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

Proceeding	91218846
Party	Plaintiff Seaside Community Development Corp
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Attachments	Opposer's Reply iso Mot.to Strike Appl's Affirm.Defenses & Appl's Request for Costs & Fees, or in Altern., For Judgment on Pleadings.pdf(49353 bytes)

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

In the matter of application Serial No. **86/188,378**
Filed February 8, 2014
For the mark **SEASIDE**
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Seaside Community Development Corp., Opposer, v. Tri-Coastal Design Group, Inc., Applicant.	Opposition No. 91218846

OPPOSER SEASIDE'S REPLY IN SUPPORT OF MOTION TO STRIKE APPLICANT'S AFFIRMATIVE DEFENSES AND APPLICANT'S REQUEST FOR COSTS AND FEES OR, IN THE ALTERNATIVE, FOR JUDGMENT ON THE PLEADINGS

By this timely[1] reply, Opposer Seaside Community Development Corporation ("Seaside" or "Opposer") respectfully requests that the Opposition to Motion to Strike (Dkt. 7, "Opp. to Mot.") filed by Applicant Tri-Coastal Design Group, Inc. ("Applicant") be deemed untimely. In all events, however, the Board should grant Seaside's Motion to Strike Applicant's Affirmative Defenses and Request for Costs and Attorney's Fees in its entirety. *See* Dkt. 5, "Mot. to Strike". Instead of responding to the substantive case law contained in Seaside's arguments regarding Applicant's laundry list of boilerplate, invalid and inapplicable affirmative defenses, Applicant wastes this Board's time and that of Seaside arguing that each listed affirmative defense theoretically could be an affirmative defense, without regard to its applicability in the Opposition

[1] Applicant belatedly filed with the Board its Opposition to Opposer's Motion to Strike on December 3, 2014, and improperly served it on Opposer only by email that same day, as corroborated by the document's certificate of service page. The parties have never mutually agreed to email service, as required for such service to be proper. *See* TTAB § 113 and 37 CFR § 2.119. On December 5, 2014, Opposer notified Applicant of its improper service. On December 9, 2014 Applicant served on Opposer by overnight mail this Motion to Amend. *See* Dkt. 8. Thus, Applicant's Opposition to Opposer's Motion to Strike was first properly served on Opposer on December 9, 2014.

before this Board. Here, Applicant's application which Seaside opposed is an intent-to-use application claiming no other Seaside marks or any type of use.

Based on the governing case law set forth in Seaside's Motion to Strike, none of which Applicant actually disputes in its Opposition, the Board should strike all of the affirmative defenses improperly alleged in Applicant's Answer (Dkt. 4), as well as Applicant's entirely improper request for costs and fees or, alternatively, enter judgment on the pleadings on the affirmative defenses and invalid request for costs and fees.

I. ARGUMENT

A. Applicant's Opposition Brief Was Untimely and Should Not be Considered

Applicant's response to Seaside's motion was untimely, as it was neither filed with the Board nor served on Seaside within the 20-day allotted time frame, which includes the extra time allowed for service by mail. Applicant did not properly serve its Opposition brief on Seaside until more than a week after the deadline. On this ground alone, Applicant's Opposition brief should not be considered.

On November 11, 2014, Seaside filed its Motion to Strike and served it on Applicant via first class mail that same day. *See* Dkt. 5. As stated in Section 502.02(b) of the TBMP "A brief in response to a motion, except a motion for summary judgment, must be filed within 15 days from the date of service of the motion (20 days if service of the motion was made by first class mail . . .)." Thus, Applicant had 20 days (until December 1), to file and serve its response. Two days past this deadline, on December 3, Applicant first filed its Opposition to the Motion to Strike. *See* Dkt. 7. On its face, the filing was untimely. But it is not just a few days late. Applicant improperly served its Opposition on Seaside *solely* by email, as corroborated by the Opposition brief's certificate of service. *See* Opp. to Mot., at 16 (Certificate of Service). The parties in this opposition, however, *never* mutually agreed to accept email service. TBMP

§ 113.04(6). On December 5, 2014, Opposer notified Applicant of its improper service. On December 9, 2014 — more than a week late — Applicant served on Opposer by overnight mail this Motion to Amend. However you calculate the due date, the Opposition was untimely and should not be considered.

B. Seaside's Motion to Strike Was Timely Filed and Served

Revealingly, Applicant incorrectly argues that Seaside's Motion to Strike was untimely because it was not filed within 21 days after service. Applicant filed with the TTAB and served its Answer (Dkt. 4) on Seaside by email (and purportedly by overnight mail as well) on October 17, 2014. Opp. to Mot. at 4-5. As discussed above, Seaside has never agreed to email service in this proceeding and thus email service was ineffective.

