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

Proceeding	92060209
Party	Defendant Superpoints LLC
Correspondence Address	Jeffrey E. Faucette Skaggs Faucette LLP One Embarcadero Center, Suite 500 San Francisco, CA 94111 UNITED STATES jeff@skaggsfaucette.com
Submission	Motion to Suspend for Civil Action
Filer's Name	Jeffrey Faucette
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Signature	/s/
Date	05/08/2015
Attachments	Motion to Suspend with exhibits.pdf(1169600 bytes)

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

RAKUTEN, INC.,

Petitioner,

v.

SUPERPOINTS LLC

Respondent.

Cancellation No. 92,060,209

Registration No. 3,936,303

Commissioner for Trademarks
P.O. Box 1451
Alexandria, VA 22313-1451

MOTION TO SUSPEND PROCEEDINGS PENDING OUTCOME OF CIVIL ACTION

Respondent SuperPoints LLC (“SuperPoints”) hereby moves the Board for an order suspending this cancellation proceeding pending the outcome of *SuperPoints LLC v. Rakuten, Inc., et al.*, Case No. 3:15-cv-01387, a civil action pending between SuperPoints and Petitioner Rakuten, Inc. in the Federal District Court for the Northern District of California. A copy of the complaint in the civil action, filed March 25, 2015, is attached hereto as Exhibit A. SuperPoints has claims against Rakuten for infringement of SuperPoints SUPERPOINTS mark, the registration of which is at issue in this cancellation proceeding. A copy of the answer and counterclaims by Rakuten, filed April 29, 2015, is attached hereto as Exhibit B. Rakuten has asserted, *inter alia*, an affirmative defense of abandonment that is also the basis for its petition for cancellation and it has filed a counterclaim for invalidity and cancellation of the registration that is the subject of this proceeding. Because the civil action involves the same parties, the same marks, and has issues in common with this cancellation proceeding, SuperPoints respectfully requests that this proceeding be suspended, pursuant to 37 C.F.R. §2.117(a), pending the final disposition of the civil action. *See* TBMP §510.02(a).

Suspension is prudent because the civil action involves issues in common with this

MOTION TO SUSPEND PROCEEDINGS PENDING OUTCOME OF CIVIL ACTION

proceeding and will therefore have a direct bearing on this proceeding. *See* TBMP §510.02(a); 37 C.F.R. §2.117(a) (“Whenever it shall come to the attention of the Trademark Trial and Appeal Board that a party or parties to a pending case are engaged in a civil action . . . which may have a bearing on the case, proceedings before the Board may be suspended until termination of the civil action or the other Board proceeding.”). The issue of SuperPoints ongoing use of the mark SUPERPOINTS and the issue of whether Rakuten’s use causes a likelihood of confusion are both likely to be resolved in the civil action, and the court’s decision on these issues will likely be binding upon the Board. *See* TBMP §510.02(a); *General Motors Corp. v. Cadillac Club Fashions Inc.*, 22 U.S.P.Q.2d 1933, 1937 (TTAB 1992) (“Petitioner’s motion to suspend proceedings is well taken. A decision by the district court will be dispositive of the issues before the Board. Petitioner’s motion to suspend proceedings is granted.”). Accordingly, to allow the Federal District Court to decide the issues first is efficient and permits the Board to avoid wasted time and effort in deciding issues that will ultimately be decided in court.

Based on the foregoing, SuperPoints respectfully requests that the Board suspend this cancellation proceeding pending the outcome of *SuperPoints LLC v. Rakuten, Inc., et al.*

DATED: May 8, 2015.

JEFFREY E. FAUCETTE
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San Francisco, California 94111
Telephone: 415/315-1669
Facsimile: 415/433-5994

/s/

JEFFREY E. FAUCETTE

Attorney for Respondent
SUPERPOINTS LLC

PROOF OF SERVICE BY E-MAIL

The undersigned declares and says as follows: my business address is One Embarcadero Center, Suite 500, San Francisco, CA 94111. I am employed in the City and County of San Francisco; I am over the age of 18 years, and I am not a party to this cause.

On May 8, 2015, I served the within MOTION TO SUSPEND PROCEEDINGS PENDING OUTCOME OF CIVIL ACTION to Petitioner's correspondent of record:

Mark I. Peroff
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by e-mail to trademarksny@manatt.com and mperoff@manatt.com pursuant to the agreement between counsel to accept service via e-mail..

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct, and that this Declaration is executed in San Francisco, California, this 8th day of May, 2015.

/s/
Jeffrey Faucette

EXHIBIT A

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SUPERPOINTS LLC

7 UNITED STATES DISTRICT COURT
8 NORTHERN DISTRICT OF CALIFORNIA

10 SUPERPOINTS LLC,
11
12 Plaintiff,

13 vs.

14 RAKUTEN, INC., RAKUTEN CARD
CO., LTD, RAKUTEN CARD USA, INC.,
15 and DOES 1-25,

16 Defendants.
17
18
19
20

CASE NO.

COMPLAINT FOR

(1) TRADEMARK INFRINGEMENT,

(2) UNFAIR COMPETITION, AND

(3) UNFAIR BUSINESS PRACTICES.

