

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451
General Contact Number: 571-272-8500

CME

Mailed: April 14, 2014

Cancellation No. 92057413

William Jones

v.

Ellie Nahum

Christen M. English, Interlocutory Attorney:

Pursuant to Fed. R. Civ. P. 26(f) and Trademark Rule 2.120(a)(1) and (a)(2), the Board held a telephone discovery conference in this proceeding on April 10, 2014. Michael Sloan appeared on petitioner's behalf, Shahin Karimian appeared on respondent's behalf and assigned Interlocutory Attorney Christen English participated on the Board's behalf.

As an initial matter, Mr. Karimian provided the following updated correspondence address for respondent:

Shahin S. Karimian
Karimian Law Group
21051 Dumetz Road
Woodland Hills, CA 91364

The Board's records have been updated to reflect the change of correspondence address.

During the teleconference, the parties agreed to accept formal service of all papers by e-mail pursuant to Trademark Rule 2.119(b)(6). Petitioner's

e-mail address for service is sloanlegalconsulting@earthlink.net and respondent's e-mail address for service is SK@Karimianlg.com. The parties stated that they are not aware of any related proceedings between them or third party disputes regarding the marks at issue here.

During the telephone conference, the Board addressed the parties' pleadings and noted that petitioner has adequately pleaded his standing and claims for priority and likelihood of confusion, lack of *bona fide* use in commerce, non-ownership, fraud, and misrepresentation of source. The Board next addressed applicant's affirmative defenses.

Applicant agreed to withdraw his affirmative defense of failure to state a claim upon which relief can be granted. Accordingly, paragraph 31 of the answer is **STRICKEN**.

Paragraphs 32, 35-40 and 43 of respondent's answer are not proper affirmative defenses, but they amplify respondent's denials and provide fuller notice of how respondent intends to defend this cancellation proceeding. *See Ohio State University v. Ohio University*, 51 USPQ2d 1289, 1292 (TTAB 1999). Accordingly, the Board does not strike these paragraphs.

Respondent asserts an affirmative defenses of "unclean hands" in paragraph 33, but this defense is merely conclusory in nature. To the extent that paragraphs 41 and 42 of respondent's answer are intended as factual support for an allegation of unclean hands, the Board notes that the issues of libel, slander and counterfeiting fall outside of the Board's limited

jurisdiction, and therefore, are improper. See *Lincoln Logs Ltd. v. Lincoln Precut Log Homes, Inc.*, 971 F.2d 732, 23 USPQ2d 1701 (Fed. Cir. 1992); *Midwest Plastic Fabricators Inc. v. Underwriters Laboratories Inc.*, 5 USPQ2d 1067 (TTAB 1987). Moreover, it is a rule of equity that a plaintiff must come with ‘clean hands’, i.e., he must be free from reproach in his conduct. But there is this limitation to the rule: that his conduct can only be excepted to in respect to the subject matter of his claim; everything else is immaterial. Thus, a defense of unclean hands must be related to a plaintiff's claim, and misconduct unrelated to the claim in which it is asserted as a defense does not constitute unclean hands. *Tony Lama Company, Inc. v. Anthony Di Stefano*, 206 USPQ 176, 179 (TTAB 1980). It is not clear how the allegations in paragraphs 41 and 42 relate to petitioner's claims.

Accordingly, paragraphs 33 and 41-42 of the answer are **STRICKEN WITHOUT PREJUDICE**.

The allegations in paragraph 34 of respondent's answer are irrelevant to petitioner's claims, which are based on common law rights, and therefore, paragraph 34 of the answer is **STRICKEN**.

To the extent respondent is attempting to assert a defense of laches in paragraphs 44-46 of his answer, such a defense is not sufficiently pleaded because respondent has not alleged that petitioner's delay in filing the petition for cancellation was unreasonable and that respondent has been prejudiced by the delay. See *National Cable Television Association Inc. v.*

American Cinema Editors Inc., 19 USPQ2d 1424, 1432 (Fed. Cir. 1991) (A defendant asserting a defense of laches in a cancellation action must “establish both unreasonable delay and prejudice from the delay”). Similarly, respondent has not adequately pleaded a defense of acquiescence. *See Coach House Restaurant Inc. v. Coach and Six Restaurants, Inc.*, 934 F.2d 1551, 1564, 19 USPQ2d 1401, 1409 (11th Cir. 1991) (setting out the three elements of an acquiescence defense: (1) the plaintiff actively represented that it would not assert a right or claim; (2) the delay between the active representation and assertion of the right or claim was not excusable; and (3) the delay caused the defendant undue prejudice). Moreover, the availability of laches and acquiescence is ***severely limited*** in cancellation proceedings because “these defenses start to run from the date of registration, in the absence of actual knowledge before the close of the opposition period.” *See* TBMP 311.02(b) (3d. ed. rev.2 2013) (emphasis added) (internal parenthetical omitted); *see also National Cable*, 19 USPQ2d at 1432. Accordingly, paragraphs 44-46 of respondent’s answer are **STRICKEN WITHOUT PREJUDICE**.

Paragraph 47 is not an affirmative defense, but merely states the scope of discovery applicable in this proceeding, and therefore, this paragraph is **STRICKEN** from the answer. *See* TBMP § 402 (“A party may take discovery ... as to any matter which might serve as the basis for an additional claim, defense, or counterclaim.”).

The parties have engaged in preliminary settlement discussions, and during the teleconference, respondent indicated an intent to make a formal settlement offer in writing to petitioner. The Board strongly encourages the parties to work together to resolve this proceeding, if possible.

The Board next discussed ways to streamline the case by using Accelerated Case Resolution (“ACR”) or ACR-like efficiencies such as the possibility of the parties taking testimony by declaration, subject to the right of either party to cross examine, if desired.¹ Both parties expressed an interest in utilizing certain ACR-efficiencies and attempting to narrow the issues for trial if they are unable to reach settlement.

The Board’s standard protective order is applicable herein by operation of Trademark Rule 2.116(g) and is available here:

<http://www.uspto.gov/trademarks/process/appeal/guidelines/stndagmnt.jsp>

The parties are encouraged to acknowledge their obligations under the protective order in writing, and may utilize the following form:

<http://www.uspto.gov/trademarks/process/appeal/guidelines/ackagrmnt.jsp>

Both parties confirmed that they have served initial disclosures in this proceeding.

Lastly, the Board indicated that it is available for future telephone conferences to resolve contested matters, address scheduling issues, assist

¹ Additional information concerning ACR is provided in the Board’s order of March 21, 2014.

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the parties in developing stipulations of fact or negotiating an ACR plan, and to address other issues, as necessary, to move this case forward efficiently.

Dates remain as set in the Board's order of January 14, 2014.
