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ESTTA Tracking number: **ESTTA670344**
Filing date: **05/04/2015**

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

| Proceeding | 91216122 |
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| Attachments | Evergram Motion to Strike Applicant's Affirmative Defenses.pdf(984706 bytes ) |

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**
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| Instagram, LLC, | § | Opposition No. 91216122 |
| Opposer, | § | Serial No.: 85/613,424 |
| v. | § | Mark: EVERGRAM |
| Evergram, Inc., | § | International Classes: 09, 42 |
| Applicant. | § | Published: October 29, 2013 |

**OPPOSER INSTAGRAM, LLC'S MOTION TO STRIKE APPLICANT'S AFFIRMATIVE DEFENSES**

Pursuant to Rule 12(f) of the Federal Rules of Civil Procedure and Sections 506.01 and 506.02 of the Trademark Trial and Appeal Board Manual of Procedure ("TBMP"), Opposer Instagram, LLC ("Instagram") respectfully requests that the Trademark Trial and Appeal Board (the "Board") enter an order striking Applicant Evergram, Inc.'s ("Applicant" or "Evergram") affirmative defenses from Applicant's Answer to Opposer's Notice of Opposition.

## I. INTRODUCTION AND FACTUAL BACKGROUND

This action arises out of Applicant's application to register a trademark that is confusingly similar to and dilutive of Instagram's famous, federally-registered INSTAGRAM trademarks. Applicant filed Application No. 85/613,424 (the "Application") on May 1, 2012 for the standard character mark EVERGRAM covering "Downloadable computer software in the nature of digital albums or other electronic media formats intended to memorialize life moments, which allows the system and/or its users the ability to capture, produce, modify, edit, store, access, upload, download, synchronize, index, tag, manage, blog, display, stream, share, link and provide electronic media or information via computer over other communications networks" in International Class 09 and "Providing use of online temporary non-downloadable software in the nature of digital albums or other electronic media formats intended to memorialize life moments,

which gives users the ability to capture, produce, edit, store, upload, download, synchronize, index, tag, manage, display, share and provide electronic media or information via computer over other communications networks" in International Class 42.

The Application was published for opposition on October 29, 2013 and, after obtaining an extension of time to oppose, Instagram timely filed a Notice of Opposition on April 28, 2014. (TTABVUE Doc. 1).

Instagram's fully-pled opposition was based on grounds of likelihood of confusion and likelihood of dilution with the famous INSTAGRAM trademark. The opposition stated the basis of Instagram's rights (both at common law and through various federal registrations), and explained the reasons why consumers are likely to be confused by Applicant's mark, and how the mark is likely to dilute the famous INSTAGRAM mark by blurring. On April 6, 2015, Applicant filed its Answer, generally denying, or stating a lack of information to admit or deny, most of the allegations in the opposition. Applicant also asserted nine "Affirmative Defenses," which are repeated below:

1. "The Opposition is barred because Opposer failed to prevent continued use of GRAM formative marks by others. For Example, on the iTunes store alone, there's are [sic] 100+ "gram" named mobile apps. Some of these parties have filed trademark applications (objected to by Instagram…others with registered marks that preceded Instagram…and others with no trademark filing)."

1(a) "The Opposition is barred by the doctrine of estoppel by consent."

2. "The Opposition is barred by the doctrine of estoppel by acquiescence by permitting third [sic]."
3. "The Opposition is barred by the doctrine of estoppel by laches."
4. "The Opposition is barred by the doctrine of equitable estoppel."

5. “The Opposition is barred by the doctrine of unclean hands.”
6. “The Opposition is barred because the INSTAGRAM Marks have been abandoned due to naked licensing.”
7. “The Opposition is barred because the INSTAGRAM Marks are descriptive and lack secondary meaning.”
8. “The Opposition is barred by the First Amendment to the United States Constitution.”

Applicant also stated that it “reserves the right to amend its answer to add additional or other affirmative defenses as may become necessary after a reasonable opportunity for appropriate discovery.” *See* TTABVUE Doc. 24 at pg. 3, 14.