Applicant further claims it served its Answer by overnight mail, but this is not corroborated by Applicant's own Certificate of Service. *See* Dkt. 4, Answer at 6.[2] Even assuming proper service by overnight mail, however, Seaside's Motion was timely. Seaside is entitled to a 5-day extension to the 21-day deadline to move to strike if Applicant served its Answer via overnight mail, as it now conveniently claims. *See* TBMP §§ 113.05, 506.02 9 ("If no responsive pleading is required, the motion should be filed within 21 days after service upon the moving party of the pleading that is the subject of the motion (26 days, if service of the pleading was made by first-class mail, 'Express Mail,' or overnight courier . . .")) (emphasis added). On November 11, 2014 — 25 days after Applicant's Answer was filed and purportedly served on Seaside via overnight mail — Seaside filed its Motion to Strike and served the Motion on Applicant via first class mail. Thus, Seaside's Motion is indisputably timely. In all events, a

[2] The certificate of service in Applicant's filed Answer states that it was served on Seaside by email on October 28, 2014. Applicant in fact received the Answer by email on October 17, 2014. The emailed Answer's certificate of service reflects the October 17, 2014 date. However, neither version of the certificate of service — not the one filed nor the one served on Seaside by email — references any service by overnight mail and no such version was received.

motion for judgment on the pleadings may be filed any time after pleadings are closed and before the opening of the first testimony period. TBMP § 504.01.

C. Applicant's Argument That It Need Not Plead Facts to Provide Fair Notice of Its Defenses Relies on Non-Precedential Authorities, Which Contradict Established TTAB Precedent

Whether timely or not, each of Applicant's alleged Affirmative Defenses fail. The opposition relies largely on non-precedential authorities, with little regard to the Board's established rules and precedential authority. Proceedings before the Board are governed by prior decisions by the TTAB, decisions by the U.S. Court of Appeals for the Federal Circuit (and its predecessor), and decisions by the Director of the U.S. Patent and Trademark Office. TBMP § 101.03. Decisions by other tribunals are not binding on the Board and citing to them is not encouraged. *In re the Procter & Gamble Company*, 105 U.S.P.Q.2d 1119, 1121 (T.T.A.B. 2012); *see also Corporacion Habanos S.A. v. Rodriquez*, 99 U.S.P.Q.2d 1873, 1875 n.5 (T.T.A.B. 2011). Applicant, however, essentially only cites either irrelevant case law or non-binding precedent, including for its main argument that it should not be required to plead any facts beyond those in its Answer to support its affirmative defenses, and that the TTAB should follow the supposed law of federal district courts in the Third Circuit in declining to apply a "heightened pleading standard" to affirmative defenses. *See* Dkt. 7, pp. 1-2, 3-5.

First, mere mention of a "heightened pleading standard" is a red herring offered purportedly to confuse the issues, as Seaside suggests only that Applicant is subject to the typical pleading standards that apply under existing TTAB precedent. Applicant's discussion of the applicability of *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544 (2007) and *Ashcroft v. Iqbal*, 556 U.S. 662 (2009) to affirmative defenses is largely irrelevant except as to the purported fraud claims improperly raised as affirmative defenses. Second, Applicant disregards Board rules and cited authority that clearly dictate that pleaded defenses "should include enough detail to give the

[opponent] fair notice of the basis for the defense." TBMP § 311.02(b). Applicant has failed to meet the fair notice standard enunciated in the announced procedures of this Board for any of its seventeen affirmative defenses.

D. Applicant Fails to Respond to the Substance of Seaside's Motion to Strike

Regardless, Applicant provides no support for its contention that its seventeen affirmative defenses have been properly pled. *See* Opp. to Mot., at 5-15. Indeed, Applicant's brief is almost entirely comprised of tangential, irrelevant discussion on the general definitions and general nature of each affirmative defense, without regard to the sufficiency of the actual affirmative defenses as pleaded, the affirmative defenses application to the Notice of Opposition, or their validity to the allegations of the Notice of Opposition. *Id*. The inapplicable, invalid and boilerplate affirmative defenses asserted cannot stand legal scrutiny based on well-established TTAB precedent.

In sum, Applicant has provided no arguments as to why a single affirmative defense is adequately pleaded. Applicant's brief fails to address, much less dispute, the arguments found in Seaside's Motion to Strike or for Judgment on the Pleadings, and in some events unwittingly demonstrates that certain of the affirmative defenses are a logical impossibility in this case which involves an intent to use application with no claim by the Applicant to any prior registrations.

