

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

Linnehan

Mailed: April 14, 2010

Cancellation No. 92051170

O2Micro International Limited

v.

O2 HOLDINGS LIMITED

**Before Bucher, Zervas, and Mermelstein,
Administrative Trademark Judges.**

By the Board:

Petitioner seeks to cancel respondent's registration¹ for the mark O2 for "computer hardware and computer operating system software, and instructional manuals therefor sold as a unit therewith" in International Class 9. As grounds for cancellation, petitioner alleges that respondent committed fraud in the procurement of the renewal of its registration and that the mark has been abandoned.²

¹ U.S. Registration No. 2231093, issued March 9, 1999, reciting September 28, 1996, as the date of first use and date of first use in commerce.

² Although the allegation of fraud was made prior to the August 31, 2009, decision of *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938 (Fed. Cir. 2009), petitioner is advised that any determination of the merits of its alleged ground of fraud will be in accordance with *In re Bose Corp.*, which clarified the standard for proving fraud in cases before the United States Patent and Trademark Office. The Board makes no determination herein as to the merits of petitioner's claim of fraud.

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Respondent denied the salient allegations in its answer.

This case now comes up for consideration of the following motions:

- (1) petitioner's motion (filed September 28, 2009) to strike the second, third, fifth, and sixth affirmative defenses from respondent's answer (the motion is fully briefed);
- (2) respondent's motion (filed October 14, 2009) for summary judgment for lack of standing or, alternatively, to amend its answer (the motion is fully briefed);
- (3) petitioner's cross-motion (filed November 5, 2009) for summary judgment on the issues of fraud and abandonment; and
- (4) respondent's motion (filed November 24, 2009) to strike petitioner's cross-motion for summary judgment or, alternatively, to suspend respondent's time to respond to the cross-motion for summary judgment (a brief in response has not been filed).

Motion to Strike

We turn first to consider petitioner's motion to strike the second, third, fifth, and sixth (the first part) affirmative defenses from respondent's answer.

The four affirmative defenses at issue are set forth as follows:

[2] As for the second defense, the Petition to Cancel is barred by the doctrines of laches and waiver in that the Petitioner's Marks have coexisted with Registrant's Mark since at least 2001 without prior objection from Petitioner.

[3] As a third defense, the Petition to Cancel is barred by the doctrine of estoppel in that the United States Patent and Trademark Office ("USPTO")

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issued an office action with regard to one of Petitioner's applications in which the Examining Attorney cited Registrant's Mark in a 2(d) refusal to register. Teresa Tucker, the attorney who filed the instant Petition to Cancel, successfully responded that Registrant's Mark and Petitioner's Mark were so dissimilar in name and with respect to the goods on which each party used its Mark that no likelihood of confusion was likely to occur. The Examining Attorney at the USPTO relied on the statements of Ms. Tucker, removed the 2(d) citation and allowed Petitioner's Mark to register.

...

[5] As and for a fifth defense, Petitioner may have committed fraud on the USPTO for failure to use one of its Marks in association with its goods by not either directly applying its Mark on its goods or on its point of sale material, or the like; Applicant reserves the right to file an Amended Answer with Counterclaims after discovery commences and discoverable evidence is produced of said fraud.

[6] As and for the sixth defense, Registrant denies the allegations in paragraphs six (6) through thirteen (13) of the Petition to Cancel, but affirmatively states that a substitute/additional specimen has been submitted showing Registrant's goods bearing Registrant's Mark on its goods that was in use in commerce within one year before the end of the ten-year period after the date of registrant pursuant to TMEP § 1604.12(c)(2).

In its motion, petitioner argues that these four defenses are legally insufficient and/or immaterial and should be stricken. Specifically, petitioner contends that the second and third affirmative defenses are unrelated to the pleaded claims; that the fifth affirmative defense is unavailable to respondent inasmuch as petitioner "has not pleaded a prior registration" and the manner in which petitioner uses its trademark in commerce would not form the

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basis of an allegation of fraud anyway; that the sixth affirmative defense is redundant and insufficient to the extent that in its answer respondent has denied the allegations set forth in paragraphs six through thirteen of the petition to cancel and, at a minimum, the first half of respondent's sixth affirmative defense should be stricken.³

The Board may, upon motion or by its own initiative, order stricken from a pleading any insufficient defense or any redundant, immaterial, impertinent, or scandalous matter. See Fed. R. Civ. P. 12(f). Motions to strike are not favored, and matter will not be stricken unless it clearly has no bearing upon the issues under litigation. See, e.g., *FRA S.p.A. v. Surg-O-Flex of America, Inc.*, 194 USPQ 42, 46 (SDNY 1976); *Leon Shaffer Golnick Advertising, Inc. v. William G. Pendil Marketing Co., Inc.*, 177 USPQ 401, 402 (TTAB 1977).

