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

Proceeding	92054241
Party	Plaintiff Retail Brand Alliance, Inc.
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Attachments	Motion to strike affirmative defenses.pdf ( 14 pages )(44368 bytes )

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

In the Matter of Registration No. 1918153  
Registered: September 12, 1995

-----X  
Retail Brand Alliance, Inc.,

Petitioner,

v.

Hong Kong City Toys Factory Limited

Registrant,  
-----X

Cancellation No. 92054241

Mark: BROOKE

Registration No. 1918153

Issued: September 12, 1995

PETITIONER'S MOTION TO STRIKE REGISTRANT'S FIRST, SECOND, AND FIFTH  
THROUGH TENTH AFFIRMATIVE DEFENSES

Petitioner, Brooks Brothers Group, Inc. ("Brooks Brothers") f/k/a Retail Brand Alliance, Inc. ("RBAI") by its attorneys Baker and Rannells, PA, hereby moves to strike several affirmative defenses of Registrant, Hong Kong City Toys Factory Limited ("Registrant"), within its Answer to the Petition for Cancellation. For the foregoing reasons, the alleged defenses do not provide Petitioner with legally sufficient or legally supportable defenses to the Petition for Cancellation. As such, the defenses are insufficient.

This motion is made within the time prescribed in Fed.R.Civ.P. Rule 12(c) and is thereby timely. Insofar as the motion falls under Fed.R.Civ.P 12(f), the Board has discretion to hear the same at this time. To the extent that the motion requires the Board to look beyond the pleadings, the motion may be considered a motion for partial summary judgment pursuant to Fed.R.Civ.P. Rule 56(c).

Petitioner feels this motion will be helpful in narrowing and limiting the issues in this proceedings and thereby also serving as a guide in conducting discovery. As stated in 2A

*Moore's Federal Practice* paragraph 12.21[3]:

Although courts are reluctant to grant motions to strike, where a defense is legally insufficient, the motion should be granted in order to save the parties unnecessary expenditure in time and money in preparing for trial.

Petitioner's grounds for this motion are set forth below.

### **Registrant's First Affirmative Defense Should Be Stricken**

Petitioner contends that the First Affirmative Defense should be stricken in its entirety.

The affirmative defense is as follows:

#### **FIRST DEFENSE**

Retail Brand Alliance, Inc. is not the current owner of U.S. Trademark Application Serial No. 85/176,492, and is thus not a proper party to this proceeding.

On August 8, 2011, RBAI changed its name to Brooks Brothers Group, Inc. A change of name was filed with the USPTO at Reel/Frame 4602/0472 in connection with all RBAI applications and registration, including Serial No. 85176491, the application alleged in the Petition for Cancellation. Pursuant to TBMP §512.01 *et seq.*, the Board on its own, or Petitioner by way of motion, may amend the caption in this proceeding to reflect the change of Petitioner's recent name change. To the extent that the Board did not yet have an opportunity to make a change in the caption, simultaneous with the filing of this motion, Petitioner has filed a motion for a change of name in the caption. As such, Registrant's First Affirmative Defense is moot and should be stricken.

## Registrant's Second Affirmative Defense Should Be Stricken

Petitioner contends that the Second Affirmative Defense should be stricken in its entirety.

The affirmative defense is as follows:

### SECOND DEFENSE

Petitioner's Petition for Cancellation fails to state a claim upon which relief can be granted.

"Failure to state a claim upon which relief can be granted is not an affirmative defense."

*Blackhorse v. Pro Football Inc.*, 98 USPQ2d 1633, 1637 (TTAB 2011). *See also Harjo v. Pro Football Inc.*, 30 USPQ2d 1828, 1830 (TTAB 1994).

Regardless, registrant's asserted defense questions the sufficiency of Petitioner's pleading. While Rule 12(b) permits Registrant to assert the above defense, "it necessarily follows that a plaintiff may utilize this assertion to test the sufficiency of the defense in advance of trial by moving . . . to strike the 'defense' from the defendant's answer." *Order of Sons of Italy in America v. Profumi Fratelli Nostra AG*, 36 USPQ2d 1221, at 1222-1223 (TTAB 1995), *citing S.C. Johnson & Son Inc. v. GAF Corporation*, 177 USPQ 720 (TTAB 1973).

The following factors set forth in *Order of Sons of Italy* govern a motion to strike a defense of failure to state a claim upon which relief may be granted.