TRIAL BY JURY DEMANDED

1 Plaintiff SUPERPOINTS LLC (“SUPERPOINTS”), by counsel, complains of Defendants
2 RAKUTEN, INC. (“RAKUTEN”), RAKUTEN CARD CO., LTD, and RAKUTEN CARD USA,
3 INC., (collectively, “Defendants”) as follows:

4 **NATURE OF THIS ACTION**

5 1. SUPERPOINTS prays for relief in this Court based on allegations of trademark
6 infringement and unfair competition arising under §§ 32 and 43 the Lanham Act (Title 15 of the
7 United States Code), and unfair business practices arising under California Business and
8 Professions Code § 17200 et seq.

9 **PARTIES**

10 2. Plaintiff SUPERPOINTS is a limited liability company organized and existing
11 under the laws of the State of Texas and is the exclusive holder of the registered trademark,
12 “Superpoints®.” A true and correct copy of the registration entry with the United States Patent
13 and Trademark Office (“USPTO”) website (showing registration number 3,936,303), and a
14 registration certificate with the USPTO, are attached hereto as Exhibit A and are incorporated by
15 reference into this Complaint.

16 3. On information and belief, defendant RAKUTEN is a company organized and
17 existing under the law of Japan with a principal place of business at 4-12-Higashi Shinagawa-
18 Ku, Tokyo, Japan. On information and belief, defendant RAKUTEN transacts business in this
19 judicial district.

20 4. On information and belief, Defendant RAKUTEN CARD CO., LTD. is a wholly
21 owned subsidiary of defendant RAKUTEN, organized and existing under the law of Japan with
22 its principal place of business at 4-12-Higashi Shinagawa-Ku, Tokyo, Japan. On information and
23 belief, defendant RAKUTEN transacts business in this judicial district. A true and correct
24 webpage from defendant RAKUTEN’s website showing RAKUTEN CARD CO., LTD as a
25 subsidiary of defendant RAKUTEN is attached hereto as Exhibit B and is incorporated by
26 reference into the Complaint.

27 5. On information and belief, Defendant RAKUTEN CARD USA, INC., is a wholly
28 owned subsidiary of defendant RAKUTEN or defendant RAKUTEN CARD CO., LTD.,

1 organized and existing under the law of Delaware. On information and belief, defendant
2 RAKUTEN transacts business in this judicial district. A true and correct copy of a press release
3 from defendant RAKUTEN's website indicating that defendant RAKUTEN CARD USA, INC.
4 is a subsidiary of RAKUTEN CARD CO., LTD, is attached hereto as Exhibit C.

5 6. Defendant DOES One through Twenty-Five, inclusive, are other defendants who
6 have infringed or are currently infringing upon the mark "Superpoints®," and may include other
7 companies or individuals. Plaintiff will fully name these Doe defendants following discovery
8 into their complete identities. Does One through Twenty-Five, inclusive, are sued for both
9 damages and injunctive relief.

10 **JURISDICTION AND VENUE**

11 7. This Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and
12 1338, 15 U.S.C. §§ 1116 and 1121 and 28 U.S.C. § 1367.

13 8. This Court has personal jurisdiction over the Defendants as they are all
14 transacting business within the State of California and this judicial district; and have committed
15 the tort of trademark infringement in this judicial district, in violation of 15 U.S.C. § 1125,
16 through its use of the "Superpoints®" mark, as described in this Complaint.

17 9. Venue is proper in this judicial district under 28 U.S.C. §§ 1391(b) and (c)
18 because each Defendant transacts business within this district and offers for sale in this district
19 products and services that infringe SUPERPOINTS' registered trademark, "Superpoints®". In
20 addition, venue is proper because SUPERPOINTS principal place of business is in this district
21 and SUPERPOINTS suffered harm in this district. Moreover, a substantial part of the events
22 giving rise to the claim occurred in this district. Venue is also proper as Defendants reside in this
23 district for purposes of 28 U.S.C. § 1391(b) and (c).

24 **INTRADISTRICT ASSIGNMENT**

25 10. This is an Intellectual Property Action to be assigned on a district-wide basis
26 pursuant to Civil Local Rule 3-2(c).

27 **FACTUAL ALLEGATIONS**

28 11. SUPERPOINTS is a US company that provides an online based membership

1 program where its users complete daily actions, such as answering surveys, entering
2 sweepstakes, purchasing products, or downloading apps in exchange for a form of online
3 rewards points known as “Superpoints®”. Members, through their online account, can redeem
4 their Superpoints® for rewards. These rewards include cash in the form of transfers via PayPal,
5 gift cards, or physical rewards such as electronics or fashion accessories.

6 12. SUPERPOINTS has been in continuous business since 2008. Initially, the
7 Company did business as Westlake Products, Inc. (“Westlake”). However, after the economic
8 downturn in 2009, the company was restructured and the surviving entity became
9 SUPERPOINTS. The Superpoints® mark has been in continuous use since 2008. As with
10 SUPERPOINTS, Westlake was in the business of a member-based rewards program through the
11 use of an online rewards points known as “Superpoints®”.

12 13. Superpoints® was granted registered trademark status by the USPTO on March
13 29, 2011 in three different market classes: Class 9 (“computer search engine software”), Class 35
14 (“incentive rewards programs to promote the products and services of others via electronic,
15 optical or wireless communications networks”) and Class 42 (“computer services, namely,
16 provision of search engines for the internet for obtaining data via electronic, optical or wireless
17 communications networks”).

18 **RAKUTEN FAILS IN ITS ATTEMPTS TO APPLY FOR A “SUPER POINTS”**
19 **TRADEMARK**

20 14. RAKUTEN provides customers with “Super Points” for purchasing products,
21 entering sweepstakes, shopping with the Rakuten Super Points Mastercard and transacting
22 business with Rakuten at Rakuten.com. Prior to March 2015, internet search engines for
23 “Rakuten super points” returned results for Play.com, a RAKUTEN concern based exclusively in
24 the United Kingdom.

