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

Proceeding	91221878
Party	Plaintiff Franciscan Vineyards, Inc.
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

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Franciscan Vineyards, Inc. Mark: THREE-EYED RAVEN
Opposer Opp. No. 91221878
v. Serial No.: 86309080
Home Box Office, Inc.
Applicant
-----X

MOTION TO STRIKE AFFIRMATIVE DEFENSES

Petitioner, FRANCISCAN VINEYARDS, INC. (“Franciscan”) hereby moves to strike the affirmative defenses (nos. First and Second) of Applicant, Home Box Office, Inc., as plead in its Answer filed June 22, 2015. This motion is timely made within the time prescribed in Fed. R. Civ. P. 12(c). Insofar as the motion falls under Fed. R. Civ. P. 12(f), the Board has discretion to hear same, and or to the extent the motion requires the Board to look beyond the pleadings, the motion may be considered a motion for partial summary judgment pursuant to Fed. R. Civ. P. 56(c).

Granting this motion will be helpful in narrowing and limiting issues in this proceeding, thereby also serving as a guide in conducting discovery. As stated in *2A Moore’s Federal Practice* paragraph 12.21[3]:

Although courts are reluctant to grant motions to strike, where a defense is legally insufficient, the motion should be granted in order to save the parties unnecessary expenditure in time and money in preparing for trial.

***1. Opposer has Sufficiently Alleged its Claims for Relief
Accordingly, Applicant’s First Affirmative Defense Must be Stricken***

Applicant's First Affirmative Defense states:

The Opposition fails, in whole or in part, to state a claim for relief.

In determining whether to strike Applicant's affirmative defense of *failure to state a claim*, it is necessary to test the sufficiency of Franciscan's pleading and decide if it alleges facts that demonstrate a real interest in the proceeding (facts that must thereafter be proven as part of its case). See *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999). To plead a real interest, a plaintiff must allege damages stemming from a "direct and personal stake" in the outcome of the proceeding. *Id.* at 1026.

Being as Applicant's asserted defense questions the sufficiency of Franciscan's pleading - similar to a motion to dismiss for failing to plead a cause of action - Rule 12(b) which permits a party to assert this defense, also permits a party to challenge it. See *Order of Sons of Italy in America v. Profumi Fratelli Nostra AG*, 36 USPQ2d 1221, at 1222-1223 (TTAB 1995), citing *S.C. Johnson & Son Inc. v. GAF Corporation*, 177 USPQ 720 (TTAB 1973) (it "necessarily follows that a plaintiff may utilize this assertion to test the sufficiency of the defense in advance of trial by moving . . . to strike the 'defense' from the defendant's answer.")

The following factors set-forth in *Order of Sons of Italy* may be used to review pleading requirements of a motion to strike a defense for failure to state a claim:

1. To withstand a motion to dismiss for failure to state a claim upon which relief can be granted, an Opposer need only allege facts as would, if proved, establish that (1) it has standing to maintain the proceeding, and (2) a valid ground exists for cancelling the registration.
2. [A]ll of Opposer's well-pleaded allegations must be accepted as true, and the Notice of Opposition must be construed in the light most favorable to Opposer.
3. Dismissal for insufficiency is appropriate only if it appears certain that the opposer is entitled to no relief under any set of facts which could be proved in support of its claim.

4. The standing question is an initial inquiry directed solely to establishing the personal interest of the plaintiff who needs only show a personal interest in the outcome of the case beyond that of the general public.

Order of Sons of Italy, supra at 1222-1223.

