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

Proceeding	91223896
Party	Plaintiff Nautica Apparel, Inc
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Date	10/22/2015
Attachments	Motion to Strike Aff Defenses 91223896.pdf(566551 bytes)

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

NAUTICA APPAREL, INC.,

Opposer,

v.

AZ PL

Applicant.

Opp. No. 91223896

Mark: NAUTIC CLEAN and design

Serial No.: 86480565

OPPOSER'S MOTION TO STRIKE
APPLICANT'S AFFIRMATIVE DEFENSES NOS. 1, 2 and 3

NAUTICA APPAREL, INC. ("Opposer") hereby moves to strike Affirmative Defenses Nos. 1, 2 and 3 of AZ PL ("Applicant") as plead in its Answer to Notice of Opposition.

This motion is timely made within the time prescribed in Fed. R. Civ. P. 12(c). Insofar as the motion falls under Fed. R. Civ. P. 12(f), the Board has discretion to hear same at this time. And, to the extent the motion requires the Board to look beyond the pleadings, the motion may be considered a motion for partial summary judgment pursuant to Fed. R. Civ. P. 56(c).

Granting this motion will be helpful in narrowing and limiting issues in this proceeding, thereby also serving as a guide in conducting discovery. As stated in 2A *Moore's Federal Practice* paragraph 12.21[3]:

> Although courts are reluctant to grant motions to strike, where a defense is legally insufficient, the motion should be granted in order to save the parties unnecessary expenditure in time and money in preparing for trial.

AFFIRMATIVE DEFENSES 1, 2 AND 3 SHOULD BE STRICKEN

Affirmative Defense No. 1: "Applicant affirmatively alleges that Opposer's Notice of Opposition fails to state a claim upon which relief can be granted."

As set forth in TBMP § 503.02:

> A motion to dismiss for failure to state a claim upon which relief can be granted is a test solely of the legal sufficiency of a complaint. *Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc.*, 988 F.2d 1157, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993). In order to withstand such a motion, a complaint need only allege such facts as would, if proved, establish that the plaintiff is entitled to the relief sought, that is, that (1) the plaintiff has standing to maintain the proceeding, and (2) a valid ground exists for denying the registration sought (in the case of an opposition), or for canceling the subject registration (in the case of a cancellation proceeding). *Young v. AGB Corp.*, 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998) To survive a motion to dismiss, a complaint must "state a claim to relief that is plausible on its face." *Bell Atlantic Corp. v. Twombly*,550 U.S. 554, 570(2007) *See also Ashcroft v. Iqbal*, 556 U.S.662, 678 (2009). . . .
>
> In Board proceedings, there are certain facts not subject to proof – such as the filing date, filing basis, publication date and applicant's name in an application that is the subject of an opposition proceeding – that the Board may consider when a party has filed a motion to dismiss under Fed. R. Civ. P. 12(b)(6). *Compagnie Gervais Danone v. Precision Formulations LLC*, 89 USPQ2d 1251, 1256 (TTAB 2009).
>
> Whenever the sufficiency of any complaint has been challenged by a motion to dismiss, it is the duty of the Board to examine the complaint in its entirety, construing the allegations therein so as to do justice, as required by Fed. R. Civ. P. 8(e), to determine whether it contains any allegations, which, if proved, would entitle the plaintiff to the relief sought. *IdeasOne Inc. v. Nationwide Better Health*, 89 USPQ2d 1952, 1953 (TTAB 2009);

and other cases cited therein. Accordingly, in determining whether to strike affirmative defenses, it will be necessary to look at the sufficiency of petitioner's pleading for standing and for sufficiency.

As stated in *Order of Sons of Italy* (*Order of Sons of Italy in America v. Profumi Fratelli Nostra AG,* 36 USPQ2d 1221, *at* 1222-1223 (TTAB 1995)) "the standing question is an initial inquiry directed solely to establishing the personal interest of the plaintiff. An Opposer need only show a personal interest in the outcome of the case beyond that of the general public."

