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

Proceeding	91203215
Party	Plaintiff PowerPay, LLC
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In re Application Serial No. 85/118836
For the mark: PAYPOWER
Published: September 6, 2011
and
Application Serial No. 85/118816
For the mark: PAYPOWER stylized in design
Published: November 15, 2011

PowerPay, LLC)	
)	
v.)	Opposition No. 91/203,215
)	
Blackhawk Network, Inc.)	
)	
)	
)	

OPPOSER'S BRIEF IN RESPONSE TO APPLICANT'S MOTION TO DISMISS OPPOSER'S
DILUTION CLAIM AND IN OPPOSITION TO APPLICANT'S MOTION FOR STAY OF
PROCEEDINGS AND OPPOSER'S MOTION FOR DEFAULT JUDGMENT FOR FAILURE
TO ANSWER AND MOTION FOR JUDGMENT ON THE PLEADINGS

Opposer PowerPay, LLC, hereby responds to "Applicant's Motion to Dismiss Opposer's Dilution Claim for Failure to State a Claim Pursuant to Fed. R. Civ.P. 12(b)(6) and Motion for Stay of Proceedings" and moves for Default Judgment against Applicant for Failure to Answer and for Judgment on the Pleadings as follows:

On February 10, 2012 Applicant Blackhawk Network, Inc., submitted a motion titled "Applicant's Motion to Dismiss Opposer's Dilution Claim for Failure to State a Claim Pursuant to Fed. R. Civ.P. 12(b)(6)," stating tentatively therein that it's motion may toll the time for filing

its answer to Opposer's Notice of Opposition, combined with a "Motion for Stay of Proceedings."

In response, Opposer asserts that Applicant's Motion attacking only Opposer's dilution claim is mischaracterized as a motion to dismiss and does not toll Applicant's time to answer, that Applicant is in default, that Applicant failed to plead good cause for suspension of the instant Proceeding, and that Applicant's motion in lieu of answer admits Opposer's standing to oppose and allegations of likelihood of confusion.

I. Motion for Default Judgment for Failure to Answer

To call a canary a tiger is not to make the canary into a tiger. Applicant's instant Motion to Dismiss is misnamed and misconstrued by Applicant to be a motion which effects a suspension of the proceeding within the meaning of C.F.R. §2.127(d), and thereby tolls Applicant's time to answer Opposer's complaint. It is further misnamed and misconstrued as a motion under F.R.C.P 12(b)(6) for "failure to state a claim upon which relief can be granted." Applicant's motion does not attack Opposer's complaint as failing to state a claim and, therefore, does not suspend the instant Proceeding or relieve Applicant from filing its responsive pleading.

1) In its motion, Applicant specifically and exclusively directs its attack upon Opposer's dilution claim (Opposer's Notice of Opposition, Paragraph 22), and expressly "notes that [its] Motion to Dismiss relates to some but not all of the allegations contained in Opposer's Notice of Opposition" (Applicant's Motion, Section III). Indeed, Applicant's nominal Motion to Dismiss does not attack, *inter alia*, Opposer's likelihood of confusion claims (Opposer's Notice of Opposition, Paragraphs 19 and 21). Claims of likelihood of confusion are statutory grounds

upon which the relief sought in Opposer's complaint can be granted. See TBMP § 309.03(c)(1) and the cases cited therein.

2) Applicant's failure to attack all claims upon which relief can be granted, thereby admitting by omission that Opposer's complaint includes claims upon which relief can be granted, is plainly not a Motion to Dismiss for Failure to State a Claim pursuant to TBMP § 503 as referenced by Applicant. TBMP § 503.02 clearly states, "A motion to dismiss for failure to state a claim upon which relief can be granted is a test solely of the legal sufficiency of a *complaint*" [emphasis added], and further states, "Whenever the sufficiency of any complaint has been challenged by a motion to dismiss, it is the duty of the Board to examine the complaint in its entirety." *IdeasOne Inc. v. Nationwide Better Health*, 89 USPQ2d 1952, 1953 (TTAB 2009); *Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1539 (TTAB 2007). Applicant's motion with respect to Opposer's dilution claim patently does not test the legal sufficiency of Opposer's complaint, or attack Opposer's complaint in its entirety, and does not toll Applicant's time for filing its answer.

3) Furthermore, such a motion is not a "motion to dismiss" defined in 37 C.F.R. 2.127(d) that would cause the Board to suspend the instant Proceeding so that Applicant's time to answer is thereby suspended as well. The clear language of 37 C.F.R. 2.127(d) states, "When any party files a motion to dismiss, or a motion for judgment on the pleadings, or a motion for summary judgment, or any other motion which is potentially *dispositive of a proceeding*, the case will be suspended by the Trademark Trial and Appeal Board with respect to all matters not germane to the motion and no party should file any paper which is not germane to the motion except as otherwise specified in the Board's suspension order." [Emphasis added.] Applicant's motion

with respect to Opposer's dilution claim is patently not "dispositive of the proceeding," and does not suspend the proceeding in respect of any other matter.