25 15. On February 6, 2013, defendant RAKUTEN applied for the mark “RAKUTEN
26 SUPER POINTS” with the USPTO in class 35. A true and correct copy of its application is
27 attached to this Complaint as Exhibit D and is incorporated by reference into this Complaint.

28 16. On May 24, 2013, the USPTO issued an office action to the application, denying

1 registration in part based on a likelihood of confusion with Superpoints®. The USPTO noted,
2 “Applicant’s mark, ‘RAKUTEN SUPER POINTS’, and U.S. Registration No. 3936303,
3 ‘SUPERPOINTS’ are very similar in sound, appearance and meaning. Applicant’s mark merely
4 adds the wording “RAKUTEN” to registrant’s mark. The mere addition of a term to a registered
5 mark generally does not obviate the similarity between the marks nor does it overcome a
6 likelihood of confusion under Trademark Act Section 2(d).” A true and correct copy of this
7 Office Action (without the attachments referenced in said Office Action) is attached to this
8 Complaint as Exhibit E and is incorporated by reference into this Complaint.

9 17. On November 22, 2013, RAKUTEN responded to the office action. RAKUTEN
10 argued that the mark was “visually and aurally different” from Superpoints® and that the
11 dominant portion of the mark was the word “RAKUTEN.” A true and correct copy of
12 RAKUTEN’s response to the Office Action is attached hereto as Exhibit F.

13 18. The USPTO issued its final action to defendant RAKUTEN’s application on
14 December 19, 2013. The USPTO stated in part, “Applicant’s argument that the wording
15 “RAKUTEN” is a house mark only highlights the likelihood of confusion between applicants
16 mark and the cited registration. When marks are otherwise virtually the same, the addition of a
17 house mark is more likely to add to the likelihood of confusion than to distinguish the marks; it is
18 likely that the two products sold under such marks would be attributed to the same source.” A
19 true and correct copy the USPTO’s final action (without the attachments referenced in said
20 Office Action) is attached hereto as Exhibit G and is incorporated by reference into this
21 Complaint.

22 19. On May 22, 2014, RAKUTEN filed a request for reconsideration after Final
23 Action. A true and correct copy of this request is attached hereto as Exhibit H and is incorporated
24 by reference into this Complaint. On June 24, 2014, the USPTO granted in part and denied in
25 part the request for reconsideration. The USPTO specifically denied reconsideration with respect
26 to RAKUTEN’s request that the USPTO reconsider its determination with respect to confusion
27 between RAKUTEN’s proposed mark and Superpoints®. A true and correct copy of the
28 response by the USPTO is attached hereto as Exhibit I and is incorporated by reference into this

1 Complaint.

2 **RAKUTEN APPLIES TO CANCEL THE Superpoints® MARK**

3 20. On October 20, 2014, RAKUTEN filed a petition for cancellation with the
4 USPTO against Superpoints®. A true and correct copy of this petition is attached hereto as
5 Exhibit J. Plaintiff SUPERPOINTS was served with a copy for the petition for cancellation. This
6 was the first time that SUPERPOINTS learned that RAKUTEN was attempting to use the mark
7 “Superpoints®” or some derivation of that mark in the United States.

8 21. As of the date of the filing of this Complaint, the petition for cancellation
9 proceedings are ongoing.

10 22. In January and February of 2015, SUPERPOINTS sought to engage Defendant
11 RAKUTEN in substantive discussions regarding resolution of the matter. Defendant RAKUTEN
12 never responded to these overtures.

13 **SUPERPOINTS DISCOVERS THAT RAKUTEN IS USING THE SUPERPOINTS**
14 **MARK IN THE UNITED STATES**

15 23. On March 14, 2015, SUPERPOINTS’ CEO received an email from a RAKUTEN
16 email service in which RAKUTEN was emailing out to its subscribers that they should use their
17 “superpoints”. While the email referenced RAKUTEN’s United Kingdom operations, it was
18 jointly sponsored by “Rakuten Linkshare,” which, upon information and belief is RAKUTEN’s
19 marketing arm in the United States (and has been subsequently rebranded as “Rakuten
20 Marketing”). A true and correct copy of portions of this email received on March 14, 2015 is
21 attached hereto as Exhibit K to this Complaint and is incorporated by reference into this
22 Complaint.

23 24. Upon receiving this email, SUPERPOINTS commenced further investigation to
24 determine the extent to which RAKUTEN was using the mark “Superpoints” in the United
25 States. Subsequent searches for the term “Super Points” and “Superpoints” returned numerous
26 references to Rakuten.com, including Rakuten USA reflecting use in the United States, which a
27 previous search conducted in June 2014 had not revealed. These search results were interspersed
28 with Plaintiff’s Superpoints® mark.

1 USPTO in which it was told that its proposed mark “RAKUTEN SUPER POINTS” would be
2 confused with SUPERPOINTS’ mark, Superpoints®. Defendants’ conduct was and is willful
3 within the meaning of the Lanham Act.

4 30. SUPERPOINTS has suffered, and will continue to suffer, substantial losses,
5 including but not limited to damage to its business reputation and goodwill as well as the costs
6 associated with obviating the potential consumer confusion associated with Defendants’ use of
7 its “RAKUTEN SUPER POINTS” mark, which infringes the Superpoints® mark.

