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

Proceeding	91210162
Party	Defendant King.com Limited
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Submission	Motion to Amend/Amended Answer or Counterclaim
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Attachments	2014 02 11 Memorandum in Support of Motion to Amend (refiled and served 2014 03 07).PDF(187802 bytes)

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

RUNSOME APPS INC.,	)	Opposition No. 91210162
Opposer,	)	Serial No. 85/566,839
v.	)	Mark: CANDY CRUSH SAGA
KING.COM LIMITED,	)	
Applicant.	)	

APPLICANT'S MEMORANDUM IN SUPPORT OF MOTION TO AMEND ANSWER TO ASSERT AFFIRMATIVE DEFENSE AND COUNTERCLAIM

Pursuant to Trademark Rule 37 C.F.R. §§ 2.107 and Fed. R. Civ. P. 15(a) King.com Limited ("King" or "Applicant") moves for leave to amend its Answer to Notice of Opposition to add an affirmative defense that King has priority over Runsome Apps Inc. ("Runsome" or "Opposer"), and to add a counterclaim for cancellation of Runsome's Registration No. 3989492 based on prior use under Section 2(d).

I. PROCEDURAL AND FACTUAL BACKGROUND

On April 9, 2013, Runsome filed its Notice of Opposition, alleging that King's CANDY CRUSH SAGA mark in Class 9 was likely to cause confusion with Runsome's CANDYSWIPE mark. (Dkt. No. 1.) King denied these allegations in its Answer and asserted one affirmative defense that Runsome Apps Inc. did not exist at the time the application was filed. King did not assert any counterclaims at that time. (Dkt. No. 4.)

It recently came to King's attention that AIM Productions N.V. has used the mark CANDY CRUSHER since at least as early as 2004 in connection with game software, including

use as a mobile application game available for download in the United States. These common law rights pre-date Runsome's earliest asserted use date by years.

As of January 2014, King owns all rights and associated goodwill to the CANDY CRUSHER name and mark. In an agreement dated January 10, 2014, AIM Productions N.V. assigned to King its right, title and interest in the sign "CANDY CRUSHER," together with the goodwill associated with that sign. The use of CANDY CRUSHER has been continuous and continues under a license agreement from King to AIM Productions N.V., entered February 10, 2014. Given these recent events, King seeks to amend its Answer to assert common law rights to CANDY CRUSHER and priority over Runsome, and to add an affirmative defense and a counterclaim for cancellation of the registration Runsome is asserting against King.

II. LEGAL ANALYSIS

a. King Meets the Liberal Standard Applied by the Board in Granting Motions to Amend.

Trademark Rule 2.107(a) explains that pleadings in an opposition proceeding may be amended in the same manner and to the same extent as in a civil action in district court. Thus, Fed. R. Civ. P. 15(a) governs amendment. Under Fed. R. Civ. P. 15(a) a court (and this Board) should "freely give leave when justice so requires." In determining whether to grant leave to amend, the Board examines whether amendment would cause undue prejudice or would violate settled law; if the amendment would cause undue prejudice or would violate settled law, leave to amend will be denied. *Hurley Int'l LLC v. Volta*, 82 U.S.P.Q. 2d 1339 (TTAB 2007). Furthermore, in order to be timely, the Trademark Rules require that compulsory counterclaims be brought "promptly after the grounds therefor are learned." §2.106(b)(2)(i). King satisfies the

requirements set forth in Fed. R. Civ. P. 15(a) and the Trademark Rules and leave to amend should be granted.

i. Recent Events have Necessitated the Filing of King's Motion for Leave to Amend and Runsome Would not be Prejudiced.

Here, King has "promptly" sought leave to amend after the grounds therefor were learned. King did not have proper grounds to assert a counterclaim seeking cancellation based on priority at the time its initial Answer was filed on May 20, 2013. Since these grounds came into existence, King has acted swiftly. It brought this motion seeking leave to amend approximately 1 month after the assignment of rights from AIM Productions N.V. to King occurred and within days of entering a license agreement with AIM Productions N.V. *Turbo Sportswear Inc. v. Marmot Mountain Ltd.*, 77 USPQ2d 1152 (TTAB 2005) (allowing amendment when relevant information was not previously available to applicant). King's motion is, thus, timely.

King's motion is also proper because the amendment does not violate settled law and Runsome will not suffer prejudice. King's proposed counterclaim is sufficiently pled such that allowing the amendment would not be an act in futility and would not violate settled law. *Zanella Ltd. v. Nordstrom Inc.*, 90 USPQ2d 1758 (TTAB 2008) (granting motion to amend); *Hurley Int'l LLC*, 82 U.S.P.Q. 2d 1339 (TTAB 2007) (granting leave to file motion to amend notice of opposition). Nor will Runsome be prejudiced. A factor in assessing prejudice is the timing of the motion to amend. *Media Online Inc. v. El Clasificado, Inc.*, 88 USPQ2d 1285 (TTAB 2008) (denying motion to amend when new claims were based on facts known at the time of the filing of the initial pleading). Here, the motion was filed shortly after learning the relevant information. Moreover, discovery has not yet closed, and Runsome will, therefore, have

the opportunity to gather more information to defend against this counterclaim. *Zanella Ltd. v. Nordstrom Inc.*, 90 USPQ2d 1758, 1759 (TTAB 2008) (finding no prejudice where there was still 3.5 months of discovery left); *Marshall Field & Co. v. Mrs. Fields Cookies*, 11 USPQ2d 1355 (TTAB 1989) (in a cancellation proceeding, allowing leave to amend and assert a counterclaim that was pled promptly after obtaining the requisite information and that was pled prior to the close of discovery). King's amendment is sufficiently pled and was brought promptly, as such leave to amend should be freely given.

ii. As the Owner of CANDY CRUSHER, King Now has Priority and Runsome's CANDYSWIPE Registration Should be Cancelled.

