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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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**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**  
Published in the OFFICIAL GAZETTE on June 17, 2014

Seaside Community Development Corp.,

Opposer,

v.

Tri-Coastal Design Group, Inc.,

Applicant.

Opposition No. 91218846

**MOTION TO STRIKE APPLICANT’S AFFIRMATIVE DEFENSES AND REQUEST  
FOR COSTS AND ATTORNEY’S FEES OR, IN THE ALTERNATIVE, MOTION FOR  
JUDGMENT ON THE PLEADINGS AND MOTION TO SUSPEND**

Pursuant to Rules 12(c) and 12(f) of the Federal Rules of Civil Procedure and Sections 311, 504 and 506 of the TBMP, Opposer Seaside Community Development Corporation (“Seaside” or “Opposer”) moves to strike all of the “Affirmative Defenses” pleaded in the Answer of Applicant Tri-Coastal Design Group, Inc. (“Applicant”) or, alternatively, for judgment on the pleadings. Seaside also seeks an order striking Applicant’s request for costs and attorney’s fees from the Answer, as it is well-established this is not cognizable relief this Board is authorized to issue.

Inasmuch as the resolution of this motion will define and potentially significantly narrow the issues for discovery and trial in this opposition proceeding, Seaside requests that the Board suspend these proceedings pursuant to Section 510.03(a) of the TBMP and 37 C.F.R § 2.117(c) pending the ruling on the motion to strike and/or for judgment on the pleadings.

## I. FACTUAL BACKGROUND

On October 15, 2014, Seaside timely opposed Applicant's *intent-to-use* application to register SEASIDE, filed on February 8, 2014, (Serial No. 86/188,378) for "Bath gel; Bath salts; Bath soaps; Body cream; Body lotion; Body oil; Body powder; Body scrub; Body sprays; Bubble bath; Lip balm; Lip gloss; Liquid soap" ("Application"), because of a likelihood of confusion between the applied-for SEASIDE designation and Seaside's pre-existing, and in some cases incontestable rights in the SEASIDE federal registrations, marks at common law, and trade name ("SEASIDE® marks and name") long used in connection with a variety of goods and services, including retail store services, gifts and sundry items, such as those for which Applicant has applied. *See* Notice of Opposition, Dkt. No. 1.

On October 17, 2014, Applicant filed its Answer (*see* Dkt. 4) to the Notice of Opposition, in which Applicant alleges seventeen purported "Affirmative Defenses" (Dkt. 4, pp. 2-4), all of which are boilerplate, invalid and inapplicable, and in certain cases entirely inconsistent with Applicant's own Application. In its Answer, Applicant also inexplicably includes a prayer for relief requesting that Applicant "be awarded its reasonable costs and attorneys' fees ...." Dkt. 4, p. 4. Simply stated, this request is beyond the inherent powers of the Trademark Trial and Appeal Board ("Board").

## II. ARGUMENT

Each of the seventeen so-called affirmative defenses Applicant asserts, as well as Applicant's demand for attorney fees and costs, are not sustainable under established law. First, Applicant's claims that "The Opposition fails to state a claim upon which relief can be granted" (First Affirmative Defense) and that "The Opposition is barred since there is no valid claim of likelihood of confusion" (Seventeenth Affirmative Defense). Dkt, 4, pp. 2, 4. Both of these so-called affirmative defenses have been repeatedly recognized as not cognizable under the facts

alleged in Seaside's Notice of Opposition. Moreover, without any basis in fact or law, Applicant's remaining affirmative defenses wrongly contest the timeliness of Seaside's Opposition (Dkt. 4, Seventh, Tenth and Eleventh Affirmative Defenses), improperly attack the validity of Seaside's registrations and/or rights (Dkt. 4, Second, Third, Fourth, Fifth, Eighth, Ninth, Thirteenth, Fourteenth and Sixteenth Affirmative Defenses), and/or otherwise fail to assert cognizable defenses (*e.g.*, Dkt. 4, Fifth, Sixth, Seventh, Twelfth, Fourteenth and Fifteenth Affirmative Defenses). Further, Applicant's prayer for relief requesting costs and attorney's fees is defective on its face. *Id.*, p. 4.