(1) Applicant Fails to Contest Seaside's Challenge to the Sufficiency of Applicant's 12(b)(6) Defenses

Applicant fails to address — or even dispute — Seaside's contention that Seaside has properly stated a claim for likelihood of confusion. *See* Mot. to Strike, at.3-4; *see also* Opp. to Mot, at 5-7,14. Since an Opposer may use a motion to strike as an opportunity to challenge the sufficiency of a 12(b)(6) defense, *S.C. Johnson & Son Inc. v. GAF Corp.*, 177 USPQ 720 (TTAB 1973), Seaside requested in its motion that the Board, in the alternative to striking them, enter judgment on the pleadings as to Applicant's affirmative defenses of "failure to state a claim upon

which relief can be granted" (First Affirmative Defense) and "no valid claim of likelihood of confusion" (Seventeenth Affirmative Defense), to the extent the latter is seen as alleging Seaside's failure to state a claim for likelihood of confusion.[3] *See* Dkt. 5, p. 4. As asserted in Seaside's motion, Seaside has adequately pled sufficient facts to establish standing and to state a claim for likelihood of confusion. *See* Mot. to Dismiss, 4. Applicant does not contest this in its Opposition, and does not offer a single reason or argument to support its contention that Seaside has failed to state a claim upon which relief can be granted.

For this reason, the Board should enter judgment on the pleadings with respect to Opposer's 12(b)(6) defenses, asserted as its first and seventeenth affirmative defenses.

(2) Several of Applicant's Affirmative Defenses Should Be Stricken Because The Timeliness of Seaside's Notice of Opposition Is Undisputable

As to the affirmative defenses that challenge the timeliness of Seaside's Notice of Opposition, Applicant fails to dispute or address any of Seaside's arguments or case law that categorically demonstrate that the asserted defenses are meritless. In this regard, Applicant does not even address any of the binding case law Seaside cited. *See* Mot to Strike, at 5-6; *see also* Opp. to Mot., at 10, 11-12. Rather, Applicant merely argues, *ad infinitum*, that these are *possible* boilerplate affirmative defenses and makes *no other argument*. *See*, Not. of Opp. at 10 (arguing estoppel and waiver are listed in the Federal Rules of Civil Procedure), 11-12 (arguing laches and acquiescence can be affirmative defenses). Applicant's arguments miss the point entirely, and only reinforce the undeniable fact that Applicant has merely recited a laundry list of

[3] To the extent that the Seventeenth Affirmative Defense denies Seaside's likelihood of confusion claim, it should be stricken as redundant. Mot. to Strike, at 4. Indeed, Applicant agreed to withdraw this affirmative defense "to the extent the TTAB finds Applicant's denial of such a claim is preserved and not necessary as a separate defense." Opp. to Mot., at 14.

boilerplate affirmative defenses, without regard to their merit, applicability or possible validity to the claims asserted in the Notice of Opposition.

Seaside has not argued that estoppel, laches, acquiescence and waiver are not affirmative defenses *at all*; rather, Seaside has argued that they are not affirmative defenses that can be raised here given that Applicant has not disputed and cannot dispute that Seaside timely opposed its application, which is an intent to use application. Under well-established, precedential case law, these are meritless affirmative defenses here, as a matter of law, and there is no question that Seaside timely opposed the application before this Board during the opposition period. *Callaway Vineyard & Winery v. Endsley Capital Group, Inc.*, 63 USPQ2d 1919, p. 5 (TTAB 2002).

Accordingly, Seaside requests that the Board strike or enter judgment on the pleadings as to the affirmative defenses of waiver and estoppel (Seventh Affirmative Defense), laches (Tenth Affirmative Defense), and acquiescence (Eleventh Affirmative Defense).

(3) Applicant's Attacks on the Validity of Seaside's Registrations

A number of Applicant's affirmative defenses attack the validity of the registrations and marks pleaded by Seaside. *See* Mot. to Strike, at 6-7 (discussing the Second, Third, Fourth, Fifth, Eighth, Ninth, Thirteenth, Fourteenth, and Sixteenth Affirmative Defenses). While Applicant's opposition brief describes the definitions or nature of these affirmative defenses, Applicant offers no authority to refute Seaside's argument that these affirmative defenses are improper challenges to the validity of Seaside's registrations. Pursuant to TBMP § 311.02(b), it is well-established that the Board will not entertain affirmative defenses that attack the validity of a registration. Thus, the Board should grant Seaside's request to strike these defenses for this reason alone.