1. To withstand a motion to dismiss for failure to state a claim upon which relief can be granted, an Petitioner need only allege such facts as would, if proved, establish that (1) the Petitioner has standing to maintain the proceeding, and (2) a valid ground exists for opposing registration.
2. For purposes of determining a motion to dismiss for failure to state a claim upon which relief can be granted, all of Petitioner's well-pleaded allegations must be accepted as true, and the Notice of Opposition must be construed in the light most favorable to Petitioner.
3. Dismissal for insufficiency is appropriate only if it appears certain that the Petitioner is entitled to no relief under any set of facts which could be proved in support of its claim.

4. The standing question is an initial inquiry directed solely to establishing the personal interest of the plaintiff. An Petitioner need only show "a personal interest in the outcome of the case beyond that of the general public."

In the Petition for Cancellation, Petitioner has alleged, *inter alia*, the following:

- Petitioner is the owner of Trademark Application Serial No. 85176491 for the mark BROOKE for teddy bears in Class 28 which has been refused registration based upon Registrant's BROOKE mark, namely Reg. No. 1918153. (Pet. ¶4).
- Registrant has abandoned the mark covered by Reg. No. 1918153.
- Registrant has not used the mark covered by the Registration for at least three (3) years.
- Registrant has discontinued use of the mark covered by Reg. No. 1918153 for Registrant's Goods with the intent to abandon. Registrant intends not to resume use of such mark for the goods specified.

The foregoing allegations of abandonment are specifically set forth in Petitioner's pleading and, if proven, Petitioner will be entitled to the relief which it is seeking. Both the TBMP §309.03(c)(B) and Fed. R. Civ. P. 8(d)(2) allow the grounds of likelihood of confusion to be pled either directly or hypothetically. Fed. R. Civ. P. 8(d)(2) specifically provides "A party may set out two or more statements of a claims or defense alternatively or hypothetically, either in a single count or defense or in separate ones." Even if Petitioner's pleading is construed as a hypothetical pleading of likelihood of confusion, the Board has determined that that is appropriate, "where a Petitioner's standing is based on its inability to secure registration of its mark, albeit it is the senior user, because the registered mark has been cited as a reference by the Examining Attorney." *Home Juice Company v. Runclin Companies Inc.*, 231 USPQ 897, 899 (TTAB 1986) citing *John T. Clark Co. v. Colgate-Palmolive Co.*, 169 USPQ 498, 499 (TTAB 1971); *Yard-man, Inc. v. Getz Exterminators, Inc.*, 157 USPQ 100, 105 (TTAB 1968), citing *Old*

*Monk Olive Oil Co. v. Southwestern Coca-Cola Bottling Co.*, 118 F.2d 1015, 49, USPQ 192 (CCPA 1941).

Petitioner has stated a legally sufficient claim upon which relief can be granted and is entitled to an order striking Registrant's Second Affirmative Defense. *See, S.C. Johnson & Son, Inc. v. GAF Corp.*, 177 USPQ 720 (TTAB 1973). The defense pleaded is insufficient as a matter of law.

### **Registrant's Fifth Affirmative Defense Should Be Stricken**

Petitioner contends that the Fifth Affirmative Defense should be stricken in its entirety. The affirmative defense is as follows:

#### **FIFTH DEFENSE**

Registrant's [sic] claims are barred by the doctrines of laches and/or acquiescence.

Petitioner again assumes that this affirmative defense incorrectly identified the allegedly barred claims of Registrant, but should have identified Petitioner instead.

Regardless, to succeed in a laches, estoppel and/or acquiescence defense, the party alleging the same has the burden of establishing both unreasonable delay and prejudice from the delay. *See, Ralston Purina Co. v. Midwest Cordage Co., Inc.*, 153 USPQ 73, 75-76 (CCPA 1967). This takes on special meaning in a cancellation proceeding.

As stated in *National Cable Television Association Inc. v. American Cinema Editors Inc.*, 19 USPQ2d 1424, at 1432 [937 F2d 1572] (CAFC 1991):

Laches begins to run from the time action could be taken against the acquisition by another of a set of rights to which objection is later made. In an opposition or cancellation proceeding the objection is to the rights which flow from registration of the mark. . . . Moreover, an objection to registration does not legally equate with an objection to use, that is, a charge of infringement. [*citing cases*]

“Estoppel by laches precludes a party from bringing an action when the party knowingly failed to claim or enforce a legal right at the proper time.” *Blackhorse v. Pro Football Inc.*, 98 USPQ2d 1633, 1638 (TTAB 2011). In the present case, laches, estoppel and/or acquiescence would begin to run from the date Petitioner’s application was refused registration because of the continued registration of Registrant’s registration.