Opposer herein must show that "a valid ground exists for opposing registration" *Id.* In that regard, "[d]ismissal for insufficiency is appropriate only if it appears certain that Opposer is entitled to no relief under any set of facts which could be proved in support of its claim" and "[f]or purposes of determining a motion to dismiss for failure to state a claim upon which relief can be granted, all of Opposer's well-pleaded allegations must be accepted as true, and the Notice of Opposition must be construed in the light most favorable to Opposer." *Id.*

Opposer, in its Notice of Opposition herein, established its standing and the sufficiency of its pleading, including *inter alia*, the following all of which support Opposer's standing and Opposer's causes of action:

- Opposer believes that allowing Application Serial No. 86480565 to proceed to registration will cause Opposer damage (*Notice of Opposition* at ¶ 1);
- Opposer is the owner of numerous trademarks in a variety and constantly expanding number of classes for the NAUTICA mark and marks that contain the word NAUTICA ("Opposer's Marks") as trademarks, trade names, and as service marks (*Notice of Opposition* at ¶ 5);
- Opposer has long used Opposer's Marks on and in connection with goods closely related to those of Applicant . . . (*Notice of Opposition* at ¶ 6);
- Applicant's Goods are in part identical, in part closely related and in part similar to Opposer's Goods and Services . . . (*Notice of Opposition* at ¶ 11);
- Opposer is now and has been, for many years prior to any date which may be claimed by Applicant, engaged in the use of Opposer's Marks for Opposer's Goods and Services (*Notice of Opposition* at ¶ 12);

- The use by Opposer of Opposer's Marks for Opposer's Goods and Services alleged herein, is long prior to any date which may be lawfully claimed by Applicant, and Opposer has priority (*Notice of Opposition* at ¶ 15);
- Opposer's Marks and Applicant's Mark are substantially identical and confusingly similar when applied to the goods and services of the parties (*Notice of Opposition* at ¶ 17);
- Since Opposer owns Opposer's Marks by virtue of prior use, confusion, mistake or deception as to the source of origin of the goods will arise and will injure and damage the Opposer and its goodwill (*Notice of Opposition* at ¶ 19);
- As a result of Opposer's long use, extensive advertising and promotion, and successful sales for at least 30 years, Opposer's Marks have become distinctive and famous, long prior to any date which may be claimed by Applicant (*Notice of Opposition* at ¶ 20);
- The registration of Applicant's Mark to Applicant will cause the relevant purchasing public to erroneously assume and thus be confused, misled, or deceived, that Applicant's Goods are made by, licensed by, controlled by, sponsored by, or in some way connected, related or associated with Opposer, in violation of Section 2(d) of the Lanham Act, 15 U.S.C. § 1052(d), all to Opposer's irreparable damage (*Notice of Opposition* at ¶ 21);
- The association which would arise from the similarity between Applicant's Mark and Opposer's famous Marks will harm the reputation of Opposer and Opposer's famous Marks thereby resulting in dilution by tarnishment in violation of Section 43(c) of the Lanham Act, 15 U.S.C. §1125(c). There is an overwhelming likelihood that this association will impugn Opposer's Goods and Services and injure its business reputation (*Notice of Opposition* at ¶ 22);
- The association which would arise from the similarity between Applicant's Mark and Opposer's famous Marks will impair the distinctiveness of Opposer's famous Marks and thereby result in dilution by blurring in violation of Section 43(c) of the Lanham Act, 15 U.S.C. §1125(c). There is an overwhelming likelihood that this association will impugn Opposer's Goods and Services and injure its business reputation (*Notice of Opposition* at ¶ 23);

and, additional allegations at the remaining paragraphs all supporting Opposer's claims of likelihood of confusion, dilution, false connection, fraud (i.e., no bona fide intent to use), and Opposer's damage resulting from the same. The forgoing allegations are specifically set forth in Opposer's pleading and, if proven, Opposer establishes standing and shows entitlement to relief.

Applicant's first defense is insupportable as a matter of law, and thus should be stricken.