**A. Applicant's Affirmative Defenses Challenging The Sufficiency Of Seaside's Pleading Are Not Valid Affirmative Defenses**

The first of Applicant's so-called affirmative defenses asserts that Seaside's Opposition "fails to state a claim upon which relief can be granted" (Dkt. 4, First Affirmative Defense). Similarly, Applicant's seventeenth affirmative defense claims "[t]he Opposition is barred since there is no valid claim of likelihood of confusion" (Dkt. 4, Seventeenth Affirmative Defense). Neither of these allegations constitutes a valid affirmative defense.

It is well-established that failure to state a claim is not a cognizable affirmative defense. *Hornblower & Weeks, Inc. v. Hornblower & Weeks, Inc.*, 60 U.S.P.Q.2d 1733, 1738 n.7 (T.T.A.B. 2001) ("paragraph 11, which asserts that the notice of opposition fails to state a claim upon which relief can be granted, is not a true affirmative defense and shall not be considered as such."); *see also Blackhorse v. Pro Football, Inc.*, 98 U.S.P.Q.2d 1633, 1637 (T.T.A.B. 2011) ("Failure to state a claim upon which relief can be granted is not an affirmative defense.").

In all events, on the face of the Notice of Opposition, Seaside properly alleges a claim for likelihood of confusion. In order to state a claim, Seaside must demonstrate that the facts as alleged would, if proven, establish that (1) Seaside has standing to maintain the proceeding and (2) a valid ground exists for opposing the registration. *See Order of Sons of Ital. in Am. v.*

*Profumi Fratelli Nostra AG*, 36 U.S.P.Q.2d 1221, 1222 (T.T.A.B. 1995). It is established that for purposes of ruling on the defense, all well-pleaded allegations in the opposition must be accepted as true, and the notice of opposition must be construed in the light most favorable to Seaside. *Id.*

Under this governing standard, Seaside has pled sufficient facts to state a claim for likelihood of confusion. The allegations in the Notice of Opposition allege Seaside's prior rights in its SEASIDE® marks and name, including incontestable prior federal registrations, and common law rights (Dkt. 2, ¶¶ 1-6), and a likelihood of confusion (*Id.* at ¶¶ 8-12). *See* TBMP § 309.03(c). These allegations establish that Seaside has a real interest in the outcome of the proceeding — that is Seaside has a personal interest in the outcome of the case beyond the general public (*i.e.*, standing) — as well as viable grounds for opposing the Application.<sup>1</sup> *See Ritchie v. Simpson*, 170 F.3d 1092, 50 U.S.P.Q.2d 1023, 1025 (Fed. Cir. 1999). On the face of the Notice of Opposition, Seaside has alleged sufficient facts to both establish standing and grounds for opposing the Application based on a likelihood of confusion.

Even to the extent Applicant's seventeenth affirmative defense may be characterized as asserting there is no likelihood of confusion, it still fails as a matter of law. "An affirmative defense does not negate the elements of the cause of action; it is an explanation that bars the claim." *Blackhorse*, 98 USPQ2d 1633, 1637; *Textron, Inc. v. Gillette Co.*, 180 U.S.P.Q. 152, 154 (T.T.A.B. 1973) (striking affirmative defense redundant of applicant's denial of likelihood of confusion, set forth otherwise in applicant's answer).

Thus, striking or entering judgment on the pleadings for these affirmative defenses is more than warranted and properly will narrow the focus of discovery and issues for trial.

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<sup>1</sup> Indeed, the marks at issue are identical and used for the same or related goods and services based on the face of the Application and Seaside's registrations (*e.g.* Dkt. 1, Exhs. A-G).

**B. Seaside Timely Opposed the Application, Rendering the Affirmative Defenses of Laches and Acquiescence Meritless**

Applicant raises additional affirmative defenses that simply cannot as a matter of law apply to an opposition against an intent-to-use application: laches (Dkt. 4, Tenth Affirmative Defense), waiver and estoppel (Dkt. 4, Seventh Affirmative Defense), and acquiescence (Dkt. 4, Eleventh Affirmative Defense). It is alleged and uncontroverted that Seaside properly filed its Notice of Opposition within the extended time for filing an opposition and without any delay that could be characterized as unreasonable. Thus, these defenses are meritless on their face.