Here, Petitioner filed its petition upon receiving notice of the office action that cited the registration at issue, and Petitioner did an investigation into the use by Registrant of its registration. Upon discovering that Registrant has appeared to have abandoned its mark, Petitioner filed the instant petition. No such laches or acquiescence defenses can apply under these facts, and Petitioner is entitled to have these defenses stricken.

**Registrant’s Sixth Affirmative Defense Should Be Stricken**

Petitioner contends that the Sixth Affirmative Defense should be stricken in its entirety. The affirmative defense is as follows:

**SIXTH DEFENSE**

Registrant’s [sic] claims are barred by the doctrines of estoppel and/or waiver.

Petitioner again assumes that this affirmative defense incorrectly identified the allegedly barred claims of Registrant, but should have identified Petitioner instead.

It is well established that in order to prevail on an affirmative defense of estoppel, a party must plead (and later prove) not only the laches elements but also that Petitioner committed an affirmative act that induced Registrant to believe Petitioner abandoned any claim in the mark and that Registrant relied on that act to its own detriment. *See MCV Inc. v. King-Seeley Thermos Co.*, 10 USPQ2d 1287, 1290 (Fed. Cir. 1989); *National Cable Television Ass'n Inc. v. American*

*Cinema Editors Inc.*, 19 USPQ2d 1424, 1432 (Fed. Cir. 1991). The doctrine of estoppel may be invoked only by one who has been prejudiced by the conduct relied upon to create the estoppel, and a party may not therefore base its claim for relief on the asserted rights of strangers with whom it is not in privity of interest. See *Textron, Inc. v. The Gillette Company*, 180 USPQ 152, 154 (TTAB 1973) (internal citations omitted). See TTAB Order, September 5, 2009, in *Carlos A Castro v. Rick Cartwright*, Opposition Number 91188477, at <http://ttabvue.uspto.gov/ttabvue/ttabvue-91188477-OPP-12.pdf>

Registrant has not alleged any affirmative act by Petitioner on which Registrant relied to his detriment. Registrant has not alleged that it was induced in any way by conduct of Petitioner or that Registrant is in privity with the third parties who have assertedly used similar marks for similar goods with Petitioner's acquiescence. See *Gastown Inc. of Delaware v. Gas City Ltd.* 187 USPQ 760 (TTAB 1975). Therefore, Registrant failed to plead the essential elements of a defense based on estoppel and that defense should be stricken.

To prevail on an affirmative defense of waiver, Registrant must establish that Petitioner "relinquished a right with both knowledge of the existence of the right and an intent to relinquish it." *Christian Dior-New York, Inc. v. Koret, Inc.*, 229 USPQ 997, 1001 (2d Cir. 1986), see also *Bingham v. Zolt*, 823 F.Supp. 1126, 1132 (S.D.N.Y. 1993), aff'd 66 F.3d 553 (2d Cir. 1995). See also TTAB Order, September 5, 2009, in *Carlos A Castro v. Rick Cartwright*, Opposition Number 91188477, at <http://ttabvue.uspto.gov/ttabvue/ttabvue-91188477-OPP-12.pdf>. Registrant's assertion is insufficient on its face inasmuch as it fails to give Petitioner or the Board any factual basis for the defense. A bald assertion of waiver is sufficient, and Registrant has not provided any factual basis on which this alleged defense could be maintained. Therefore, the defense should be stricken.

## SEVENTH DEFENSE

Registrant's [sic] claims are barred in whole or in part by the doctrine of unclean hands.

Petitioner again assumes that this affirmative defense incorrectly identified the allegedly barred claims of Registrant, but should have identified Petitioner instead.

This defense must be stricken as it was improperly pleaded and insufficient. This defense provides no notice of the nature of the unclean hands defense and it does not detail the relationship between the Petitioner's alleged inequitable conduct and the Registrant's claim. Registrant includes no specific allegations of conduct by Petitioner that, if proved, would prevent Petitioner from prevailing on its claim. *See Midwest Plastic Fabricators Inc. v. Underwriters Laboratories Inc.*, 5 USPQ2d 1067, 1069 (TTAB 1987)

Rule 8 of the Federal Rules of Civil Procedure requires a "short and plain" statement of a claim or defense. Fed. R. Civ. P. 8(a) and (b). It is well settled that the Federal Rules intend a liberal pleading standard. *See Leatherman v. Tarrant County Narcotic Intelligence & Coordination Unit*, 507 U.S. 163, 168 (1993) (holding that federal courts may not impose a more demanding standard of pleading beyond "the liberal system of 'notice pleading' set up by the Federal Rules"). Indeed, Rule 8 expressly mandates that "[e]ach averment of a pleading shall be simple, concise, and direct." Fed. R. Civ. P. 8(e). However, Registrant's seventh affirmative defense includes no basis whatsoever for the unclean hands defense, including any context of the alleged misconduct. This defense clearly does not meet the threshold sufficiency requirements of Rule 8.

