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

Proceeding	92058621
Party	Plaintiff Thru, Inc.
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Submission	Motion for Summary Judgment
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Signature	/s/ John M. Cone
Date	07/15/2014
Attachments	140715 MPSJ.pdf(16827 bytes) 140715 Exhibit A - Amended Answer.pdf(2160468 bytes)

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

In the Matter of Registration No. 4,478,345 DROPBOX

THRU INC., Petitioner,	§ § § § § § § §	Cancellation No. 92058621
v.		
DROPBOX, INC., Registrant.		

TO THE HONORABLE TRADEMARK TRIAL AND APPEAL BOARD

**THRU INC.’S MOTION FOR PARTIAL SUMMARY JUDGMENT
DENYING REGISTRANT’S FIRST, THIRD, FOURTH, FIFTH AND
SIXTH AFFIRMATIVE DEFENSES AND BRIEF IN SUPPORT**

In this cancellation petition, Thru Inc. (“Thru”) seeks cancellation of Dropbox, Inc.’s (“Registrant”) Registration No. 4,478,345. Petitioner now files this Motion for Partial Summary Judgment pursuant to Federal Rule of Civil Procedure 56 seeking judgment as a matter of law on the First, Third, Fourth, Fifth and Sixth Affirmative Defenses pled in Registrant’s Amended Answer to Petition. A copy of the Amended Answer is attached as Exhibit A.

A. The Petition Sets Forth Facts Sufficient to Entitle Thru to the Relief Sought.

As to the First Affirmative Defense, the Petition alleges that Thru has common-law, use-based rights in the trademark DROPBOX that have priority over any rights of Registrant in the mark of Registration No. 4,478,345. (Petition ¶¶ 1, 2).

The Petition further alleges that use by Registrant of the mark DROPBOX for the services of Registration No. 4,478,345 would be likely to cause confusion, or to cause mistake, or to deceive. (Petition ¶ 3).

These contentions sufficiently state a basis under 15 U.S.C. § 1052(d) for cancellation of Registration No. 4,478,345.

The Petition additionally states facts demonstrating that Thru has standing to bring the Petition as a person damaged by Registration No. 4,478,345 remaining on the register.

B. The Affirmative Defenses Based on Alleged Delay in Filing the Petition Fail as a Matter of Law.

Registration No. 4,478,345 issued on February 4, 2014 and Cancellation No. 92058621 was filed on the same day. It is axiomatic that a Petition for Cancellation cannot be filed before a registration issues. In this case, it is undisputable that the Petition was filed on the very first day possible. Nevertheless, Registrant seeks to assert the Affirmative Defenses of laches, acquiescence, waiver and estoppel, all of which are based on delay. The uncontroverted facts show that these defenses cannot be successful and should be denied now as a matter of law. Registrant claims that Petitioner “has had knowledge of Registrant’s use of the DROPBOX mark for years.” Amended Answer Section 8. This is irrelevant, because the determinative fact is the delay after cancellation became possible. Of course, because the opposition term on the application that resulted in Registration 4.478,345 closed on March 31, 2011, there was a period of almost three years, during which Thru had no ability to contest the Registrant’s right to register DROPBOX before this Board.

Allowing these defenses to remain will unnecessarily expand the scope of permissible discovery and obscure the real issue to be resolved, namely the respective priority of rights to the mark DROPBOX.

Accordingly, partial summary judgment striking Registrant's affirmative defenses of laches, acquiescence, waiver and estoppel is warranted.

1. Laches cannot bar the Petition.

Registrant has the burden of proving the Petition is barred by laches. The defense of laches must be related to Registrant's registration of its mark, not its use. *Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes Inc.*, 971 F.2d 732, 734 (Fed. Cir. 1992) (citing *National Cable Television Ass'n, Inc. v. American Cinema Editors, Inc.*, 937 F.2d 1572, 1571 (Fed. Cir. 1991)). There are three elements for the defense of laches: "(1) unreasonable delay in asserting one's rights, (2) lack of excuse for the delay, and (3) undue prejudice to the other party caused by the delay."

Bridgestone/Firestone Research, Inc. v. Automobile Club de l'Ouest de la France, 245 F.3d 1359, 1361 (Fed. Cir. 2001); *Westchester Media v. PRL USA Holdings, Inc.*, 214 F.3d 658, 668 (5th Cir. 2000).

Registrant has no evidence that would show unexcused delay. Indeed, there was no delay. The period for laches begins to run no earlier than the date of registration. *National Cable Television Ass'n, Inc.*, 937 F.2d at 1582. The record shows the Petition was filed on the very first day possible. The Board should grant partial summary judgment striking Registrant's Third Affirmative Defense of laches.