8 31. SUPERPOINTS has been and will continue to be irreparably harmed and
9 damaged by Defendants’ conduct, and SUPERPOINTS lacks an adequate remedy at law to
10 compensate for this harm and damage.

11 32. SUPERPOINTS is entitled to recover damages, which include its losses and any
12 and all profits Defendants have made as a result of its wrongful conduct, pursuant to 15 U.S.C. §
13 1117.

14 33. SUPERPOINTS has also sustained damages as a direct and proximate result of
15 Defendants’ infringement of the mark “Superpoints®” in an amount to be proven at trial.

16 34. Because Defendants’ actions have been willful, SUPERPOINTS is entitled to
17 treble its actual damages or Defendants’ profits, whichever is greater, and to an award of costs,
18 and, this being an exceptional case, reasonable attorneys’ fees pursuant to 15 U.S.C. § 1117(a).

19 **COUNT II**

20 **(Unfair Competition Under Lanham Act against all Defendants)**

21 **Lanham Act Section 43(a), 15 U.S.C. § 1125(a)**

22 35. SUPERPOINTS incorporates by reference and realleges the allegations set forth
23 in paragraphs 1 through 34 above.

24 36. Defendants’ use of the “Superpoints®” mark to promote, market or sell its online
25 rewards program points program, and to use the mark in conjunction with a credit card offering
26 in the United States in direct competition with SUPERPOINTS’ products and services
27 constitutes Unfair Competition pursuant to 15 U.S.C. § 1125(a). Defendants’ use of the
28 Superpoints® mark is likely to cause confusion, mistake and deception amongst consumers.

1 There can no reasonable or credible dispute that Defendants and SUPERPOINTS are engaged in
2 the exact same market space and are competitors.

3 37. Because Defendants have used the mark “Superpoints®” in the United States
4 without properly paying for any license, and despite knowledge that they had no ownership over
5 the mark “Superpoints®,” Defendants’ infringement has been and continues to be intentional and
6 willful.

7 38. SUPERPOINTS has been and will continue to be irreparably harmed and
8 damaged by Defendants’ conduct, and SUPERPOINTS lacks an adequate remedy at law to
9 compensate for this harm and damage.

10 39. SUPERPOINTS is informed and believes, and on that basis alleges, that
11 Defendants have gained profits by virtue of their infringement of the mark.

12 40. SUPERPOINTS has also sustained damages as a direct and proximate result of
13 Defendants’ infringement of the mark “Superpoints®” in an amount to be proven at trial.

14 41. Because Defendant’s actions have been willful, SUPERPOINTS is entitled to
15 treble its actual damages or Defendants’ profits, whichever is greater, and to an award of costs,
16 and, this being an exceptional case, reasonable attorneys’ fees pursuant to 15 U.S.C. § 1117(a).

17 **COUNT III**

18 **(Unfair Business Practices against all Defendants**

19 **Cal. Bus. & Prof. Code § 17200, et seq.)**

20 42. SUPERPOINTS incorporates by reference and realleges the allegations set forth
21 in paragraphs 1 through 41 above.

22 43. The acts of Defendants described above constitute fraudulent and unlawful
23 business practices as defined by California Bus. & Prof. Code § 17200, et seq.

24 44. SUPERPOINTS has valid and protectable rights in its registered trademark.
25 Defendants’ infringement of SUPERPOINTS’ registered trademark constitute fraudulent
26 business practices in violation of Cal. Bus. & Prof. Code § 17200, et seq.

27 45. The above-described acts by Defendants are likely to mislead or deceive the
28 general public and therefore constitute fraudulent business practices in violation of Cal. Bus. &

1 Prof. Code § 17200, *et seq.*

2 46. The above-described acts and practices constitute unfair competition and
3 trademark infringement the Lanham Act, as alleged herein, are therefore unlawful acts in
4 violation of Cal. Bus. & Prof. Code § 17200, *et seq.*

5 47. Defendants have acted willfully and intentionally in infringing the mark
6 “Superpoints®”, with full knowledge of SUPERPOINTS’ rights to the trademark and with an
7 intent to cause confusion or mistake or to deceive customers into believing that Defendants
8 owned all right, title and interest in “Superpoints®”, and into believing that Defendants are the
9 creator of the mark.

10 48. As a direct and proximate result of Defendants’ wrongful conduct,
11 SUPERPOINTS has been injured in fact and has lost money and profits, and such harm will
12 continue unless Defendants acts are enjoined by the Court. SUPERPOINTS has no adequate
13 remedy at law for Defendants’ continuing violation of SUPERPOINTS’ rights.

14 49. Defendants should be required to restore to SUPERPOINTS any and all profits
15 earned as a result of its unlawful and fraudulent actions, or provide SUPERPOINTS with any
16 other restitutionary relief as the Court deems appropriate.

17
18 **PRAYER FOR RELIEF**

19 **WHEREFORE**, SUPERPOINTS asks this Court to enter judgment against Defendants
20 and against each of its respective subsidiaries, affiliates, agents, servants, employees and all
21 persons in active concert or participation with it, granting the following relief:

- 22 1. That Defendants and their agents, officers, employees, representatives,
23 successors, assigns, attorneys and all other persons acting for, with, by through or under
24 authority from them, and each of them, be preliminarily and permanently enjoined from: (a)
25 using SUPERPOINTS’ trademark depicted in Exhibit A, or any colorable imitation thereof; (b)
26 using any trademark that imitates or is confusingly similar to or in anyway similar to
27 SUPERPOINTS’ trademark “Superpoints®,” or that is likely to cause confusion, mistake,
28 deception, or public misunderstanding as to the origin of SUPERPOINTS’ products or its

1 connectedness to Defendants.

