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

Proceeding	91225628
Party	Defendant Tencent Holdings Limited
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

TENCENT HOLDINGS LIMITED,	)	
	)	
Opposer,	)	Opposition No. 91207516
v.	)	(Parent Case)
DELSON GROUP INC.,	)	
	)	
Applicant.	)	
_____	)	
DELSON GROUP INC.,	)	Opposition Nos. 91215611, 91225628 and
	)	91225630
Opposer,	)	
v.	)	
TENCENT HOLDINGS LIMITED,	)	
	)	
Applicant.	)	
_____	)	

**TENCENT’S REPLY IN SUPPORT OF MOTION TO STRIKE**

Applicant Tencent Holdings Limited (“Tencent” or “THL”) submits this reply memorandum in further support of its Motion to Strike certain allegations from the Amended Notices of Opposition in proceeding nos. 91225628 and 91225630 (together, the “Notices”). The unfounded and inflammatory allegations in the pleadings of Opposer Delson Group, Inc. (“Delson”) — directed at, for example, supposed Chinese government control of Tencent’s computer servers, Tencent’s compliance with U.S. export control laws and Tencent’s purported harassment of Delson’s principal — are immaterial to the likelihood of confusion and false connection issues in this proceeding. Tencent should not have to bear the burden of spending time and resources responding to such allegations during the discovery process and at trial.

Moreover, Tencent should be spared from unwarranted inferences arising from incendiary allegations of this kind.

## **I. BACKGROUND**

Delson claims priority in the mark TENCENT and a likelihood of confusion arising from Tencent's use of its TENCENT name and mark. The Board will thus apply the various factors set forth in In re E. I. du Pont de Nemours and Co., 177 U.S.P.Q. 563 (C.C.P.A. 1973). Delson has also asserted a claim of false connection under Section 2(a) of the Trademark Act, so the Board will consider whether Tencent's name and mark somehow falsely suggests some connection with Delson. For the Board to conduct a thorough analysis of these claims, there is no need to consider *any* of the allegations that are subject to this motion.

## **II. DISCUSSION**

### **A. The Motion to Strike Is Timely**

Delson amended its Notices of Opposition on February 25, 2016. Proceeding Nos. 91225628 and 91225630, Docket No. 13. Tencent timely responded to the amended pleadings by filing its motion to strike on June 24, 2016. Proceeding No. 91207516, Docket No. 54. Tencent's motion is specifically authorized under Fed. R. Civ. P. 12 and TBMP § 506. In any event, both TBMP § 506 and Fed. R. Civ. P. 12 permit the Board to order impertinent allegations stricken from a pleading upon the Board's own initiative without respect to timing. Thus, even where a motion is untimely, which it is not here, the Board remains empowered to strike such allegations from a pleading. Internet Inc. v. Corporation for National Research Initiatives, 38 U.S.P.Q.2d 1435, 1438 (T.T.A.B. 1996) (on its own initiative, the Board struck paragraph from notice of opposition); see also, Wine Markets Int'l, Inc. v. Bass, 177 F.R.D. 128, 133 (E.D.N.Y. 1998) (granting untimely motion to strike); 5C Fed. Prac. & Proc. Civ. § 1380 (3d

ed.) (limitations for filing Rule 12(f) motions “should not be applied strictly when the motion to strike seems to have merit”).<sup>1</sup>

**B. The Allegations Have No Bearing on the Proceeding and Will Prejudice Tencent**

The cited allegations have no bearing upon the subject matter of these proceedings and will prejudice Tencent. See Harsco Corp. v. Elec. Scis., Inc., 9 U.S.P.Q.2d 1570 (T.T.A.B. 1988) (striking from a petition for cancellation immaterial allegations concerning a mark’s distinctiveness). Courts routinely strike matter from complaints that is immaterial or impertinent. See, e.g., Lipsky v. Commonwealth United Corp., 551 F.2d 887, 893 (2d Cir. N.Y. 1976). “Immaterial matter is that which has no essential or important relationship to the claim for relief or the defenses being plead.” Whittlestone, Inc. v. Handi-Craft Co., 618 F.3d 970, 974 (9th Cir. Cal. 2010). Put in other words, allegations in a petition that are “so unrelated to plaintiff’s claims as to be void of merit and unworthy of any consideration” are suitable to strike. NOW, Inc. v. Scheidler, 897 F. Supp. 1047, 1087 n.28 (N.D. Ill. 1995). Such motions “avoid the expenditure of time and money that must arise from litigating spurious issues.” 618 F.3d at 974 (citations omitted).

