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

Proceeding	91197762
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/Leah Z. Halpert/
Leah Z. Halpert

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

EMBARCADERO TECHNOLOGIES, INC., **Opposer** **v.** **DELPHIX CORP.** **Applicant.**	**Opposition No. 91/197,762** **Trademark: DELPHIX** **Serial No.: 77/944,256**

OPPOSER'S REPLY IN SUPPORT OF THE MOTION TO STRIKE APPLICANT'S AMENDED AFFIRMATIVE DEFENSES

Opposer, EMBARCADERO TECHNOLOGIES, INC., ("Embarcadero" or "Opposer") files the following reply in support of its Motion to Strike the Affirmative Defenses pleaded by Applicant, DELPHIX CORP. ("Delphix" or "Applicant") in their Amended Answer to Notice of Opposition. As a preliminary matter, Opposer points out that almost all of Applicant's legal references and support in their Opposition to the Motion to Strike (hereinafter "Applicant's Response") are either incomplete, incorrect, or simply inapplicable to a Board proceeding or contrary to established Board practice. Applicant continually overlooked the applicable authority as defined by the Trademark Trial and Appeal Board Manual of Procedure ("TBMP")[1], which states that in addition to being governed by the Lanham Act of 1946 ("Trademark Act") and the Trademark Rules of Practice, "[i]nter partes proceedings before the Board are also governed by the Federal Rules of Civil Procedure ("FRCP"), *except as otherwise provided in the Trademark Rules*

[1] TBMP § 101.01, 101.02

of Practice, and "wherever applicable and appropriate," 37 CFR § 2.116(a)." TBMP § 101.02 (emphasis added). Additionally, "Proceedings before the Board are also governed, to a large extent, by precedential decisions in prior cases. These decisions include those of the Board itself, as well as the decisions of the Court of Appeals for the Federal Circuit." TBMP § 101.03. Applicant's Response, however, mainly relies on the FRCP without deference to applicable and well-established Trademark Law, as well as case law from various jurisdictions, in an effort to circumvent the clearly established rules from Trademark Trial and Appeal Board ("Board") decisions that are directly on point. The TBMP is clear; the FRCP and Federal Rules Decisions interpreting the FRCP do not trump the well-defined rules established in the TBMP or the multiple rulings held by the Board when applied to a trademark opposition before the Board, such as the case here. As such, Opposer reiterates that each and every Affirmative Defense put forth by Applicant, under the applicable Trademark Law and case law is legally insufficient and improper as a matter of law, and should be stricken in its entirety.

A. Affirmative Defenses Must be Pled With Enough Facts To Give Plaintiff Fair Notice

Applicant first continually and incorrectly asserts that for each affirmative defense, "all that is required under Trademark Rule 311.02(b) and Federal Rule of Civil Procedure 8 is a 'short and plain' statement of the affirmative defense," Applicant's Response at 1, and that "no additional facts are required to put Opposer on notice of Applicant's . . . defenses." Applicant's Response at 9. While Applicant may believe that this is all that is necessary under the FRCP, the TBMP and Board precedent (the controlling authority in Board proceedings) has expanded this rule to require that "the pleading . . . include enough detail to give the plaintiff fair notice of the basis for the defense." *See IdeasOne Inc. v. Nationwide Better Health Inc.*, 89 USPQ2d 1952, 1953 (TTAB 2009) (Trademark Act § 18, 15 U.S.C. § 1068 claim or defense must be specific enough to provide fair notice to adverse party of restriction being south); *Fair Indigo LLC v. Style Conscience*, 85 USPQ2d

1536, 1538 (TTAB 2007) (elements of each claim should include enough detail to give fair notice of claim); and *Ohio State University v. Ohio University*, 51 USPQ2d 1289, 1292 (TTAB 1999) (primary purpose of pleadings "is to give fair notice of the claims or defenses asserted"). As such, it was the Trademark Rules, not Applicant's purported desire "to avoid trivial disputes"[2] that has forced Applicant to attempt to provide some semblance of detail surrounding their originally pleaded conclusory affirmative defenses. As demonstrated in Opposer's Motion to Strike, Applicant's support is either all irrelevant or inapplicable, and does not meet the standard required by the applicable rules..

B. Applicant's 3-Prong Test for Evaluating Motions to Strike Is Inapplicable to Board Proceedings

Applicant's Response relies heavily on a three-pronged test for evaluating motions to strike which Applicant claims is laid out in *SEC v. Alexander*, 248 F.R.D. 108, 109 (E.D.N.Y. 2007). Applicant's reliance on this claimed test is simply misplaced – it has never been adopted by the Board, despite the attempted showing to the contrary.[3] The *Alexander* case purports to interpret the FRCP, however, a mere interpretation of the FRCP does not trump Board precedent that is directly on point. Rather, according to the TBMP rules, it is the Board precedent and the TBMP that controls here. Opposer's Motion discusses the appropriate rules and Board precedent for the instant matter – Applicant's Response attempts to circumvent this well-defined, clear precedent, but the attempt fails.