Opposer has pleaded sufficiently in its Notice of Opposition to establish standing and valid grounds for opposing Applicant's mark under *Order of Sons of Italy*, to wit, Opposer essentially alleges:

- Opposer . . . believes that it will be damaged by the registration of the alleged mark shown in Application Serial No. 86309080
- Opposer is the owner of registration nos. 2888963, 3134833, 2118152, 2132719, 3457923, 3954905, and 2130653 (for marks that include the design of actual ravens and or words RAVEN, RAVENS and RAVENWOOD); as well as owner of common law rights thereto ("Asserted Marks") for a variety of goods in IC 025, 030, 033 and 035 (*See, Notice of Opposition* at ¶¶ 1-3)
- Applicant's goods are related to Opposer's goods (*See, Notice of Opposition* at ¶¶ 4 and 9)
- Opposer has priority (*See, Notice of Opposition* at ¶¶ 5 and 6)
- The channels of trade through which the parties' respective goods under their respective marks are identical (*See, Notice of Opposition* at ¶ 7)
- The parties' respective marks are confusingly similar when applied to the goods of the parties (*See, Notice of Opposition* at ¶¶ 8, 11, 14 and 30)
- Since Opposer owns the Opposer's Mark by virtue of prior use, mistake or deception as to the source of origin of the goods will arise and will injure and damage the Opposer and its goodwill (*See, Notice of Opposition* at ¶¶ 10 and 11)
- Opposer's Marks have become distinctive and famous, (being well-known and highly regarded throughout the United States), long prior to the date Applicant filed its application to registrar Applicant's Mark (*See, Notice of Opposition* at ¶ 12)

- Applicant's intention to use designs of ravens on its intended label with its mark is indicative of Applicant's intent to cause confusion (*See, Notice of Opposition* at ¶ 13)

The above constitute sufficient pleading by Opposer of Count I of its Notice of Opposition, namely its likelihood of confusion claim.

- At the time Applicant filed its application, Applicant had no bona-fide intent to use Applicant's mark and accordingly Applicant made false and fraudulent statements in the application; Applicant has not taken steps to commence use; Applicant was aware of the falsity of its statements; its false statements are a material misrepresentation of fact and were made with intent to deceive the USPTO; the USPTO relied upon such false statements; and had the USPTO been aware of the false statements, it would not have accepted the filing of the application nor allowed the application to publish. (*See, Notice of Opposition* at ¶¶ 15-24)

The above constitutes sufficient pleading by Opposer of Count II of its Notice of Opposition, namely its Fraud in the USPTO claim).

- At the time the application was filed, Applicant had no good faith and no objective bona fide intent to use Applicant's Mark; Applicant has taken no steps to begin commercial use of its mark either prior to or subsequent to the filing of the application (*See, Notice of Opposition* at ¶¶ 15-29)

The above constitutes sufficient pleading by Opposer of Count III of its Notice of Opposition, namely its "No Bona Fide Intent to Use" claim).

The forgoing allegations are specifically set forth in Opposer's pleading, and should sufficiently provide that Opposer establishes standing and sets forth claims upon which relief may be granted. Accordingly, Applicant's First Affirmative Defense is insupportable and thus should be stricken as a matter of law.

***1. There is No Valid Basis To Support the Defenses
Set Forth in Applicant's Second Affirmative Defense and
Applicant's Second Affirmative Defense Must be Stricken***

Applicant's Second Affirmative Defense is four-part and states:

Opposer's claims are barred, in whole or in part, by the doctrines of waiver, acquiescence, estoppel, and/or laches.

As to Applicant's Second Affirmative Defenses (i.e., all four parts, namely (1) waiver, (2) acquiescence, (3) estoppel, and (4) laches), all must be stricken because Opposer brought the instant proceeding within the time frame contemplated by the Rules for the filing of Notices of Opposition against an application filed under Section 1(b), and Applicant has provided no explanation or assertion of fact to support any of the alleged defenses.

Laches is an affirmative defense which must be specifically pleaded under Fed. R. Civ. P. 12(b). Notwithstanding the fact that Applicant provides no explanation of this defense - The defense is not available, because the opposed application is an intent-to-use application and laches cannot start to run prior to the date the mark was published for opposition. *See National Cable Television Association, Inc. v. American Cinema Editors Inc.*, 19 USPQ2d 1424 (Fed. Cir. 1991). Applicant's Application Number 86309080 for the mark THREE-EYED RAVEN was published for opposition on March 24, 2015. Opposer filed its Notice of Opposition to said application timely on May 11, 2015. To succeed in a laches, or estoppel defense, the party alleging the same has the burden of establishing both unreasonable delay and prejudice from the delay. *See, Ralston Purina Co. v. Midwest Cordage Co., Inc.*, 153 USPQ 73, 75-76 (CCPA 1967).

