

ESTTA Tracking number: **ESTTA423628**

Filing date: **08/05/2011**

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

Proceeding	91200575
Party	Plaintiff Hershey Chocolate & Confectionery Corporation, The Hershey Company
Correspondence Address	Paul C. Llewellyn Kaye Scholer LLP 425 Park Avenue New York, NY 10022 UNITED STATES pllewellyn@kayescholer.com, jeischeid@kayescholer.com
Submission	Other Motions/Papers
Filer's Name	Jennifer Co
Filer's e-mail	jennifer.co@kayescholer.com, pllewellyn@kayescholer.com, jeischeid@kayescholer.com, jryniewicz@kayescholer.com
Signature	/Jennifer Co/
Date	08/05/2011
Attachments	Hershey Motion to Strike Portion of Applicant's Answer.pdf ( 10 pages )(388895 bytes )

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

x

-----

HERSHEY CHOCOLATE & CONFECTIONERY CORPORATION and THE HERSHEY COMPANY,	:	
	:	
Opposers,	:	Opposition No. 91200575
	:	
v.	:	
	:	
KENNETH B. WIESEN,	:	
	:	
Applicant.	:	
	:	
-----	:	

x

**MOTION TO STRIKE PORTION OF APPLICANT'S ANSWER**

Applicant Serial No: 85/221,585  
Filed: January 19, 2011  
Published for Opposition: June 14, 2011  
Mark: MILKSHAKE

Applicant Serial No: 85/210,942  
Filed: January 5, 2011  
Published for Opposition: June 14, 2011  
Mark: MILK SHAKE

**TO:** Commissioner for Trademarks  
Trademark Trial and Appeal Board  
P.O. Box 1451  
Alexandria, VA 22313-1451

Pursuant to Federal Rule of Civil Procedure 12(f) and T.B.M.P. § 506, Opposers Hershey Chocolate & Confectionery Corporation (“HC&CC”) and The Hershey Company (“Hershey Company,” and, together with HC&CC, “Hershey”) hereby move to strike as insufficient and immaterial paragraph 13 of Applicant Kenneth B. Wiesen’s (“Applicant”) Answer to Notice of

Opposition, wherein Applicant purports to assert a defense of fraud on the U.S. Patent and Trademark Office (“USPTO”).

## I. INTRODUCTION

On July 7, 2011, Hershey filed a Notice of Opposition alleging that Applicant’s trademark applications for MILKSHAKE (Ser. No. 85/221585) and MILK SHAKE (Ser. No. 85/210942) infringed Hershey’s common law rights in and to its MILKSHAKE trademark. Consolidated Notice of Opposition (“Opposition”) ¶¶ 8-10. The Opposition is premised solely on Hershey’s common law rights, and does not assert any trademark registrations.

In its Answer, filed July 14, 2011, Applicant asserted that Hershey was estopped from opposing Applicant’s applications because Hershey purportedly had committed fraud in the course of obtaining trademark registrations for MILKSHAKE (Reg. Nos. 1273766 and 1669640) and BUTTERNUT (Reg. No. 1690384), three trademark registrations not at issue in this proceeding. Specifically, the Answer alleges:

Applicant further affirmatively alleges that Opposers should be estopped from opposing Applicant’s marks as such opposition is part of a continuing scheme of fraud in applying for and renewing the MILKSHAKE mark and other similar marks. Such activities include, *inter alia*, Opposers actions in Registration Nos. 1273766, 1669640 and 1690384 and as further evidenced by Cancellation Proceeding No. 92053727.

Answer to Notice of Opposition (“Answer”) ¶ 13.

As set forth more fully below, because Hershey’s Opposition does not rely on the registrations cited in the Answer (none of which, moreover, are existing registrations), Applicant’s defense in Paragraph 13 of the Answer is insufficient as a matter of law and is immaterial to the issues in this proceeding, which is premised on Hershey’s common law rights, not any registered marks. *See, e.g., Standard Knitting, Ltd. v. Toyota Jidosha Kabushiki Kaisha*, 77 U.S.P.Q.2d 1917, 2006 WL 173463, at \*13 (T.T.A.B. 2006), appeal dismissed, 186 Fed.

