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

Proceeding	91226463
Party	Plaintiff Intel Corporation
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

Intel Corporation,	§	Opposition No. 91226463
	§	
Opposer,	§	Serial No.: 86/609,735
	§	
v.	§	Mark: TRONIUM INSIDE
	§	
Advanced Charging Technologies, Inc.,	§	International Class 9
	§	
Applicant.	§	Published: August 25, 2015
	§	

**OPPOSER INTEL CORPORATION’S MOTION TO STRIKE AFFIRMATIVE
DEFENSES**

Pursuant to Rule 12(f) of the Federal Rules of Civil Procedure and Sections 506.01 and 506.02 of the Trademark Trial and Appeals Board Manual of Procedure (“TBMP”), Opposer Intel Corporation (“Intel”) respectfully requests that the Trademark Trial and Appeal Board (the “Board”) enter an order striking the affirmative defenses in Applicant Advanced Charging Technologies, Inc.’s Answer to Opposer’s Notice of Opposition.

I. INTRODUCTION

This action arises out of Advanced Charging Technologies, Inc.’s (“Applicant” or “ACT”) application to register a trademark that is confusingly similar to and dilutive of Intel’s famous INTEL INSIDE[®] and other “[term] + INSIDE” trademarks. ACT filed intent-to-use Application No. 86/609,735 (the “Application”) on April 24, 2015 for the standard character mark “TRONIUM INSIDE” covering “Power supplies; electric power converters; power conversion devices” in International Class 9:

The Application was published for opposition on August 25, 2015 and, after taking an extension of time to oppose, Intel timely filed a Notice of Opposition.

In its April 4, 2016 answer to Intel's opposition ("Answer"), ACT asserted four so-called "Affirmative Defenses," ranging from "trademark misuse" to descriptiveness and lack of fame of Intel's marks. ACT also purports to "reserve the right to plead additional affirmative defenses as discovery progresses...." These defenses must be stricken. ACT's "trademark misuse" defense is not a proper affirmative defense and has not been approved by the Board in any proceeding. The other "affirmative defenses" are not affirmative defenses, but restated denials (without additional facts) and argument. For these reasons, ACT's affirmative defenses should be stricken.

II. STATEMENT OF FACTS

Intel opposed ACT's Application on February 22, 2016 after extensions of time to oppose were granted (TTABVUE Doc. 1). Intel's fully-pled opposition was based on false designation of origin, likelihood of confusion, and likelihood of dilution. The opposition stated the basis of Intel's rights (both at common law and through various federal registrations), explained the reasons why Intel asserts there is a likelihood of confusion and false designation of origin as well as a likelihood of dilution. On April 4, 2016, ACT filed its Answer, generally denying, or stating a lack of information to admit or deny, nearly all of the allegations in the opposition.

ACT also asserted four "affirmative defenses," as follows:

1. Opposer has engaged in trademark misuse and trademark intimidation by abusively using threats of litigation in an attempt to establish a predominant market advantage, and to enforce its alleged trademark rights beyond reasonable interpretation of the scope of any rights that might have been legitimately granted to Opposer as a trademark owner.
2. The common element in Opposer's asserted registrations, "INSIDE," is merely descriptive of Opposer's goods/services and has not acquired secondary meaning.

3. On information and belief, Opposer has failed to continuously use its PENTIUM INSIDE and/or ITANIUM INSIDE marks in commerce, resulting in abandonment of any rights it allegedly acquired in the marks.
4. None of Opposer's asserted marks is a famous mark under the Lanham Act. Registration of the TRONIUM INSIDE mark would not cause harm and/or dilution to a famous mark.

In addition, ACT included an affirmative defense stating that it “reserves the right to plead additional affirmative defenses as discovery progresses, as Applicant has not had the opportunity to complete discovery to know all of the available Affirmative Defenses at this stage of the Opposition Proceeding.”

III. ARGUMENT

A. Legal Standard Applicable to Motions to Strike

The Board may strike from any pleading any insufficient or impermissible defense, or any redundant, immaterial, impertinent or scandalous matter. Fed. R. Civ. P. Rule 12(f); TBMP §506.01. Under TBMP Rule 311.02(b), “[t]he elements of a defense should be stated simply, concisely, and directly,” and “should include enough detail to give the plaintiff fair notice of the basis for the defense.” Bald or conclusory allegations do not give the plaintiff fair notice of the basis for the affirmative defenses. *See Id.* (citing *McDonnell Douglas Corp. v. Nat'l Data Corp.*, 228 U.S.P.Q. 45 (TTAB 1985)); see also *Caymus Vineyards v. Caymus Medical, Inc.*, 107 U.S.P.Q. 2d 1519 (TTAB 2013) [Precedential] (“claimant must allege well-pleaded factual matter and more than threadbare recitals of the elements of a cause of action, supported by mere conclusory statements”).

