

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

U.S. Patent & TMO/TM Mail Rcpt. Dt. #57

08-15-2002

SAINT-GOBAIN ABRASIVES, INC.,

Petitioner,

v.

UNOVA INDUSTRIAL AUTOMATION
SYSTEMS, INC.

Respondent.

Cancellation No. 92040569

**REPLY MEMORANDUM OF LAW IN SUPPORT OF PETITIONER'S
CROSS-MOTION TO DISMISS RESPONDENT'S AFFIRMATIVE DEFENSES**

Petitioner, Saint-Gobain Abrasives, Inc. ("Saint-Gobain"), submits this reply memorandum of law in support of its cross-motion to bar Respondent, Unova Industrial Automation Systems, Inc. ("Unova" or "Respondent"), from raising the affirmative defenses of laches, acquiescence and the Morehouse defense in this proceeding.

PRELIMINARY STATEMENT

Unova is barred from raising the defenses of laches, acquiescence and the Morehouse defense for two reasons. First, these affirmative defenses cannot be raised against a claim of functionality because there is a public interest in precluding the registration of functional marks, which are "void ab initio." Second, the Morehouse defense fails as a matter of law because Unova's earlier registration is not "unchallenged" – it is the subject of a pending cancellation proceeding.

Unova has opposed Saint-Gobain's cross-motion with fury, not substance. Most importantly, Unova simply ignored the primary and essential argument supporting this motion – laches, acquiescence and the Morehouse defense are unavailable because they cannot be raised

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TRADEMARK TRIAL AND
APPEAL BOARD

against a claim of functionality. The absence of any argument from Unova disputing this point of law is telling. Unova's affirmative defenses are barred as a matter of law.

Unova similarly failed to rebut Saint-Gobain's remaining argument. With no legal authority, Unova contends that it is entitled to raise the Morehouse defense, notwithstanding the existing challenge to its prior registration, because the Morehouse defense is purportedly a standing issue. The Morehouse defense is an equitable, affirmative defense that Unova has the burden to plead and prove. It is utterly irrelevant to the threshold inquiry of standing.

ARGUMENT

I. LACHES, ACQUIESCENCE AND THE MOREHOUSE DEFENSE CANNOT BE RAISED AGAINST A CLAIM OF FUNCTIONALITY

Laches, acquiescence and the Morehouse defense cannot be raised against a claim that a mark is void ab initio – meaning that the mark suffered from a defect that would have prohibited registration in the first instance. British-American Tobacco Co. v. Philip Morris Inc., 55 U.S.P.Q.2d 1585, 1591 n.5 (TTAB 2000) (stating that the Morehouse defense would be inapplicable to a claim that the subject mark was void ab initio); TBC Corp. v. Grand Prix Ltd., 12 U.S.P.Q.2d 1311 (TTAB 1989) (same); Care Corp. v. Nursecare International, Inc., 216 U.S.P.Q. 993 (TTAB 1982) (stating that the equitable defenses of laches and acquiescence were unavailable against a claim that the mark was void ab initio). Applicants and registrants are expressly barred from relying upon these affirmative defenses to register inherently defective marks because the public's interest in precluding the registration of defective marks and in canceling registrations for marks that are or have become defective since registration cannot be outweighed by the delay or inaction of one entity. Care Corp., 216 U.S.P.Q. at 995 (quoting Southwire Co. v. Kaiser Aluminum & Chemical Corp., 196 U.S.P.Q. 566, 573 (TTAB 1977)).

Saint-Gobain has claimed that the registration for the subject mark should be canceled because the mark is functional. Since functional marks are void ab initio and the registrations of such marks may be canceled at any time, the affirmative defenses of laches, acquiescence and the Morehouse defense cannot be raised against a claim that a mark is functional. Critically, Unova did not even attempt to rebut this dispositive legal principle in its opposition papers.¹ The lack of any contrary argument from Unova starkly demonstrates that it is barred from raising laches, acquiescence and the Morehouse defense in this proceeding.

II. THE MOREHOUSE DEFENSE IS UNAVAILABLE BECAUSE UNOVA'S PRIOR REGISTRATION HAS BEEN CHALLENGED

Unova is barred from asserting the Morehouse defense in this proceeding because its prior registration has been challenged and is currently the subject of a pending cancellation proceeding, Cancellation No. 92040794.