Further, even if these defenses theoretically were viable, applicant pleads no supporting facts necessary to give Seaside any notice of what the defenses actually entail – presumably because none of these defenses are actually supported by any facts. For example, Applicant pleads the "merger doctrine" defense as its Fifth Affirmative Defense (Opp. to Mot, at 9), but Seaside has never been the licensee of any of Applicant's pleaded marks, nor has Applicant alleged as much. Nor can the Eighth and Thirteenth Affirmative Defenses logically apply in this case, as Applicant does not own any SEASIDE registrations and has not alleged any such ownership. Opp. to Mot., at 10-13. Also illogical is the Fourth Affirmative Defense asserting Seaside's marks are generic. *Id.* at 8-9. Given that Applicant filed an intent-to-use application for the identical mark, this defense stands as particularly illogical on its face. If the mark SEASIDE is generic, then Applicant has committed fraud on the Trademark Office by seeking to claim on an intent-to-use basis that the SEASIDE mark is protectable.

Because these affirmative defenses cannot possibly apply in this case, are improperly asserted as affirmative defenses, and are asserted without any supporting facts or authority, they should be stricken.

(4) Applicant's Failure to Allege Cognizable Supporting Facts

Board procedures require that Applicant allege cognizable facts sufficient to provide Seaside with fair notice of the nature of its affirmative defenses. TBMP § 311.02(b). Applicant's affirmative defenses on their face provide no such facts and stand only as conclusory allegations. Applicant's opposition offers no support either. On this basis alone, Seaside reiterates its request that the Board strike <u>all</u> of Applicant's affirmative defenses, as all seventeen are without sufficient factual basis to provide the requisite fair notice to Seaside.

By way of example, Applicant has asserted the "Morehouse defense" as its Eighth Affirmative Defense, which *according to Applicant*, is an affirmative defense where "an

applicant's ownership of an existing registration for the same mark and goods (or services) may provide, as a matter of law, an affirmative defense against the claim of damage by an opposer." Opp. to Mot. to Dismiss at 10. Yet, Applicant has neither pled nor asserted in its brief, or advised the Trademark Office in the prosecution of its application that it owns any existing registration for the same mark or even a similar mark — because it has not and cannot. This affirmative defense is utterly inapplicable and meritless. The defense is designed only to harass and drive up the costs of Seaside in legitimately bringing this Notice of Opposition. Applicant's conduct should not be countenanced.

Similarly, Applicant fails to provide any information whatsoever as to what might be meant by its invocation of a still unspecified "public policy" defense (Dkt. 7, p. 13; Fifteenth Affirmative Defense).

Last, regarding the Fourteenth Affirmative Defense alleging misrepresentation, Applicant ignores the fact that under Rule 9 of the Federal Rules of Civil Procedure and under TTAB case law, a higher standard of specificity is required when pleading any affirmative defense alleging misrepresentation or fraud, vaguely asserting that somehow this defense speaks to "standing." *See* Opp. to Mot., at 8. Applicant's construction of misrepresentation as a standing defense is baseless.

E. Applicant's Request For Attorney's Fees Are Contrary to TTAB Rules and Entirely Improper

Finally, Applicant also seeks in its opposition brief to preserve the issue of its request for legal fees "for possible appeal." Dkt. 7, p. 1. As the TTAB is unquestionably without the authority to grant Applicant's request for costs and fees, *see* Dkt. 5, p. 8, Applicant's request to preserve the issue is unsupportable given the established case law governing this issue.

Once again, Applicant provides no guidance as to how Applicant plans to challenge long standing law or how this demand can be proper or necessary.

II. CONCLUSION

Seaside respectfully reiterates its requests for the Board to instruct Applicant and its counsel about proper service, strike Applicant's affirmative defenses and Applicant's entirely improper request for costs and attorney's fees. Alternatively, Seaside requests this Board to enter judgment on the pleadings as to each of the alleged Affirmative Defenses. Seaside's requests are critical to define the scope of discovery and trial to issues that should properly before the Board.

Dated: December 23, 2014

Respectfully submitted,

By: /s/ Rochelle D. Alpert
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CERTIFICATE OF SERVICE

I, hereby certify that on **December 23, 2014**, I served a copy of the **OPPOSER SEASIDE'S REPLY IN SUPPORT OF MOTION TO STRIKE APPLICANT'S AFFIRMATIVE DEFENSES AND APPLICANT'S REQUEST FOR COSTS AND FEES OR, IN THE ALTERNATIVE, FOR JUDGMENT ON THE PLEADINGS** by First-Class mail on the following:

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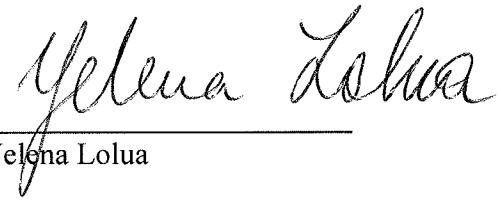

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