As the Supreme Court clarified, the pleading standard of Rule 8 “demands more than an unadorned...accusation.” *Ashcroft v. Iqbal*, 129 S.Ct. 1937, 1949 (2009). A pleading that offers

“labels and conclusions” is insufficient. *Id.* (quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544 (2007)). In other words, affirmative defenses that amount to nothing more than mere conclusions of law and are not warranted by any asserted facts have no efficacy. *Monster Cable Prods. v. Avalanche Corp.*, 2009 U.S. Dist. LEXIS 23747 at *2 (N.D. Cal. 2009) (citing *Shecter v. Comptroller*, 79 F.3d 265, 270 (2d Cir. 1996)).

**B. ACT’s First Affirmative Defense Should Be Stricken Because It is
Inadequately Pled and Not Legally Cognizable**

ACT’s first affirmative defense states that “Opposer has engaged in trademark misuse and trademark intimidation by abusively using threats of litigation in an attempt to establish a predominant market advantage, and to enforce its alleged trademark rights beyond reasonable interpretation of the scope of any rights that might have been legitimately granted to Opposer as a trademark owner.” This is not a cognizable defense to an Opposition and has not been applied in any reported case. *McCarthy on Trademarks and Unfair Competition*, 4th Ed., §31:91. One district court has referred to trademark misuse as a “phantom defense.” *The Northwestern Corp. v. Gabriel Mfg., Co., Inc.*, 48 U.S.P.Q. 1902 at 17 (N.D.Ill. 1998); *see also Juno Online Servs., L.P. v. Juno Lighting, Inc.*, 979 F.Supp. 684, 687-91 (N.D. Ill. 1997) (noting that because the “plaintiff has failed to point the court to a single case in which an American court has used trademark misuse affirmatively, the court is quite skeptical to allow an affirmative claim for trademark misuse.”); *Plus Prods. v. Natural Organics, Inc.*, 223 U.S.P.Q. 27 at 8-9 (E.D.N.Y. 1984) (instituting or threatening trademark infringement actions is vigorous enforcement of trademarks and not a misuse).

The Board has also stricken the affirmative defense when pled. *See Intel Corp. v. 5 Bars Inside*, Opp. No. 91216177 (TTAB Aug. 28, 2014) (non-precedential)¹ (a similar “trademark

¹ Available at <http://ttabvue.uspto.gov/ttabvue/v?pno=91216117&pty=OPP&eno=9>

bullying” defense was stricken as “irrelevant to our consideration of Opposer's claims in this proceeding”).

Even if ACT could argue for an extension of the law to create a brand new trademark misuse defense (which it cannot), ACT has not stated what the elements of such a defense would be, which violates TBMP §311.02(b)’s requirement that “[t]he elements of a defense should be stated simply, concisely, and directly.” Because Applicant has not even articulated the elements of its defense, it cannot be said to have pled the defense in such a way as to give Intel fair notice of its allegations, and thus the allegations cannot meet the standards set forth in *Ashcroft v. Iqbal*, 129 S.Ct. 1937, 1949 (2009) and *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544 (2007), requiring well-pleaded factual matter and more than “unadorned accusations” or mere “labels and conclusions.”

Along those lines, ACT does not allege *any* facts to support its defense of “trademark misuse.” It does not allege what efforts Intel has undertaken to “abusively use threats of litigation,” or what a “reasonable interpretation of the scope of any rights” is. ACT has not specifically alleged any instance of “intimidation” by Intel, or even alleged that this opposition is (or could be) an example of such “intimidation.” Accordingly, Intel is without sufficient information to understand the nature of ACT’s allegations, and the simple act of filing a timely opposition to ACT’s subject application is hardly enough to provide a “defense.” ACT’s pleading is insufficient under *Iqbal*, 129 S.Ct. at 1949, and for this separate reason, the defense must be stricken. *See PepsiCo, Inc. v. J.K. Distribs.*, 2007 WL 2852647 at *2 (C.D. Cal. Sept. 14, 2007) (“insufficient defenses may be stricken where they are insufficient as a matter of law and fail to give the plaintiff ‘fair notice’ of the defense being asserted”); *Chanel, Inc. v. Mauriello*, Oppo. No. 91168097 at *4, fn. 2 (TTAB 2010) [Non-precedential] (the Board refused

to consider affirmative defenses including “misuse” because they “were not adequately pleaded and, moreover, defendant did not submit evidence or argument on these defenses.”).