Delson’s allegations do not provide a basis for its trademark claims. At the same time they would have a significant impact on Tencent’s discovery obligations in the proceedings and would create unwarranted inferences about Tencent. Accordingly, they must be stricken.

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<sup>1</sup> Given the Board’s broad discretion in such matters, and insofar as the Board has now consolidated proceedings, Tencent respectfully asks the Board also to strike any identical or substantially similar allegations by Delson in its other pleadings in this matter.

**a. Control by a Foreign Government**

Paragraphs 10 and 11 of the Notices allege that Tencent’s data centers or servers “have been fully open to, accessible by, and/or controlled by, a foreign government as of its filing date” of all of Tencent’s trademark applications. Delson claims in its opposition that the ability of a foreign government — China in particular — to directly control or access a data server has bearing on whether Tencent rendered goods/services under the TENCENT mark exclusively outside of the United States. Opposition to Motion to Strike (the “Opposition”) at 8.<sup>2</sup>

Baseless allegations concerning any foreign government’s control or access of Tencent’s computer servers are so unrelated to Delson’s claims (of priority and likelihood of confusion and false connection) as to be “void of merit and unworthy of any consideration.” See 897 F. Supp. at 1087 n.28. Furthermore, the accusations that the Chinese government is controlling or accessing Tencent’s computer servers will inevitably lead to unwarranted inferences about Tencent in this proceeding. These allegations must be stricken.

**b. U.S. Export Control Permits**

Paragraph 12 of the Notices alleges that Tencent “did not have U.S. export control permits required by U.S. laws before exporting technologies and information of related Goods/Services to certain countries including China, as of the filing date of THL’s Application.” Delson alleges that because U.S. export permits are allegedly required for Tencent’s to undertake certain services, if and when Tencent applied for the permits is relevant. Opposition at 8-9.

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<sup>2</sup> As the Opposition notes, the Board’s March 3, 2015 discovery order (Proceeding No. 91207516, Docket No. 31) addressed, in passing, certain of Delson’s discovery requests pertaining to Tencent’s servers and export licenses. Opposition at 4-5. However, there is no indication that the Board considered the issues in detail, and the underlying allegations — now front and center in Delson’s amended pleadings — are so immaterial and so prejudicial to Tencent that they require direct consideration before discovery in this proceeding moves forward. Opposition, Exhibit C at 6-7, 10.

Whether or not Tencent had export permits for certain activities does not have any bearing on whether or how Tencent or a licensee rendered particular services under the TENCENT mark. Compliance with such regulatory requirements, to the extent they even apply, is not pertinent in a proceeding of this kind. As a result, allegations surrounding such permits have no essential or important relationship to Delson's claims and are immaterial. Furthermore, again, such allegations will result in unwarranted inferences against Tencent. They must be stricken.

**c. Purported Contempt**

Paragraph 16 of the Notices alleges that Tencent "is in open contempt of the Board order to produce its U.S. Export Control Permit to export technology and information to its China headquarter [sic]" and "to admit its main server and central datacenter in China for U.S. national security concern, but with related services in U.S. markets by American citizens [sic]." The Opposition claims that the allegations provide background and history for the claims asserted in the Notice in the form of Tencent's alleged litigation strategy. Opposition at 9. Significantly, Delson concedes that the allegation "is not directly related to any disputed issues." *Id.*

These particular allegations are unintelligible. In any event, Tencent's alleged violation of such an order is immaterial. *See Tivoli Realty, Inc. v. Paramount Pictures, Inc.*, 80 F. Supp. 800, 805 (D. Del. 1948) (striking allegations from complaint that the moving party's behavior violated a decree). By allowing such an allegation to remain in the pleadings, there would be a strong prejudice to Tencent due to inevitable unwarranted inferences. *See Loughrey v. Landon*, 381 F. Supp. 884, 888 (E.D. Pa. 1974) (striking portions of amended complaint due to unwarranted inferences). The allegation must be stricken.

