UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

EJW

Mailed: October 16, 2013

Opposition No. 91205010

Esurance Insurance Services, Inc.

v.

E-Insure Services, Inc.

ELIZABETH J. WINTER, INTERLOCUTORY ATTORNEY:

This case now comes up for consideration of opposer's fully briefed motion (filed June 11, 2013) to strike three of applicant's affirmative defenses.

For purposes of this order, the Board presumes the parties' familiarity with the pleadings and the arguments submitted with respect to the subject motion.

By way of background, in its order dated March 13, 2013, the Board struck applicant's affirmative defenses of estoppel, acquiescence and unclean hands, but allowed applicant time to submit to submit sufficiently pleaded defenses. The instant motion is directed to those defenses

(numbered 4, 5, and 6) as set forth in applicant's answer to opposer's amended notice of opposition.[1]

Pursuant to Fed. R. Civ. P. 12(f), the Board may order stricken from a pleading any insufficient or impermissible defense, or any redundant, immaterial, impertinent or scandalous matter. *See also* Trademark Rule 2.116(a), 37 C.F.R. § 2.116(a); and TBMP § 506 (3d ed. rev. 2 2013).

Turning first to the pleaded defense of estoppel, to properly plead said defense, the defending party must set forth allegations of (1) misleading conduct, which may include not only statements and action but silence and inaction, leading another to reasonably infer that rights will not be asserted against it; (2) reliance upon this conduct; and (3) due to this reliance, material prejudice if the delayed assertion of such rights is permitted. *Panda Travel, Inc. v. Resort Options Enterprises, Inc.*, 94 USPQ2d 1789 (TTAB 2009), *citing, Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes, Inc.*, 971 F.2d 732, 23 USPQ2d 1701, 1703 (Fed. Cir. 1992). Further, with respect to an opposition proceeding, the affirmative act involved must lead the defending party to believe that the potential opposer will not oppose *registration* of the mark at issue. *See DAK Indus. Inc. v. Daiichi Kosho Co. Ltd.*, 25 USPQ2d 1622, 1625

[1] The instant motion was filed on the same date on which opposer's answer to the counterclaim was due and, thus, is

(TTAB 1993) ("it is well settled that '[a]cquiescence and estoppel require some affirmative act by opposer which led applicant to reasonably believe that opposer would not oppose applicant's registration of its mark'"). *Cf. Lincoln Logs Ltd.*, 23 USPQ2d at 1703 (In an opposition proceeding, the equitable estoppel defense must be tied to the registration of applicant's marks, not applicant's use of its marks.); *National Cable Television Ass'n, Inc. v. American Cinema Editors, Inc.*, 937 F.2d 1572, 19 USPQ2d 1424, 1432 (Fed. Cir. 1981) ("In an opposition or cancellation proceeding the objection is to the rights which flow from registration of the mark … [A]n objection to registration does not legally equate with an objection to use").

In this instance, applicant pleads that opposer has done business with applicant, and that opposer did nothing to indicate a possible conflict with opposer's mark or to otherwise discourage applicant's use of the mark EINSURANCE.COM. In particular, applicant alleges that opposer's inaction with respect to applicant's use of the term EINSURANCE and corresponding Internet domain name, when it did object to applicant's use of the mark ESURANCE as an Internet search engine key word, establishes opposer's implied consent to applicant's use of the mark, which

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timely. *See* Fed. R. Civ. P. 12(f).

encouraged applicant to establish good will and commercial value in the mark.

Applicant's estoppel defense relates solely to opposer's asserted "assent" to applicant's use of its EINSURANCE mark, and not to applicant's registration of the applied-for mark. Additionally, applicant has failed to plead that it relied on opposer's inaction with respect to applicant's mark and that, due to its reliance on opposer's conduct, applicant will suffer material prejudice if the delayed assertion of such rights is permitted. For these reasons, applicant's estoppel defense is insufficient.

Similarly, applicant's pleaded acquiescence defense is insufficient insofar as applicant has set forth the virtually identical set of facts for this defense as it did with respect to its pleaded equitable estoppel defense. As noted *supra*, both acquiescence and estoppel require some affirmative act by opposer which led applicant to reasonably believe that opposer would not oppose applicant's *registration* of its mark. *DAK Indus. Inc. v. Daiichi Kosho Co. Ltd.*, 25 USPQ2d at 1625. Because applicant has only alleged that opposer gave "expressly or implied assurance" to applicant regarding applicant's *use* of its EINSURANCE mark, its pleaded acquiescence defense also fails.[2]

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[2] For completeness, it is also noted that applicant failed to plead facts indicating that opposer *actively* represented that it

Turning to applicant's unclean hands defense, applicant essentially pleads that opposer is barred from pursuing its Section 2(d) claim because, by doing business with applicant and using applicant's EINSURANCE services to market its insurance products, thus, encouraging applicant to establish good will and commercial value in its mark, opposer assisted in creating the purported likelihood of confusion which is the subject of the opposition.

