 66 U.S.P.Q.2d at 1359 (citation omitted). *See also TBC Corp.*, 12 U.S.P.Q.2d at 1313 ("It is in the public interest to remove abandoned registrations from the register.") (internal citation omitted).

C. Opposer's Improper Denials Should Be Deemed Admitted

Fed. R. Civ. P. 8 requires that “[d]enials shall fairly meet the substance of the averments denied.” A denial upon information and belief “is not available if the opposing averments concern matters that are within the personal knowledge of the pleader, matters within the general knowledge of the community, or matters of public record. An attempt to use a denial on information and belief in this context is subject to a motion to strike under Rule 12(f).” Wright & Miller, 5 Fed. Prac. & Proc. Civ. § 1263 (3d ed. 2015). Striking denials “upon information and belief” when the pleader has personal knowledge of the matter also comports with the federal pleading standard that “denials of factual contentions are warranted on the evidence or, if specifically so identified, are *reasonably* based on belief or a lack of information.” Fed. R. Civ. P. 11(b) (emphasis added).

The CCPA has held that such “equivocal denials” should be deemed admitted. Applying Rule Fed. R. Civ. P. 8 to an answer admitting allegations “upon information and belief,” the CCPA concluded that “[n]o significance can be given appellant’s attempted qualification of an admission by use of the words ‘on information and belief;’” and therefore, “[a]n answer which attempts to evade the pleading requirements of Rule 8 by the tactic of an equivocal admission or denial is an admission.” *Lipton Industries, Inc .v. Ralston Purina Company*, 670 F.2d 1024, 1030, 213 U.S.P.Q. 185, 190 (CCPA 1982).

Here, Opposer has asserted equivocal denials “upon information and belief” that concern Seven S.p.A.’s use of the SEVEN & Design mark and whether it abandoned the mark. (Opp. Answer ¶¶ 3, 4, 8, 9, 10.) Such denials are improper in this context because such matters are within the personal knowledge of Opposer. Indeed, Opposer has the best and certainly sufficient personal knowledge about the use of its *own* mark to either affirm or “fairly meet the substance of the averments denied.” Opposer improperly evaded its Fed. R. Civ. P. 8 requirement to

respond to the substance of the allegation and its Fed. R. Civ. P. 11 requirement for certifying the reasonableness of denials based on belief. Accordingly, the following denials were improper and should be stricken from the answer and the corresponding paragraphs deemed admitted:

SFAM Counterclaims ¶ 4: “On information and belief, Opposer has abandoned Reg. No. 1,708,062 pursuant to 15 U.S.C. § 1127.”

Opp. Answer ¶ 4: “Upon information and belief, denied.”

SFAM Counterclaims ¶ 8: “On information and belief, Opposer failed to use the mark 7SEVEN & Design in U.S. commerce in connection with the goods identified in the Reg. No. 1,708,062 in International Classes 16 and 18, for a period of at least twenty consecutive years following its registration date of August 18, 1992.”

Opp. Answer ¶ 8: “Upon information and belief, denied.”

SFAM Counterclaims ¶ 9: “Based on the foregoing and upon information and belief, Opposer either never used or ceased to use the mark 7SEVEN & Design in the United States in connection with the goods identified in Reg. No. 1,708,062 from August 18, 1992 until at least January 2013, with no intent to resume use of the mark.

Opp. Answer ¶ 9: “Upon information and belief, denied.”

SFAM Counterclaims ¶ 10: “On the basis of Opposer’s over three consecutive years of non-use of the mark 7SEVEN & Design in U.S. commerce with no intention to resume use, Opposer has abandoned Reg. No. 1,708,062, and the registration is subject to cancellation under Section 14 of the United States Trademark Act of 1946, 15 U.S.C. § 1064.

Opp. Answer ¶ 10: “Upon information and belief, denied.”

Additionally, Opposer improperly asserted equivocal “upon information and belief” denials to allegations regarding whether it falsely represented to the USPTO that it was using its SEVEN & Design mark in U.S. commerce. By filing its Answer, Opposer certified pursuant to Fed. R. Civ. P. Rule 11(b) that the information contained in its answer was “to the best of [its]

knowledge, information and belief, formed after an inquiry reasonable under the circumstances.”

The representations made in Opposer’s declarations to the USPTO, the basis for such representations, and Opposer’s own knowledge and intent when filing declarations and renewal applications with the USPTO are all matters entirely within Opposer’s personal knowledge and control. By failing to affirm or specifically deny the substance of allegations based on a matter squarely within Opposer’s personal knowledge, Opposer evaded the federal pleading requirements of Fed. R. Civ. P. 8. Accordingly, the following denials should be stricken from the answer and the corresponding paragraphs deemed admitted:

SFAM Counterclaims ¶ 11: “Opposer fraudulently maintained and renewed Reg. No. 1,708,062 for the mark 7SEVEN & Design by submitting three false statements of use and a false statement of incontestability.”