2 2. That Defendants be required to file with the Court and serve on SUPERPOINTS
3 within thirty (30) days after entry of the Injunction, a report in writing under oath setting forth in
4 detail the manner and form in which Defendants have complied with the Injunction.

5 3. That, pursuant to 15 U.S.C. § 1117, Defendants be held liable for all damages,
6 including treble damages, suffered by SUPERPOINTS resulting from the acts alleged herein;

7 4. That, pursuant to 15 U.S.C. § 1117, Defendants be compelled to account to
8 SUPERPOINTS for any and all profits derived by it from its illegal acts complained of herein;

9 5. That Defendants be ordered pursuant to 15 U.S.C. § 1118 to deliver up for
10 destruction all containers, labels, signs, prints, packages, wrappers, receptacles, advertising,
11 promotional material or the like in possession, custody or under the control of Defendant bearing
12 a trademark found to infringe SUPERPOINTS’ “Superpoints®” trademark, as well as all plates,
13 matrices, and other means of making the same;

14 6. An accounting of Defendants’ profits pursuant to 15 U.S.C. § 1117;

15 7. Restitutionary relief against Defendants and in favor of SUPERPOINTS and any
16 other appropriate relief;

17 8. Costs of suit and attorneys’ fees pursuant to law pursuant to 15 U.S.C. § 1117;
18 and

19 9. Any other remedy to which SUPERPOINTS may be entitled, including all
20 remedies provided for in 15 U.S.C. § 1117, Cal. Bus & Prof. Code §§ 17200, *et seq.*, 17500, *et*
21 *seq.*, and under any other California law.

22

23

TRIAL BY JURY DEMANDED

24 Pursuant to Federal Rule of Civil Procedure 38 and Civil Local Rule 3-6, Plaintiff hereby
25 demands a jury trial on all issues so triable.

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Respectfully submitted,

Dated: March 25, 2015

COMAR LAW

By /s/ Inder Comar
D. Inder Comar
Attorney for Plaintiff
SUPERPOINTS LLC

EXHIBIT B

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10 Attorneys for Defendant
11 RAKUTEN, INC.

12 UNITED STATES DISTRICT COURT

13 NORTHERN DISTRICT OF CALIFORNIA, SAN FRANCISCO DIVISION

14
15 SUPERPOINTS LLC,
16 Plaintiff,

17 v.

18 RAKUTEN, INC., RAKUTEN CARD
CO., LTD, RAKUTEN CARD USA, INC.,
19 and DOES 1-25,
20 Defendant.

CASE NO. 3:15-cv-01387-JST

**ANSWER BY DEFENDANT
RAKUTEN, INC. TO PLAINTIFF'S
COMPLAINT**

DEMAND FOR JURY TRIAL

21
22 Defendant Rakuten, Inc. ("Rakuten") hereby answers the Complaint by Plaintiff
23 Superpoints LLC ("Plaintiff") as follows:

24 **NATURE OF THIS ACTION**

25 1. Defendant admits that Plaintiff's Complaint purports to allege an action for
26 trademark infringement and unfair competition based on §§ 32 and 43 the Lanham Act, and
27 unfair business practices arising under California Business and Professions Code § 17200 *et seq.*,
28 but Defendant denies any liability thereunder and denies all other allegations in Paragraph 1.

RESPONSE TO GENERAL ALLEGATIONS

1
2 11. Defendant lacks sufficient knowledge or information to admit or deny the
3 allegations of Paragraph 11 of the Complaint, and, on that basis, denies them.

4 12. Defendant lacks sufficient knowledge or information to admit or deny the
5 allegations of Paragraph 12 of the Complaint, and, on that basis, denies them.

6 13. Defendant lacks sufficient knowledge or information to admit or deny the
7 allegations of Paragraph 13 of the Complaint, and, on that basis, denies them.

8 14. Defendant denies that the allegations in Paragraph 14 are an accurate description
9 of Rakuten's business. With respect to certain allegations in Paragraph 14, Defendant lacks
10 sufficient knowledge or information to admit or deny the allegations of Paragraph 14 of the
11 Complaint, and, on that basis, denies them.

12 15. Defendant avers that the documents annexed to the Complaint as Exhibit D speak
13 for themselves. Defendant lacks sufficient knowledge or information to admit or deny the
14 remaining allegations of Paragraph 15 of the Complaint, and, on that basis, denies them.

15 16. Defendant avers that the documents annexed to the Complaint as Exhibit E speak
16 for themselves.

17 17. Defendant avers that the documents annexed to the Complaint as Exhibit F speak
18 for themselves.

19 18. Defendant avers that the documents annexed to the Complaint as Exhibit G speak
20 for themselves.

21 19. Defendant avers that the documents annexed to the Complaint as Exhibits H and I
22 speak for themselves.

23 20. Defendant avers that the documents annexed to the Complaint as Exhibit J speak
24 for themselves. Defendant lacks sufficient knowledge or information to admit or deny the
25 remaining allegations of Paragraph 20 of the Complaint, and, on that basis, denies them.

26 21. Defendant admits the allegations of Paragraph 21 of the Complaint.

27 22. Defendant lacks sufficient knowledge or information to admit or deny the
28 allegations of Paragraph 22 of the Complaint, and, on that basis, denies them.