App'x 1005 (Fed. Cir. 2006) (sustaining opposition based on common law rights despite cancellation of opposer's registration on fraud grounds). Applicant's Paragraph 13 threatens to needlessly multiply the issues for discovery and litigation in this proceeding, all to the increased burden and expense of the parties and the Trademark Trial and Appeal Board (the "Board"). Accordingly, Hershey respectfully requests that the Board strike Applicant's Paragraph 13 from the Answer.

## **II. BACKGROUND**

HC&CC owns numerous trademarks for candy, chocolate, confectionary, cocoa, and related products, and its licensee, Hershey Company, is a leading snack food company and the largest North American manufacturer of quality chocolate and non-chocolate confectionary products. Opposition ¶ 1.

Since at least as early as 2005, Hershey has continuously used the trademark MILKSHAKE throughout the United States in connection with a variety of candy products, including certain of Hershey's KIT KAT-branded chocolate candy bars and WHOPPERS-branded chocolate malt ball candy products. *Id.* ¶ 2. As a result of this long and continuous use, as well as substantial investment in promotions and advertising, consumers associate the MILKSHAKE trademark with Hershey's products. *Id.* ¶ 3. Hershey's Opposition is based upon its common law rights in and to the MILKSHAKE trademark. *Id.* ¶ 4.

Previously, HC&CC owned registrations for MILKSHAKE (Stylized) (Reg. No. 1273766) and MILKSHAKE (Reg. No. 1669640) for "candy" in International Class 30 (collectively, the "Former Registrations"). When these registrations became due for a third renewal, Hershey voluntarily surrendered them for cancellation pursuant to Section 7(e) of the Lanham Act. 15 U.S.C. § 1057(e). Although Paragraph 13 of the Answer refers to these

registrations, Hershey does not base its Opposition on these cancelled registrations, and did not cite to or otherwise reference them therein. Nor does Hershey base this Opposition on its previous Registration No. 1690384 for the mark BUTTERNUT (also referred to in Paragraph 13 of the Answer).

### III. ARGUMENT

#### A. Standard for Rule 12(f) Motion to Strike

Pursuant to Federal Rule of Civil Procedure 12(f),<sup>1</sup> the Board “may strike from a pleading an insufficient defense” or any “immaterial ... matter.” F.R.C.P. 12(f); *see also* T.B.M.P. § 506; *Ohio State Univ. v. Ohio Univ.*, 51 U.S.P.Q.2d 1289, 1292 (T.T.A.B. 1999) (citing F.R.C.P. 12(f)). Rule 12(f) motions to strike a defense are properly granted when the defense is insufficient as a matter of law. *Coach, Inc. v. Kmart Corps.*, 756 F. Supp. 2d 421, 425 (S.D.N.Y. 2010) (internal citation omitted). An affirmative defense is insufficient as a matter of law if “the defense cannot succeed under any circumstance.” *F.D.I.C. v. Raffa*, 935 F. Supp. 119, 123 (D. Conn. 1995). Thus, where the defense is “clearly irrelevant and frivolous,” the Board should strike it from the pleading. *S.E.C. v. Elecs. Warehouse, Inc.*, 689 F. Supp. 53, 73 (D. Conn. 1988) (citing *S.E.C. v. Gulf & Western*, 502 F. Supp. 343, 345 (D.D.C. 1980)).

“[I]nclusion of a defense that must fail as a matter of law prejudices the plaintiff because it will needlessly increase the duration and expense of litigation.” *Coach, Inc.*, 756 F. Supp. 2d at 426 (citing *Estee Lauder, Inc. v. Origins Natural Res., Inc.*, 189 F.R.D. 269, 272 (S.D.N.Y. 1999) (explaining that when “the defense is insufficient as a matter of law, the defense should be stricken to eliminate the delay and unnecessary expense from litigating the invalid claim”))

---

<sup>1</sup> The Federal Rules of Civil Procedure are applicable to proceedings before the Board pursuant to 37 C.F.R. § 2.116(a).

(internal citations omitted)); *see also Aller-Caire, Inc. v. Am. Textile Co.*, 2009 WL 331532, at \*1 (N.D. Ill. Feb. 11, 2009) (“[W]here motions to strike remove unnecessary clutter, they serve to expedite, not delay.”) (internal citation omitted). As such, “[a] defense that would not, under the facts alleged, constitute a valid defense to the action can and should be deleted.” *D’Agostino v. Housing Authority of the City of Waterbury*, 2006 WL 1821355, at \*1 (D. Conn. June 30, 2006) (citing 5A Charles A. Wright & Arthur R. Miller, *Federal Practice and Procedure* § 1381, 665 (2d ed. 1990)).