4) Rather, Applicant's instant motion pleads the insufficiency of Opposer's dilution claim, only, and requests that only Opposer's dilution claim "be stricken" clearly in the manner of a Motion to Strike Matter From Pleading pursuant to TBMP § 506, F.R.C.P. 12(f). While Rule 12(f) refers to "an insufficient defense or any redundant, immaterial, impertinent, or scandalous matter," the Motion to Strike in a Board proceeding encompasses the Board's "authority to strike an impermissible or insufficient claim." TBMP § 506.01, *Ohio State University v. Ohio University*, 51 USPQ2d 1289, 1293 (TTAB 1999), and *Western Worldwide Enterprises Group Inc. v. Qinqdao Brewery*, 17 USPQ2d 1137, 1139 (TTAB 1990). And further, "a motion to strike matter from a pleading will not relieve the defendant from filing its responsive pleading." TBMP § 506.02

5) Where Applicant has asserted its reliance on F.C.R.P. 12(b)(6), Opposer asserts that nothing in Rule 12 stays a responding party's obligation to timely act in other matters. Rather, Rule 12(i) requires, upon motion, only that "any *defense* listed in Rule 12(b)(1) – (7)—whether made in a pleading or by motion—and a motion under Rule 12(c) must be heard and decided *before trial*." F.R.C.P. 12(i), emphasis added. Pursuant to the Board's order in this Proceeding of January 3, 2012, trial will not start before November 8, 2012. Therefore, 37 C.F.R. 2.127(d), as referenced above, and its consequent rules of procedure are solely determinant in matters relating to suspension of proceedings and relief from obligations to act.

Therefore, Applicant's time to answer Opposer's Notice of Opposition is not tolled, and Applicant stands in default.

II. Applicant's Response in Opposition to Applicant's Motion for Stay of Proceedings

Opposer opposes Applicant's Motion for Stay of Proceedings.

1) In Applicant's combined motion, Applicant made a request of the Board for "Suspension of Proceedings." Applicant's motion at III. In support of its request, Applicant states that it "believes" its nominal motion to dismiss should toll the time for its answering Opposer's Notice of Opposition, but "in an abundance of caution" thereafter makes its request for suspension of the proceedings.

2) As asserted and argued above in Section I., Applicant's motion to dismiss one of several claims in Opposer's complaint is not a motion dispositive of the proceeding that would effect an automatic suspension and relieve Applicant of its obligation to make its Answer in this proceeding, and Applicant admits as much in its statement that "the Motion to Dismiss relates to some but not all of the allegations" in the complaint.

3) Applicant's Motion for Stay of Proceedings must therefore be taken as either a Motion to Extend Time pursuant to TBMP § 509 or a Motion to Suspend pursuant to TBMP § 510.

4) In either case, whether a Motion to Extend Time or a Motion to Suspend, such a motion may be offered and recognized by the Board upon stipulation or consent of the parties.

Applicant made no attempt to contact Opposer to obtain Opposer's stipulation or consent to an extension of time to answer or to a suspension of the proceeding. Opposer did not stipulate or

give its consent, and in view of the present motions, Opposer expressly does not stipulate, and does not give its consent, to an extension of time to answer or a suspension of the proceeding and opposes same.

5) In the absence of stipulation and consent, “A motion to extend [time] must set forth with particularity the facts said to constitute good cause for the requested extension” and “demonstrate that the requested extension of time is not necessitated by the party’s own lack of diligence or unreasonable delay in taking the required action.” TBMP § 509.01(a). Where Applicant failed to set forth “detailed facts” supporting its motion, Applicant’s Motion to Stay construed to be a motion to extend its time to answer must fail. *SFW Licensing Corp. v. Di Pardo Packing Ltd.*, 60 USPQ2d 1372, 1373 (TTAB 2001).

6) Relevant to the present motions before the Board, “proceedings may be suspended for good cause upon motion or upon stipulation of the parties approved by the Board” or “when a party to a Board proceeding files a motion which is potentially dispositive of the proceeding.” TBMP 510.03(a). As argued above in Section I., Applicant’s motion to dismiss Opposer’s dilution claim, ignoring its well-pleaded confusion claims and standing to oppose, is not “potentially dispositive” of this Proceeding. And applicant’s pleading of its belief that its motion tolled the time for its answer, absent a detailed showing of any facts supporting good cause, is insufficient to support its motion or request to suspend this Proceeding. *DeLorme Publishing Co., Inc. v. Eartha’s, Inc.*, 60 USPQ2d 1222, 1223-24 (TTAB 2000). In the absence of any motion potentially dispositive of the proceeding, and without any showing of good cause, Applicant’s motion to stay or suspend the Proceeding must fail.