As the name suggests, *SEC v. Alexander* is a civil case that deals with violations of federal securities laws, a fact pattern that is wholly unrelated to the case at hand. Applicant attempts to

[2] Applicant's Response to Opposer's Motion to Strike Affirmative Defenses (hereinafter "Applicant's Response") at 5.

[3] Applicant cites *FRA S.p.A. v. Surg-O-Flex of America, Inc.*, 194 U.S.P.Q. 42, 46 (TTAB 1976) as direct support for the three-prong test by the Board. However, a review of this case shows no mention of the test adopted by the FRD in *SEC v. Alexander*, and deals with what is necessary for a Motion to Strike a portion of the complaint, not affirmative defenses.

further support the three-pronged test by citing other non-binding, inapplicable cases, all of which do not trump Board decisions that are directly on point, as used in Opposer's Motion. For example, on pages 3-4 of Applicant's Response, Applicant refers to *Bennett v. Spoor Behrins Campbell & Young, Inc.*, 124 F.R.D. 562, 564 (S.D.N.Y. 1989). This case deals with a motion to strike a statute of limitations defense, which is irrelevant to the factual scenario here or the legal precedent for trademark oppositions before the Board. Additionally, to further "support" the three-prong test, on page 4 of Applicant's Response, Applicant refers to *Durham Indus., Inc. v. North River Ins. Co.*, 482 F. Supp. 910, 913 (S.D.N.Y. 1979) which, again is not remotely connected to trademark law precedent, but rather deals with surety bonds and abuse of process. Applicant's reliance on *Ciminelli v. Cablevision*, 583 F. Supp. 158, 162 (E.D.N.Y. 1984) at page 4 of Applicant's Response is also misplaced as this is a complex antitrust suit where motions to strike are rarely utilized early in cases as there are necessarily substantial questions of law and fact. Applicant attempts to cover the misplaced reliance on these inapplicable cases, in addition to others, and tries to bolster its argument by further "supporting" the three-pronged test with Section 506.01 of the TBMP (which does not list any sort of evaluation method to be followed) and a single 1976 S.D.N.Y. decision.[4] As with the other cited cases in Applicant's response, Applicant's reliance on this case is also inappropriate, as it does not mention a three-pronged test, but rather only mentions that "unless it is clear that the portion of the pleading has no bearing on the subject matter of the litigation and that its inclusion will prejudice the defendant, the *complaint* should remain intact" *FRA S.p.A. v. Surgo-Flex* at 46 (emphasis added). Yet again, this case does not contemplate standards for reviewing motions to strike affirmative defenses, but rather deals with a defendant's Motion to Strike portions of the complaint.

[4] *FRA S.p.A. v. Surgo-O-Flex of America, Inc.*, 194 USPQ 42 (S.D.N.Y. 1976). *See* FN 3.

Throughout Applicant's Response, Applicant attempts to apply principles from Federal Rules Decisions and law from other legal fields in an effort to contradict and circumvent express Board holdings. As discussed above, however, the TBMP is clear that rulings on the FRCP do not trump Board decisions, especially when the Board has multiple decisions directly on point. Here, the Board has never applied Applicant's proposed three-prong test, and has, in fact, consistently held differently in the matter of what is necessary to adequately strike an affirmative defense. *See* Opposer's Motion to Strike for proper precedent. As such, Applicant has not provided a persuasive or legally binding argument that would allow for Opposer's well-founded Motion to Strike to be denied.

C. Opposer is Not Required to Prove Prejudice From the Affirmative Defenses Within A Motion to Strike.

Applicant's final argument in its Response also misses the mark. Based upon the irrelevant, non-binding and unpersuasive three-pronged test, Applicant argues that Opposer failed to affirmatively establish that the affirmative defenses would cause prejudice. Once again, Applicant fails to cite any applicable authority purporting this rule. The TBMP does say that the Board "*may* decline to strike even objectionable pleadings where their inclusion will not prejudice the adverse party." TBMP § 506.01. This indicates that the Board has the option to decide whether prejudice exists in maintaining or striking affirmative defense when presented with a Motion, however, there is, in no way, an outright affirmative duty by the movant to prove prejudice in a case presented with a Motion to Strike. Applicant yet again misunderstood the clear meaning of the rules as the Board has never made an affirmative showing of prejudice a mandatory part of a motion to strike affirmative defenses.

CONCLUSION

With Applicant's misunderstanding of the applicable rules and improper reliance on inapplicable or irrelevant case law, Opposer requests that the Motion to Strike be granted and Applicant's Amended Affirmative Defenses be stricken.

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Dated: July 6, 2011

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing **OPPOSER'S REPLY IN SUPPORT OF THE MOTION TO STRIKE APPLICANT'S AMENDED AFFIRMATIVE DEFENSES** is being served upon Applicant on July 6, 2011, by first class mail, postage prepaid, to Applicant's attorney of record:

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