B. The Fraud Defense Is Insufficient to Overcome Hershey’s Common Law Rights and Is Immaterial

Applicant alleges that Hershey’s Opposition “is part of a continuing scheme of fraud in applying for and renewing the MILKSHAKE mark,” citing as the basis for this fraud defense the Former Registrations, and a registration and a cancellation proceeding involving trademarks not at issue in this Opposition. Answer ¶ 13.

As set forth above, however, Hershey’s Opposition is based solely upon Hershey’s well-established common law rights in and to the MILKSHAKE trademark, not on the Former Registrations, or, for that matter, any registrations at all. Opposition ¶¶ 2-4. It is settled that a fraud defense only applies to the acquisition of registrations, and, even if an opposer has engaged in fraud with respect to the acquisition of a registration (which Hershey affirmatively denies it has done), an “opposer is still entitled to rely on its common law rights in asserting its claim of likelihood of confusion in the opposition,” in which case an applicant’s fraud defense is “clearly irrelevant and frivolous” and “cannot succeed under any circumstance.” *Standard Knitting, Ltd.*, 2006 WL 173463, at \*13 (citing *Volkswagenwerk Aktiengesellschaft v. Wheeler*, 814 F.2d 812, 819 (1st Cir. 1987)). In *Standard Knitting*, Standard Knitting filed an opposition against Toyota’s application for the TUNDRA trademark, and Toyota, in response, alleged Standard

Knitting had committed fraud in obtaining the registrations cited in the opposition. *Id.* at \*1. The TTAB agreed with the applicant and cancelled the opposer's registrations for the TUNDRA and TUNDRA SPORT trademarks. *Id.* at \*13. However, the TTAB stated that Standard Knitting could still rely on its established prior common law rights in its TUNDRA and TUNDRA SPORT trademarks as the basis for its claim of likelihood of confusion in the opposition because "fraud only relates to the acquisition of the registrations." *Id.*

This holding is consistent with that of numerous courts that have concluded that common law rights in a mark may subsist regardless of the existence or status of a registration for the mark, and that "the cancellation of a trademark registration does not extinguish common law rights the registration did not create." *Santana Prods., Inc. v. Compression Polymers, Inc.*, 8 F.3d 152, 155 (3d Cir. 1993) (internal citation omitted) ("[A] party's right to use a trademark is not dependent on its registration."); *see also California Cooler, Inc. v. Loretto Winery, Ltd.*, 774 F.2d 1451, 1454 (9th Cir. 1985) (holding that "registration, and concomitantly lack of registration, neither expands nor diminishes common law rights," and "deficiencies in registration, such as failure to renew, or even cancellation, do not affect common law trademark rights") (internal citation omitted). The Federal Circuit has concurred, holding in *Crash Dummy Movie, LLC v. Mattel, Inc.*, that "[a]lthough Mattel later allowed its trademark registrations to lapse, cancellation of a trademark registration does not necessarily translate into abandonment of common law trademark rights[, n]or does it establish its owner's lack of intent to use the mark." 601 F.3d 1387, 1391 (Fed. Cir. 2010) (internal citation omitted) (citing evidence that showed Mattel continued to engage in research and development in efforts to update toys bearing the mark at issue).

Here, although Hershey voluntarily surrendered its Former Registrations, Hershey alleges that it has used its MILKSHAKE trademark continuously throughout the United States since 2005 on a variety of candy products, including KIT KAT-branded chocolate candy bars and WHOPPERS-branded chocolate malt ball candy products. Opposition ¶ 2. As a result of this long and widespread use, as well as Hershey’s promotional and advertising efforts in connection with products bearing the trademark, consumers have come to associate the MILKSHAKE trademark with Hershey and Hershey’s products. *Id.* ¶ 3. Hershey thus maintains valid and subsisting common law rights in and to the MILKSHAKE trademark, and may rely on those rights to oppose Applicant’s pending applications for MILK SHAKE and MILKSHAKE. Applicant’s fraud defense has no bearing on Hershey’s common law rights, and should be stricken from the Answer. *See, e.g., Am. Vitamin Prods., Inc. v. Dow Brands Inc.*, 22 U.S.P.Q.2d 1313, 1314 (T.T.A.B. 1992) (respondent asserted there was no likelihood of confusion because petitioner had not used the mark at issue, but Board granted petitioner’s motion to strike respondent’s affirmative defense as “unsupportable” because petitioner had not raised likelihood of confusion as a ground for cancellation).

