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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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/Mariela P Vidolova/
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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 MOTION TO STRIKE APPLICANT'S AFFIRMATIVE DEFENSES

Pursuant to Rule 12 of the Federal Rules of Civil Procedure and Section 506.01 of the TBMP EMBARCADERO TECHNOLOGIES, INC., ("Embarcadero" or "Opposer") hereby moves the Trademark Trial and Appeal Board (the "Board") to strike the Affirmative Defenses as pleaded in Applicant's Answer to Notice of Opposition filed by DELPHIX CORP. ("Applicant"), as they are legally insufficient and improper as a matter of law.

ARGUMENT - GENERAL:

Under Rule 12(f) of the Federal Rules of Civil Procedure, the Board may strike from a pleading any insufficient defense or any redundant, immaterial, or impertinent allegation. *Harsco Corp. v. Electrical Sciences Inc.*, 9 USPQ 2d 1570 (TTAB 1988). Although motions to strike are not favored *id.*, they are permissible and will be granted when appropriate. Here, as each purported affirmative defense is legally insufficient and/or improper, it is appropriate for them to be stricken, prior to the parties expending their time, and the Board's time, on unnecessary discovery, testimony, argument and briefing.

Each and every one of the claimed affirmative defenses in Applicant's Answer to Notice of Opposition does not meet the standards established by Rule 8(b) of the Federal Rules of Civil Procedure and Section 311.02 (b) of the TBMP. The TBMP states that "the elements of a defense should be stated simply, concisely, and directly. However, the pleading should include enough detail to give the plaintiff fair notice of the basis for the defense" (TBMP Sec. 311.02(b); *Cf. McDonnell Douglas Corp. v. National Data Corp.*, 228 USPQ 45, 47 (TTAB 1985)(bald allegations without any further details were found to be insufficient as providing fair notice). The Applicant clearly did not meet this standard, as the defenses asserted by the Applicant are merely bare and conclusory assertions. These bald allegations do not provide Opposer or the Board with fair notice of the basis for these claimed defenses, and do not plead the elements necessary to establish the affirmative defenses. As such, these defenses are not properly pleaded as affirmative defenses, not sufficiently founded on rules or case law, and should be stricken.

A. Applicant's First Affirmative Defense that Embarcadero's Notice of Opposition fails to state a claim upon which relief can be granted Should Be Stricken

It is well settled that an affirmative defense alleging a failure to state a claim may be tested by a motion to strike. *Order Sons of Italy in America v. Profumi Fratelli Nostra AG,* 36 USPQ 2d 1221, 1222-23 (TTAB 1995). The TTAB has also noted in *Castro v. Cartwright*, Opposition No. 91188477 that "failure to state a claim" is not really an affirmative defense "because it relates to an assertion of the insufficiency of the pleading of opposer's claim rather than a statement of a defense to a properly pleaded claim." The Board explained (and held) that in determining the sufficiency of the notice of opposition, the Board examines the notice to see if (1) the plaintiff has standing to maintain the proceeding, and (2) a valid ground exists for opposing the mark.

Here, the Notice of Opposition is clearly sufficient, indicating that Applicant's First Affirmative Defense should be stricken. Opposer claims in the Notice of Opposition, *inter alia,*

its DELPHI mark has been registered and used long prior to the filing date of the DELPHIX mark of Appln. #77/944,256, and that use of the DELPHIX mark would be likely to cause confusion, mistake or deception among purchasers, users and the public, thereby damaging Opposer Embarcadero. Such a showing clearly establishes that Opposer has standing in this proceedings as Opposer has a "real interest in the outcome of this proceeding; that is, [O]pposer has a direct and personal stake in the outcome of the opposition" *Honda Motor Co., Ltd. v. Freidrich Winkelmann*, 90 USPQ 2d 1660 (TTAB 2009). The Notice of Opposition also clearly states a cause of action, as it sets forth allegations and facts, which if proved would entitle Opposer to the relief sought in this proceeding. Accordingly, Applicant's First Affirmative Defense should be stricken. *Order Sons of Italy in America, supra* at 1223 (Where the allegations of the Notice Of Opposition state a cause of action, affirmative defense of failure to state a claim will be stricken*); American Vitamin Products Inc. v. DowBrands Inc.,* 22 USPQ2d 1313, 1314 (TTAB 1992); *S. C. Johnson & Son, Inc. v. GAF Corp.*, 177 USPQ 720, 720 (TTAB 1973).