The basis of the defense of unclean hands is either misconduct or wrongful conduct. *See, e.g., Duffy-Mott Company v. Cumberland Packing Company,* 165 USPQ 422 (CCPA 1972) (the filing of a false combined Section 8 and 15 affidavit gave rise to unclean hands, precluding reliance on the registration), *cited in, VIP Foods, Inc. v. V.I.P. Food Products,* 200 USPQ 105 (TTAB 1978). *See generally*, Restatement (Third) of Unfair Competition § 32 (1995) ("If a designation used as a trademark, trade name, collective mark, or certification mark is deceptive, or if its use is otherwise in violation of public policy, or if the owner of the designation has engaged in other substantial misconduct directly related to the owner's assertion of rights in the trademark, trade name, collective mark, or certification

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would not assert a right or a claim; that the delay between the active representation and assertion of the right or claim was not excusable; and that the delay caused applicant undue prejudice. *See Coach House Restaurant Inc. v. Coach and Six Restaurants, Inc.*, 934 F.2d 1551, 19 USPQ2d 1401, 1409 (11th Cir. 1991).

mark, the owner may be barred in whole or in part from the relief that would otherwise be available …"). *Cf. Tony Lama Company, Inc. v. Anthony di Stefano,* 206 USPQ 176, 179 (TTAB 1980) (*misconduct* unrelated to plaintiff's claim in which it is asserted as a defense does not constitute unclean hands) (emphasis added).

Here, applicant alleges only that opposer did business with applicant, which "encouraged and assisted applicant to establish a good will and commercial value in the mark EINSURANCE.COM." On its face, doing business with applicant is neither misconduct nor wrongful conduct that could provide the basis of an unclean hands defense. Rather, such activity merely constitutes opposer's asserted conduct upon which applicant relies for its estoppel and acquiescence defenses. In view of the foregoing, applicant has not asserted a viable affirmative defense of unclean hands.

Accordingly, opposer's motion to strike applicant's pleaded affirmative defenses of estoppel, acquiescence, and unclean hands is **granted**, and affirmative defenses 4, 5, and 6 are hereby stricken from the answer to the amended notice of opposition. *See* Fed. R. Civ. P. 12(f). Applicant's alternative motion for leave to amend its affirmative defenses is **denied**.

Counterclaims Missing from Answer

In arguing that opposer's motion to strike was untimely, applicant mentioned that its answer to the amended notice of opposition did not include a counterclaim. However, applicant has not withdrawn its counterclaims; nor has opposer perceived any such withdrawal inasmuch as it submitted an answer to applicant's counterclaims. In view thereof, it appears that applicant inadvertently did not include its counterclaims in its answer to the amended notice of opposition. Counterclaims are filed as part of the counterclaimant's answer to the adverse party's complaint. *See* TBMP 313.03 (3d ed. rev. 2 2013). Accordingly, applicant is allowed until **FIFTEEN (15) DAYS** from the mailing date of this order to submit and serve an amended answer which includes the counterclaims set forth in the answer filed on June 12, 2013, failing which the Board shall presume that applicant wishes to withdraw its counterclaims.

Proceeding Resumed; Trial Dates Reset

Opposer's motion to suspend this proceeding pending the Board's consideration of opposer's motion to strike is granted as uncontested. *See* Trademark Rule 2.127(a). Accordingly, this proceeding is deemed to have been suspended since the filing date of opposer's motion. This

proceeding is now **resumed**. Trial dates are reset in accordance with the following schedule:

Deadline for Discovery Conference	**November 15, 2013**
Discovery Opens	**November 15, 2013**
Initial Disclosures Due	**December 15, 2013**
Expert Disclosures Due	**April 14, 2014**
Discovery Closes	**May 14, 2014**
Plaintiff's Pretrial Disclosures Due	**June 28, 2014**
30-day testimony period for plaintiff's testimony to close	**August 12, 2014**
Defendant/Counterclaim Plaintiff's Pretrial Disclosures	**August 27, 2014**
30-day testimony period for defendant and plaintiff in the counterclaim to close	**October 11, 2014**
Counterclaim Defendant's and Plaintiff's Rebuttal Disclosures Due	**October 26, 2014**
30-day testimony period for defendant in the counterclaim and rebuttal testimony for plaintiff to close	**December 10, 2014**
Counterclaim Plaintiff's Rebuttal Disclosures Due	**December 25, 2014**
15-day rebuttal period for plaintiff in the counterclaim to close	**January 24, 2015**
Brief for plaintiff due	**March 25, 2015**
Brief for defendant and plaintiff in the counterclaim due	**April 24, 2015**
Brief for defendant in the counterclaim and reply brief, if any, for plaintiff due	**May 24, 2015**
Reply brief, if any, for plaintiff in the counterclaim due	**June 8, 2015**

IN EACH INSTANCE, a copy of the transcript of testimony, together with copies of documentary exhibits, must be served on the adverse party **WITHIN THIRTY DAYS** after

completion of the taking of testimony. *See* Trademark Rule 2.l25, 37 C.F.R. § 2.125.

Briefs shall be filed in accordance with Trademark Rules 2.l28(a) and (b), 37 C.F.R. §§ 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.l29, 37 C.F.R. § 2.129.

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