Moreover, Rule 9 of the Federal Rules of Civil Procedure requires that all pleadings of fraud or mistake "shall be stated with particularity." Fed. R. Civ. P. 9(b). To the extent that

defendant's seventh affirmative defense may involve fraud it is also subject to the particularity requirement of Rule 9(b), and clearly is insufficient. Registrant failed to articulate any basis for its allegation concerning Petitioner's alleged unclean hands.

The defense of unclean hands requires "an immediate and necessary relation" between a party's alleged misconduct and the equity sought by that party. *See Keystone Driller Co. v. General Excavator Co.*, 290 U.S. 240 (1933) ("[Courts] apply the maxim requiring clean hands only where some unconscionable act of one coming for relief has immediate and necessary relation to the equity that he seeks in respect of the matter in litigation."). Indeed, in the Third Circuit, this nexus is "the primary principle guiding application of the unclean hands doctrine." *New Valley Corp. v. Corporate Prop. Assocs. 2 & 3*, 181 F.3d 517, 525 (3d Cir. 1999). Registrant's affirmative defense fails to disclose any relationship between any alleged inequitable conduct constituting Petitioner's allegedly unclean hands, and the cancellation at issue.

Registrant has not provided any factual basis on which this alleged defense could be maintained. It does not include specific facts showing conduct that, if proved, would prevent Petitioner from prevailing on its claims. *Midwest Plastic Fabricators Inc. v Underwriters Laboratories, Inc.*, 5 USPQ2d 1067, 1069. Here, Registrant's defense is unclear, non-specific, irrelevant or merely conclusory. *Id.* Petitioner is entitled to have this defense stricken.

### **Registrant's Eighth Affirmative Defense Should Be Stricken**

Petitioner contends that the Eighth Affirmative Defense should be stricken in its entirety. The affirmative defense is as follows:

#### **EIGHTH DEFENSE**

Petitioner's Petition for Cancellation fails to plead the necessary and operative facts in sufficient detail to provide Registrant with adequate notice of the grounds supporting the Petition for Cancellation.

This affirmative defense mirrors Registrant's Second Affirmative Defense that Petitioner allegedly failed to state a claim upon which relief can be granted. As Petitioner already stated, it has pleaded sufficient facts that, if proved, establish that the Petitioner has standing to maintain the proceeding, and a valid ground exists for opposing the continuation of the registration.

37 CFR § 2.112(a) provides, "The petition for cancellation must set forth a short and plain statement showing why the petitioner believes he, she or it is or will be damaged by the registration, state the grounds for cancellation, and indicate, to the best of petitioner's knowledge, the name and address of the current owner of the registration." Petitioner has stated sufficient grounds based on the refusal to register its mark because of the registration at issue, and that such registration should be cancelled as a result of abandonment. The petition is clear and sufficient.

The elements of a claim should be stated simply, concisely, and directly. See Fed. R. Civ. P. 8(e)(1). However, the pleading should include enough detail to give the defendant fair notice of the basis for each claim. See *Ohio State University v. Ohio University*, 51 USPQ2d 1289, 1292 (TTAB 1999) (since purpose of pleadings is to give fair notice of claims Board may in its discretion decline to strike even objectionable pleadings where their inclusion will not prejudice adverse party but rather will provide fuller notice of basis for claim); *Levi Strauss & Co. v. R. Josephs Sportswear Inc.*, 28 USPQ2d 1464, 1471 (TTAB 1993), recon. denied, 36 USPQ2d 1328, 1330 (TTAB 1994) (although pleading need not allege particular "magic words" pleading of mere descriptiveness in this case could not be logically interpreted as asserting that applicant is not the owner of the mark); *Harsco Corp. v. Electrical Sciences Inc.*, 9 USPQ2d 1570, 1571

(TTAB 1988) (since function of pleadings is to give fair notice of claim, a party is allowed reasonable latitude in its statement of its claims).

Evidentiary matters should not be pleaded in a complaint, as they are matters for proof, not for pleading. *See McCormick & Co. v. Hygrade Food Products Corp.*, 124 USPQ 16, 17 (TTAB 1959). *Cf. Harsco Corp. v. Electrical Sciences Inc.*, 9 USPQ2d 1570, 1571 (TTAB 1988) (if evidentiary facts are pleaded, and they aid in giving a full understanding of the complaint as a whole, they need not be stricken). Here, Petitioner provided ample notice of its claims that Registrant has abandoned its registration and mark. Petitioner is entitled to have this defense stricken.