RESPONSE TO COUNT III

42. Defendant incorporates its responses to Paragraphs 1-41 of the Complaint herein.

43. Defendant denies the allegations of Paragraph 43 of the Complaint.

44. Defendant denies the allegations of Paragraph 44 of the Complaint.

45. Defendant denies the allegations of Paragraph 45 of the Complaint.

46. Defendant denies the allegations of Paragraph 46 of the Complaint.

47. Defendant denies the allegations of Paragraph 47 of the Complaint.

48. Defendant denies the allegations of Paragraph 48 of the Complaint.

49. Defendant denies the allegations of Paragraph 49 of the Complaint.

RESPONSE TO PLAINTIFF'S PRAYER FOR RELIEF

Defendant denies the allegations in the Prayer for Relief and that Plaintiff is entitled to any relief against Defendant.

DEFENDANT'S PRAYER FOR RELIEF

Defendant prays for judgment in its favor as well as recovery of its costs and attorneys' fees incurred in defending against this suit, and such other relief as the Court finds just and proper.

AFFIRMATIVE DEFENSES

A. Plaintiff fails to state a claim upon which relief may be granted.

B. Plaintiff's claims are barred, in whole or in part, by the doctrine of laches.

Rakuten has openly used SUPER POINTS in commerce since at least 2008 in the United States. Plaintiff sent to one or more Defendants a demand letter in 2011 relating to Defendants' use of SUPER POINTS. Defendants substantively responded to said letter in 2011, and never received a response from Plaintiff despite an acknowledgment of receipt of the responsive letter. Plaintiff failed to take any further action in connection with its 2011 demand letter until this action, to Rakuten's detriment.

C. Plaintiffs' claims are barred, in whole or in part, by the doctrine of estoppel by acquiescence. Plaintiff sent to one or more Defendants a demand letter in 2011 relating to Defendants' use of SUPER POINTS. Defendants responded to said letter in 2011, and never

1 received a response to the same, despite Plaintiff's confirmation of receipt of the response letter.
2 Plaintiffs' failure to respond to Defendants' July 2011 letter, and the statements contained therein,
3 amounts to its acquiescence of Defendants' use of SUPER POINTS. Rakuten relied on Plaintiff's
4 acquiescence to its detriment.

5 D. Plaintiffs' claims are barred, in whole or in part, by the doctrines of waiver,
6 release, consent, estoppel, and unclean hands.

7 E. Plaintiff's trademark registration for SUPERPOINTS is invalid and unenforceable.

8 F. Plaintiff abandoned use of the alleged SUPERPOINTS trademark.

9 G. Plaintiff's alleged SUPERPOINTS trademark is descriptive and lacks secondary
10 meaning as to Plaintiff.

11 H. Plaintiff's claims fail because no likelihood of confusion exists between SP LLC's
12 use of SUPERPOINTS and Rakuten's use of SUPER POINTS.

13 I. To the extent Plaintiff has stated any claims upon which relief may be granted, any
14 damages Plaintiff has suffered are a result of its own improper conduct, or the result of others that
15 are not controlled by Rakuten, and/or Plaintiff has failed to mitigate its damages.

16 J. To the extent Plaintiff has stated any claims upon which relief may be granted, any
17 damages Plaintiff claims to have suffered cannot be established with the requisite reasonable
18 degree of certainty.

19 K. Rakuten reserves the right to assert further defenses that may be appropriate based
20 upon matters to which discovery has been or will be directed with respect to the claims set forth
21 in the Complaint.

22
23 **COUNTERCLAIMS**

24 Defendant/Counterclaimant Rakuten, Inc. ("Rakuten") hereby brings its counterclaims
25 against Plaintiff/Counter-Defendant Superpoints LLC ("SP LLC") and Ryan Koonce ("Koonce")
26 (collectively "Counter-Defendants") and alleges as follows:

27 1. Rakuten is a company organized under the laws of Japan with a principal place of
28 business at 4-12-3 Higashi Shinagawa, Shinagawa-ku, Tokyo Japan 140-0002.

1 (“Registration ‘303’”), but, upon information and belief, any purported assignment to SP LLC was
2 invalid.

3 12. SP LLC has asserted that the alleged trademark SUPERPOINTS has been in
4 continuous use since 2008, but, upon information and belief, the alleged mark has not been in
5 continuous use.

6 13. SP LLC has alleged that SP LLC is the “surviving entity” of Westlake Products,
7 Inc. (“Westlake”).

8 14. Upon information and belief, “SUPERPOINTS” was allegedly used by Westlake
9 for a limited period of time and in connection with an incentive rewards program to promote the
10 sale of products and services of others via electronic, optical or wireless communications
11 network.

12 15. Upon information and belief, on May 27, 2009, Westlake’s corporate charter
13 became inoperative and forfeited for failure to obtain a registered agent, and, upon information
14 and belief, remained so until Westlake was dissolved on April 7, 2010.

15 16. Upon information and belief, on September 3, 2009, Koonce, purportedly on
16 behalf of Westlake in his alleged capacity as its Chief Executive Office, filed U.S. Application
17 Serial No. 77/819,528 (“Application ‘528’”) to register the mark SUPERPOINTS for computer
18 software for searching and retrieving information, websites, and other resources on computer
19 networks in International Class 9, promotion of the goods and services of others by incentive
20 rewards program via electronic, optical or wireless communications network; charitable services,
21 namely, promotion of charitable services of others by incentive rewards program via electronic,
22 optical or wireless communications networks in International Class 35, computer services,
23 namely, providing search engines for obtaining data via electronic optical or wireless
24 communications networks in International Class 42, based upon Westlake’s alleged use of the
25 mark SUPERPOINTS in commerce since at least as early as October 9, 2008.

