ESTTA Tracking number: **ESTTA502989**
Filing date: **10/31/2012**

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

Proceeding	92054617
Party	Plaintiff Nouvelle Parfumerie Gandour
Correspondence Address	SCOTT R AUSTIN GORDON & REES LLP 200 S BISCAYNE BLVD , SUITE 4300 MAIMI, FL 33131 UNITED STATES saustin@gordonrees.com, msarah@gordonrees.com, mmims@gordonrees.com
Submission	Other Motions/Papers
Filer's Name	Scott R. Austin
Filer's e-mail	saustin@gordonrees.com, jaida@gordonrees.com, tfusco@gordonrees.com, lcravey@gordonrees.com
Signature	/Scott R. Austin/
Date	10/31/2012
Attachments	NPGv.YZY - Pet. Mt. to Strike and Suspend Proceedings.pdf (9 pages)(276685 bytes)

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

In the Matter of Trademark Registration Registration No.: 3,504,398 Serial No. 77/385,169 Filed: January 31, 2008 By: Y.Z.Y., Inc. For the Trademark: "BIO CLAIRE"	Cancellation No. 92054617
NOUVELLE PARFUMERIE GANDOUR, an Ivory Coast Corporation, Petitioner, v. Y.Z.Y., Inc., a Florida Corporation, Respondent.	

PETITIONER'S MOTIONS TO STRIKE THE FIRST, SECOND, THIRD AND FOURTH AFFIRMATIVE DEFENSES IN RESPONDENT'S ANSWER AND TO SUSPEND PROCEEDINGS

MOTIONS

Petitioner Nouvelle Parfumerie Gandour ("Petitioner") hereby moves pursuant to Fed. R. Civ. P. 12(f) and TBMP § 503 to strike the first, second, third and fourth affirmative defenses set forth in the Answer of Y.Z.Y., Inc. ("Respondent") as immaterial, impertinent, irrelevant or insufficient defenses.

Additionally, as the Board's determination of Petitioner's motion will affect the scope of discovery in this proceeding, Petitioner moves that the Board suspend this proceeding pending consideration of Petitioner's Motion to Strike and that, after the Board decides the motion, the deadlines for the initial discovery conference, discovery and trial be reset.

MEMORANDUM IN SUPPORT OF MOTIONS

Section 506.01 of the TBMP provides that the Board may, upon motion or upon its own initiative, "order stricken from a pleading any insufficient defense or any redundant, immaterial, impertinent, or scandalous matter." (3d ed. Rev. 2011); *see also* Fed. R. Civ. P. 12(f).

On this basis, Petitioner moves that the first affirmative defense for lack of standing be stricken because lack of standing is not an affirmative defense but an element of Petitioner's claim that has been sufficiently pled by Petitioner and is thereby impertinently pled as an affirmative defense by Respondent. Moreover, the defenses of laches and acquiescence set forth in the second and third defenses are also impertinently pled since these are inapplicable in an action involving identical marks used on identical goods, which is precisely at issue in this action. Finally, the Petitioner moves that the fourth affirmative defense for abandonment be stricken as inadequately pled, as it merely consists of a conclusory statement without appropriate factual allegations required for Petitioner to respond. Based upon the foregoing, and for the reasons discussed below, the Board should strike the first, second, third and fourth affirmative defenses in Respondent's Answer[1].

1. Respondent's First Affirmative Defense Regarding Lack Of Standing Is Not An Affirmative Defense

Lack of standing is not an affirmative defense[2]. *Blackhorse v. Pro Football, Inc.*, 98 U.S.P.Q.2D 1633, 1637 (TTAB 2011) *citing Harjo v. Pro Football Inc.*, 30 USPQ2d 1828, 1830 (TTAB 1994). Standing is an element of a petitioner's claim. *Id.* Petitioners must prove

[1] The facts upon which this motion is based are taken from Respondent's Answer and Affirmative Defenses To Petition For Cancellation dated October 11, 2012.

[2] "An affirmative defense assumes the allegations in the complaint to be true but, nevertheless, constitutes a defense to the allegations in the complaint. An affirmative defense does not negate the elements of the cause of action; it is an explanation that bars the claim. *Blackhorse v. Pro Football, Inc.*, 98 U.S.P.Q.2D 1633, 1637 (TTAB 2011) *citing Gwin v. Curry*, 161 F.R.D. 70, 71 (N.D. Ill. 1995) (the affirmative defense concept codifies the common law plea in confession and avoidance: "Each defendant either expressly or impliedly treats the factual allegations in a complaint as true, but then goes on to assert new matter that eliminates or limits the defendant's ordinary liability stemming from those allegations"), *Id citing Black's Law Dictionary*, p. 297 (6th ed. 1990).