Additionally, in *Northwestern Corp. v. Gabriel Mfg. Co., Inc.*, Not Reported in F.Supp., 1996 WL 732519 (N.D. Ill. 1996), the court strikes an affirmative defense stating that plaintiff failed to state a claim upon which relief can be granted. In that case, as in the instant case, the Applicant merely made a bare bones, conclusory statement, failing to properly notify the plaintiff of any specific issues in the complaint. Having found a lack of proper notice, the Board went on to find that affirmative defenses in general are an improper vehicle for claiming that the plaintiff failed to state a claim upon which relief can be granted. "If defendants seriously question the adequacy of [the] complaint, they could have filed the appropriate motion". This bare bones, conclusory defense has also been stricken by the court in *Tome Engenharia E. Transporrtes, Ltd. v. Malki*, Not Reported in F.Supp., 1996 WL 172286 (N.D. Ill 1996), *Flazsa v. TNT Holland*

Motor Exp., Inc., 155 F.R.D. 612, 614 (N.D.Ill 1994), and *In re Olympia Brewing Co. Securities Litigation*, Not Reported in F.Supp., 1985 WL 3928 (N.D. Ill 1985).

B. Applicant's Second, Third, Fourth and Fifth Affirmative Defenses Should Be Stricken

Applicant's Second Affirmative Defense states: "The Applicant's claims are barred, in whole or in part, by the doctrine of acquiescence."

Applicant's Third Affirmative Defense states: "The Applicant's claims are barred, in whole or in part, by the doctrine of laches."

Applicant's Fourth Affirmative Defense states: "The Applicant's claims are barred, in whole or in part, by the doctrine of equitable estoppel."

Applicant's Fifth Affirmative Defense states: "Opposer reserves the right to assert any and all other affirmative defenses of which it becomes aware during the pendency of this matter."

It is a well-settled rule given in Section 311.02(b) of the TBMP that a party pleading an affirmative defense must give fair notice of the basis of its claimed defense, and cannot rely on a bare assertion that a claim is barred. *Cf., McDonnell Douglas Corp. v. National Data Corp.,* 228 USPQ 45, 77 (TTAB 1985) (Pleading must give sufficient detail to give fair notice; bald allegations are insufficient). Applicant's Answer, however, contains no further details setting forth the basis of its alleged defenses of acquiescence, laches, equitable estoppel, and possible "future" defenses. Contrary to the rules, Applicant fails to plead or state any facts in support of its Affirmative Defenses. It is true that Rule 8(b) of the Federal Rules of Civil Procedure requires that any defense to a claim must be stated in short and plain terms. Similarly, under Section 311.02(b) of the TBMP, "[t]he elements of a defense should be stated simply, concisely, and directly". This rule further continues with the mandate that the defense "should include enough detail to give the plaintiff fair notice of the basis for the defense." Bald and conclusory allegations

are insufficient under that standard, in that they neither give fair notice of the basis for a claim nor set forth sufficient facts that, if proven, support the claim. TBMP Rule 311.02(b) (citing *McDonnell Douglas Corporation v. National Data Corporation*, 228 U.S.P.Q. 45 (TTAB 1985)). The case law is clear that even under Rule 8(a)'s notice pleading standard, affirmative defenses, including "[l]aches, waiver, estoppel, and unclean hands . . . must be plead with the specific elements required to establish the defense" or else be stricken. *Software Publrs. Ass'n v. Scott & Scott, LLP*, 2007 U.S. Dist. LEXIS 59814 (N.D. Tex. 2007).

As explained by the court in striking an affirmative defense that a party's "claims are barred or limited by laches, wavier, estoppel, and unclean hands," laches, waiver, estoppel, and unclean hands are equitable defenses that must be pled with the specific elements required to establish the defense. *See State Farm Mut. Auto. Ins. Co. v. Riley,* 199 F.R.D. 276, 279 (N.D. Ill. 2001).