26 17. Upon information and belief, on February 22, 2010, Koonce executed a
27 Declaration In Support of Substitute Specimen Under 37 C.F.R. § 2.20 (the “Declaration”), in
28 which Koonce, purportedly on behalf of Westlake in his alleged capacity as its Chief Executive

1 Officer, made false representations to the USPTO, including without limitation, representations
2 regarding the purportedly then-current use of the SUPERPOINTS mark in commerce.

3 18. Upon information and belief, on April 7, 2010, Koonce executed a Certificate of
4 Dissolution of Westlake Products Inc. and, upon information and belief, filed the same with the
5 Secretary of State of the State of Delaware, Division of Corporations on April 8, 2010.

6 19. Upon information and belief, Westlake ceased use of the purported
7 SUPERPOINTS mark at least as early as May 27, 2009, and in any event, Westlake did not use
8 the purported SUPERPOINTS mark in connection with an incentive rewards program to promote
9 the sale of products and services of others via electronic, optical or wireless communications
10 network subsequent to its dissolution on April 7, 2010.

11 20. On March 29, 2011, Application ‘528 for the purported mark SUPERPOINTS for
12 computer search engine software in International Class 9, incentive rewards programs to promote
13 the sale of products and services of others via electronic, optical or wireless communications
14 networks in International Class 35, computer services, namely, provision of search engines for the
15 internet for obtaining data via electronic, optical or wireless communications networks in
16 International Class 42, matured into registration and became Registration ‘303.

17 21. Upon information and belief, on May 12, 2011, Koonce executed a purported
18 trademark assignment, signing on behalf of both Westlake and SP LLC in his alleged capacities
19 as the companies’ respective Chief Executive Officers, with a purported “effective date” of April
20 29, 2010 (the “Assignment”).

21 22. Upon information and belief, the Assignment was recorded with United States
22 Patent and Trademark Office on June 17, 2011 at Reel No. 4564 and Frame No. 0534.

23 23. On June 16, 2011, counsel for SP LLC sent a cease and desist letter to the General
24 Counsel of Buy.com Inc. (currently doing business as Rakuten.com, and wholly owned by
25 Rakuten) (“Rakuten”), alleging trademark infringement and misappropriation of its purported
26 SUPERPOINTS mark based on Rakuten’s use of SUPER POINTS.

27 24. On July 20, 2011, counsel for Rakuten sent a response to SP LLC stating that there
28 was no likelihood of confusion, that the purported SUPERPOINTS mark is descriptive, and

1 stating that Rakuten's use of SUPER POINTS could continue in connection with its customer
2 loyalty program.

3 25. On August 8, 2011, counsel for SP LLC sent an email to counsel for Rakuten
4 confirming receipt of the letter of July 20, 2011.

5 26. Upon information and belief, there was no further communication from or on
6 behalf of SP LLC in connection with the purported SUPERPOINTS mark or Rakuten's alleged
7 infringement of the same.

8 27. Upon information and belief, after the purported transfer of Registration '303 to
9 SP LLC, SP LLC did not continue to use the alleged SUPERPOINTS mark in connection with an
10 incentive rewards program to promote the sale of products and services of others via electronic,
11 optical or wireless communications network.

12 28. Upon information and belief, Westlake had already been dissolved at the time of
13 the alleged Assignment, and therefore, the assignment was invalid.

14 29. Upon information and belief, the alleged Assignment from Westlake to SP LLC
15 could not have properly transferred any good will as Westlake had already ceased operations, and
16 therefore, the Assignment was invalid.

17 30. Upon information and belief, SP LLC has abandoned any proprietary interest in
18 the purported SUPERPOINTS mark by virtue of the aforementioned invalid assignment and by
19 virtue of making no continuous trademark use of the phrase.

20 31. SP LLC has nonetheless asserted Registration '303 against Rakuten as a purported
21 basis to interfere with Rakuten's customer rewards program and to seek monetary payment from
22 Rakuten.

23 32. SP LLC has further alleged that Rakuten's use of SUPER POINTS is likely to
24 cause confusion as to SP LLC's affiliation, connection, association, origin, source, sponsorship,
25 endorsement and approval with Rakuten's customer loyalty program.

26 **FIRST COUNTERCLAIM**

27 **(Declaration of Non-Infringement)**

28 33. Rakuten incorporates and re-alleges Paragraphs 1-32 as if fully set forth herein.

1 purported SUPERPOINTS mark.

2 43. Rakuten is entitled to a declaratory judgment that the assignment from Westlake
3 to SP LLC did not validly transfer whatever rights, if any, that Westlake had in the purported
4 SUPERPOINTS mark to SP LLC.

5 44. By virtue of SP LLC's continued assertion of Registration '303 against Rakuten,
6 Rakuten is being damaged by Registration '303, and such registration should be cancelled by this
7 Court under authority of 15 U.S.C. § 1119.

8 **THIRD COUNTERCLAIM**

9 **(Declaration of Abandonment)**

10 45. Rakuten incorporates and re-alleges Paragraphs 1-44 as if fully set forth herein.

11 46. SP LLC has sued Rakuten in the present action, alleging trademark infringement
12 and unfair competition relating to the purported SUPERPOINTS trademark. As a result of at
13 least the allegations contained in the Complaint and Rakuten's denial of the same, an immediate,
14 real and justiciable controversy exists between Rakuten and SP LLC with respect to the alleged
15 infringement of the purported SUPERPOINTS trademark.

