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

Proceeding	92060436
Party	Plaintiff Cortera, Inc.
Correspondence Address	DAVID O JOHANSON MORGAN LEWIS & BOCKIUS LLP 1 FEDERAL STREET BOSTON, MA 02110 UNITED STATES trademarks@morganlewis.com, david.johanson@morganlewis.com, kaltoff@morganlewis.com
Submission	Motion to Strike
Filer's Name	David O. Johanson
Filer's e-mail	david.johanson@morganlewis.com, kaltoff@morganlewis.com, trade-marks@morganlewis.com, shall@morganlewis.com
Signature	/David O. Johanson/
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Attachments	Petitioner's Motion to Strike Affirmative Defenses or Motion for Judgment on the Pleadings.pdf(290289 bytes)

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

Cortera, Inc., Petitioner, v. Creditera, Respondent.	Cancellation No.: 92060436

COMBINED MOTION TO STRIKE AND/OR MOTION FOR PARTIAL JUDGMENT ON THE PLEADINGS, AND MOTION TO SUSPEND

Pursuant to Rule 12(f) of the Federal Rules of Civil Procedure and Sections 311 and 506 of the TBMP, Petitioner Cortera, Inc. ("Petitioner" or "Cortera") moves to strike the affirmative defenses from the Answer of Respondent Creditera ("Respondent" or "Creditera"). Alternatively, Petitioner moves for Judgment on the Pleadings with respect to Respondent's affirmative defenses, pursuant to Rule 12(c) of the Federal Rules of Civil Procedure and Section 504 of the TBMP. Finally, pursuant to Section 510.03(a) of the TBMP and 37 C.F.R § 2.117(c), Petitioner requests that the Board suspend this cancellation proceeding until the Board rules on Petitioner's motions so that the issues can be more clearly defined for discovery.

I. FACTUAL BACKGROUND

On December 1, 2014, Cortera filed a petition to partially cancel Respondent's registration for the CREDITERA trademark (Reg. No. 4,363,923) specifically with regard to the "business credit reporting services" and "credit and financial consultation" services identified in such registration, based on a likelihood of confusion between the CREDITERA mark and

Cortera's use of and registrations for its CORTERA and CORTERA formative marks and its ECREDIT mark (together, the "CORTERA Marks). Dkt. 1.

On January 12, 2015, Respondent filed its Answer to the Petition to Cancel. Dkt. 4. In its Answer, beyond denying the material allegations of the Petition to Cancel, Respondent asserted affirmative defenses of no likelihood of confusion and failure to state a claim. *Id.* ¶¶ 18-29. Both of these alleged affirmative defenses lack any legal merit. Inasmuch as Respondent's Answer was filed on January 12, 2015, this Motion to Strike or, alternatively, Motion for Judgment on the Pleadings is timely. TBMP § 506.02; TBMP § 504.01.

II. ARGUMENT

Pursuant to Federal Rule of Civil Procedure 12(f), the Board may order stricken from a pleading any insufficient or impermissible defense or any redundant, immaterial, impertinent or scandalous matter. *See also*, 37 C.F.R. § 2.116(a) and TBMP § 506. A motion for judgment on the pleadings is appropriate where there is no genuine issue of material fact to be resolved and the moving party is entitled to a judgment on the substantive merits of the controversy as a matter of law. *See CBS Inc. v. Mercandante,* 23 U.S.P.Q.2d 1784, 1787 (T.T.A.B. 1992).

In the current case, the Board should either issue a judgment on the pleadings or strike both of Respondent's so-called affirmative defenses, which, as detailed below, cannot withstand legal scrutiny as a matter of law.

A. Both of Respondent's Affirmative Defenses Fail to State a Cognizable Defense as a Matter of Law

Under Federal Rule of Civil Procedure 8(b), a pleading must allege, in short and plain terms, a statement showing the pleader is entitled to relief. *See* TBMP §311.02(b). The general rules of pleading set forth in Rule 8(b) apply to affirmative defenses. *Tokio Marine & Fire Insurance Co., Ltd. v. Kaisha,* 25 F. Supp.2d 1071, 1078 (C.D. Cal. 1997). All affirmative

defenses must therefore include sufficient detail to give the opposing party fair notice of the basis for each defense. *Cf. McDonnell Douglas Corp. v. National Data Corp.*, 228 U.S.P.Q. 45, 47 (T.T.A.B. 1985).