The Morehouse defense is an equitable, affirmative defense. United States Olympic Comm. v. O-M Bread, Inc., 29 U.S.P.Q.2d 1555, 1558 (TTAB 1993), aff'd, 65 F.3d 933, 938 (Fed. Cir. 1995). It is only available against an opposer or cancellation petitioner where the party: (1) owns an unchallenged prior registration (2) for the same or substantially identical mark and for the same or substantially identical goods. O-M Bread, Inc. v. United States Olympic Comm., 65 F.3d 933, 938 (Fed. Cir. 1995); Morehouse Mfg. Corp. v. J. Strickland & Co., 407 F.2d 881, 884 (C.C.P.A. 1969); British-American Tobacco Co. v. Philip Morris, Inc., 55 U.S.P.Q.2d 1585, 1591 (TTAB 2000); TBC Corp. v. Grand Prix Ltd., 12 U.S.P.Q.2d 1311, 1313 (TTAB 1989). The Morehouse defense rests on the theory that the opposer or petitioner cannot

¹ Indeed, Unova impliedly admitted that its affirmative defenses were barred by Saint-Gobain's functionality claim when it baselessly accused Saint-Gobain of making up functions to "bypass the affirmative defenses of laches and acquiescence." (See Applicant's Responsive Br. at p. 5.)

be “damaged” within the meaning of section 13 of the Lanham Act by the subsequent registration because the damage has already been done by the prior registration. Id.

Unova has attempted to rely upon its prior registration for the Periphery Stripe to support a Morehouse defense. That registration, however, is the subject of a pending cancellation proceeding, Cancellation No. 92040794. Since Unova’s prior registration is not “unchallenged,” the Morehouse defense is precluded as a matter of law. British-American Tobacco, 55 U.S.P.Q.2d at 1591; Estate of Ladislao Jose Biro v. Bic Corp., 18 U.S.P.Q.2d 1382, 1384 (TTAB 1991).

Unova contends that it is not precluded from asserting the Morehouse defense because Saint-Gobain did not petition to cancel the Periphery Stripe registration until after it filed its Petition to Cancel in this proceeding. (Applicant’s Responsive Br. at pp. 1-2.) According to Unova, Saint-Gobain lacked “standing” to assert the Petition to Cancel because Unova’s Periphery Stripe registration had not been challenged at that time. (Id.) Not surprisingly, Unova does not cite a single authority for this proposition. (See id.)

Unova’s unsupported argument is an improper attempt to contort the Morehouse defense, an equitable affirmative defense, into the entirely distinct issue of standing. This identical argument was expressly rejected by the Trademark Trial and Appeal Board nearly ten years ago. United States Olympic Comm. v. O-M Bread, Inc., 29 U.S.P.Q.2d 1555, 1558 (TTAB 1993), aff’d, 65 F.3d 933, 938 (Fed. Cir. 1995).

In USOC, applicant, the owner of federal registrations for the marks OLYMPIC and OLYMPIC MEAL, attempted to register the mark OLYMPIC KIDS. Id. at 1556. Opposer asserted several grounds for the opposition. Applicant contended that opposer lacked standing based on the Morehouse defense. Id. at 1558. Specifically, applicant argued that opposer could

not be damaged by the subsequent registration of OLYMPIC KIDS because of applicant's pre-existing registrations for the marks OLYMPIC and OLYMPIC MEAL. Id. Since opposer could not be damaged, it lacked standing to maintain the opposition. Id.

The Board flatly rejected applicant's argument and its attempt to muddle the separate legal concepts of standing and the Morehouse defense. Id. The Board explained that whether a party is "damaged" by a subsequent registration for the same or similar mark is relevant only to the Morehouse defense – not to the issue of standing. Id. Standing is satisfied so long as the plaintiff has a real interest in the proceeding, and is not an "intermeddler." Id. After finding that the Morehouse defense could not be contorted into an issue of standing, the Board separately held that applicant was legally barred from invoking the Morehouse defense. Id.

Finally, Board decisions confirm that a party will be precluded from raising the Morehouse defense where an opposer or cancellation petitioner commenced the opposition or cancellation proceeding before petitioning to cancel the prior registration. In Estate of Biro, applicant moved for summary judgment dismissing the opposition proceeding based on the Morehouse defense. Estate of Biro, 18 U.S.P.Q.2d at 1384. After applicant filed its summary judgment motion, opposer filed a petition to cancel applicant's prior registration. (See id.; TTAB Docket Sheets for Estate of Biro opposition and cancellation proceedings, Exh. A hereto).² The Board held that applicant's Morehouse defense failed as a matter of law because opposer "had now" filed a petition to cancel applicant's prior registration. Estate of Biro, 18 U.S.P.Q.2d at 1384. Thus, the Morehouse defense is legally barred where a petition to cancel the prior registration was filed after the defense was first raised.