To prevail on these defenses, Applicant has to demonstrate an unreasonable delay by Seaside in asserting its rights, as well as material prejudice to Applicant as a result of the delay. *See Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes, Inc.*, 971 F.2d 732, 734 (Fed. Cir. 1992); *National Cable Television Ass'n v. American Cinema Editors, Inc.*, 937 F.2d 1572, 1580 (Fed. Cir. 1991). Applicant has alleged neither element, because it cannot.

It is well-established that in an opposition proceeding the time period for measuring unreasonable delay only begins to run at the time the application is published for opposition. TBMP § 311.02(b); *see also Nat'l Cable Television Ass'n*, 937 F.2d at 1581. In this case, the publication occurred on June 17, 2014. Under the Board's governing rules and the documents of record in this proceeding, Seaside timely and properly requested an extension of time to oppose, and subsequently timely filed its Notice of Opposition on October 15, 2014, within the time the Board ordered (Dkt. 2). The record is thus incontrovertible that Seaside did not in any way unduly delay its filing. *See Lincoln Logs Ltd.*, 971 F.2d at 734 (granting summary judgment on laches claim where opposer acted at its first opportunity to object to registration of applicant's mark); *Callaway Vineyard & Winery v. Endsley Capital Group, Inc.*, 63 U.S.P.Q.2d 1919, p. 5 (T.T.A.B. 2002) (granting summary judgment on laches, estoppel, and acquiescence defenses where opposer promptly opposed registration of applicant's mark).

Thus, these defenses should be stricken for lack of any basis and/or judgment on the pleadings should be entered.

**C. Applicant Improperly Uses Affirmative Defenses to Attack the Validity of Seaside’s Registrations**

Certain of Applicant’s affirmative defenses amount to nothing more than improper attacks on the validity of the registrations pleaded by Seaside in its Notice of Opposition. Applicant summarily alleges without any detail that Seaside failed to comply with “renewal, notice, and registration requirements, and with other necessary formalities” (Dkt. 4, Second Affirmative Defense). Further, Applicant concludes that Seaside “forfeited or abandoned” its trademarks, “does not own the trademark rights for some or all of the purported marks,” “does not have valid trademark” and “does not own the required rights to assert such a claim.” (Dkt. 4, Third, Eighth, Ninth and Sixteenth Affirmative Defenses), that the “merger doctrine” invalidates Seaside’s claim (Dkt 4, Fifth Affirmative Defense),<sup>2</sup> and that Seaside “made material misrepresentations to the United States Patent and Trademark Office” (Dkt. 4, Fourteenth Affirmative Defense). Lastly, inconsistent with its own Application, which is an intent-to-use Application, Applicant inexplicably concludes that “[Applicant] owns the purported mark to be used” (Dkt. 4, Thirteenth Affirmative Defense), and that Seaside’s marks are generic (Dkt. 4, Fourth Affirmative Defense).

These defenses all represent wrongful challenges through affirmative defenses to the validity of the registrations and rights owned by Seaside. That such affirmative defenses have no place in this proceeding is reinforced by the allegations’ inconsistency with the opposed Application, which is an *intent-to-use* application with no disclaimer for the applied-for

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<sup>2</sup> It is unclear what Applicant’s “merger” defense references. To the extent Applicant claims the fair use defense by way of this allegation, this defense has no place in an opposition. *See* TBMP § 311.02(b); *Truescents LLC v. Ride Skin Care LLC*, 81 U.S.P.Q.2d 1334, 1338 (T.T.A.B. 2006); *Miles Laboratories Inc. v. Naturally Vitamin Supplements Inc.*, 1 U.S.P.Q.2d 1445, 1454 (T.T.A.B. 1986).

designation — SEASIDE. Thus, how Seaside’s marks and name could be invalid, generic or owned by Applicant defies logic.

Accordingly, the aforementioned Affirmative Defenses should be stricken from the Answer. *See Textron, Inc. v. The Gillette Co.*, 180 U.S.P.Q. 152, 153 (T.T.A.B. 1973) (striking affirmative defenses that attack the validity of a pleaded registration).