standing as part of their case. *Id.* That is because standing and Petitioner's allegations of its prior, lawful use of a common law mark forming a reasonable basis for its belief that it will be damaged by Respondent's registration of the identical mark are essential elements of the *prima facie* case for cancellation which petitioner must establish. TBMP 309.03(b) *I.C.E. Mktg. Corp. v. Neutrogena Corp.*, 2009 TTAB LEXIS 469 * 6 (TTAB Jun. 16, 2009)[3]. Thus, 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, 1026 (CCPA 1982). The most common way to demonstrate standing is by proving ownership and use of a relevant U.S. trademark registration or a common law mark. *Havana Club Holding S.A. v. Jimmy Buffett*, 2003 TTAB LEXIS 129 * 11 (Mar 13, 2002)[4]. As between a foreign manufacturer and a United States distributor, the foreign manufacturer is presumed, absent evidence to the contrary, to be the owner of the mark in the United States. *See Sengoku Works Ltd. v. RMC International Ltd.*, 40 USPQ2d 1149 (9th Cir. 1996); *Bakker v. Steel Nurse of America Inc.*, 176 USPQ 447 (TTAB 1972). Since lack of standing is not an affirmative defense, Respondent's assertion of this defense should be stricken.

Petitioner has pled facts sufficient to establish its standing to bring this action. As the basis for its cancellation proceeding, Petitioner alleged in paragraphs 2 and 3 of its Complaint that Petitioner is the owner of the BIO CLAIRE Mark, having created, developed and used the mark on its cosmetic products in Ivory Coast, Africa. Moreover, Petitioner pled that Registrant was to serve as importer/distributor of these goods in the U.S. but that the parties understood that the BIO CLAIRE Mark was owned by Petitioner. As established by the Board in *Bakker* and the Ninth Circuit in *Sengoku Works Ltd.*, as between a foreign manufacturer and United States

[3] THIS OPINION IS NOT CITABLE AS PRECEDENT OF THE T.T.A.B.
[4] THIS OPINION IS NOT CITABLE AS PRECEDENT OF THE T.T.A.B.

distributor, the foreign manufacturer is presumed, absent evidence to the contrary to be the owner of the mark in the U.S. Thus, Petitioner is presumed to be the owner of the mark BIO CLAIRE and thus has standing to seek cancellation of Respondent's mark. Thus, Respondent's first affirmative defense should be stricken.

Additionally, Respondent's first affirmative defense should be stricken as redundant since it addresses matters upon which the Board has already ruled. Respondent pled in its Motion to Dismiss dated January 13, 2012, that Petitioner lacked standing. In view of the Petitioner's allegations, the Board found that Petitioner had standing to bring this cancellation action and denied Respondent's Motion to Dismiss. Thus, Respondent's first affirmative defense merely recites arguments pled previously by Respondent in its Motion to Dismiss upon which the Board has already ruled and should be stricken as redundant.

2. Respondent's Second And Third Affirmative Defense Of Laches And Acquiescence Is Inappropriate Given The Marks and Goods At Issue

Where the marks and goods involved are identical, laches, even if established, will not avoid a judgment in favor of the prior user *Chun King Corp. v Genii Plant Line, Inc.*, 403 F.2d 274, 743 (CCPA 1968); *Far-Best Corp. v Die Casting "ID" Corp.*, 165 USPQ 277, 280 (TTAB 1980) . Acquiescence as a defense is barred in such circumstance because protection of the public from confusion by trademarks dominates over any injury caused by delay or acquiescence. *Swank, Inc. v. Ravel Perfume Corp.*, 168 USPQ 723, 725 (1971 CCPA) *citing In re Avedis Zildjian Co.*, 157 USPQ 517 (1968) and *In re Continental Baking Co.*, 156 USPQ 514 (1968).

In *Far-Best Corp.*, the Board encountered facts analogous to those in the instant action. In that proceeding, the petitioner manufacturer brought a cancellation action against the respondent, who served as the manufacturer's exclusive retailer, and who had registered

manufacturer's marks. In that action, the Board held that "with regard to respondent's pleaded affirmative defense, where, as here, the marks and goods of the parties are identical, laches and acquiescence will not serve to preclude the granting of appropriate relief..." *Far-Best Corp.*, 165 USPQ at 280 *citing Menendez et al. v. Holt et al.*, 128 U.S. 514 (1888); *McLean v. Fleming*, 96 U.S. 245 (1878); *The Chunking Corporation v. Genie Plant Line, Inc.*, 159 USPQ 649 (CCPA, 1968).

