

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451
General Contact Number: 571-272-8500

Mailed: September 12, 2016

Opposition No. 91207516 (parent)

Tencent Holdings Limited

v.

Delson Group Inc.

and

Opposition No. 91215611

Opposition No. 91225628

Opposition No. 91225630

Opposition No. 91228978

Delson Group, Inc.

v.

Tencent Holdings Limited

**M. Catherine Faint,
Interlocutory Attorney:**

On September 2, 2016 the Board held a telephone conference involving John Slafsky, Atty. and Matthew J. Kuykendall, counsel for Tencent Holdings, Ltd. (“THL”), and James J. Li, Atty., counsel for Delson Group, Inc. (“Delson”).

Before the Board were the following motions:

1. THL's three motions, filed June 24 and August 5, 2016, to strike matter from Delson's notices of opposition in Opposition Nos. 91225628, 91225630 and 91228978;¹
2. THL's motion, filed July 25, 2016, to strike certain of Delson's affirmative defenses in Opposition No. 91207516;
3. THL's motions, filed August 5, 2016, to suspend proceedings pending consideration of the pending motions; and
4. THL's motion for a more definite statement in Opposition No. 91228978.

The Board carefully considered the arguments raised, as well as the supporting correspondence and the record of this case, in coming to a determination regarding the above matters. During the telephone conference, the parties were each allowed to make further statements, and the Board made the following findings and determinations.

A. Changes of Correspondence Address

The Board noted that changes of correspondence address have been entered for counsel for both parties in Opposition No. 91228978 and for THL in 91207516. The addresses of record in the parent case will be used for Board communications.

The parties also confirmed that the deposition of Mr. Wallerstein had taken place.

¹ A copy of the motion was also filed in the parent case.

B. Consolidation

It has come to the Board's attention that the parties are now involved in another opposition proceeding before the Board. Inasmuch as Opposition No. 91228978 involves the same parties and common questions of law and fact, the Board consolidates these proceedings. *See* Fed. R. Civ. P. 42(a); *see also*, 8440 *LLC v. Midnight Oil Co.*, 59 USPQ2d 1541, 1541 n.1 (TTAB 2001); *Regatta Sport Ltd. v. Telux-Pioneer Inc.*, 20 USPQ2d 1154 (TTAB 1991).

The consolidated cases may be presented on the same record and briefs. *See Helene Curtis Indus., Inc. v. Suave Shoe Corp.*, 13 USPQ2d 1618 (TTAB 1989) and *Hilson Research Inc. v. Society for Human Res. Mgmt.*, 26 USPQ2d 1423 (TTAB 1993).

The Board file will be maintained in Opposition No. 91207516 as the "parent" case. As a general rule, from this point onward, only one copy of any submission should be filed herein; but that copy should include all proceeding numbers in its caption in ascending order. The exception to this rule, however, is that pleadings, or amended pleadings, should be filed in the case to which they pertain. However, any motions regarding those pleadings should now be filed in the parent case.

Despite being consolidated, each proceeding retains its separate character. The decision on the consolidated cases shall take into account any differences in the issues raised by the respective pleading; and a copy of the decision shall be placed in each proceeding file.

The Board did not extend the discovery and trial calendar during the teleconference, although the parties are allowed to seek additional time, pursuant to the rules, if they find they need additional time to conduct discovery in this consolidated proceeding.

Delson's counsel noted that the parties may each continue to file related trademark applications, and related opposition proceedings, and is concerned that this timing could keep this case from proceeding to trial. The parties confirmed that there are no other related cases between them currently pending before the Board. The Board noted that it would make the decision as to whether to consolidate any future cases when, and if, the matter arises. In determining whether to consolidate proceedings, the Board will weigh the savings in time, effort, and expense, which may be gained from consolidation, against any prejudice or inconvenience that may be caused thereby. *See, e.g., Lever Bros. Co. v. Shaklee Corp.*, 214 USPQ 654, 655 (TTAB 1982) (consolidation denied where one case was just in pleading stage, and testimony periods had expired in other).

C. Pleading in Opposition No. 91228978

By its notice of opposition in Opposition No. 91228978, Delson alleges claims under Trademark Act §2(d) of likelihood of confusion, and under Trademark Act §2(a) false suggestion of a connection. THL seeks a more definite statement as to the Section 2(a) claims. As it has done previously, Delson included in the ESTTA coversheet and the caption of its Section 2(a)

claim, “deception.” To the extent Delson is alleging a Section 2(a) deceptiveness claim, the pleading is insufficient. Delson should note that a mark is deceptive where: (1) the term in the mark is misdescriptive of the character, quality, function, composition or use of the goods or services; (2) prospective purchasers are likely to believe that the misdescription actually describes the goods or services; and (3) the misdescription is likely to affect a significant portion of the relevant consumers’ decision to purchase. *See In re Spirits Int’l, N.V.*, 563 F.3d 1347, 90 USPQ2d 1589 (Fed. Cir. 2009); *Miller Brewing Co. v. Anheuser-Busch Inc.*, 27 USPQ2d 1711, 1712-13 (TTAB 1993); TMEP §1203.02(b).

