This Order is Not a Precedent of the TTAB

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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Mailed: February 26, 2016

Opposition No. 91223546

Heathkit Company, Inc., Heath Company, Heathkit Vintage LLC

v.

Apple Inc.

By the Trademark Trial and Appeal Board:

This case now comes up for consideration of (1) Opposers' motion to strike Applicant's first affirmative defense and motion to dismiss Applicant's counterclaim pursuant to Fed. R. Civ. P. 12(b)(6) (both filed November 16, 2015)[1] and (2) Opposers' motion (filed January 21, 2016) to strike Applicant's brief in response to these motions as well as the amended answer and amended counterclaim submitted in conjunction therewith.

Motion to Strike Response Brief

The Board first considers Opposers' January 21, 2016 motion to strike Applicant's briefs in response to the earlier-filed motions and the amended answer and counterclaim attached to these briefs.

In support of their motion, Opposers argue that Applicant failed to serve a copies of its response briefs and amended answer and counterclaim, (filed with the

[1] Opposers also filed an answer to the counterclaim on November 16, 2015.

Board on December 7, 2015) on the correct correspondence address for Opposers' counsel; that although the Certificates of Service for these documents listed the correct address, Applicant actually served the briefs on the former address of Opposers' counsel (which Opposers' counsel has not occupied since November 15, 2014); that proper service was not effectuated; and that "Striking these filings is necessary, as it protects the time and resources of the Board, will avoid prejudice to [Opposers], and will minimize any confusion of the issues in this case."

To the extent the briefs and amended answer and counterclaims were not served on the correct address, service was defective. Trademark Rule 2.119. The purpose of service in a Board proceeding is to provide notice. *See Chocoladefabriken Lindt & Sprungli AG v. Karlo Flores*, 91 USPQ2d 1698 (2009). Under these circumstances, the Board finds it appropriate to not consider the response briefs and amended answer and counterclaim. The motion to strike is granted.

Although the Board will not consider Applicant's responses to the remaining motion, the Board will exercise its discretion under Trademark Rule 2.127(a) and will not treat these motions conceded, but will decide them on the merits. The Board will look to the pleading itself, in this instance the answer and counterclaim, to determine the sufficiency thereof.

Motion to Strike the First Affirmative Defense

Opposers seek to strike the first affirmative defense regarding Opposers' lack of "standing to bring this opposition because none of the identified opposing entities owns any protectable rights in the HEATHKIT mark."

Lack of standing is not an affirmative defense. Standing is an element of Opposers' claims. Opposers must prove standing as part of their case. That is, Opposers must prove their standing as a threshold matter in order to be heard on their substantive claims. *See e.g.*, *Lipton Industries v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 CCPA 1982).

In view of the foregoing, the first affirmative defense is stricken. *See Harjo v. Pro Football Inc.,* 30 USPQ2d 1828, 1830 (TTAB 1994).

Motion to Dismiss Counterclaims

In support of this motion, Opposers argue that Applicant "has failed to plausibly plead a case of abandonment"; that "the only facts of abandonment alleged by [Applicant] in this counterclaim revolve around the status and activities of Opposer's predecessor-in-interest Heathkit Company, Inc."; that this predecessor-in-interest "is not a party to this proceeding, and it is Opposer, not the Predecessor-Heathkit Company, Inc. that has held title to the HEATHKIT Marks since at least as early as February 1, 2013"; that "as a result, [Applicant's] first counterclaim allegations lack sufficient facts to plead a plausible case of abandonment, they fail to put Heathkit on adequate notice of its theory of abandonment in this case, and they fail as a matter of law"; that "the abandonment claims are implausible, are not adequately pleaded, and must be dismissed"; that, with regard to Applicant's first allegation of fraud against Registration No. 919802, Applicant's "single, conclusory, unsupported statement of default on a lease constitutes immediate non-use of a mark and cessation of all business and sales under that mark is insufficient to plead

fraud with the requisite level of particularity"; and that with regard to Applicant's allegation of fraud against Registration No. 1218177, Applicant pleading lacks sufficient particularity and defective because [Applicant] has not pled the crucial element of materiality of the alleged misstatement.