Separately, ACT alleges a “defense” that would ostensibly apply whenever any company is diligent about protecting its trademarks and exercising its right to oppose a pending application upon publication of that application for opposition. Applicant ignores that a trademark owner must enforce its rights and protect its brand, otherwise it is at risk of weakening its mark or losing its rights. In fact, evidence of enforcement efforts is considered when evaluating the “strength of the mark” *DuPont* factor. See *E. I. DuPont de Nemours & Co. v. Yoshida Int'l, Inc.*, 393 F. Supp. 502, 512 (E.D.N.Y. 1975) (“Apart from these general rules, strength is primarily a question of degree, [] including **an appraisal of the owner's policing efforts** to ensure that whatever distinctiveness or exclusivity has been achieved is not lost through neglect, inattention, or consent to infringing use.”) (emphasis added); *Checkpoint Sys., Inc. v. Check Point Software Technologies, Inc.*, 104 F. Supp. 2d 427, 459 (D.N.J. 2000) *aff'd*, 269 F.3d 270 (3d Cir. 2001) (“Checkpoint is not obligated to deal with all infringers at the same time, and Checkpoint has been diligent in asserting its rights in the ‘CHECKPOINT’ mark and name to prevent registration of marks confusingly similar to ‘CHECKPOINT’ in the corporate security field. Checkpoint's active program of policing its trademark is further proof of the strength of its mark.”); *Cullman Ventures, Inc. v. Columbian Art Works, Inc.*, 717 F. Supp. 96, 124 (S.D.N.Y. 1989) (*declined to follow on other grounds*, *Car-Freshner Corp. v. S.C. Johnson & Son, Inc.*, 70 F.3d 267 (2nd Cir. 1995)) (“A trademark owner’s efforts at policing its trademarks is further proof of the strength of those marks. Cullman and its predecessors have actively, systematically and successfully protected the At-A-Glance ® Trademarks by policing misuse.”). ACT has not alleged that any of Intel’s actions go beyond enforcement of its trademark rights. ACT’s first affirmative defense must be stricken.

**C. ACT's Second through Fourth Affirmative Defenses Should Be Stricken
Because They Merely Repeat ACT's Denials and Do Not Serve as
Affirmative Defenses**

ACT asserts three so-called affirmative defenses that are not affirmative defenses because they merely reiterate some of ACT's denials, instead of asserting defenses to a properly plead claim. *Cf. Castro*, Opp. No. 91188477 at *4. As with the first affirmative defenses, they are also insufficiently plead.

Specifically, ACT alleges that the "INSIDE" portion of Intel's marks is descriptive; that Intel has abandoned rights in PENTIUM INSIDE and ITANIUM INSIDE; and that none of Intel's asserted marks is famous. ACT does not allege any facts in support of these "affirmative defenses."

As to the attack on the "descriptiveness" of a *portion* of Intel's registered mark, ACT would have the Board improperly dissect Intel's mark and focus only on one term in that mark, which is improper. *See In re N. Beaches Art Walk Ass 's, Inc.*, Serial No. 85139899 (T.T.A.B. 2012) (Non-precedential) (in denying registration to THE BEST LITTLE ARTWALK IN TOWN, "the examining attorney improperly dissects applicant's mark determining that each element is either descriptive or laudatory"); *Duopross Meditech Corp. v. Inviro Medical Devices*, 695 F.3d 1247, 1252-53 (Fed. Cir. 2012) ("Because a mark must be considered as a whole, the Board may not 'dissect' the mark into isolated elements"); *Packard Press, Inc. v. Hewlett-Packard Co.*, 227 F. 3d 1352, 1357 (Fed. Cir. 2000) (The Board improperly dissected HEWLITT-PACKARD when finding a likelihood of confusion with PACKARD TECHNOLOGIES); *Self-Realization Fellowship Church v. Ananda Church of Self-Realization*, 59 F.3d 902, 912 (9th Cir. 1995) ("The district court erred by using the invalidity of 'Self-Realization' as a trade name and trademark to determine the validity of 'Self-Realization

Fellowship’ and ‘Self–Realization Fellowship Church.’”); *Monster, Inc. v. Dolby Laboratories Licensing Corp.*, 2013 WL 367160 (N.D. Cal. Jan. 29, 2013) (in rejecting a defense that the Plaintiff’s mark included generic elements, the Court noted, “A mark is not rendered unprotectable simply because it may be made up of one or more generic elements.”); T.M.E.P. § 1209.03(d). Thus, any attack on the INTEL INSIDE marks that is based on a dissection of the INSIDE portion of the mark must fail.

Moreover, as to the alleged abandonment of two of Intel’s common law marks, ACT alleges no facts to explain why or how ACT believes those marks were “abandoned.” Nor does ACT allege any facts upon which it bases its argument that the INTEL INSIDE marks are not famous.