2. Acquiescence cannot bar the Petition.

The doctrine of estoppel by acquiescence applies where the owner of a right, by conveying to the defendant through affirmative word or deed, expressly or implicitly states that it will not assert the right. *Hitachi Metals Int'l, Ltd. v. Yamakyu Chain Kabushiki Kaisha*, 209 U.S.P.Q. 1056(7?), 1057 (T.T.A.B. 1981). Acquiescence requires an affirmative act and knowing consent. *Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F.3d 455, 463 (4th Cir. 1996); *Coach House Restaurant, Inc. v. Coach and Six Restaurants, Inc.*, 934 F.2d 1551, 1558 (11th Cir. 1991).

Registrant can point to no affirmative act by Thru that could provide a basis for the defense of acquiescence. In addition, like laches, the period of acquiescence does not begin to run until the registration issues. Once again, there was no delay. The Board should grant partial summary judgment striking Registrant's Fifth Affirmative Defense of acquiescence.

3. Thru has not waived its trademark rights.

Waiver is the intentional relinquishment of a known right. *Ironclad, L.P. v. Poly-America, Inc.*, No. Civ.A. 3:98-CV-2600, 2000 WL 1400762, at *14 (N.D. Tex. July 28, 2000). Waiver turns on the subjective intent of the plaintiff(?), so that a defendant must demonstrate plaintiff's actual intent to relinquish the right. *Id.*

Registrant can point to no evidence that Thru has ever manifested an unequivocal intention to no longer assert its trademark rights. The Board should grant partial summary judgment striking Registrant's Fourth Affirmative Defense of waiver.

4. Thru is not estopped from asserting its trademark rights.

Estoppel requires that as a result of reliance on a statement or act of Thru, Registrant has changed its position to its detriment. Registrant has not and cannot

plead any such statement or act by Thru, nor can it plead any way in which it has changed its position to its detriment.

Registrant may try to argue that the act or statement of Thru was it not filing a trademark infringement action contesting Registrant's use of the mark DROPBOX. Even if this constituted "act or statement," which it does not, Registrant cannot show that it changed its position to its detriment as a result of Thru's *not* filing infringement litigation. The Board should grant partial summary judgment striking Registrant's Sixth Affirmative Defense of equitable estoppel.

CONCLUSION

For the foregoing reasons, Thru respectfully requests that the Board grant this Motion for Partial Summary Judgment and enter an order striking Registrant's First, Third, Fourth, Fifth and Sixth affirmative defenses.

Dated: July 15, 2014

Respectfully submitted,

/s/ John M. Cone
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ATTORNEY FOR PETITIONER
THRU INC.

CERTIFICATE OF SERVICE

I hereby certify that on this 15th day of July, 2014, of the foregoing document was served on registrant, Dropbox, Inc. by mailing a true and correct copy thereof via U.S. First Class Mail, postage prepaid to:

John L. Slafsky, Esq.
WILSON SONSINI GOODRICH & ROSATI
650 Page Mill Road
Palo Alto CA 94304-1050
Attorney for Dropbox, Inc.

/s/ John M. Cone
John M. Cone

Exhibit A

ESTTA Tracking number: **ESTTA613117**

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

Proceeding	92058621
Party	Defendant Dropbox, Inc.
Correspondence Address	JOHN L. SLAFSKY WILSON SONSINI GOODRICH & ROSATI 650 PAGE MILL ROAD PALO ALTO, CA 94304-1050 UNITED STATES jslafsky@wsgr.com, trademarks@wsgr.com
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Signature	/John L. Slafsky/
Date	07/01/2014
Attachments	Amended Answer to Petition for Cancellation.pdf(1882151 bytes)

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

THRU INC.,)	Cancellation No: 92058621
)	
Petitioner,)	
)	AMENDED ANSWER TO
v.)	PETITION FOR CANCELLATION
)	
DROPBOX, INC.,)	
)	Registration No. 4,478,345
Registrant.)	
)	
)	
)	

Dropbox, Inc. (“Registrant”), through its undersigned attorneys, hereby submits this Answer to the Petition for Cancellation filed by Thru Inc. (“Petitioner”) in the above-mentioned proceeding. Unless expressly admitted herein, each allegation contained in the Petition for Cancellation is denied.

1. Registrant admits the allegations in Paragraph 1 of the Petition for Cancellation.
2. Registrant lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 2 of the Petition for Cancellation and on that basis denies those allegations.
3. Registrant denies the allegations in Paragraph 3 of the Petition for Cancellation.
4. Registrant denies the allegations in Paragraph 4 of the Petition for Cancellation.
5. The allegations in Paragraph 5 of the Petition for Cancellation comprise a prayer for relief, to which no response is required.

AFFIRMATIVE DEFENSES

First Affirmative Defense

6. The Petition for Cancellation fails to set forth facts sufficient to entitle Petitioner to the relief sought.

Second Affirmative Defense

7. Registrant's rights to the DROPBOX mark are superior to those, if any, of Petitioner. Among other things, Registrant has acquired third-party rights that are superior to those claimed by Petitioner.