A motion to dismiss under Rule 12(b)(6) is a test of the sufficiency of a complaint. See TBMP Section 503.01 (2014). To survive such a motion, a plaintiff need only allege sufficient factual matter as would, if proved, establish that (1) the plaintiff has standing to maintain the proceeding, and (2) a valid ground exists for opposing or cancelling the mark. *Lipton Industries, Inc. v. Ralston Purina Co.,* 670 F.2d 1024, 213 USPQ 185, 187 (CCPA 1982). Specifically, a complaint must contain sufficient factual matter, accepted as true, that states a claim to relief that is plausible on its face. *See Ashcroft v. Iqbal*, 556 U.S. 662, 129 S. Ct. 1937, 173 L. Ed. 2d 868 (2009). In the context of inter partes proceedings before the Board, a claim has facial plausibility when the opposer or petitioner pleads factual content that allows the Board to draw a reasonable inference that the opposer or petitioner has standing and that a valid ground for the opposition or cancellation exists. *Cf. Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 556, 127 S. Ct. 1955, 167 L. Ed. 2d 929 (2007). In particular, a plaintiff need only allege "enough factual matter ... to suggest that [a claim is plausible]" and "raise a right to relief above the speculative level." *Totes-Isotoner Corp. v. United States*, 594 F.3d 1346, 1354 (Fed. Cir. 2010).

As a preliminary matter, the Board observes that the motion has been treated as one to dismiss and outside matters were not considered for purposes of this decision.[2]

The Board finds that the pleading of the counterclaim in this case is legally sufficient. Applicant has alleged a personal interest in the outcome of this proceeding arising from Opposers' opposition of its application and two valid grounds for opposing certain of Opposers' pleaded registrations.

Any issues concerning ownership or chain of title to the involved pleaded registration(s) should be tested by means of discovery procedures and/or testimony rather than by means of a motion to dismiss.

In view thereof, the motion to dismiss is denied.

Proceedings are resumed. Discovery and trial dates are reset as follows:

Deadline for discovery conference:	March 31, 2016
Discovery opens:	March 31, 2016
Initial disclosures due:	April 30, 2016
Expert disclosures due:	August 28, 2016
Discovery closes:	September 27, 2016
Opposers' pretrial disclosures due:	November 11, 2016
Opposers' 30-day testimony period as plaintiff in the opposition to close:	December 26, 2016
Applicant's pretrial disclosures due:	January 10, 2017
Applicant's 30-day testimony period as defendant in the opposition and as plaintiff in the counterclaim to close:	February 24, 2017
Opposers' pretrial disclosures for rebuttal in the opposition and as defendant in the counterclaim due:	March 11, 2017

[2] The Board notes that evidence of the current status and title of the subject registrations are not of record (including any copies of records from the Assignment database). See Trademark Rule 2.122(d) and TBMP Section 317.

Opposers' 30-day testimony period as defendant in the counterclaim and for rebuttal as plaintiff in the opposition to close:	April 25, 2017
Applicant's rebuttal disclosures as plaintiff in the counterclaim due:	May 10, 2017
Applicant's 15-day rebuttal testimony period as plaintiff in the counterclaim to close:	June 9, 2017
Brief for opposers as plaintiff in the opposition due:	August 8, 2017
Brief for applicant as defendant in the opposition and as plaintiff in the counterclaim due:	September 7, 2017
Brief for opposers as defendant in the counterclaim and reply brief, if any, as plaintiff in the opposition due:	October 7, 2017
Reply brief, if any, for applicant as plaintiff in the counterclaim due:	October 22, 2017

In each instance, a transcript of testimony together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.l25.

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.l29.