With regard to respondent's second and third affirmative defenses, the equitable defenses such as those asserted by respondent are unavailing against claims of fraud and abandonment. See *TBC Corp. v. Grand Prix, Ltd.*, 12 USPQ2d 1311 (TTAB 1989), *Bausch & Lomb, Inc. v. Leupold & Steven Inc.*, 1 USPQ2d 1497 (TTAB 1986). It is in the public

³ Petitioner states that the first sentence should be stricken, but we note that the sixth affirmative defense contains only one sentence. We construe petitioner's statement to mean the first half of the sixth affirmative defense.

interest to remove such registrations from the register. Accordingly, we hereby strike these defenses.

With regard to respondent's fifth affirmative defense, such a defense is really not a defense, but rather merely a statement of the possibility that respondent may seek to modify or supplement the answer. Given the general nature of this statement, we see no need to strike it. That said, the paragraph is essentially meaningless; with or without the statement, the standard for amending a pleading is that set out in Fed. R. Civ. P. 15.

With regard to respondent's sixth affirmative defense, we see no reason to strike the first half of the sentence to the extent that respondent is merely reiterating its previous denial of the allegations of paragraphs six through thirteen of the petition to cancel.

In summary, petitioner's motion to strike is granted, in part, as to respondent's second and third affirmative defenses and denied, in part, as to respondent's fifth and sixth affirmative defenses.

Motion for Summary Judgment/Motion for Judgment on the Pleadings

We next turn to respondent's motion for summary judgment on the issue of petitioner's lack of standing.

A party may not file a motion for summary judgment under Trademark Rule 2.127(e)(1) until that party has made its initial disclosures, except for a motion asserting claim

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or issue preclusion or lack of jurisdiction by the Board. See Trademark Rule 2.127(e)(1); *Compagnie Gervais Danone v. Precision Formulations LLC*, 89 USPQ2d 1251, 1255 (TTAB 2009). The requirement that a party serve its initial disclosures prior to or concurrently with the filing of a motion for summary judgment cannot be waived.⁴ Because the record herein indicates that respondent has not served its initial disclosures, the motion for summary judgment is premature and is denied on that basis.

We also deny respondent's alternative motion for leave to amend its answer to add the affirmative defense that petitioner lacks standing. Respondent's argument that petitioner lacks standing is one which may be advanced without first pleading it as an affirmative defense inasmuch as petitioner must prove its standing as a threshold matter in order to be heard on its substantive claims. See e.g., *Lipton Industries v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 CCPA 1982).⁵

⁴ Respondent's contention that standing is a jurisdictional issue and, therefore, falls within the exception of Trademark Rule 2.127(e)(1), is not well-taken.

⁵ We note, however, that respondent's theory that petitioner lacks standing because it has "admitted" that its registrations were not pleaded is without merit to the extent that petitioner pleads ownership of five registrations in the first paragraph of the petition to cancel. Petitioner "admitted" only that its registrations were not pleaded as a ground for cancellation, i.e., as a bar to registration under Trademark Act § 2(d). On the other hand, petitioner specifically maintains that its registrations were pleaded as a basis for its standing in this matter (Motion to Strike, pg. 5).

Motion to Strike Cross-Motion for Summary Judgment

We next consider respondent's motion to strike petitioner's cross-motion for summary judgment or to suspend its time to file a brief in response to petitioner's motion for summary judgment. Respondent's contends that petitioner's cross-motion for summary judgment is not germane to the issue of standing raised in its motion for summary judgment. We find that petitioner's cross-motion is germane to the motion for summary judgment filed by respondent. See TBMP Section 528.03 (2d ed. rev. 2004).

In view thereof, we deny respondent's motion to strike the cross-motion for summary judgment, but hereby grant respondent's motion to suspend its time to file a brief in response to the cross-motion.

Accordingly, respondent is allowed **thirty days** from the date set forth above to file a brief in response to petitioner's cross-motion for summary judgment.

Proceedings remain otherwise suspended.