Affirmative Defense No. 2: "Applicant affirmatively alleges that Opposer's Notice of Opposition is barred by the doctrine of laches, acquiescence and estoppel."

As to Applicant's Second Affirmative Defenses (i.e., all three parts, namely (1) laches, (2) acquiescence, and (3) estoppel), all must be stricken because (i) Opposer brought the instant proceeding within the time frame contemplated by the Rules for the filing of Notices of Opposition against an application filed under Section 1(b), and (ii) Applicant has provided no explanation or assertion of fact to support any of the alleged defenses.

Laches is an affirmative defense which must be specifically pleaded under Fed. R. Civ. P. 12(b). Notwithstanding the fact that Applicant provides no explanation of this defense - The defense is not available, because the opposed application is an intent-to-use application and laches cannot start to run prior to the date the mark was published for opposition. *See National Cable Television Association, Inc. v. American Cinema Editors Inc.*, 19 USPQ2d 1424 (Fed. Cir. 1991). Applicant's Application Number 86480565 for the mark NAUTICCLEAN and design was published for opposition on August 4, 2015. Opposer filed its Notice of Opposition to said application timely on September 18, 2015 (extension of time to oppose filed and granted on September 1, 2015). To succeed in a laches, or estoppel defense, the party alleging the same has

the burden of establishing both unreasonable delay and prejudice from the delay. *See, Ralston Purina Co. v. Midwest Cordage Co., Inc.,* 153 USPQ 73, 75-76 (CCPA 1967).

As stated in *National Cable Television Association Inc. v. American Cinema Editors Inc.,* 19 USPQ2d 1424, (CAFC 1991):

> "Laches begins to run from the time action could be taken against the acquisition by another of a set of rights to which objection is later made. In an opposition or cancellation proceeding the objection is to the rights which flow from registration of the mark. . . . Moreover, an objection to registration does not legally equate with an objection to use, that is, a charge of infringement."

Id. at 1432 (citations omitted).

Here, laches, and/or estoppel would begin to run from the date Applicant's mark was published for opposition. Since the Notice of Opposition was timely filed, there can be no unreasonable delay in asserting rights against the application in issue that would support a defense of laches, and/or estoppel. As such, the defenses are a legal impossibility. Accordingly, the alleged defenses are insufficient and insupportable as a matter of law and must be stricken.

Further, with respect to the defenses, Applicant has provided no factual basis to assert the equitable defenses of estoppel, waiver, laches, or acquiescence. For example, *see Plus Products v. Medical Modalities Associates, Inc.,* 211 USPQ 1199, 1205 (TTAB 1981):

> "The elements necessary to establish the equitable defense of laches normally involve knowledge, actual or constructive, of the subsequent party's use of the same or similar mark for like or related goods; an inordinate delay under the particular fact situation in taking some affirmative action to preclude such further use, and reliance on such inaction or silence by the junior user. The estoppel is based upon the ethical consideration of not allowing a party to preclude a course of conduct that he tolerated, where the result will be prejudicial to the person who relied on and acted on the belief that the activity was sanctioned by said party." *Id.*

Applicant cannot present any facts in support of such claims. Simply put, Opposer did not acquiesce and had no opportunity to acquiesce to Applicant's 1(B) application or to Applicant's use and or "intended use" of its marks at any time. "Acquiescence is a type of estoppel that is based upon the plaintiff's conduct that expressly or by clear implication consents to, encourages, or furthers the activities of the defendant," that is not objected to. *Nahshin v. Prod. Source Int'l LLC*, 107 USPQ2d 1257, 1263 (TTAB 2013) (emphasis added), (citing *Panda Travel, Inc. v. Resort Option Enters., Inc.*, 94 USPQ2d 1789, 1797 fn. 21 (TTAB 2009)); *Christian Broad. Network Inc. v. ABS-CBN Int'l*, 84 USPQ2d 1560, 1573 (TTAB 2007). Keep in mind, the instant application is for intent-to-use. The Applicant simply failed to plead <u>any</u> facts that would support such affirmative defenses.