**d. Statement in Support of a Different Trademark**

Paragraph 18 of the Notices alleges that “THL’s chairman, founder and CEO Ma Huateng made false statement, declaration and non-U.S. use specimen [sic] before USPTO in order to obtain registration for” the mark QQ. The Opposition claims that this allegation provides “background information” concerning Tencent’s “general approach to acquire trademarks in the U.S.” and that the underlying facts may serve as impeachment evidence. Opposition at 9-10.

That is not the case. Mr. Ma has not made any false or misleading statements before the USPTO. In any event, the statements by Tencent in support of its trademark filings were made in the course of the application process for a mark QQ, which is not at issue in this proceeding. The groundless allegation in question has no relationship to Delson’s claims. Furthermore, again, such an allegation may result in unwarranted inferences about Tencent. It must be stricken.

**e. Purported Harassment**

Paragraph 19 of the Notices alleges that Tencent “was involved in threatening Prof. Willie Lu, a former member of U.S. federal FCC Technological Advisory Council and member of U.S. delegation for ITU mission, etc., and his family on his investigating THL’s MAIN SERVER in China (with related services in U.S. markets by American citizens, such as THL’s Wechat and Weixin services with American citizens but with MAIN servers or CENTRAL datacenters in China) for U.S. national security concern and U.S. homeland security protection [sic].” Significantly, Delson concedes that this allegation “has no direct relevance to any issues of the case,” but Delson openly acknowledges its plans to conduct discovery on this issue. Opposition at 10.

These allegations are of course baseless. Furthermore, any supposed threats by either of the parties against individuals on either side have no bearing whatsoever on the claims or defenses in this proceeding. It would be extremely prejudicial to Tencent to keep such incendiary allegations in the pleadings. They must be stricken.

**f. Supposed Use of TTAB Proceedings as a “Weapon”**

Paragraph 20 of the Notices alleges that Tencent has attempted to “to use the lengthy and expensive TTAB proceedings [proceeding no. 91207516] including motions and requests, etc. as a weapon, to financially attack and harass American small business like Delson and American Inventor like Prof. Willie W. Lu [sic].” Delson claims that the alleged behavior provides background and history to the case. Opposition at 10.

These allegations are baseless. Such rhetoric attacking the integrity and intentions of an adverse party has no bearing upon the subject matter of the litigation and is completely uncalled for. These allegations must also be stricken.

**III. CONCLUSION**

For the foregoing reasons, Tencent respectfully requests that the Board grant its motion to strike paragraphs 10-12, 16, and 18-20 of the Notices.

Dated: July 22, 2016

Respectfully submitted,

WILSON SONSINI GOODRICH & ROSATI  
Professional Corporation

By:   
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**CERTIFICATE OF SERVICE BY MAIL**

I, Elvira Minjarez, declare:

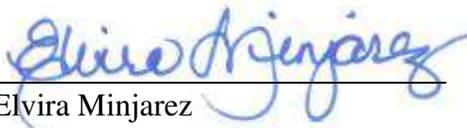
I am employed in Santa Clara County. I am over the age of 18 years and not a party to the within action. My business address is Wilson Sonsini Goodrich & Rosati, 650 Page Mill Road, Palo Alto, California 94304-1050.

I am readily familiar with Wilson Sonsini Goodrich & Rosati's practice for collection and processing of correspondence for mailing with the United States Postal Service. In the ordinary course of business, correspondence would be deposited with the United States Postal Service on this date.

On this date, I served **TENCENT'S REPLY IN SUPPORT OF MOTION TO STRIKE** on each person listed below, by placing the document described above in an envelope addressed as indicated below, which I sealed. I placed the envelope for collection and mailing with the United States Postal Service on this day, following ordinary business practices at Wilson Sonsini Goodrich & Rosati.

J. James Li  
LiLaw Inc.  
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Los Altos, CA 94022

I declare under penalty of perjury that the foregoing is true and correct. Executed at Palo Alto, California on July 22, 2016.

  
Elvira Minjarez