These affirmative defenses are improperly pled, and lack sufficient specificity to put Instagram on notice of their legal and factual bases. As such, they are legally insufficient. Additionally, the affirmative defenses of “consent,” “equitable estoppel,” “laches” and “acquiescence” (Nos. 1(a) through 4) are simply inapplicable to TTAB proceedings such as the instant opposition. The “First Amendment” defense (No. 8) is not plausible here because it conflicts with Applicant’s claim of trademark use of its infringing mark and its attempt to register that mark. Two of Applicant’s affirmative defenses (Nos. 6 and 7) are not appropriate defenses; they are inappropriate collateral attacks on Instagram’s registered marks. Finally, Applicant’s first affirmative defense is unclear, but regardless how it is interpreted, should be stricken. For all of these reasons, Applicant’s affirmative defenses 1(a) through 8 should be stricken in their entirety.

## II. ARGUMENT

### A. Applicant’s Affirmative Defenses Should Be Stricken Because They Are Conclusory Labels Without Any Supporting Facts

The Board may strike from any pleading any insufficient or impermissible defense, or any redundant, immaterial, impertinent or scandalous matter. Fed. R. Civ. P. Rule 12(f); TBMP

§506.01. Under TBMP Rule 311.02(b), "[t]he elements of a defense should be stated simply, concisely, and directly," and "should include enough detail to give the plaintiff fair notice of the basis for the defense." Bald or conclusory allegations do not give the plaintiff fair notice of the basis for the affirmative defenses. *See id*. (citing *McDonnell Douglas Corp. v. Nat'l Data Corp.*, 228 U.S.P.Q. 45 (TTAB 1985)); *see also Caymus Vineyards v. Caymus Medical, Inc.*, 107 U.S.P.Q. 2d 1519 (TTAB 2013) [Precedential] ("claimant must allege well-pleaded factual matter and more than threadbare recitals of the elements of a cause of action, supported by mere conclusory statements").

As the Supreme Court clarified, the pleading standard of Rule 8 "demands more than an unadorned...accusation." *Ashcroft v. Iqbal*, 129 S.Ct. 1937, 1949 (2009). A pleading that offers "labels and conclusions" is insufficient. *Id*. (quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544 (2007)). In other words, affirmative defenses that amount to nothing more than mere conclusions of law and are not warranted by any asserted facts have no efficacy. *Monster Cable Prods. v. Avalanche Corp.*, 2009 U.S. Dist. LEXIS 23747 at *2 (N.D. Cal. 2009) (*citing Shecter v. Comptroller*, 79 F.3d 265, 270 (2d Cir. 1996)); *Instagram, LLC v. Sean Broihier and Associates, LLC*, Opposition No. 91214795 (TTAB 2015)[Non-predecential] (In a recent opposition relating to the INSTAGRAM mark, the TTAB struck similar defenses on the same ground, holding, "Affirmative defenses, like claims in a notice of opposition, must be supported by enough factual background and detail to fairly place the opposer on notice of the basis for the defenses.").

As the Board will readily recognize, **Applicant does not allege a single fact to support its affirmative defenses,** e.g. "The Opposition is barred by the doctrine of estoppel by laches." Each of the defenses is nothing more than a conclusion of law, which fails to put Instagram on notice as to the basis for the defense. Accordingly, all of the conclusory, bare-bones defenses

should be stricken. *See Software Publrs. Assn'n. v. Scott & Scott, LLP*, 2007 U.S. Dist. LEXIS 59814 (N.D. Tex. 2007) (affirmative defenses stricken as insufficiently pleaded).

Additionally, the affirmative defense of "unclean hands" must be pled with particularity, as it sounds in fraud. *See* 37 C.F.R. §2.106(b)(1); TBMP 311.02(b) (where fraud is pleaded, the provisions of Fed. R. Civ. P. 9 governing the pleading of that matter should be followed); s*ee also Precision Instrument Mfg. Co. v. Auto Maint. Mach. Co.*, 324 U.S. 806, 815 (1945) (The doctrine of unclean hands is rooted in the principle that equity demands "that its suitors . . . [act] fairly and without fraud or deceit as to the controversy in issue."); *N. Eng'g & Plastics Corp. v. Blackhawk Molding Co.*, 27 Fed. R. Serv. 2d 1155 (N.D. Ill. 1979) (for unclean hands affirmative defense, "the standards of pleading should be identical" to a fraud claim). Applicant's conclusory suggestion that Opposer has "unclean hands," absent a recitation of the facts reflecting the basis for the alleged inequitable conduct, does not meet the pleading requirements of Fed. R. Civ. P. 9. *See e.g.*, *Cent. Admixture Pharm. Servs. v. Advanced Cardiac Solutions, P.C.*, 482 F.3d 1347, 1356 (Fed. Cir. 2007) ("inequitable conduct, while a broader concept than fraud, must be pled with particularity").

