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

In the Matter of Application Serial No. 78/844,352: NATTY BOH

ANHEUSER-BUSCH, INCORPORATED,	)	
	)	
Opposer,	)	
	)	
v.	)	Opposition No. 91178512
	)	
PABST BREWING COMPANY,	)	
	)	
Applicant.	)	

MOTION TO REDESIGNATE THE AFFIRMATIVE DEFENSE OF PRIORITY AND TO STRIKE THE AFFIRMATIVE DEFENSES OF LACHES, ESTOPPEL, WAIVER, UNCLEAN HANDS, AND ACQUIESCENCE

Opposer, Anheuser-Busch, Incorporated ("Opposer"), moves in accordance with Fed. R. Civ. P. 8(c)(2) for an order redesignating Pabst Brewing Company's ("Applicant") affirmative defense of priority as a counterclaim so as to afford Opposer an opportunity to plead or otherwise respond to in response to it. In addition, Opposer requests that the Board strike the affirmative defenses of laches, estoppel, waiver, unclean hands, and acquiescence because these defenses are not cognizable since they are based upon alleged facts and actions occurring prior to the publication of Applicant's NATTY BOH application.

I. FACTS

On March 23, 2006, Applicant filed a application for NATTY BOH, Serial No. 78/844,352, claiming use since at least as early as 1959. However, when asked to verify its prior use by the Patent and Trademark Office, Pabst amended the basis for its application from § 1(a) to § 1(b).

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On July 22, 2007, Opposer filed a Notice of Opposition against Applicant's NATTY BOH application. Opposer based its opposition on its NATTY LIGHT (Reg. No. 2,282,182) and NATTY ICE (Reg. No. 2,282,183) registrations. The filing date for both of these applications is June 16, 1998, and the first use date for both marks is September 28, 1999.

Opposer granted Applicant numerous extensions of time to answer. Applicant eventually answered the Notice of Opposition on March 7, 2008.

Applicant pleaded multiple affirmative defenses, but no counterclaims. First, even though Applicant was not able to verify any prior use in its application and was forced to change its filing basis to § 1(b), Applicant claimed use of NATTY BOH prior to the June 16, 1998, filing date of Opposer's NATTY LIGHT and NATTY ICE registrations as a basis to deny Opposer's opposition. Affirmative Defense, ¶ 5. Applicant also pled numerous other affirmative defenses - laches, estoppel, waiver, unclean hands, and acquiescence -- in a bare bones, conclusory fashion. Affirmative Defense, ¶¶ 6, 7. In fact, Applicant did not plead any facts in support of these affirmative defenses. The only facts raised in the pleading relate to Applicant's alleged use of NATTY BOH prior to July 1998, or almost ten years before publication of the opposed application. Affirmative Defense, ¶ 5.

II. ARGUMENT

A. Pursuant To Fed. R. Civ. P. 8(c)(2), The Board Should Redesignate Applicant's Priority Affirmative Defense As A Counterclaim.

Applicant's claim of priority is a compulsory counterclaim, not an affirmative defense. Pursuant to 37 CFR § 2.114(b), "a defense attacking the validity of any one or more of the registrations pleaded in the petition shall be a compulsory counterclaim . . .".

An affirmative defense of priority in effect challenges the validity of the pleaded registrations and therefore, priority "cannot be challenged absent a counterclaim for cancellation." *HI Limited Partnership v. Richard E. Wiles,* 2008 WL 885891 (TTAB March 26, 2008); *see International Karate Organization Kyokushinkaikan and Shokei Matsui v. Henriot Zephirin,* 2008 WL 902841 (TTAB February 27, 2008) ("The only way for applicant to attack [the priority of a] registration is with a counterclaim for cancellation.").

Applicant has specifically challenged the priority of Opposer's pleaded registrations by stating, "Applicant's NATTY BOH mark, used in connection with beer, has priority over Opposer's claimed use date of July 1998." Affirmative Defense, ¶ 5. Therefore, the Applicant's priority defense can only be asserted as a counterclaim, not an affirmative defense.

When a counterclaim is incorrectly designated as an affirmative defense, the court must redesignate it as a counterclaim. Fed. R. Civ. P. 8(c)(2) states, "[i]f a party mistakenly designates a defense as a counterclaim, or a counterclaim as a defense, the court must, if justice requires, treat the pleading as though it were correctly designated, and may impose terms for doing so." *See Reiter v. Cooper,* 507 U.S. 258 (1993).

In this case, justice requires that the court redesignate the priority affirmative defense as a counterclaim. Because Applicant improperly seeks to place its alleged priority at issue by affirmative defense, Opposer has been unfairly deprived of the opportunity to plead, or otherwise respond, in response to it. Rule 7, Fed. R. Civ. P. It is prejudicial to Opposer to face trial on a central issue such as priority when it has been deprived of the procedural safeguards afforded a counterclaim defendant. The Trademark Rules require priority to be litigated as a counterclaim, and Applicant should not be allowed to subvert Opposer's rights through (in)artful pleading.

B. The Board Should Strike The Affirmative Defenses Of Laches, Estoppel, Waiver, Unclean Hands, And Acquiescence.

The only facts supporting the defenses of laches, estoppel, waiver, unclean hands and acquiescence are acts which pre-date the publication date of the opposed application.[1] Pursuant to TBMP § 311.02(b), however, these equitable defenses are "severely limited" because these defenses "start to run from the time of knowledge of the application for registration (that is, from the time the mark is published for opposition), not from the time of knowledge of use." The Board has routinely ruled that equitable defenses in opposition proceedings run from the date of publication, not the date of alleged use by the applicant. *Hormel Foods Corp. and Hormel Foods, LLC v. Spam Arrest, LLC,* 2007 WL 4287254 (TTAB November 21, 2007) (acquiescence does not begin to run until mark is published); *Krause v. Krause Publications,* 76 U.S.P.Q. 2d 1904 (TTAB 2005) (same); *Turner v. Hops Grill & bar Inc.*, 52 U.S.P.Q. 2d 1310 (TTAB 1999) (laches starts to run when the mark in question is published); *Aquion Partners L.P. v. Envirogard Products,* 43 U.S.P.Q. 2d 1371 (TTAB 1997) (same). Therefore, because the facts supporting Applicant's equitable defenses date prior to the publication of the NATTY BOH, these defenses should be stricken.

WHEREFORE, Opposer respectfully requests that the Board grant Opposer's request to redesignate Applicant's affirmative defense of priority and strike its affirmative defenses of laches, estoppel, waiver, unclean hands and acquiescence. Also, the proceedings should be suspended so that the pleadings are set before commencing with trial.

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[1] The only facts asserted in support of Applicant's affirmative defenses are facts occurring prior to the filing of the Applicant's NATTY BOH application. If these affirmative defenses are based upon unpleaded facts occurring after Applicant's filing date, then Applicant has failed to plead its affirmative defenses properly and has not given the required notice to the Opposer, pursuant to Rule 8, Fed. R. Civ. P. Applicant should then be required to amend its affirmative defenses and plead them with more particularity so Opposer can understand the issue it faces at trial. TBMP § 311.02(b).

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CERTIFICATE OF SERVICE

I, Douglas N. Masters, hereby certify that a copy of the **MOTION TO REDESIGNATE THE AFFIRMATIVE DEFENSE OF PRIORITY AND TO STRIKE THE AFFIRMATIVE DEFENSES OF LACHES, ESTOPPEL, WAIVER, UNCLEAN HANDS, AND ACQUIESCENCE** has been served upon:

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via first class mail, postage prepaid, this 6th day of June, 2008.