An affirmative defense is an "'assertion raising new facts and arguments that, if true, will defeat the plaintiff's or prosecution's claim, even if all allegations in the complaint are true.'" *Saks v. Franklin Covey Co.*, 316 F.3d 337, 350 (2nd Cir. 2003) (quoting Black's Law Dictionary 430 (7th ed. 1999)). As detailed below, Respondent's asserted defenses fail as a matter of law.

1. Respondent's Affirmative Defense That There Is No Likelihood of Confusion Fails as a Matter of Law

Respondent's first asserted affirmative defense alleges that there is "no likelihood of confusion." Dkt. 4 ¶ 18-28. "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 a cause of action; it is an explanation that bars the claim." *Blackhorse v. Pro Football, Inc.*, 98 U.S.P.Q.2d 1633, *12 (T.T.A.B. 2011).

This so-called affirmative defense is a mere redundancy of the denials set forth in Respondent's Answer and/or comprises assertions that do not relate in any way to the matters before the Board *See, e.g.*, *Gly, Inc. v. Olaes Enters.*, 2009 TTAB LEXIS 246 (T.T.A.B. Feb. 25, 2009) (striking affirmative defense alleging lack of priority, finding it is not a true affirmative defense but rather an amplification of applicant's denial that opposer has priority); *Textron, Inc. v. Gillette Co.*, 180 U.S.P.Q. 152, 154 (T.T.A.B. 1973) (striking as redundant allegations in the answer which merely reiterated a denial). Here, Respondent has already in its Answer specifically denied Petitioner's allegations of likelihood of confusion. *See, e.g.*, Dkt. 4 ¶¶ 14, 17. Respondent's allegations in its affirmative defense do no more than deny various elements of the "likelihood of confusion" analysis, and are therefore subsumed in Respondent's

denial of Petitioner's allegations. Consequently, Respondent's affirmative defense of no likelihood of confusion is improper, and the Board should strike it from the Answer or enter judgment on the pleadings based on the redundancy of Respondent's pleading.

2. Respondent's Affirmative Defense that Petitioner Fails to State a Claim is Without Merit.

As its second affirmative defense, Respondent alleges that "Petitioner's Petition for Cancellation fails to state a claim upon which relief can be granted." Dkt. 4 ¶ 19. Such an allegation is not a cognizable affirmative defense to a properly pleaded claim in the TTAB. *Hornblower & Weeks, Inc. v. Hornblower & Weeks, Inc.*, 60 U.S.P.Q.2d 1733, 1738 n.7 (T.T.A.B. 2001) ("[P]aragraph 11, which asserts that the notice of opposition fails to state a claim upon which relief can be granted, is not a true affirmative defense and shall not be considered as such."); *see also Blackhorse v. Pro Football, Inc.*, 98 U.S.P.Q.2d 1633, *13 (T.T.A.B. 2011) ("Failure to state a claim upon which relief can be granted is not an affirmative defense.").

Pursuant to Fed. R. Civ. P. 12(b)(6), a defendant may assert in its answer the "defense" of failure to state a claim upon which relief can be granted, but "it necessarily follows that a plaintiff may utilize this assertion to test the sufficiency of the defense in advance of trial by moving under Fed. R. Civ. P. 12(f) to strike the 'defense' from the defendant's answer." *S.C. Johnson & Son Inc. v. GAF Corp.*, 177 U.S.P.Q. 720 (T.T.A.B. 1973).