C. Allowing Applicant to Proceed with the Fraud Defense Would Prejudice Hershey

Allowing Applicant’s fraud defense to remain an issue in these Opposition proceedings would prejudice Hershey by unnecessarily prolonging the proceedings and wasting the resources of both the Board and the parties. Inclusion of the fraud defense would require the parties to engage in costly additional discovery and briefing related to the defense, and would require the Board to expend time and resources to adjudicate an irrelevant issue. *See Specialty Minerals, Inc. v. Pluess-Stauffer AG*, 395 F. Supp. 2d 109, 114 (S.D.N.Y. 2005) (holding that plaintiffs would be prejudiced because inclusion of defendant’s insufficient unclean hands defense would require additional discovery and expand the length and scope of trial); *F.D.I.C. v. Eckert*



*Seamans Cherin & Mellott*, 754 F. Supp. 22, 23 (E.D.N.Y. 1990) (granting motion to strike due in part to the fact that “extensive pre-trial discovery available to [defendant] in the[ invalid] affirmative defenses could take many months,” such that the “extra cost and the delay in bringing the case to trial is substantial”).

As Professor McCarthy has opined:

It is difficult to understand why defendants in many trademark infringement suits expend so much time, effort and money in vigorously pursuing the claim that plaintiff’s federal registration was obtained by fraud. It has been held several times that even if defendant succeeds in proving that the plaintiff’s registration was fraudulently obtained, plaintiff’s common law rights in the mark continue unabated and are sufficient to require an injunction against an infringing defendant. In addition, plaintiff’s separate federal rights in unregistered marks under Lanham Act § 43(a) continue unabated even if a registration is disregarded or cancelled.

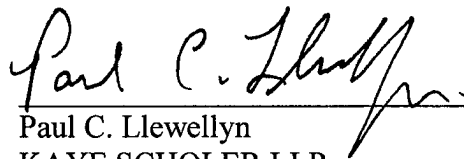
6 McCarthy on Trademarks § 31.60 (4th ed. 2010) (*cited in Innovation Ventures, LLC v. Bhellion Enters. Corp.*, 2010 WL 3170080, at \* 3 (E.D. Mich. Aug. 11, 2010). Applicant’s Paragraph 13 threatens to lead this proceeding down the same needlessly costly and burdensome path that Professor McCarthy identifies, and, for all the reasons set forth above, should be stricken.

[The remainder of this page has been intentionally left blank.]

#### IV. CONCLUSION

Hershey's Opposition relies upon its extensive common law rights in and to the MILKSHAKE mark, not on any registered marks. Because the affirmative defense of fraud on the USPTO is not applicable to common law trademark rights, the defense in Applicant's Paragraph 13 is insufficient and is immaterial to these proceedings. Hershey respectfully requests that the Board strike it from the Answer pursuant to Federal Rule of Civil Procedure 12(f) and T.B.M.P. § 506.

Date: August 5, 2011  
New York, New York



Paul C. Llewellyn  
KAYE SCHOLER LLP  
425 Park Avenue  
New York, NY 10022  
Telephone: (212) 836-8000

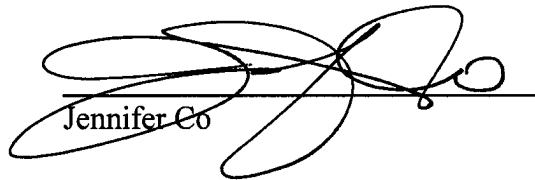
John P. Rynkiewicz  
KAYE SCHOLER LLP  
The McPherson Building  
901 Fifteenth Street, N.W.  
Washington, DC, N.Y. 20005  
Telephone: (202) 682-3500

*Attorneys for Opposers*

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that she caused the foregoing Motion to Strike Portion of Applicant's Answer to be served this 5th day of August, 2011, by U.S. first class mail, postage prepaid, upon the following correspondent of record for Applicant:

KENNETH B. WIESEN  
36 FARMSTEAD LN  
BROOKVILLE, NY 11545-2634

  
Jennifer Co