16 47. SP LLC has alleged that SP LLC is the "surviving entity" of Westlake Products,
17 Inc. ("Westlake").

18 48. Upon information and belief, Westlake ceased using the purported
19 SUPERPOINTS mark at least as early as May 27, 2009, and Westlake did not use the purported
20 SUPERPOINTS mark in connection with an incentive rewards program to promote the sale of
21 products and services of others via electronic, optical or wireless communications network
22 subsequent to its dissolution on April 7, 2010.

23 49. Upon information and belief, SP LLC did not use the alleged SUPERPOINTS
24 mark in connection with a consumer rewards program to promote the sale of products and
25 services of others via electronic, optical or wireless communications network prior to date of
26 execution of the alleged Assignment executed by Koonce on behalf of both Westlake and SP LLC
27 on May 12, 2011, nor prior to the date the alleged Assignment was recorded at the USPTO, June
28 16, 2011, nor prior to February 7, 2014, when SP LLC finally re-activated the website

1 “www.superpoints.com” and began to solicit new members.

2 50. Accordingly, the purported SUPERPOINTS mark has been abandoned through
3 non-use of more than three years.

4 51. Rakuten is entitled to a declaratory judgment that the purported SUPERPOINTS
5 mark that is the subject of Registration ‘303 has been abandoned.

6 52. By virtue of SP LLC’s continued assertion of Registration ‘303 against Rakuten,
7 Rakuten is being damaged by Registration ‘303, and such registration should be cancelled by this
8 Court under authority of 15 U.S.C. § 1119.

9 **FOURTH COUNTERCLAIM**

10 **(Procurement of Registration through False or Fraudulent Declaration or**
11 **Representation Pursuant to 15 U.S.C. § 1120)**

12 53. Rakuten incorporates and re-alleges Paragraphs 1-52 as if fully set forth herein.

13 54. Upon information and belief, when Koonce executed the Declaration purportedly
14 on behalf of Westlake in his alleged capacity as its Chief Executive Officer, he knew that
15 Westlake had already ceased using the purported SUPERPOINTS mark and that the
16 representations contained in the Declaration were false, including without limitation,
17 representations regarding the then-current use of the purported SUPERPOINTS mark in
18 commerce.

19 55. Upon information and belief, the USPTO relied on the representation made in the
20 Declaration in allowing Application ‘528 to proceed to registration.

21 56. Upon information and belief, when Koonce executed the alleged Assignment on
22 behalf of Westlake, he knew that Westlake had already been dissolved and that any rights
23 Westlake may have had to the purported SUPERPOINTS mark had been abandoned, but, upon
24 information and belief, Koonce nonetheless executed the alleged Assignment and directed the
25 same to be recorded with the USPTO on behalf of SP LLC.

26 57. Upon information and belief, when SP LLC purportedly acquired Registration
27 ‘303, he had no intention of continuing the business associated with Registration ‘303.

28 58. Upon information and belief, on June 17, 2011, when SP LLC recorded the alleged

1 Assignment with the USPTO, it knew that it had not continued the business or otherwise
2 maintained the goodwill associated with Registration ‘303 and that the alleged Assignment was
3 invalid, but, upon information and belief, SP LLC recorded the alleged Assignment with the
4 USPTO.

5 59. Upon information and belief, the USPTO relied on the representations made in the
6 alleged Assignment to update the record owner of Registration ‘303 to reflect SP LLC, which has
7 afforded SP LLC the benefits and privileges attendant to such ownership when SP LLC is not
8 entitled thereto.

9 60. By virtue of SP LLC’s procurement of Registration ‘303 by false or fraudulent
10 means, Rakuten is being injured by Registration ‘303, and is entitled to recover damages suffered
11 as a result of the maintenance of Registration ‘303 under 15 U.S.C. § 1120.

12 61. By virtue of SP LLC’s maintenance of Registration ‘303 by false or fraudulent
13 means against Rakuten, Rakuten is being damaged by Registration ‘303, and such registration
14 should be cancelled by this Court under authority of 15 U.S.C. § 1119.

15 **PRAYER FOR RELIEF**

16 WHEREFORE, Defendant/Counterclaimant Rakuten pray for relief as follows:

17 A. That Counter-Defendant’s Complaint against Rakuten should be dismissed in its
18 entirety with prejudice and that a judgment be entered in favor of Rakuten and against Counter-
19 Defendants;

20 B. That Counter-Defendant takes nothing by reason of its Complaint;

21 C. For an entry of judgment declaring that Rakuten has not infringed and does not
22 infringe, directly, vicariously, contributorily or in any other way, any purported right of Counter-
23 Defendant in the phrase “SUPERPOINTS”;

24 D. For an entry of judgment declaring that the assignment from Westlake to SP LLC
25 was invalid;

26 E. For an entry of judgment declaring that Counter-Defendant abandoned the alleged
27 SUPERPOINTS mark that is the subject of Registration ‘303;

28 F. That the Court enter an order instructing the USPTO to cancel Registration ‘303;

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G. For an award of damages;

H. For an award of Rakuten’s attorneys’ fees and costs under Section 1117 of the Lanham Act; and

I. That Rakuten be granted all such other and further relief as the Court deems just and proper.

JURY DEMAND

Rakuten demands a trial by jury on all claims and defenses so triable.

Dated: April 29, 2015

DLA PIPER LLP (US)

By: /s/ GINA L. DURHAM

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