² Applicant filed its motion for summary judgment in November 1988. Opposer did not file its petition to cancel applicant's prior registration until nearly ten months later, in September 1989.

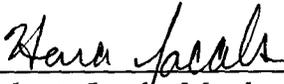
Since Unova's prior registration for the Periphery Stripe is currently the subject of a pending cancellation proceeding, the registration is not "unchallenged" and, therefore, the Morehouse defense is unavailable as a matter of law.

CONCLUSION

For all the foregoing reasons, Saint-Gobain respectfully requests that the Board grant Saint-Gobain's cross-motion to preclude Unova from raising the affirmative defenses of laches, acquiescence and the Morehouse defense.

Dated: August 15, 2002

BALLARD SPAHR ANDREWS & INGERSOLL, LLP

By: 
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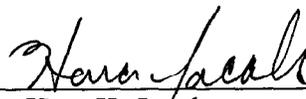
ATTORNEYS FOR PETITIONER

CERTIFICATE OF SERVICE

I, Hara K. Jacobs, hereby certify that on today's date, I caused a copy of the foregoing Reply Memorandum of Law in Support of Petitioner's Cross-Motion to Dismiss Respondent's Affirmative Defenses to be served by United States first class mail, postage prepaid, on counsel set forth below:

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REISING, ETHINGTON, BARNES, KISSELLE,
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Dated: August 15, 2002



Hara K. Jacobs

Certificate of Mailing by Express Mail

"Express Mail" mailing label No. EL 855 278 056 US

I, Sharon Felder-St.Clair, hereby certify that this correspondence is being deposited as "Express Mail" with the United States Postal Service addressed to: Trademark Trial and Appeal Board, United States Department of Commerce, Patent and Trademark Office, 2900 Crystal Drive, Arlington, VA 22202-2513 on the date indicated below.

Date of Deposit: August 15, 2002

Signed Sharon Felder-St.Clair

Adversary Proceeding Data

Proceeding Number: 91073600
Proceeding Status and Date: Terminated 1992-05-14
Interlocutory Attorney Name: BETH A CHAPMAN
Proceeding Location: 900 - Warehouse (Newington)
Proceeding Location Date: 1996-07-12
Proceeding Charged To Location: 000 - Unknown
Proceeding Charged To Employee Name:
Date Proceeding Filed: 1986-02-18

Prosecution History

Entry#	Entry Date	Due Date	History Text
71	1992-05-14		TERMINATED
70	1992-01-08		BD'S DECISION: DISMISSED W/ PREJUDICE
69	1991-08-27		SUSPENDED
68	1991-07-29		D'S MOT FOR EXTEN. OF TIME W/ CONSENT
67	1991-07-03		D'S MOT FOR EXTEN. OF TIME W/ CONSENT
66	1991-05-28		D'S MOT FOR EXTEN. OF TIME W/ CONSENT
65	1991-04-22		D'S MOT FOR EXTEN. OF TIME W/ CONSENT
64	1991-03-25		STIPULATION FOR AN EXTENSION OF TIME
63	1991-03-08		TRIAL DATES REMAIN AS SET
62	1991-02-21		DEF AMENDED ANSWER TO OPP
61	1991-02-04		MOT TO AMEND GRANTED; MOTS FOR SUM JUDG DENIED; TRIAL DATES RESET
60	1990-06-13		P'S RESPONSE TO D'S MOT FOR RECON OR FO R SJ OF ABANDONMENT
59	1990-04-10		DELETE ENTRY
58	1990-03-26		DEFS SUPPLEMENTAL SUBMISSION OF AUTHORITY IN SUPPORT OF MOT FOR RECON
57	1990-03-26		D'S MOT FOR EXTEN. OF TIME W/ CONSENT
56	1990-03-26		PLS OPP TO MOT FOR LEAVE TO AMEMD ANSWER
55	1990-03-26		P'S MOT FOR EXTEN. OF TIME W/ CONSENT
54	1990-03-01		TRIAL DATES RESET
53	1990-02-23		STIPULATION FOR AN EXTENSION OF