III. Applicant's Response to Applicant's Motion to Dismiss Opposer's Dilution Claim

To the extent that the Board may entertain Applicant's motion to "dismiss" Opposer's dilution claim, Opposer responds as follows:

- 1) Opposer asserts, and has asserted above in Sections I. and II., incorporated herein by reference, that Applicant is in default for failure to answer Opposer's Notice of Opposition, and that Applicant has failed to show good cause why an extension or resetting of Applicant's time to answer may be granted.
- 2) Where the Board has not yet issued an order either suspending the instant Proceeding or setting aside Applicant's motions, in respect of Opposer's obligation to timely respond to a motion before the Board, and without conceding that Applicant's motion is proper, Opposer concedes that its claim of dilution at Paragraph 22 of Opposer's Notice of Opposition is not properly pleaded and insufficient.
- 3) Therefore, in the event that the Board entertains Applicant's motion to "dismiss" Applicant's dilution claim and accepts Opposer's concession to the insufficiency of said claim, Opposer respectfully asks leave of the Board to amend its pleading with regard to its dilution claim pursuant to TMBP 503.03 which states that "the Board generally will allow the plaintiff an opportunity to file an amended pleading."

Motion for Judgment on the Pleadings

By failing to answer the allegations of Opposer's Notice of Opposition, Applicant has conceded and admitted facts and claims as pleaded by Opposer, and a Judgment on the Pleadings in favor of Opposer is proper.

1) Opposer asserts, and has asserted above in Sections I. and II., incorporated herein by reference, that Applicant is in default for failure to answer Opposer's Notice of Opposition, that Applicant's motion to "dismiss" or *strike* only Opposer's dilution claim did not toll Applicant's time to answer or relieve the Applicant from filing its answer, and that Applicant has failed to show good cause why an extension or resetting of Applicant's time to answer or a suspension to that effect may be granted.

2) "An allegation—other than one relating to the amount of damages—is admitted if a responsive pleading is required and the allegation is not denied." F.R.C.P. 8(b)(6). Applicant's nominal Motion to Dismiss only Opposer's dilution claim in lieu of its required Answer to Opposer's Notice of Opposition fails to deny any other allegation pleaded in Opposer's complaint, and all other allegations are therefore admitted.


3) In particular, Opposer pleaded its standing to oppose, not denied or controverted, by its ownership of prior Application No. 78/263197 for registration of the mark POWER PAY (Notice of Opposition, Paragraph 1) and its long use in commerce and common law rights in its PowerPay mark (Notice of Opposition, Paragraphs 3 through 6). Applicant's failure to deny these allegations admits Opposer's standing to oppose.

4) In particular, Opposer pleaded its opposition to registration of Applicant's PayPower marks as likely to cause confusion, mistake, and deceit (Notice of Opposition, Paragraphs 19 and 21) on grounds that Applicant's marks are confusingly similar to Opposer's mark (Notice of Opposition, Paragraphs 16 through 18) and that Applicant's services are identical (Notice of Opposition, Paragraph 12) or closely related (Notice of Opposition, Paragraph 13) to Opposer's services, not in any respect denied or controverted. Applicant's failure to deny these allegations admits Opposer's claims of likelihood of confusion

5) Applicant's admission of Opposer's standing to oppose and claims of likelihood of confusion entitles Opposer to judgment in its favor in its opposition to registration of Applicant's marks.

Wherefore, Opposer respectfully moves that the Board 1) find Applicant in default for failure to answer, 2) find that Applicant has not and cannot show good cause for late-filing its answer and/or suspending the Proceeding, 3) deny Applicant's motion for stay, 4) sustain Opposer's opposition, and 5) order Application No. 85/118816 and Application No. 85/118836 abandoned with prejudice.

PowerPay, LLC

By: 
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Date: 24 FEB 2012

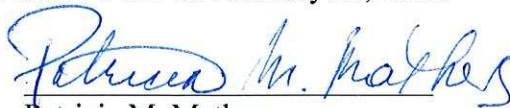
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Blackhawk Network, Inc.)	
	Applicant)	

Notice of Service

This is to certify that the undersigned caused a true and correct copy of Opposer's Brief in Response to Applicant's Motion to Dismiss Opposer's Dilution Claim and in Opposition to Applicant's Motion for Stay of Proceedings and Opposer's Motion for Default Judgment for Failure to Answer and Motion for Judgment on the Pleadings to be mailed by first class mail and directed to Attorney of Record for Applicant Jordan S. Weinstein, Oblon, Spivak, McClelland, Maier & Neust, 1940 Duke Street, Alexandria, VA 22314-3451 on February 24, 2012.


Patricia M. Mathers