Third Affirmative Defense

8. Petitioner has had actual knowledge of Registrant's use of the DROPBOX mark for years. On information and belief, Petitioner was aware of Registrant's use of the DROPBOX mark prior to the close of the opposition period. Petitioner did not seek to oppose registration of the DROPBOX mark, and did not otherwise assert its rights prior to filing the Petition for Cancellation. During such time, Registrant continued to use, promote and invest in the DROPBOX mark, including through the acquisition of third-party rights, and develop goodwill around this mark. Petitioner has unduly or unreasonably delayed in asserting its rights, resulting in prejudice to Registrant. Accordingly, the Petition for Cancellation is barred by the doctrine of laches.

Fourth Affirmative Defense

9. On November 17, 2011, Petitioner filed an application for the DROPBOX mark at the United States Patent and Trademark Office. In December 2011, Petitioner contacted Registrant, stating its belief that Petitioner holds superior rights to the DROPBOX mark and indicating an interest in reaching resolution regarding the mark. Although Registrant indicated a

willingness to resolve the issue, Petitioner ceased substantive communications with Registrant for approximately 18 months while Registrant and other claimants engaged in proceedings to determine ownership of the DROPBOX mark. Petitioner's silence during this time, and its decision to take no action to assert its purported rights, constitutes intentional conduct inconsistent with claiming rights to the DROPBOX mark. Accordingly, the Petition for Cancellation is barred by the doctrine of waiver.

Fifth Affirmative Defense

10. In December 2011, Petitioner contacted Registrant, stating its belief that it holds superior rights to the DROPBOX mark and indicating that it was aware of Registrant and its use of the DROPBOX mark, as well as the various disputes surrounding the mark. Petitioner did not oppose Registrant's application for the DROPBOX mark or take any other action to assert its purported rights, and, although it indicated an interest in reaching resolution regarding the mark, stopped communicating substantively with Registrant for approximately 18 months, while Registrant and other claimants engaged in proceedings to determine ownership of the DROPBOX mark. The assertion of superior rights in the DROPBOX mark, coupled with a subsequent decision not to pursue such rights, all with full knowledge of Registrant's pending application and use of the mark, amounted to implied consent to Registrant's activities, including its prosecution of Registration No. 4,478,345. Accordingly, the Petition for Cancellation is barred by the doctrine of acquiescence.

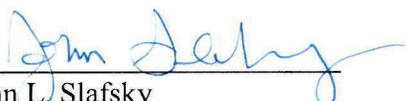
Sixth Affirmative Defense

11. In December 2011, Petitioner contacted Registrant, stating its belief that it holds superior rights to the DROPBOX mark and indicating that it was aware of Registrant and its use of the DROPBOX mark, as well as the various disputes surrounding the mark. Although

Registrant engaged with Petitioner and indicated willingness to reach a resolution regarding the mark, Petitioner fell silent and disengaged from discussions, without explanation. Registrant did not receive any substantive communication from Petitioner for approximately 18 months. During that time, Petitioner took no action to assert its purported rights in the DROPBOX mark. Registrant reasonably relied on Petitioner's apparent decision to not assert its rights, and consequently continued to use, promote and invest in the DROPBOX mark, including through the acquisition of third-party rights, and develop goodwill around this mark, to its prejudice. Accordingly, the Petition for Cancellation is barred by the doctrine of equitable estoppel.

Dated: July 1, 2014

WILSON SONSINI GOODRICH & ROSATI
A Professional Corporation

By: 
John L. Slafsky
Stephanie S. Brannen

Attorneys for Applicant
DROPBOX, INC.

Please address all communications concerning this proceeding to:

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CERTIFICATE OF SERVICE BY MAIL

I, Elvira Minjarez, declare:

I am employed in Santa Clara County. I am over the age of 18 years and not a party to the within action. My business address is Wilson Sonsini Goodrich & Rosati, 650 Page Mill Road, Palo Alto, California 94304-1050.

I am readily familiar with Wilson Sonsini Goodrich & Rosati's practice for collection and processing of correspondence for mailing with the United States Postal Service. In the ordinary course of business, correspondence would be deposited with the United States Postal Service on this date.

On this date, I served **AMENDED ANSWER TO PETITION FOR CANCELLATION** on each person listed below, by placing the document described above in an envelope addressed as indicated below, which I sealed. I placed the envelope for collection and mailing with the United States Postal Service on this day, following ordinary business practices at Wilson Sonsini Goodrich & Rosati.

John M. Cone
Hitchcock Evert LLC
P.O. Box 131709
Dallas, TX 75313-1709

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed at Palo Alto, California on July 1, 2014.


Elvira Minjarez