Accordingly, Delson’s Section 2(a) deceptiveness claim is stricken. To be clear, the Board also strikes this claim from Delson’s pleadings in Opposition Nos. 91215611, 91225628 and 91225630. The Board has further construed the pleading in Section E below.

THL’s time to answer is set for 20 days from the date of the teleconference. The time for both parties to serve any initial disclosures is set for 40 days and any discovery conference updates is set for 60 days from the date of the teleconference.

D. THL’s Motion to Strike Delson’s Affirmative Defenses in Opposition No. 91207516; Motions to Suspend

THL seeks to strike Delson’s first, second, fourth, fifth and sixth affirmative defenses in Delson’s answer filed in Opposition No. 91207516. THL argues that the defenses are insufficient, contrary to settled law, and/or redundant, and

that the defenses overlap with Delson's denials of the allegations. Delson argues that motions to strike are not favored and that THL's conclusory claim of harm makes no sense, as Delson is entitled to conduct discovery on a fact whether it is relevant to a denial or an affirmative defense or both.

Pursuant to Fed. R. Civ. P. 12(f), the Board may order stricken from a pleading any insufficient or impermissible defense, or any redundant, immaterial, impertinent or scandalous matter. *See also* Trademark Rule 2.116(a); and TBMP § 506 (2016). Motions to strike are not favored, and matter will not be stricken unless it clearly has no bearing upon the issues in the case. *See, e.g., Ohio State Univ. v. Ohio Univ.*, 51 USPQ2d 1289, 1293 (TTAB 1999); and *Harsco Corp. v. Electrical Sci. Inc.*, 9 USPQ2d 1570 (TTAB 1988). Inasmuch as the primary purpose of pleadings under the Federal Rules of Civil Procedure is to give fair notice of the claims or defenses asserted, the Board may decline to strike even objectionable pleadings where their inclusion will not prejudice the adverse party, but rather will provide fuller notice of the basis for a claim or defense. *See, e.g., Order of Sons of Italy in Am. v. Profumi Fratelli Nostra AG*, 36 USPQ2d 1221, 1223 (TTAB 1995) (amplification of applicant's denial of opposer's claims not stricken). Further, a defense will not be stricken as insufficient if the insufficiency is not clearly apparent, or if it raises factual issues that should be determined on the merits. *See generally*, 5C Wright & Miller, *Federal Practice & Procedure Civil* 3d § 1381 (Westlaw update 2016). Nonetheless, the Board grants motions to strike in appropriate instances.

An affirmative defense is a defendant's assertion raising new facts and arguments that, if true, will defeat the plaintiff's claim, even if all allegations in the complaint are true. *See H.D. Lee Co. v. Maidenform Inc.*, 87 USPQ2d 1715, 1720 (TTAB 2008).

The Board has reviewed the affirmative defenses at issue and note that they are not true affirmative defenses. The Board sees these "defenses" as essentially amplifications of Delson's denials, and as such they are permitted to give THL fuller notice of the position which Delson plans to take in defense of its application. *See Morgan Creek*, 91 USPQ2d at 1136; *Humana Inc. v. Humanomics Inc.*, 3 USPQ2d 1696, 1697 n.5 (TTAB 1987) (allegations under heading "affirmative defenses" were arguments in support of denial of claim rather than true affirmative defenses and were treated as such); *Maytag Co. v. Luskis's, Inc.*, 228 USPQ 747, 747 n.3 (TTAB 1986) (same); *Textron, Inc. v. Gillette Co.*, 180 USPQ 152, 153 (TTAB 1973) (objection to certain paragraphs of answer as verbose and argumentative not well taken).

Accordingly, THL's motion to strike Delson's **first, second, fourth, fifth and sixth affirmative defenses** in Delson's answer filed in Opposition No. 91207516 is hereby **denied**.