### B. Applicant's Defenses 1(a), 2, 3, and 4 Must Be Stricken Because They are not Applicable to This Opposition Proceeding

The Answer includes equitable defenses of "estoppel by consent," "estoppel by acquiescence," "laches," and "equitable estoppel." However, these defenses are not applicable to this proceeding. As the Board has stated, "the availability of laches and acquiescence is severely limited in opposition and cancellation proceedings." TBMP §311.02(b); *see also Barbara's Bakery Inc. v. Landesman*, 82 USPQ2d 1283, 1292, n. 14 (TTAB 2007) (noting that amendment of applicant's answer to assert defenses of laches, acquiescence or estoppel would be futile as such defenses generally are not available in opposition proceedings). That is because laches and acquiescence "start to run ... from the time the mark is published for opposition, not from the

time of knowledge of use." *Id.; Nat'l Cable Television Assoc., Inc. v. Am. Cinema Editors, Inc.*, 937 F.2d 1572, 1582, 19 U.S.P.Q.2d 1424 (Fed. Cir.1991) (measure for laches runs no earlier than publication for opposition, not from knowledge of use); *Sunkist Growers, Inc. v. Smile Factory, LLC*, 2009 TTAB LEXIS 683, at *7 (T.T.A.B. 2009) (time periods for laches and acquiescence do not begin to run until the mark is published for opposition).

The issue in this proceeding is whether Applicant may register its EVERGRAM mark. There is no undue delay for purposes of laches where an opposer timely files a notice of opposition, or properly obtains an extension of time to oppose, during the publication period. *See Callaway Vineyard & Winery v. Endsley Capital Group Inc.*, 63 U.S.P.Q.2d 1919, 1923 (TTAB 2002); *Turner v. Hops Grill & Bar Inc.*, 52 USPQ2d 1310, 1312 (TTAB 1999) ("In an opposition or cancellation proceeding, where the objection is to the issuance of a registration of a mark, laches starts to run when the mark in question is published for opposition."). Here, Applicant filed its Application to register the EVERGRAM mark on May 1, 2012, and it was published for opposition on October 29, 2013. Instagram obtained extensions of time through April 28, 2014 to oppose the mark, which it then opposed. Accordingly, Instagram challenged the application to register the EVERGRAM mark within the statutory time period, and the laches defense is not available.

Similarly, acquiescence (which, unlike laches, refers to an opposer's *active* consent to use or register a mark) does not begin to run until the application is published for opposition. *See Krause v. Krause Publications Inc.*, 76 USPQ2d 1904, 1914 (TTAB 2005). Applicant has not alleged—nor could it allege—that Instagram actively consented to the Application during the publication period. Therefore, the acquiescence defense should be stricken.

In addition, Applicant's equitable estoppel and estoppel by consent defenses must fail. *See Lincoln Logs Ltd., Appellant, v. Lincoln Pre-cut Log Homes, Inc.*, 971 F.2d 732 (Fed. Cir.

1992) ("Inasmuch as Opposer has acted at its first opportunity to object to registration of Applicant's current LINCOLN mark and made no representation to Applicant that it would not so oppose, Applicant would appear to have no basis for either a laches or estoppel defense against Opposer respecting the application in issue."). There are no facts – and none plead – to support an estoppel defense to the registration of Applicant's EVERGRAM mark. Each of these defenses must be stricken.

### C. Applicant's "First Amendment" Defense Must Be Stricken Because It Is Inapplicable and Implausible to This Opposition

Applicant has alleged the affirmative defenses of "First Amendment," which should be stricken for reasons apart from the deficiencies noted above. The Board should strike affirmative defenses where the defense is immaterial or has no bearing on the case. *Ohio State Univ. v. Ohio Univ*., 51 U.S.P.Q. 2d (BNA) 1289, 1293 (TTAB 1999). A "First Amendment" defense is not applicable in this proceeding, where Applicant itself is attempting to secure trademark rights in the mark EVERGRAM. *See* TBMP §311.02(b) ("The 'fair use' defense [] is a defense available to a defendant in a federal action charged with infringement of a registered mark [] and has no applicability in inter partes proceedings before the Board, which involve only the issue of registrability of a mark.") (internal citations omitted).