In *Reis Robotics USA, Inc. v. Concept Industries, Inc.*, 462 F. Supp2d. 897 (N.D. Ill. 2006), the court rejected affirmative defenses materially identical to the affirmative defenses Applicant raises here as insufficiently pleaded. In that case, defendant, like Applicant here, baldly alleged in its answer that plaintiff's "claims are barred or limited by laches, waiver, estoppel, unclean hands, or similar legal or equitable defenses" *Id.* at 907, without any further details or facts. In striking those defenses, the court held that "[m]erely stringing together a long list of legal defenses is insufficient to satisfy Rule 8(a)." *Id*. The court reasoned, "[i]t is unacceptable for a party's attorney simply to mouth [affirmative defenses] in formula-like fashion ('laches,' 'estoppel,' 'statute of limitations,' or what have you), for that does not do the job of apprising opposing counsel and this Court of the predicate for the claimed defense—which after all is the goal of the pleading." *Id*. (internal citations omitted).

Such unacceptable "boilerplate" pleading is precisely what Applicant uses in this case. Applicant's Second, Third, Fourth and Fifth affirmative defenses accordingly are deficient and

should be stricken.

Furthermore, the TBMP explains, and the Board has held, that the availability of the affirmative defenses of laches, estoppel, and acquiescence are "severely limited in Board proceedings." TBMP Sec. 311.02(b); *See Turner v. Hops Grill and Bar, Inc*., 52 USPQ2d 1310, 1312 (TTAB 1999). In order to properly raise laches and acquiescence, Applicant would have to show, *inter alia*, that Opposer "slept on his rights" 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," TMBP Section 311.02(b), and that such an unreasonable delay caused harm to the Applicant. *National Cable Television Association Inc. v. American Cinema Editors Inc.,* 19 USPQ2d 1424, 1432 (Fed. Cir. 1991). *See also, Coach House Restaurant, Inc. v. Coach and Six Restaurants,* 19 USPQ2d 1401, 1404-05 (11th Cir. 1991). Here, Opposer filed a timely Notice Of Opposition within the prescribed opposition period. As a result, there is no possible basis for a claim of unreasonable delay or prejudice from such a delay, and therefore the affirmative defenses of laches and acquiescence should be stricken. *National Cable Television Association Inc., supra; Coach House, supra; Turner, supra*.

Moreover, where an ITU application is involved, as it is in the instant opposition, the defenses of laches, acquiescence and estoppel are singularly inappropriate.

In *Castro v. Cartwright*, Opposition No. 91188477 the TTAB held that estoppel, "may be invoked *only* by one who has been prejudiced by the conduct relied upon to create the estoppel" (emphasis added). Here, Applicant did not allege any facts along with its conclusory defense of estoppel, let alone facts to show that Applicant was induced to select their mark because of some conduct by Opposer or that applicant is in "privity with ... third parties who have assertedly used similar marks for similar goods with opposer's acquiescence thereto." Like the added insufficiencies for laches and acquiescence above, Applicant's bare bones estoppel defense should be further stricken as insufficient.

The fifth affirmative defense - an attempt to reserve rights for some unclear future events - is a prime example of a vague, undefined, bare bones claim to which no plaintiff could respond, and which gives absolutely no notice of what it is that defendant thinks plaintiff may have done to give rise to this defense. In truth, this isn't even a defense at all. It is a vague claim or an attempt to reserve the right to assert other defenses later in case Applicant can think of any. For that reason, it too should be stricken.

CONCLUSION

None of Applicant's five Affirmative Defenses satisfy the standards and requirements set forth under Rule 8 (b) of the Federal Rules of Civil Procedure and Section 311.02 of the TBMP. Each of these defenses are mere conclusory, unsubstantiated statements, without any consideration of the actual applicability of the defense to the allegations in this case and without no identification or explanation of the factual basis for any of the asserted defenses. As a result, both Opposer and this Board can only speculate as to the predicates for those defenses—hardly the "fair notice" required under the rules. As such, the Affirmative Defenses should be stricken as insufficiently pled.

For the foregoing reasons, Opposer requests that Applicant's Affirmative Defenses be stricken.

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Dated: March 2, 2011

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing **OPPOSER'S MOTION TO STRIKE APPLICANT'S AFFIRMATIVE DEFENSES** is being served upon Applicant on March 2, 2011, by first class mail, postage prepaid, to Applicant's attorney of record:

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