Here, Petitioner instituted this cancellation proceeding on the same grounds as the petitioner in *Far-Best Corp.*, namely to cancel the registration improperly obtained by its distributor. In its Complaint, Petitioner seeks cancellation of Respondent's registration of the mark BIO CLAIRE (Reg. No. 3,504,398), because: (1) Petitioner is the true owner of the identical mark, BIO CLAIRE, (2) Respondent fraudulently obtained the BIO CLAIRE trademark registration; and (3) Respondent's use as Registrant of the registered BIO CLAIRE Mark will cause confusion, mistake or deceive as to the source of origin of Petitioner's goods since Registrant's use is on Petitioner's goods, or worse, counterfeit goods of inferior quality. Thus, like *Far-Best Corp.*, this case involves a trademark dispute between a manufacturer and its distributor over the unauthorized registrations obtained by the distributor.

As made clear by *Far-Best Corp.*, acquiescence and laches are inappropriate defenses in such actions since the marks and the goods associated with the marks are identical and likelihood of confusion is certain. Were such defenses permitted, the right of consumers to be free from confusion would be compromised. As stated above, protecting consumers from confusion is an overarching concern that outweighs a respondents right to be free from undue delay in a cancellation proceeding. Thus Respondent's second and third affirmative defenses should be stricken as impertinent given the facts present in this case.

3. Respondent's Fourth Affirmative Defense Of Abandonment Consists Of Mere Conclusory Allegations, Lacks The Requisite Particularity And Should Be Stricken As Insufficient

Respondent's fourth affirmative defense of abandonment should be stricken because, as pled, it is merely conclusory and fails to state any facts whatsoever, let alone facts that would give adequate notice of the basis for such defense. As TBMP § 300 makes clear, "a petition to cancel must include (1) a short and plain statement of the reason(s) why petitioner believes it is or will be damaged by the registration sought to be cancelled (see TBMP § 303.03 and TBMP § 309.03(b)) and (2) a short and plain statement of the ground(s) for cancellation. Likewise an affirmative defense "should include enough detail to give the plaintiff fair notice of the basis for the defense". TBMP § 311.02(b); See *IdeasOne Inc. v. Nationwide Better Health Inc.,* 89 USPQ2d 1952, 1953 (TTAB 2009)(Trademark Act § 18, 15 U.S.C. § 1068 claim or defense must be specific enough to provide fair notice to adverse party of restriction being sought); *Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1538 (TTAB 2007) (elements of each claim should include enough detail give fair notice of claim); and *Ohio State University v. Ohio University*, 51 USPQ2d 1289,1292 (TTAB 1999) (primary purpose of pleadings "is to give fair notice of the claims or defenses asserted"). Where a defense contains mere conclusory allegations that do not give a petitioner fair notice as to the specific conduct which provides the basis for the defense, the defense will be stricken by the Board. *Kiko Foods, Inc. v. Land O'Lakes, Inc.*, 1996 TTAB LEXIS 87 * 2 (Jun. 6, 1996) ("Applicant's pleading of bare legal conclusions as affirmative defenses is insufficient to give opposer fair notice of the bases therefore. Thus, the pleading is legally insufficient.")

Here, Respondent has failed to plead any facts in connection with its affirmative defense of abandonment sufficient to apprise Petitioner of what grounds support this affirmative defense

and what actions or inactions of Petitioner led to the alleged abandonment. Thus, the fourth affirmative defense should be stricken as it fails to apprise Petitioner of facts upon which the asserted defense is predicated and consists of a mere conclusory allegation.

CONCLUSION

For the foregoing reasons, Respondent's first, second, third and fourth affirmative defenses should be stricken. Moreover, the proceeding should be suspended pending consideration of Petitioner's motion to strike, and the deadlines for the initial discovery conference, discovery and trial periods should be reset accordingly.

Date: October 31, 2012

Respectfully submitted,

GORDON & REES LLP

/s/ Scott R. Austin
Scott R. Austin
Florida State Bar No. 434140
saustin@gordonrees.com
200 S. Biscayne Blvd, Suite 4300
Miami, FL 33131
Phone: (305) 668-4433
Fax: (877) 634-7245

CERTIFICATE OF ELECTRONIC FILING

I hereby certify that the above document was filed electronically with the Trademark Trial and Appeal Board on this 31st day of October, 2012.

GORDON & REES LLP

/s/Scott R. Austin
Scott R. Austin

Certificate of Mailing by "First Class U.S. Mail"

I hereby certify that a copy of this PETITIONER'S MOTION TO STRIKE THE FIRST, SECOND, THIRD AND FOURTH AFFIRMATIVE DEFENSES is being served by First Class U.S. Mail service to the below addressee on October 31st, 2012, as follows:

RICHARD S. ROSS, ESQ.
4801 S. UNIVERSITY DR. STE. 237
FT. LAUDERDALE, FL 33328-3836

Y.Z.Y., INC.
6300 N.W. 72ND AVENUE
MIAMI, FL 33166

Date of Mailing: October 31, 2012

Printed Name: Terry Fusco

Signature: