

ESTTA Tracking number: **ESTTA313919**

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

Proceeding	92051170
Party	Plaintiff O2Micro International Limited
Correspondence Address	Teresa C. Tucker Grossman Tucker Perreault & Pflieger PLLC 55 South Commercial Street Manchester, NH 03101 UNITED STATES ttucker@gtp.com
Submission	Reply in Support of Motion
Filer's Name	Teresa C. Tucker, NH bar member
Filer's e-mail	ttucker@gtp.com
Signature	/tct/
Date	10/28/2009
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cancellation set forth in the Petition for Cancellation. Such a claim was not asserted by Petitioner. Respondent may not raise an equitable defense to a claim that was not pleaded.

It is clear that Respondent is confusing two separate legal arguments. Respondent appears to be attempting to either add an affirmative defense based on an allegation of lack of standing, or bypass a Motion to Dismiss for lack of standing which it could have submitted instead of an Answer. To withstand a Motion to Dismiss in a case such as this, a Petitioner must properly plead two elements, (1) its standing and (2) state a statutory ground for cancellation. In the present case, Petitioner's standing is based on the allegation of Petitioner of likelihood of confusion between the respective marks resulting in damage to the Petitioner. The registration which is the subject of this proceeding issued more than five years prior to the filing of this petition to cancel. Therefore, this allegation is not a valid statutory ground for cancellation. However, Petitioner's averments of likelihood of confusion between the respective marks and damage resulting therefrom are proper allegations of the standing of the Petitioner with respect to the pleaded grounds of fraud and abandonment. *Liberty Trouser Col, Inc. v. Liberty & Co., Ltd.*, 222 U.S.P.Q. 357, (T.T.A.B. 1983). Thus, Petitioner has only brought into issue of likelihood of confusion to satisfy the pre-requisite of standing and not as ground for cancellation.

Courts have stated that motions to strike affirmative defenses are not to be granted "unless it appears to a certainty that plaintiffs would succeed despite *any* state of the facts which could be proved in support of the defense." *Glenside West Corp. v. Exxon Co.*, 761 F. Supp. 1100, 1114 (D.N.J. 1991) (emphasis added) (quotations and citations omitted). Therefore, motions to strike may be granted only "when a defense is legally insufficient under any set of facts which may be inferred from the allegations of the pleading." *Glenside West Corp.* at 1115. Even assuming *arguendo* that Respondent was able to prove that the parties' marks have coexisted for many years without any instance of actual confusion, Petitioner would still succeed because such arguments would have no bearing on the pleaded grounds of fraud and abandonment raised in the Petition for Cancellation.

Based on the foregoing, Respondent's second Affirmative defense is insufficient and should be stricken.

Respondent's Third Affirmative Defense Should be Stricken

Respondent argues that its estoppel defense is proper in light of Petitioner's failure to allege reasonable damages and Respondent's proposed new affirmative defense of lack of standing. The Board has held that the equitable defense of estoppel is not available against claims of fraud and abandonment because there exists a public policy interest in addition to a private interest in removing from the register those registrations procured or maintained by fraud and those registrations for marks that have been abandoned. *Treadwell's Drifters Inc. v. Marshak*, 18 USPQ2d 1318, 1320 (TTAB 1991) (noting that laches and estoppel are not available against a claim of fraud because it is in the public interest to prohibit registrations procured or maintained by fraud).

The reason for this rule is quite simple - the interest vindicated by Section 14 is not just the injury to the challenging party, but the integrity of the register. Where the interest at issue is the integrity of the federal register, a statute of limitations should not operate to frustrate that interest. *See Harjo v. Pro Football, Inc.*, 30 U.S.P.Q.2d 1828, 1831 (T.T.A.B. 1994) ("The Board has held that the equitable defenses of laches and estoppel are not available against claims of fraud and abandonment because there exists a broader interest--a 'public policy' interest--in addition to a private interest in removing from the register those registrations procured or maintained by fraud and those registrations for marks that have been abandoned.")

Petitioner has alleged reasonable damage based on its averments of likelihood of confusion as discussed above, and thus Petitioner's allegations of standing are sufficient.

Based on the foregoing, Respondent's third Affirmative defense to Petitioner's claim is insufficient and should be stricken.

Respondent's Fifth Affirmative Defense Should be Stricken

Respondent argues that its Fifth Affirmative Defense is proper and should not be stricken because Respondent has standing to assert a counterclaim from its position as a defendant in a

cancellation proceeding. As stated previously, Petitioner has not pleaded a prior trademark registration and likelihood of confusion as grounds for the Petition for Cancellation, but has identified its trademarks and registrations as they relate to Petitioner's standing and potential damage. Thus, there is no pleaded registration against which Respondent could bring a counterclaim for cancellation.

Based on the foregoing, Respondent's fifth Affirmative Defense is immaterial and insufficient and should be stricken.

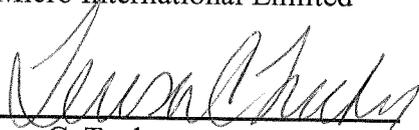
Respondent's Sixth Affirmative Defense Should be Stricken

Respondent argues that its Sixth Affirmative Defense regarding its substitute/additional specimen is proper and should not be stricken because its specimen was submitted within Respondent's renewal grace period and is highly relevant to the cancellation proceeding based on fraud and abandonment. Respondent argues that it did not attempt to amend its registration; rather it merely filed an additional specimen with the Renewal Unit. However, in its cover letter to the Renewal Unit, Respondent several times refers to the specimen as a substitute. Now, Respondent conveniently describes its specimen as "additional" rather than as a substitute to compensate for the fact that it has attempted to intentionally alter the record outside of the purview of the Board. Regardless of semantics, the Respondent is clearly making an attempt to cure its fraudulent statements and so Petitioner maintains its previously submitted arguments as to why this defense should be stricken.

WHEREFORE, Petitioner respectfully moves that its Motion to Strike the second, third, fifth and sixth Affirmative Defenses of Respondent's Answer be granted in all respects.

O2Micro International Limited

Dated: 10-28-09

By: 

Teresa C. Tucker
Attorney for Petitioner
Grossman, Tucker, Perreault & Pflieger, PLLC
55 S. Commercial Street
Manchester, NH 03101
603-668-6560
Email ttucker@gtp.com

CERTIFICATE OF SERVICE

It is hereby certified that a true and complete copy of the subject Petitioner's Reply to Registrant's Response to Petitioner's Motion to Strike Affirmative Defenses of Respondent was served upon the Respondent via First Class mail, postage prepaid, this 28th day of October, 2009 to the following address:

Linda Kurth
Baker & Rannells PA
575 Route 28, Suite 102
Raritan NJ 08869

By: 
Teresa C. Tucker