In Board proceedings, however, equitable defenses may not be available against certain grounds for opposition or under certain circumstances. For example, the availability of laches and acquiescence is severely limited in opposition proceedings. In opposition proceedings, these defenses start to run

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from the time the mark is published for opposition, not from the time of knowledge of use. *See Bausch & Lomb Inc. v. Karl Storz GmbH & Co. KG*, 87 USPQ2d 1526, 1531 (TTAB 2008)(conduct which occurs prior to publication of application for opposition generally cannot support finding of equitable estoppel); *Barbara's Bakery Inc. v. Landesman*, 82 USPQ2d 1283, 1292 n.14 (TTAB 2007)(defenses of laches, acquiescence or estoppel generally not available in opposition proceeding).

Although not raised by the motion, or during the teleconference, the Board sua sponte **strikes** Delson's **seventh affirmative defense** alleging "laches, acquiescence and estoppel."

THL also filed motions to suspend these proceedings for consideration of the pending motions. Delson opposes the motions. The motions are **denied**. As the Board explained during the teleconference, if the parties find they need additional time to conduct discovery, they may file a consented motion to extend, or, if an unconsented motion to extend is filed, the party filing the motion must contact the Interlocutory Attorney assigned to this case to seek a teleconference on the proposed extension.

E. THL's Motions to Strike Matter from Delson's Notices of Opposition in Opposition Nos. 91225628, 91225630 and 91228978

THL filed motions to strike certain paragraphs from Delson's notices of opposition in Opposition Nos. 91225628, 91225630 and 91228978. In particular

THL seeks to strike paragraphs 10-12, 16 and 18-20 from the three notices of opposition.

While motions to strike are not favored, the Board will strike matter if it has no bearing on the case before it. *Harsco Corp. v. Electrical Sciences Inc.*, 9 USPQ2d 1570, 1571 (TTAB 1988). Delson has asserted claims based on Trademark Act §§ 2(a) false suggestion of a connection and 2(d) likelihood of confusion and the involved paragraphs do not appear to relate to these claims. Further, the Board is an administrative tribunal empowered to determine only the right to register. *See Blackhorse v. Pro-Football, Inc.*, 111 USPQ2d 1080, 1082-83 (TTAB 2014).

Accordingly, THL's motion to strike is **granted** to the extent that paragraphs 10-12, 16 and 18-20 in Delson's notices of opposition in Opposition Nos, 91225628, 91225630 and 91228978 are hereby **stricken**.

F. Schedule

THL's time to file and serve answers in the opposition proceedings was set for 20 days from the date of the teleconference. The time for both parties to serve any initial disclosures was set for 40 days from the date of the teleconference. The time for the parties to conduct any additional discovery conference updates for the pending oppositions is set for 60 days from the date of the teleconference. The schedule is set out below.

If the parties find they need additional time to conduct discovery, they may file a consented motion to extend time, or, if an unconsented motion to extend

time is filed, the party filing the motion must contact the Interlocutory Attorney assigned to this case to seek a teleconference on the proposed extension.

In the case schedule the Board contemplates that the parties shall make their filings, other than pleadings, only in the parent case and that each party submits relevant evidence as to their various claims during their testimony periods.

Answers Due [THL in 91225628, 91225630 & 91228978]	September 22, 2016
Deadline for Initial Disclosures in 91228978	October 12, 2016
Any additional discovery conference in 91228978 Due	November 1, 2016
Expert Disclosures Due	December 28, 2016
Discovery Closes	January 27, 2017
Plaintiff's Pretrial Disclosures Due [THL in 91207516, Delson in 91215611, 91225628, 91225630 & 91228978]	March 13, 2017
30-day testimony period for Plaintiff's Testimony to close [THL in 91207516, Delson in 91215611, 91225628, 91225630 & 91228978]	April 27, 2017
Defendant's pretrial disclosures due [Delson in 91207516, THL in 91215611, 91225628, 91225630 & 91228978]	May 12, 2017
30-day testimony period for defendant to close [Delson in 91207516, THL in 91215611, 91225628, 91225630 & 91228978]	June 26, 2017

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Plaintiff's rebuttal disclosures due [THL in 91207516, Delson in 91215611, 91225628, 91225630 & 91228978]

July 11, 2017

15-day rebuttal period for plaintiff to close [Delson in 91215611, 91225628, 91225630 & 91228978]

October 10, 2017

Brief for plaintiff due [THL in 91207516, Delson in 91215611, 91225628, 91225630 & 91228978]

December 9, 2017

Brief for defendant due [Delson in 91207516, THL in 91215611, 91225628, 91225630 & 91228978]

January 8, 2018

Reply brief, if any, as plaintiff due [THL in 91207516, Delson in 91215611, 91225628, 91225630 & 91228978]

January 23, 2018

In each instance, a copy of the 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 2.125.

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 2.129.