Given that Applicant has claimed to have made trademark use of EVERGRAM, and is seeking trademark protection for that mark, Applicant is precluded from claiming fair use. *See Research in Motion Limited v. Defining Presence Marketing Group, Inc. and Axel Ltd. Co.,* 102 USPQ2d 1187 (TTAB 2012) [precedential] (applicant's use of the mark was likely to dilute opposer's marks, "rather than create a non-source-indicating fair use parody that should be protectable either under the safe harbor provisions of Section 43(c)(3)(A) or of the First Amendment.").

Accordingly, this defense should be stricken.

### D. Applicant's Sixth and Seventh Affirmative Defenses Should be Stricken Because they are Collateral Attacks on the Validity of Opposer's Registrations and Not Proper Affirmative Defenses

Applicant asserts affirmative defenses that Instagram's Opposition is barred because Instagram abandoned its trademark rights through "naked licensing" and because Instagram's marks "are descriptive and lack secondary meaning." These "affirmative defenses" are impermissible collateral attacks and are not proper affirmative defenses. *Instagram, LLC v. Sean Broihier & Assoc.LLC*, Opp. No. 91214795 (Dkt. 18) at *7-8 (unpublished) ("Applicant's allegations of abandonment are attacks on the validity of Opposer's pleaded registrations, and therefore are not proper affirmative defenses, but are impermissible collateral attacks on Opposer's pleaded registrations.").[1] The Board should strike such "affirmative defenses" because they can only be raised in a timely counterclaim accompanied by the required fee. *Id.*; *Textron, Inc. v. The Gillette Co.*, 180 USPQ 152, 153 (TTAB 1973) (defense attacking validity of pleaded registration must be raised by way of cancellation of registration); *see also* TBMP §§ 313.01 and 313.02.

### E. Applicant's First Affirmative Defense Should Be Stricken as it is Not a Proper Defense

Applicant's First Affirmative Defense that "The Opposition is barred because Opposer failed to prevent continued use of GRAM formative marks by others" is unclear. To the extent Applicant is alleging that Opposer has abandoned the INSTAGRAM trademark, such an argument would be an improper collateral attack like the Sixth and Seventh Affirmative

[1] Copy available at: http://ttabvue.uspto.gov/ttabvue/v?pno=91214795&pty=OPP&eno=18. Opposer also notes that Applicant appears to have copied, nearly verbatim, the affirmative defenses set forth in the referenced decision, all of which the TTAB dismissed.

Defenses, described above, and should be stricken on those grounds. If it is an "estoppel" defense, then it should fail as noted above in Section II.B.

On the other hand, if Applicant is merely attacking the "strength" or uniqueness of the INSTAGRAM trademark, that is not an affirmative defense. *See* TBMP §311.02(b) ("Evidentiary matters (such as, for example, lists of third-party registrations on which defendant intends to rely) should not be pleaded in an answer. They are matters for proof, not for pleading."). Under any of these interpretations, this "defense" must be stricken.

## III. CONCLUSION

The Board should strike all of Applicant's affirmative defenses because they are insufficiently pleaded, improper, or otherwise inapplicable. If the Board does not strike these affirmative defenses now, Instagram will be prejudiced as it is forced to devote time and resources to engage in needless and burdensome discovery on the issues. Additionally, because Applicant cannot cure the defects in its legally insufficient and inapplicable "affirmative defenses," they should be stricken with prejudice, and without leave to amend.

Date: May 4, 2015

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CERTIFICATE OF ELECTRONIC TRANSMISSION

DATE OF DEPOSIT May 4, 2015

I hereby certify that this correspondence is being transmitted to the United States Patent and Trademark Office Trademark Trial and Appeal Board using the Electronic System for Trademark Trials and Appeals (ESTTA) on the date indicated above.

/s/ Marcus Peterson
Marcus Peterson

**CERTIFICATE OF SERVICE VIA FIRST CLASS MAIL**

I, Marcus Peterson, hereby certify that a true and complete copy of the foregoing OPPOSER INSTAGRAM, LLC'S MOTION TO STRIKE APPLICANT'S AFFIRMATIVE DEFENSES was served on Applicant's counsel, Jay Begler, Niesar & Vestal LLP, 90 New Montgomery Street, San Francisco, CA 94109, via postage prepaid first-class mail on May 4, 2015.

/s/ Marcus Peterson________________________________________
Marcus Peterson