Opp. Answer ¶ 11: “Upon information and belief, denied.”

Counterclaims ¶ 12 (third sentence): “However, Opposer was not using the mark 7SEVEN & Design in U.S. commerce on August 12, 1998, and the mark 7SEVEN & Design had not been in continuous use in interstate commerce for five consecutive years from the date of the registration.”

Opp. Answer ¶ 12: “For the third sentence, upon information and belief, denied.”

SFAM Counterclaims ¶ 13 (third sentence): “However, Opposer was not using the mark 7SEVEN & Design in U.S. commerce on July 23, 2002.”

Opp. Answer ¶ 13: “For the third sentence, upon information and belief, denied.”

SFAM Counterclaims ¶ 14 (fourth sentence): “However, Opposer was not using the mark 7SEVEN & Design in U.S. commerce on August 3, 2012.”

Opp. Answer ¶ 14: “For the fourth sentence, upon information and belief, denied.”

SFAM Counterclaims ¶ 15: “The representations made by Opposer to the USPTO regarding the use in commerce of the mark 7SEVEN & Design, as described above in paragraphs 12-14, were false at the time Opposer made them to the USPTO.”)

Opp. Answer ¶ 15: “Upon information and belief, denied.”

SFAM Counterclaims ¶16: “Opposer knew that its representations were false at the time it made them.”

Opp. Answer ¶ 16: “Seven is unsure which “representations” SFAM is referring to, but, upon information and belief, Seven denies that it knowingly tries or tried to make false representations. . . .”

SFAM Counterclaims ¶ 17: “Opposer made each such representation willfully, knew that they were false, and made them with the intent that the USPTO would rely on them in processing the Sections 8, 9 and 15 filings to maintain and renew Reg. No. 1,708,062.”

Opp. Answer ¶ 17: “Seven is unsure which “each such representation” SFAM is referring to, but, upon information and belief, denied with respect to any willfully or knowingly false representations, and, upon information and belief, admitted with respect to Seven’s representations in its filings that were made to try to inform the USPTO. . . .”

SFAM Counterclaims ¶ 21: “As a result of and through Opposer’s representations, Opposer committed fraud in connection with the filing of the Section 8 Declarations of Use in Commerce in 1998, 2002 and 2012, the Section 15 Declaration of Incontestability of a Mark in 1998, and the Section 9 Applications for Renewal in 2002 and 2012.”

Opp. Answer ¶ 21: “Upon information and belief, denied.”

SFAM Counterclaims ¶ 22: “Accordingly Reg. No. 1,708,062 for the mark 7SEVEN & Design is subject to cancellation under Section 14 of the United States Trademark Act of 1946, 15 U.S.C. §1064.”

Opp. Answer ¶ 22: “Upon information and belief, denied.”

Opposer further evaded the pleading requirements of Rule 8 by improperly denying that it made statements appearing in public documents Opposer filed with the USPTO. In paragraph 12 of its Answer to Counterclaims, Opposer denied the allegation that it “represented that the mark 7SEVEN & Design was ‘in continuous use in interstate commerce for five consecutive years from the date of the registration or the date of publication under Section 12(c) to the present, on or in connection with’ the Class 16 and Class 18 goods listed in registration and that ‘such mark is still in use in interstate commerce on or in connection with (each of) such goods or services.’” (Opp. Answer ¶ 12; SFAM Counterclaims ¶ 12.) The representations that Opposer denies are quotes from its affidavit in the Combined Declaration of Use and Incontestability of a Mark Under Sections 8 and 15, which Opposer signed and filed with the USPTO on August 12, 1998. (SFAM Counterclaims Exhibit A, p. 2.) Similarly, Opposer denied that it had declared “that Seven S.p.A. ‘is using the mark in commerce or in connection with . . . [a]ll goods/services identified in the Registration except [footwear],” in the Combined Declaration of Use in Commerce/Application for Renewal Under Sections 8 and 9 which it filed on July 23, 2002. (Opp. Answer ¶ 13; SFAM Counterclaims ¶ 13, Exhibit B, p. 3.) Opposer offers no basis for now denying the veracity of representations it certified were true at the time Opposer filed the documents with the USPTO, and which are clear from the face of the document.