**D. On Their Face, Applicant’s Affirmative Defenses Each Fail, Because Applicant Does Not Allege Cognizable, Supporting Facts**

Under Federal Rule of Civil Procedure 8(b), a pleading must allege, in short and plain terms, a statement showing the pleader is entitled to relief. *See* TBMP § 311.02(b). The requirements of Rule 8(b) apply to affirmative defenses. *See* TBMP § 311.02, 37 CFR § 2.106(b)(1) (“When pleading special matters, the Federal Rules of Civil Procedure shall be followed.”). All affirmative defenses must include sufficient detail to give the opposing party fair notice of the basis for each defense. *Id.* All of Applicant’s affirmative defenses lack any factual support and, thereby, fair notice.

In addition to those affirmative defenses noted in Section II(C) above, none of which includes any supporting facts or information whatsoever, Applicant also baldly concludes that Seaside’s claims are barred by trademark misuse (Dkt. 4, Sixth Affirmative Defense), unclean hands (Dkt. 4, Twelfth Affirmative Defense), unspecified material misrepresentations by Seaside to the USPTO (Dkt. 4, Fourteenth Affirmative Defense), and unspecified public policy (Dkt. 4, Fifteenth Affirmative Defense). Dkt. 4, pp. 3-4. Indeed, all of Applicant’s boilerplate affirmative defenses are pled in similar fashion, providing Seaside with no idea as to what might be included within these unsupported (and unsupportable) defenses.

A pleading which sets forth a defense “should include enough detail to give the [opponent] fair notice of the basis for the defense.” TBMP § 311.02(b). Applicant’s bald statements fall far short of providing Seaside fair notice. *Otto International Inc. v. Otto Kern*



*GmbH*, 83 U.S.P.Q.2d 1861, 1864 (T.T.A.B. 2007) (bald allegations of abandonment and misrepresentation of source did not provide fair notice); *McDonnell Douglas Corp. v. National Data Corp.*, 228 U.S.P.Q. 45, 47 (T.T.A.B. 1985) (bald allegations in the language of the statute did not provide fair notice of basis of petitioner's claim). Applicant's affirmative defenses on their face do not begin to meet even the most elementary of these pleading requirements. As such, the Board should strike and/or enter judgment against Applicant on each of the purported defenses.

Further, to the extent any affirmative defense involve allegations of misrepresentation or fraud (*e.g.*, Fourteenth Affirmative Defense), the pleading claims must meet an even higher standard of specificity under Rule 9 of the Federal Rules of Civil Procedure. *See* TBMP 311.02(b) ("When one of the special matters listed in Fed. R. Civ. P. 9 (including, *inter alia*, capacity, fraud, and judgment) is pleaded, the provisions of Fed. R. Civ. P. 9 governing the pleading of that special matter should be followed"); 37 CFR § 2.106(b)(1) and 37 CFR § 2.114(b)(1).

**E. Applicant's Request for Costs and Attorney's Fees Should Be Stricken Because The Board Lacks Authority to Grant Such a Request**

In the final paragraph of the Answer, Applicant requests that it be awarded "its reasonable costs and attorneys' fees in defending the Opposition." Answer, p. 4. This request should be stricken from the Prayer for Relief Answer because the Board is without authority to grant such a request. *See* 37 CFR § 2.127(f) ("The Board will not hold any person in contempt, or award attorney's fees or other expenses to any party."); TBMP § 502.05 ("The Board will not hold any person in contempt, or award attorneys' fees, other expenses, or damages to any party."); *Kairos Institute of Sound Healing, LLC v. Doolittle Gardens, LLC*, 88 U.S.P.Q.2d 1541, 1544 n.6 (2008).



**CERTIFICATE OF SERVICE**

I, ROCHELLE D. ALPERT hereby certify that on **November 11, 2014**, I served a copy of the **MOTION TO STRIKE APPLICANT'S AFFIRMATIVE DEFENSES AND REQUEST FOR COSTS AND ATTORNEY'S FEES OR, IN THE ALTERNATIVE, MOTION FOR JUDGMENT ON THE PLEADINGS AND MOTION TO SUSPEND** by First-Class mail on the following:

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