Under Trademark Rule 2.112(a), the pleadings in a cancellation proceeding must set forth "a short and plain statement showing how the petitioner is or will be damaged by the registration (the basis for standing) and must state the grounds for cancellation." *McDonnell Douglas Corp.*, 228 U.S.P.Q. at 47 (internal quotations omitted). Thus, to prevail, Petitioner must demonstrate that it alleged facts that, if proven, would establish that (1) it has standing to challenge

Respondent's registration and (2) a valid ground exists for cancelling the registration. *See Order of Sons of Ital. in Am. v. Profumi Fratelli Nostra AG*, 36 U.S.P.Q.2d 1221, 1222 (T.T.A.B. 1995); *Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 1026 (C.C.P.A. 1982). For purposes of ruling on the defense, all well-pleaded allegations in the complaint must be accepted as true and must be construed in the light most favorable to plaintiff. *See Order of Sons of Ital. in Am.*, 36 U.S.P.Q.2d at 1222.

Petitioner clearly states the claim and the relief sought. Dkt. 1. This Petition for Partial Cancellation is based on the ground that Respondent's registration of the CREDITERA mark is in part damaging and will continue to damage Cortera on the grounds of likelihood of confusion with Petitioner's CORTERA Marks. To support its claim, Petitioner alleges that it has prior use and ownership of the CORTERA Marks (Dkt. 1 ¶¶1-9, 12-13) and a likelihood of confusion. (*Id.* at ¶¶ 11, 14, 17); TBMP § 309.03(c). Accepting these well-pled allegations as true, they establish that Petitioner has a real interest in the outcome of the proceeding – that is, Petitioner has a personal interest in the outcome of the case beyond the general public (i.e., standing) – as well as viable grounds for partial cancellation of the CREDITERA registration. *See Ritchie v. Simpson*, 170 F.3d 1092, 50 U.S.P.Q.2d 1023, 1025 (Fed. Cir. 1999).

Because Petitioner has alleged sufficient facts to both establish standing and valid grounds for the partial cancellation based on a likelihood of confusion, Respondent's affirmative 12(b)(6) defense cannot withstand scrutiny, and the Board should strike it from the Answer or enter judgment on the pleadings as to the sufficiency of Petitioner's pleading.

B. A Motion to Suspend Is Proper So That the Issues Can Be Properly Framed for Discovery to Proceed Efficiently

Because the determination of this motion should narrow the issues for discovery and trial, resulting in a more efficient and streamlined proceeding for purposes of discovery and trial, this

cancellation proceeding should be suspended pending the Board's ruling on Petitioner's Motion to Strike and/or Motion for Judgment on the Pleadings.

CONCLUSION

Judgment should be entered on both of the illegitimate affirmative defenses Respondent alleges as part of its Answer in this matter or, alternatively, the affirmative defenses should be stricken. In this way, the issues for discovery and trial can be appropriately defined, resulting in a more expeditious proceeding. Petitioner respectfully requests the Board to issue judgment on the pleadings as to the alleged affirmative defenses or, alternatively, to strike the affirmative defenses so that this proceeding may move forward on the only issue properly before the Board — whether Respondent's CREDITERA mark is confusingly similar to Petitioner's CORTERA Marks.

Dated: February 6, 2015

Respectfully submitted,

MORGAN, LEWIS & BOCKIUS, LLP

By: /David O. Johanson/

David O. Johanson
Morgan, Lewis & Bockius LLP
1 Federal Street
Boston, MA 02110
Telephone: (617) 951-8304
Fax: (617) 95108736
Email: david.johanson@morganlewis.com

Kristin H. Altoff
Morgan, Lewis & Bockius LLP
1111 Pennsylvania Avenue, NW
Washington, DC 20004
Phone: (202) 739-5093
Fax: (202) 739-3001
Email: kaltoff@morganlewis.com

Attorneys for Petitioner
Cortera, Inc.

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Combined Motion to Strike and/or Motion for Partial Judgment on the Pleadings and Motion to Suspend has been sent via first class mail, postage pre-paid on this 6th day of on February 2015 to:

F. Chad Copier
Creditera
3630 W. South Jordan Pkwy., Suite 202
South Jordan, Utah 84095

F. Chad Copier
5373 W. 10480 N.
Highland, Utah 84003

Stephanie L. Hall