		TIME
52	1990-02-02	TRIAL DATES RESET
51	1990-01-24	STIPULATION FOR AN EXTENSION OF TIME
50	1990-01-16	TRIAL DATES RESET
49	1989-12-29	STIPULATION FOR AN EXTENSION OF TIME
48	1989-12-11	P'S MOT FOR EXTEN. OF TIME W/ CONSENT
47	1989-12-11	SUPPLEMENT TO #46
46	1989-12-08	D'S MOT FOR LEAVE TO AMEND NOTICE OF OPPOSITION
45	1989-09-06	P'S RESPONSE TO #40
44	1989-08-18	MOTION FOR SANCTIONS DENIED; PET TO CAN CEL DUE 9-7-89;MOTION TO COMPEL DEFERRED
43	1989-05-25	DEF SUPPLEMENTAL SUBMISSION OF AUTHORITY IN SUPPORT OF MOT FOR RECONSIDERATION
42	1989-04-06	DEFS BRIEF IN OPP TO # 41
41	1989-03-24	PL REQUEST FOR LEAVE & TO REPLY & REPLY
40	1989-03-17	DEF BRIEF IN OPP TO MOTION FOR SANCTIONS
39	1989-02-24	P'S MOTION TO COMPEL DISCOVERY
38	1989-02-24	P'S MOTION FOR SANCTIONS
37	1989-02-24	P'S MOTION FOR AN EXTENSION OF TIME
36	1989-02-24	P'S MOTION TO COMPEL DISCOVERY
35	1989-02-24	P'S MOT FOR EXTEN. OF TIME W/ CONSENT
34	1989-02-01	TRIAL DATES RESET
33	1989-01-26	P'S MOT FOR EXTEN. OF TIME W/ CONSENT
32	1988-12-29	PL'S RESPONSE TO MOT FOR SJ DUE 1-27-89
31	1988-12-13	P'S MOT FOR EXTEN. OF TIME W/ CONSENT
30	1988-12-09	SUSPENDED PENDING DISP OF OUTSTNDNG MOT
29	1988-11-28	DEF'S MOT FOR SUMMARY JUDGMENT AND MEMO IN SUPPORT
28	1988-11-28	DEF'S MEMO IN SUPPORT OF #27
27	1988-11-28	DEF'S MOT TO RECONS OR IN ALTER OF SUMMARY JUDGMENT OF

		ABANDONMENT
26	1988-11-07	D'S MOT FOR EXTEN. OF TIME W/ CONSENT
25	1988-09-26	MOT FOR SJ DENIED; MOTION FOR LEAVE MOOT D' REPLY TO DISC DUE; TRIAL DATES RESET
24	1988-06-27	SUSPENDED PENDING DISP OF OUTSTNDNG MOT
23	1988-06-27	SUSPENDED PENDING DISP OF OUTSTNDNG MOT
22	1988-06-14	DEF'S MEMO IN OPP TO #21
21	1988-06-03	PL'S SUPPL MOT IN OPP TO MOT FOR S.J. AND IN SUPPORT
20	1988-04-26	DEF'S OPP TO #19
19	1988-04-06	PL'S MOT FOR CONTINUANCE AND LEAVE TO TAKE DISCOVERY PERIODS
18	1987-12-22	D'S MOT FOR EXTEN. OF TIME W/ CONSENT
17	1987-10-21	TRIAL DATES RESET
16	1987-09-25	P'S MOT FOR EXTEN. OF TIME W/ CONSENT
15	1987-07-10	TRIAL DATES RESET
14	1987-06-26	P'S MOT FOR EXTEN. OF TIME W/ CONSENT
13	1987-03-30	PROCS RESUMED; TRIAL DATES SET
12	1987-03-10	ANSWER
11	1986-11-03	D'S MOT FOR EXTEN. OF TIME W/ CONSENT
10	1986-10-01	D'S MOT FOR EXTEN. OF TIME W/ CONSENT
9	1986-09-05	D'S MOT FOR EXTEN. OF TIME W/ CONSENT
8	1986-08-08 1986-09-02	ANSWER DUE (DUE DATE)
7	1986-07-30	D'S MOT FOR EXTEN. OF TIME W/ CONSENT
6	1986-07-01 1986-07-31	ANSWER DUE (DUE DATE)
5	1986-06-27	D'S MOT FOR EXTEN. OF TIME W/ CONSENT
4	1986-05-28	D'S MOT FOR EXTEN. OF TIME W/ CONSENT
3	1986-04-21	PENDING, INSTITUTED
2	1986-04-21 1986-06-02	NOTICE SENT; ANSWER DUE (DUE DATE)
1	1986-02-18	FILED AND FEE

Defendant Name Information:

BIC CORPORATION

Owner Address:

WILEY STREET

MILFORD, CT 06460

Correspondence Address:

ALLEN S. LIPSON

C/O BIC CORPORATION

WILEY STREET

MILFORD, C 06460

Defendant Property Information:

Serial Number: 73489557

Registration Number: 1721780

International Classes: 016

Application Status: 702 - Registered - Section 8 (6-year) accepted & Section 15 acknowledged

Application Status Date: 1999-02-03

Application Location: 900 - Warehouse (Newington)

Application Date in Location: 1999-03-25

Law Office Assigned: G40 - TMEO Law Office #12

Attorney: CHERYL A DUBOIS

Domestic Representative:

Application Charged to Location:

Application Charged to Employee:

Registration Date: 1992-10-06

Examiner Name: DEBORAH S COHN

Mark: BIRO

Application Filing Date: 1984-07-12

Plaintiff Name Information:

**ESTATE OF LADISLAO JOSE BIRO, BY HIS HEI RS, ELIZABETH SCHICK BIRO AND
MARIANNA B IRO**

Owner Address:

BUENOS AIRES, AR

Correspondence Address:

CUSHMAN, DARBY & CUSHMAN

ATTN: EDWARD M. PRINCE

1615 L STREET, N.W.

WASHINGTON, DC 20036

Plaintiff Property Information:

Serial Number: 0

Registration Number: 0

Adversary Proceeding Data

Proceeding Number: 92018271
Proceeding Status and Date: Terminated 1992-01-14
Interlocutory Attorney Name: BETH A CHAPMAN
Proceeding Location: 900 - Warehouse (Newington)
Proceeding Location Date: 1996-07-11
Proceeding Charged To Location: 000 - Unknown
Proceeding Charged To Employee Name:
Date Proceeding Filed: 1989-09-06

Prosecution History

Entry#	Entry Date	Due Date	History Text
11	1992-01-14		TERMINATED
10	1992-01-08		BOARD'S DECISION: DISMISSED W/ PREJUDICE
9	1991-12-16		STIP MOT TO DISMISS OPP W/PREJ
8	1991-03-29		PROCS RESUMED; TRIAL DATES RESET
7	1990-06-13		P'S RESPONSE TO D'S MOT FOR RECON OR FO R SJ
6	1990-05-25		STIP. TO SUSPEND PENDING S.J. IN OPP. 73,600
5	1990-01-12		TRIAL DATES SET
4	1989-12-26		ANSWER
3	1989-11-13		PENDING, INSTITUTED
2	1989-11-13	1989-12-26	NOTICE SENT; ANSWER DUE (DUE DATE)
1	1989-09-06		FILED AND FEE

Defendant Name Information:

BIC CORPORATION
Correspondence Address:
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NEW YORK, NY 10036

Defendant Property Information:

Serial Number: 72100685
Registration Number: 726520
International Classes:
Application Status: 700 - Registered
Application Status Date: 1992-01-14
Application Location: 900 - Warehouse (Newington)
Application Date in Location: 1992-01-21
Law Office Assigned: 000 - Unknown
Attorney:
Domestic Representative:
Application Charged to Location:

Application Charged to Employee:

Registration Date: 1962-01-16

Examiner Name:

Mark: BIRO

Application Filing Date: 1960-07-12

Plaintiff Name Information:

**ESTATE OF LADISLAO JOSE BIRO, BY HIS
HEIR, MARIANNA BIRO**

Correspondence Address:

CUSHMAN, DARBY & CUSHMAN

1615 L STREET, N.W., 11TH FL

WASHINGTON, DC 20036

Plaintiff Property Information:

Serial Number: 0

Registration Number: 0

TTAB

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08-15-2002

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August 15, 2002

VIA EXPRESS MAIL

Trademark Trial and Appeal Board
United States Department of Commerce
Patent and Trademark Office
2900 Crystal Drive
Arlington, VA 22202-2513
Box: TTAB NO FEE

Re: Saint-Gobain Abrasives, Inc. v. Unova Industrial Automation Systems, Inc., Cancellation No. 92040569

Dear Sir or Madam:

On behalf of Petitioner, Saint-Gobain Abrasives, Inc., I am enclosing a Reply Memorandum of Law in Support of Petitioner's Cross-Motion to Dismiss Respondent's Affirmative Defenses and an accompanying postcard, which we request that you stamp and return to us.

Thank you for your consideration in attending to this matter.

Respectfully submitted,

Hara Jacobs
Hara K. Jacobs

HKJ/sfs
Enclosures

cc (w/encl.): Steven L. Permut, Esquire