ESTTA Tracking number: **ESTTA788500**

Filing date: **12/12/2016**

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

Proceeding	91230610
Party	Plaintiff Confluence Technologies, Inc.
Correspondence Address	Jacob H. Rooksby Cohen & Grigsby, P.C. 625 Liberty Avenue Pittsburgh, PA 15222-3152 UNITED STATES iptrademark@cohenlaw.com, jrooksby@cohenlaw.com, khoover@cohenlaw.com
Submission	Motion to Strike
Filer's Name	Jacob H. Rooksby
Filer's e-mail	iptrademark@cohenlaw.com, jrooksby@cohenlaw.com
Signature	/jacob h. rooksby/
Date	12/12/2016
Attachments	Combined-Motion-to-Strike.pdf(78947 bytes)

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

In the matter of Trademark Application Serial No. 86/891,074
For the Mark: CONFLUENCE
Filed January 29, 2016
Published in the Official Gazette on August 16, 2016

CONFLUENCE TECHNOLOGIES, INC.

Opposer,

Opposition No. 91230610

vs.

ATLASSIAN PTY. LTD.

Applicant.

COMBINED MOTION TO STRIKE AND/OR MOTION FOR PARTIAL JUDGMENT ON THE PLEADINGS, AND MOTION TO SUSPEND

Pursuant to Rule 12(f) of the Federal Rules of Civil Procedure and Sections 311 and 506 of the Trademark Trial and Appeal Board Manual of Procedure ("TBMP"), Opposer Confluence Technologies, Inc. ("Opposer" or "Confluence") moves to strike the ten purported affirmative defenses asserted in the Answer of Applicant Atlassian Pty Ltd. ("Applicant" or "Atlassian"). Alternatively, Opposer moves for judgment on the pleadings with respect to Applicant's affirmative defenses, pursuant to Rule 12(c) of the Federal Rules of Civil Procedure and Section 504 of the TBMP. Additionally, pursuant to Section 510.03(a) of the TBMP and 37 C.F.R. § 2.117(c), Opposer requests that the Board suspend this opposition proceeding until the Board rules on Opposer's motion so that the issues can be properly narrowed and defined for discovery.

I. FACTUAL BACKGROUND

On October 15, 2016, Confluence filed an opposition to Atlassian's application for the designation CONFLUENCE (Serial No. 86/891,074) for all goods in Class 09 and all services in Class 38 claimed in the application. *See* Dkt. 1, Confluence's Notice of Opposition ("Opposition"). Confluence's Opposition alleges a likelihood of confusion—in violation of Section 2(d) of the Lanham Act, 15 U.S.C. § 1052(d)—between Atlassian's application for CONFLUENCE and Confluence's incontestable registrations of the CONFLUENCE mark (Reg. Nos. 2,562,958 and 2,612,398).

On November 22, 2016, Atlassian filed is Answer to the Opposition. *See* Dkt. 4, Answer ("Answer"). In its Answer, Atlassian alleged ten purported affirmative defenses. To wit:

1. Failure to State a Claim for Relief
2. Fair Use
3. Abandonment
4. Standing
5. Acquiescence
6. Waiver
7. No Trademark Use
8. Bad Faith
9. Estoppel
10. Laches

Id. at pp. 4-6. Each of these purported affirmative defenses is flawed, and should not be allowed to complicate the issues in this Opposition. Inasmuch as Atlassian's Answer alleging these purported affirmative defenses was filed on November 22, 2016, this Motion to Strike or,

alternatively, Motion for Judgment on the Pleadings, is timely. *See* TBMP §§ 506.02 and 504.01.

II. ARGUMENT

Pursuant to Federal Rule of Civil Procedure 12(f), the Board may strike from a pleading any insufficient or impermissible defense or any redundant, immaterial, impertinent, or scandalous matter. *See also* 37 C.F.R. § 2.116(a) and TBMP § 506. A motion for judgment on the pleadings is appropriate where there is no genuine issue of material fact to be resolved and the moving party is entitled to a judgment on the substantive merits of the controversy as a matter of law. *See CBS, Inc. v. Mercandante*, 23 USPQ2d 1784, 1787 (TTAB 1992).

Federal Rule of Civil Procedure 8(b) requires that a pleading allege in short and plain terms a statement showing the pleader is entitled to relief. *See* TBMP § 311.02(b). The general rules of Federal Rule 8(b) apply to affirmative defenses. *Tokio Marine & Fire Insurance Co., Ltd. v. Kaisha*, 25 F. Supp. 2d 1071, 1078 (C.D. Cal. 1997). All affirmative defenses must include sufficient detail to give the opposing party fair notice of the basis for each defense. *Cf. McDonnell Douglas Corp. v. National Data Corp.*, 228 USPQ 45, 47 (TTAB 1985).