Finally, Opposer evaded the pleadings requirements of Rule 8 by equivocally denying and failing to respond to allegations setting out the legal requirements for fraud and the statutory requirements for maintenance of registrations. Allegations of fraud must be plead with

particularity. *See Asian and Western Classics B.V. v. Selkow*, 92 U.S.P.Q.2d 1478, 1479 (TTAB 2009) (“In petitioning to cancel on the ground of fraud, a petitioner must allege the elements of fraud with particularity in accordance with Fed. R. Civ. P. 9(b), made applicable to Board proceedings by Trademark Rule 2.116(a).”). “Fraud on the U.S. Patent and Trademark Office in connection with trademark registration requires that the following elements be alleged and proven: 1. The challenged statement was a false representation regarding a material fact. 2. The person making the representation knew that the representation was false (‘scienter’). 3. An intent to deceive the USPTO. 4. Reasonable reliance on the misrepresentation. [and] 5. Damage proximately resulting from such reliance.” 6 McCarthy on Trademarks and Unfair Competition § 31:61 (4th ed. 2015); *see also Nationstar Mortg. LLC v. Mujahid Ahmad*, 112 U.S.P.Q.2d 1361, 1365 (TTAB 2014) (setting forth the elements for fraudulent procurement of a trademark: “the applicant knowingly makes false, material representations of fact in connection with its application with intent to deceive the USPTO.”).

Pursuant to the heightened pleading standard for fraud, SFAM stated with particularity that Opposer’s statements of use filed with the USPTO in connection with Reg. No. 1,708,062 were material to the maintenance of its registration, and relied on by the USPTO. (SFAM Counterclaims ¶¶ 18-20.) Such statements of use in commerce are material to the maintenance and renewal of trademark registrations, and relied on by the USPTO. *See* TMEP § 1604 (“Under 15 U.S.C. §1058, the owner of a registration must periodically file affidavits or declarations of use or excusable nonuse of the mark.”); § 1602.01 (“registrations . . . remain in force for ten years, provided that affidavits or declarations of use or excusable nonuse under §8 of the Act are filed”). Section 1058(a) provides that “[e]ach registration shall remain in force for 10 years, except that the registration of any mark shall be canceled by the Director unless the owner of the

registration files in the United States Patent and Trademark Office affidavits that meet the requirements of subsection (b).” Pursuant to 15 U.S.C. § 1058(b) the owner of a registration must file with the USPTO “an affidavit setting forth those goods or services recited in the registration or in connection with which the mark is in use in commerce.”

As a matter of law, the USPTO relies on affidavits setting forth a mark’s use in commerce when deciding whether to accept Section 8 Declarations of Use in Commerce, Section 15 Declarations of Incontestability, and Section 9 Applications for Renewal. Rather than respond to the substance of SFAM’s allegations regarding the materiality of Opposer’s USPTO filings, Opposer evasively denied each claim:

SFAM Counterclaim ¶ 18: “Opposer’s representations were material to the maintenance and renewal of Reg. No. 1,708,062 based on the statements of use in the Section 8 Declarations of Use in Commerce in 1998, 2002 and 2012, the Section 15 Declaration of Incontestability of a Mark in 1998, and the Section 9 Applications for Renewal in 2002 and 2012.”

Opposer Answer ¶ 18: “Seven is unsure which ‘representations’ SFAM is referring to, and it appears that SFAM’s allegations concern or intertwine the USPTO’s beliefs that Seven cannot answer for; thus, Seven is without sufficient knowledge or information to form a belief about the allegations and therefore denies the same.”

SFAM Counterclaims ¶ 19: “The USPTO relied on the representations made by Opposer in renewing Reg. No. 1,708,062.”

Opp. Answer ¶ 19: “Seven is unsure which “representations” SFAM is referring to, and it appears that SFAM’s allegations concern or intertwine the USPTO’s beliefs that Seven cannot answer for; thus, Seven is without sufficient knowledge or information to form a belief about the allegations and therefore denies the same.”

SFAM Counterclaims ¶ 20: “The USPTO would not have issued acceptance of Opposer’s Section 8 and 15 filings and renewals for Registration No. 1,708,062 but for the false statements of use by Opposer.”

Opp. Answer ¶ 20: “Upon information and belief, denied.”

Opposer cannot credibly deny “upon information and belief” that statements of use filed with the USPTO are not material to the issuance of a registration renewal. Likewise, Opposer’s attempt to deny that USPTO would not have accepted the Section 8 and Section 15 filings and registration renewals but for the *required* affidavits of use in commerce ignores the statutory requirements of 15 USC §§ 1058 and 1059. By improperly denying each element of fraud “upon information and belief,” Opposer evaded the Rule 8 requirement to meet the substance of the allegations and therefore its equivocal denials of fraud should also be stricken from the answer and deemed admitted.

III. CONCLUSION

For the foregoing reasons, SFAM respectfully requests that the Board grant SFAM’s motion and (i) strike Opposer’s improper affirmative defenses, and (ii) strike all improper denials, and deem all improper denials admitted, pursuant to Fed. R. Civ. P. 12(f) and TBMP § 506.1.

Respectfully submitted,

Date: September 14, 2015

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CERTIFICATE OF SERVICE

I hereby certify that a true and complete copy of the foregoing Motion to Strike Affirmative Defenses and Improper Denials From Opposer's Answer to Counterclaims has been served on Seven S.p.A.'s counsel, by mailing said copy via overnight courier on the 14th of September, 2015 to the below listed correspondence address of record:

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