Rather, each of these barebones “defenses” is, at best, an affirmation of the denial of likelihood of confusion and should be stricken. *See Retail Royalty Co. v. S.A.S.C.O.*, Opposition No. 91173803 (July 10, 2009) at *3, n 2 [Non-precedential] (Applicant’s “affirmative defenses” that the marks are different in appearance and commercial impression, that the parties’ goods travel in different channels, and that applicant’s first use predates opposer’s first use “are not true affirmative defenses, but mere affirmations of applicant’s denials). These “affirmative defenses” do not raise additional issues or state additional facts. Thus, they are not “amplifications” of ACT’s denials and do not provide Intel with any further basis for understanding ACT’s position. They are improper “affirmative defenses,” as well as redundant. Accordingly, they must be stricken.

IV. CONCLUSION

For all of the foregoing reasons, ACT’s affirmative defenses should be stricken because they are insufficiently pleaded, improper, or otherwise inapplicable. If these affirmative defenses are not stricken, Intel will be prejudiced by engaging in needless and burdensome

discovery and spending time and resources on the issue. Indeed, ACT has admitted through counsel that a decision striking its affirmative defenses would impact the scope of discovery. *See* Declaration of Marcus Peterson at ¶2. Additionally, because ACT cannot cure the defects with its legally insufficient and inapplicable “affirmative defenses,” they should be stricken with prejudice, and without leave to amend.

Date: May 2, 2016

By: /s/ Marcus Peterson
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CERTIFICATE OF ELECTRONIC TRANSMISSION

DATE OF DEPOSIT May 2, 2016

I hereby certify that this correspondence is being transmitted to the United States Patent and Trademark Office Trademark Trial and Appeal Board using the Electronic System for Trademark Trials and Appeals (ESTTA) on the date indicated above.

/s/ Marcus Peterson
Marcus Peterson

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
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Intel Corporation,	§	Opposition No. 91226463
	§	
Opposer,	§	Serial No.: 86/609,735
	§	
v.	§	Mark: TRONIUM INSIDE
	§	
Advanced Charging Technologies, Inc.,	§	International Class 9
	§	
Applicant.	§	Published: August 25, 2015
	§	

DECLARATION OF MARCUS PETERSON IN SUPPORT OF OPPOSER INTEL CORPORATION’S MOTION TO STRIKE AFFIRMATIVE DEFENSES

Pursuant to Rule 12(f) of the Federal Rules of Civil Procedure and Sections 506.01 and 506.02 of the Trademark Trial and Appeals Board Manual of Procedure (“TBMP”), Opposer Intel Corporation (“Intel”) respectfully requests that the Trademark Trial and Appeal Board (the “Board”) enter an order striking the affirmative defenses in Applicant Advanced Charging Technologies, Inc.’s Answer to Opposer’s Notice of Opposition.

1. I, Marcus Peterson, am an attorney licensed to practice law in the state of California and am a senior associate of Pillsbury Winthrop Shaw Pittman LLP, attorneys for Opposer Intel Corporation (“Intel”) in this action. The matters set forth in this declaration are based upon my personal knowledge, except where otherwise indicated, and if called as a witness I could and would testify competently thereto. I make this declaration in support of Intel’s Motion to Strike Affirmative Defenses.

2. In connection with scheduling a discovery conference, when I informed opposing counsel, Stephanie Buntin, of Intel’s intent to file this Motion to Strike Affirmative Defenses, Ms. Buntin stated, “Since the outcome of your motion may affect the scope of discovery, it doesn't make sense to have the discovery conference today.”

3. The parties thereafter agreed to conduct the discovery conference after the Board has ruled on Intel's Motion to Strike Affirmative Defenses.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 2nd day of May, 2016, at Los Angeles, California.

Date: May 2, 2016

By: /s/ Marcus Peterson
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CERTIFICATE OF ELECTRONIC TRANSMISSION

DATE OF DEPOSIT May 2, 2016

I hereby certify that this correspondence is being transmitted to the United States Patent and Trademark Office Trademark Trial and Appeal Board using the Electronic System for Trademark Trials and Appeals (ESTTA) on the date indicated above.

/s/ Marcus Peterson
Marcus Peterson

CERTIFICATE OF SERVICE VIA FIRST CLASS MAIL

I, Marcus Peterson, hereby certify that a true and complete copy of the foregoing Motion to Strike Affirmative Defenses and Declaration of Marcus Peterson in Support of Motion to Strike Affirmative Defenses was served on Applicant's counsel, Linda Norcross, Howard & Howard Attorneys PLLC, 450 W. 4th St., Royal Oak, MI 48067, via postage prepaid first-class mail on May 2, 2016.

/s/ Marcus Peterson

Marcus Peterson