An affirmative defense is an "'assertion raising new facts and arguments that, if true, will defeat the plaintiff's or prosecution's claim, even if all allegations in the complaint are true.'" *Saks v. Franklin Covey Co.*, 316 F.3d 337, 350 (2d Cir. 2003) (quoting Black's Law Dictionary 430 (7th ed. 1999)). Here, the Board should strike each of Applicant's ten affirmative defenses or issue judgment on the pleadings as to the ten affirmative defenses, because none withstands legal scrutiny as a matter of law under the governing standards.

1. Applicant's First Affirmative Defense, Challenging the Sufficiency of Confluence's Notice of Opposition, Is Meritless, Based on Longstanding Authority of the Board.

As its first affirmative defense, Applicant alleges that "the Opposition fails to state facts sufficient to constitute any claim for relief against Applicant." Answer, p. 4, ¶ 1. Applicant's first affirmative defense effectively asserts that the Notice of Opposition fails to state a cause of action upon which relief may be granted.

The allegation that the Opposition fails to state a cause of action upon which relief may be granted is not a recognized affirmative defense to a properly pleaded claim in the TTAB, because it relates to an assertion regarding the sufficiency of the pleading, rather than a statement of a defense to a properly pleaded claim. *Hornblower & Weeks, Inc. v. Hornblower & Weeks, Inc.*, 60 USPQ2d 1733, 1738 n.7 (TTAB 2001) ("[P]aragraph 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 USPQ2d 1633, *13 (TTAB 2011) ("Failure to state a claim upon which relief can be granted is not affirmative defense.").

It is well established that although a defendant may assert in its Answer the "defense" of failure to state a claim upon which relief can be granted, a plaintiff may utilize a motion to strike that defense in order to test the sufficiency of the opposition pleading as a matter of law. *S.C. Johnson & Son Inc. v. GAF Corp.*, 177 USPQ 720 (TTAB 1973), *cited in Order of Sons of Italy in America v. Profumi Fratelli Notra AF*, 36 USPQ2d 1221, 1222 (TTAB 1995). If the pleading is deemed sufficient, the "defense" is stricken. Accordingly, to determine whether to strike

Applicant's first affirmative defense, the Board assesses the sufficiency of the allegations of the Opposition.

Under Trademark Rule 2.104(a), a notice of opposition must "set forth a short and plain statement showing how the oppose believes he, she or it would be damages by the registration of the opposed mark [i.e., opposer's standing] and state the grounds for opposition." 37 C.F.R. 2.104(a); TBMP § 309.03(a)(2). Opposer must demonstrate that it alleged facts that, if proven, would establish that (1) it has standing to oppose the application, and (2) a valid ground exists for opposing the registration. *See Doyle v. Al Johnson's Swedish Restaurant & Butnik, Inc.*, 101 USPQ2d 1780 (TTAB 2012); *Order of Sons of Italy*, 36 USPQ2d 1222 (TTAB 1995); TBMP § 503.02. Specifically, a complaint "must contain sufficient factual matter, accepted as true, to 'state a claim to relief that is plausible on its face.'" *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009), *quoting Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007). For purpose of ruling on the defense, all well-pleaded allegations in the complaint must be accepted as true and must be construed in the light most favorable to plaintiff. *Order of Sons of Italy*, 36 USPQ2d at 1222.

In its Opposition, Confluence alleges standing, the grounds for opposing, as well as the harm and the relief sought. The Opposition properly alleges Confluence's reasonable belief that Atlassian's application will cause harm to Confluence on the grounds of likelihood of confusion given Confluence's preexisting registrations for the CONFLUENCE mark. To support its claim, Confluence alleges in its Opposition that it has prior use and ownership of the identical CONFLUENCE mark (Opposition, pp. 3 & 4), and attaches printouts demonstrating the status and title of the pleaded, preexisting registrations (Opposition, Exhibits A & B).

Accepting these well-pleaded allegations as true, the allegations establish that Opposer has a real interest in the outcome of the proceeding—that is, Opposer has a personal interest in

the outcome of the case beyond the general public (i.e., standing is present). *See Ritchie v. Simpson*, 170 F.3d 1092, USPQ2d 1023, 1025 (Fed. Cir. 1999); TBMP § 309.03(b); *Boston Red Sox Baseball Club LP v. Sherman*, 88 USPQ2d 1581, 1586 (TTAB 2008) (standing established by making of record copies of its pleaded registrations showing the current status of the registrations and their ownership by opposer).