**Registrant's Ninth and Tenth Affirmative Defenses Should Be Stricken**

Petitioner contends that the Ninth and Tenth Affirmative Defense should be stricken in their entireties. The affirmative defenses are as follows:

**NINTH DEFENSE**

Petitioner has failed and neglected to use reasonable means to protect itself from its alleged damage and to minimize the alleged damage complained of in its Petition for Cancellation, and as a result, Petitioner's claims are barred.

**TENTH DEFENSE**

Petitioner cannot demonstrate that it will be damaged by the continued registration of the U.S. Trademark Registration No. 1,918,153.

These affirmative defenses make no sense. They are inappropriate in a cancellation proceeding, and as a result should be stricken. In its pleading, Petitioner stated that its application was refused registration based upon Registrant's BROOKE mark, namely Reg. No. 1918153. (Pet. ¶4). Such a refusal of registration alleges not only sufficient damage for purposes of a cancellation proceeding, but negates the need for Petitioner to have somehow

mitigated its damages. The continued registration of Registrant's mark casts a serious cloud on Petitioner's ability to use its proposed mark, one which Petitioner cannot have avoided in any manner. To the extent that Registrant is implying the Petitioner should have chosen another mark, that is not at issue in a cancellation proceeding based on abandonment. Petitioner believes that Registrant has made no use of its mark for more than three (3) years, and as a result Petitioner believes that the registration has become invalid and it has a right to register and use Petitioner's Mark. Mitigation of damages is not an issue in this kind of proceeding.

To the extent that these defenses raise the issue of standing, TBMP 309.03(b) provides that "any person who believes it is or will be damaged by registration of a mark has standing to file a complaint." At the pleading stage, all that is required is that a plaintiff allege facts sufficient to show a "real interest" in the proceeding, and a "reasonable basis for its belief of damage." *Id.* To plead a "real interest," plaintiff must allege a "direct and personal stake" in the outcome of the proceeding. *Id.* The allegations in support of plaintiff's belief of damage must have a reasonable basis "in fact." *Id.* However, there is no requirement that actual damage be pleaded or proved in order to establish standing or to prevail in an opposition or cancellation proceeding. *Id.* See *Liberty Trouser Co. v. Liberty & Co.*, 222 USPQ 357, 358 (TTAB 1983) (allegation of likelihood of confusion accepted as proper allegation of petitioner's standing with respect to pleaded grounds of fraud and abandonment); *Revco, D.S., Inc. v. Armour-Dial, Inc.*, 170 USPQ 48, 49 (TTAB 1971) (in seeking to cancel on ground of abandonment, plaintiff asserted proper hypothetical pleading of likelihood of confusion as its basis for standing). See also TBMP § 303.03 (Meaning of Damage), and cases cited therein.

TBMP 309.03(b) provides:

A real interest in the proceeding and a reasonable belief of damage may be found where plaintiff pleads (and later proves):

....

Plaintiff has been refused registration of its mark because of defendant's registration, or has been advised that it will be refused registration when defendant's application matures into a registration, or has a reasonable belief that registration of its application will be refused because of defendant's registration.

*See also Cervecería Modelo S.A. de C.V. v. R.B. Marco & Sons, Inc.*, 55 USPQ2d 1298, 1300 (TTAB 2000) and *Hartwell Co. v. Shane*, 17 USPQ2d 1569, 1570 (TTAB 1990).

Here, Petitioner's Petition includes statements that its application was refused registration because of the continued registration of Registrant's registration and that Registrant has not used its mark continuously in commerce for the required period of time for the assertion of claims of abandonment. As such, Petitioner has provided grounds for standing and to show its damages. Petitioner is entitled to have these affirmative defenses stricken.

WHEREFORE, Petitioner respectfully requests that Registrant's first, second, and fifth, through tenth affirmative defenses be stricken from its Answer.

Dated: August 29, 2011

Respectfully submitted for Petitioner  
Brooks Brothers Group, Inc. f/k/a  
Retail Brand Alliance, Inc.

By: /s/ Neil B. Friedman  
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Neil B. Friedman  
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was forwarded by first class postage prepaid mail by depositing the same with the U.S. Postal Service on this 29th day of August, 2011 to counsel for Registrant at the following address:

Todd Braverman Esq  
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1290 Avenue of the Americas  
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/Neil B. Friedman/  
Neil B. Friedman