By virtue of assignment, King now owns all right, title and interest in CANDY CRUSHER, as well as the goodwill associated with the mark. CANDY CRUSHER has a first use date well before the November 2010 first use date provided in Registration No. 3989492 for the CANDYSWIPE mark. The use of CANDY CRUSHER has been continuous and continues today under a license from King. Additionally, CANDY CRUSHER is the legal equivalent of King's CANDY CRUSH and CANDY CRUSH SAGA marks such that King can tack the prior use of CANDY CRUSHER onto its use of the CANDY CRUSH marks. *Citigroup Inc. v. Capital City Bank Group, Inc*., 94 U.S.P.Q.2D (BNA) 1645 (TTAB 2010) (allowing tacking of CAPITAL CITY BANK GROUP and CAPITAL CITY BANK because the two were legally equivalent and created the same commercial impression); *.Humble Oil & Refining Co. v. Sekisui Chem. Co. Ltd. of Japan,* 165 U.S. P. Q. (BNA) 597 (TTAB 1970) (dismissing opposition and finding S-LON and ESLON to be legal equivalents). CANDY CRUSHER is so similar to CANDY CRUSH and CANDY CRUSH SAGA when used for game software that it "create[s] the same, continuing commercial impression." CANDY CRUSH and CANDY CRUSH SAGA

do "not materially differ from" and do not "alter the character of" CANDY CRUSHER. *See Citigroup Inc.,* 94 U.S.P.Q.2D (BNA) 1645; *American Sec. Bank v. American Sec. & Trust Co.*, 571 F.2d 564 (CCPA 1978) (allowing tacking and finding AMERICAN SECURITY BANK to be the "legal equivalent" of AMERICAN SECURITY); *Laura Scudder's v. Pacific Gamble Robinson Co.,* 136 U.S.P.Q. (BNA) 418 (TTAB 1962) (allowing tacking of the marks BLUE BIRD and BLUE ROBIN used in conjunction with an image of a blue bird). Thus, not only does King have priority based on its rights in CANDY CRUSHER, but it also has priority with respect to its CANDY CRUSH and CANDY CRUSH SAGA marks because of tacking.

As to confusing similarity, Runsome has argued that CANDY CRUSH SAGA is confusingly similar to CANDYSWIPE. If true, CANDYSWIPE is confusingly similar to CANDY CRUSHER such that consumers will likely wrongly associate Runsome's CANDYSWIPE game with King's prior CANDY CRUSHER mark. This would damage King and supports King's proposed petition for cancellation of Runsome's registration under 15 U.S.C. §§ 1052(d) and 1064.

III. CONCLUSION

This Board freely grants leave to amend a pleading when justice so requires. Here, justice so requires. The assignment of rights in CANDY CRUSHER—giving King priority—did not occur until recently. King could not have properly asserted a counterclaim seeking cancellation based on priority at the time it filed its initial Answer. Instead, it brought this motion seeking leave to amend promptly after obtaining rights in CANDY CRUSHER. As the amendment was brought promptly and discovery is still open, Runsome will not be prejudiced by

allowing this amendment. Under 37 C.F.R. §§ 2.107 and Fed. R. Civ. P. 15(a), the Board should grant King's motion for leave to assert a counterclaim seeking cancellation based on priority.

KING.COM LIMITED

By its Attorneys,

Date: February 11, 2014

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing APPLICANT'S MEMORANDUM IN SUPPORT OF MOTION TO AMEND ANSWER TO ASSERT AFFIRMATIVE DEFENSE AND COUNTERCLAIM was served upon Opposer by First Class Mail, postage prepaid, this 11th day of February, 2014:

Frank J. Colucci
David M. Dahan
Colucci & Umans
218 East 50th Street
New York, NY 10022

Sandra Lindemeier

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing APPLICANT'S MEMORANDUM IN SUPPORT OF MOTION TO AMEND ANSWER TO ASSERT AFFIRMATIVE DEFENSE AND COUNTERCLAIM was served upon Opposer by First Class Mail, postage prepaid, this 7th day of March, 2014:

Frank J. Colucci
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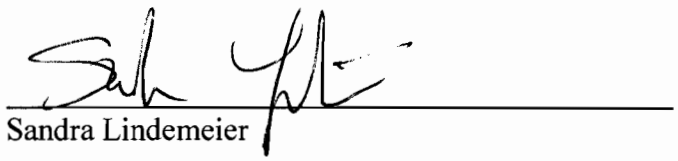

Sandra Lindemeier