As stated in *National Cable Television Association Inc. v. American Cinema Editors Inc.*, 19 USPQ2d 1424, (CAFC 1991):

“Laches begins to run from the time action could be taken against the acquisition by another of a set of rights to which objection is later made. In an opposition or cancellation proceeding the objection is to the rights which flow from registration of the mark. . . . Moreover, an objection to registration does not legally equate with an objection to use, that is, a charge of infringement.”

Id. at 1432 (citations omitted).

Here, laches, and/or estoppel would begin to run from the date Applicant’s mark was published for opposition. Since the Notice of Opposition was timely filed, there can be no unreasonable delay in asserting rights against the application in issue that would support a defense of laches, and/or estoppel. As such, the defenses are a legal impossibility. Accordingly, the alleged defenses are insufficient and insupportable as a matter of law and must be stricken.

Further, with respect to the defenses, Applicant has provided no factual basis to assert the equitable defenses of estoppel, waiver, laches, or acquiescence. For example, *see Plus Products v. Medical Modalities Associates, Inc.*, 211 USPQ 1199, 1205 (TTAB 1981):

“The elements necessary to establish the equitable defense of laches normally involve knowledge, actual or constructive, of the subsequent party’s use of the same or similar mark for like or related goods; an inordinate delay under the particular fact situation in taking some affirmative action to preclude such further use, and reliance on such inaction or silence by the junior user. The estoppel is based upon the ethical consideration of not allowing a party to preclude a course of conduct that he tolerated, where the result will be prejudicial to the person who relied on and acted on the belief that the activity was sanctioned by said party.” *Id.*

Applicant cannot present any facts in support of such claims. Simply put, Opposer did not acquiesce and had no opportunity to acquiesce to Applicant’s 1(B) application or to Applicant’s use and or “intended use” of its marks at any time. “Acquiescence is a type of estoppel that is based upon the plaintiff’s conduct that expressly or by clear implication consents

to, encourages, or furthers the activities of the defendant,” that is not objected to. *Nahshin v. Prod. Source Int’l LLC*, 107 USPQ2d 1257, 1263 (TTAB 2013) (emphasis added), (citing *Panda Travel, Inc. v. Resort Option Enters., Inc.*, 94 USPQ2d 1789, 1797 fn. 21 (TTAB 2009)); *Christian Broad. Network Inc. v. ABS-CBN Int’l*, 84 USPQ2d 1560, 1573 (TTAB 2007). Keep in mind, the instant application is for intent-to-use. The Applicant simply failed to plead any facts that would support such affirmative defenses.

Moreover, in order to prevail on an affirmative defense of estoppel, Applicant must plead (and later prove) not only the laches elements but also that Opposer committed an affirmative act that induced Applicant to believe Opposer abandoned its claim in the mark and that applicant relied on that act to its own detriment. *See MCV Inc. v. King-Seeley Thermos Co.*, 10 USPQ2d 1287, 1290 (Fed. Cir. 1989); *National Cable Television Ass’n Inc. v. American Cinema Editors Inc.*, 19 USPQ2d 1424, 1432 (Fed. Cir. 1991).

Applicant has not alleged any affirmative act by Opposer on which Applicant relied to its disadvantage. Applicant has not alleged that it was encouraged to select its mark because of any conduct of Opposer.

Applicant failed to plead and is unable to plead essential elements of its defenses set forth in its Second Affirmative Defense.

CONCLUSION

Upon motion, or upon its own initiative, the Board may order stricken from a pleading any insufficient defense. THEREFORE, in view of the material presented herein, Franciscan Vineyards, Inc. prays its motion is granted in all respects.

Dated: June 6, 2015

Respectfully submitted for Opposer,

FRANCISCAN VINEYARDS, INC

/John M. Rannells/

By:

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the instant Motion to Strike was sent to Applicant on this, the 6th day of June, 2015 by serving same unto its counsel by first class mail at the following:

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