Moreover, in order to prevail on an affirmative defense of estoppel, Applicant must plead (and later prove) not only the laches elements but also that Opposer committed an affirmative act that induced Applicant to believe Opposer abandoned its claim in the mark and that applicant relied on that act to its own detriment. *See MCV Inc. v. King-Seeley Thermos Co.*, 10 USPQ2d 1287, 1290 (Fed. Cir. 1989); *National Cable Television Ass'n Inc. v. American Cinema Editors Inc.,* 19 USPQ2d 1424, 1432 (Fed. Cir. 1991).

Applicant has not alleged any affirmative act by Opposer on which Applicant relied to its disadvantage. Applicant has not alleged that it was encouraged to select its mark because of any conduct of Opposer.

Applicant failed to plead and is unable to plead essential elements of its defenses set forth in its Second Affirmative Defense. Accordingly, Applicant's second defense is insupportable as a matter of law, and thus should be stricken.

Affirmative Defense No. 3: "Applicant affirmatively alleges that the Opposer is estopped by the arguments and positions taken during the prosecution of the applications which resulted in the trademark registrations cited in Opposer's Notice of Opposition, and cannot now claim exclusive rights in Applicant's mark as detailed in the present application." [Emphasis added].

While it is noted that Applicant fails to specify[1] which, if any, applications and what arguments or positions Applicant may be referring to, nothing in the alleged applications could legally constitute an estoppel or bar in the present proceeding.[2] Accordingly, Applicant's vague and ambiguous alleged defense should be stricken. *See* Rule 12(f) F.R.Civ.P. (the court may strike from a pleading an insufficient defense, either on its own or on motion).

Simply put, claims made in trademark application prosecution do not constitute admissions against interest. While any such claims (to the extent they may exist) may have some effect illuminative of the total picture facing the Board, they cannot and do not constitute a bar or estoppel. See, e.g., *Giant Food, Inc. v. Standard Terry Mills, Inc.,* 229 USPQ 955, 963 (TTAB 1986)(The doctrine of "file wrapper estoppel" does not apply in trademark cases).

Even a prior position on marks not causing confusion does not rise to the level of an admission against interest. *See, Interstate Brands Corp. v. Celestial Seasonings, Inc.,* 576 F.2d 926, 198 USPQ 151, 153-154 (CCPA 1978) ("That a party earlier indicated a contrary opinion respecting the conclusion in a similar proceeding involving similar marks and goods is a fact, and that fact may be received in evidence as merely illuminative of shade and tone in the total picture confronting the decision maker. To that limited extent, a party's earlier contrary opinion may be considered relevant and competent. Under no circumstances, may a party's opinion,

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[1] The primary purpose of pleadings, under the Federal Rules of Civil Procedure, is to give fair notice of the claims or defenses asserted. *Ohio State University v. Ohio University*, 51 USPQ2d 1289, 1292 (TTAB 1999); *Harsco Corp. v. Electrical Sciences Inc.*, 9 USPQ2d 1570, 1571 (TTAB 1988); *McDonnell Douglas Corp. v. National Data Corp.*, 228 USPQ 45, 47 (TTAB 1985).

[2] Priroty is not in issue in this proceeding.

earlier or current, relieve the decision maker of the burden of reaching his own ultimate conclusion on the entire record."). *See also, Lasek & Miller Associates v. Rubin et al.,* 201 USPQ 831 (TTAB 1978).

Accordingly, Applicant's third defense is insupportable as a matter of law, and thus should be stricken.

CONCLUSION

WHEREFORE, Opposer respectfully moves that its motion to strike Applicant's Affirmative Defenses 1-3 in Applicant's Answer be granted in all respects.

Dated: October 22, 2015

Respectfully submitted for Opposer,

NAUTICA APPAREL, INC.,

By: _____

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing MOTION TO STRIKE was sent to attorneys for Applicant this 22nd day of October, 2015 via first class mail, postage prepaid, to the following:

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