Additionally, in paragraphs 6 through 17, Confluence sets forth allegations to support a likelihood of confusion claim under Section 2(d) of the Trademark Act. *See The Wet Seal, Inc. v. FD Management, Inc.*, 82 USPQ2d 1629, 1640 (TTAB 2007); TBMP § 309.03(c).

Because Opposer has alleged sufficient facts to both establish standing and valid grounds for the opposition based on a likelihood of confusion, Applicant's first affirmative defense, amounting to the contention that a claim for relief has not been stated, does not withstand scrutiny. The Board should strike this affirmative defense from the Answer or, alternatively, enter judgment on the pleadings as to the insufficiency of Applicant's pleading in this regard.

2. Applicant's Fourth Purported Affirmative Defense Is Inappropriate.

Applicant's fourth purported affirmative defense alleges that "Opposer lacks standing to bring this proceeding because, inter alia, it has abandoned its rights in the CONFLUENCE marks and will not be damaged by Applicant's registration of its CONFLUENCE mark." Answer, p. 4, ¶ 4. This purported affirmative defense also has no merit.

As detailed above, Opposer has pleaded facts sufficient to allege its standing to maintain the Opposition. In this fourth purported affirmative defense, Applicant appears to be asserting that Confluence cannot prove standing because damage or injury is not likely or probable. However, it is well established that "any person who believes it is or will be damaged by registration of a mark has standing to file a complaint." Trademark Act §§ 13 & 14; TBMP §

309.03(b). Here, Opposer has sufficiently established standing by asserting a claim of likelihood of confusion based upon prior use and current ownership of valid and subsisting registrations, which it has attached and made of record in the Opposition. Moreover, Opposer's incontestable registrations are identical in sight, sound, and meaning to the mark represented in Applicant's application. There simply is no requirement that Opposer plead or prove actual damages, or even a likelihood of damage, as an element of standing distinct from pleading and proving likelihood of confusion. *Blackhorse v. Pro-Football, Inc.*, 98 USPQ2d 1633, 1638 (TTAB 2011) (no requirement that actual damage be pleaded and proved in order to establish standing or to prevail in the proceeding). Given the identical wording of the applied-for designation and Confluence's prior registrations, Confluence necessarily can and has alleged the requisite standing. Accordingly, Applicant's fourth purported affirmative defense is flawed. The Board should strike this affirmative defense from the Answer or, alternatively, enter judgment on the pleadings as to the insufficiency of Applicant's pleading in this regard.

3. Applicant's Attempt to "Reserve" Additional, Unnamed Defenses Is Inappropriate.

After Applicant's ninth purported affirmative defense, it purports to reserve "the right to raise additional defenses as they may become known during discovery." Answer, p. 5, ¶ 9. However, there is no authority that allows a party to unilaterally reserve the right to "raise" additional defenses at any time beyond what the rules otherwise permit.

Pleadings in *inter partes* proceedings before the Board may be amended in the same manner and to the same extent as provided by the Federal Rules of Civil Procedure. TTAB § 315. Rule 15 governs the amendment of pleadings and provides that once the time for amending as a matter of course has passed, a party may amend its pleading only by leave of the court or by

written consent of the adverse party. Fed. R. Civ. P. 15(a). Thus, Applicant cannot simply "reserve" unidentified defenses to any extent beyond that allowed under applicable Board rules and procedures. This statement by Applicant contained in its ninth purported affirmative defense therefore should be stricken as it does not constitute an affirmative defense and serves as a superfluous, meaningless statement designed to unnecessarily complicate these proceedings.

4. All of Applicant's Remaining Purported Affirmative Defenses Are Either Nonsensical or Without Factual Support and Therefore Inappropriate.

Applicant makes naked assertions of fair use, abandonment, acquiescence, waiver, "no trademark use," bad faith, estoppel, and laches in its remaining allegations of purported affirmative defenses. However, Applicant's Answer provides *no factual support whatsoever* for any of these purported affirmative defenses. Many, in fact, are nonsensical on their face. For example, the purported seventh affirmative defense of "no trademark use" claims, without any factual support whatsoever, that Confluence has never used its registered CONFLUENCE marks "in commerce in connection with some or all of the services in its application." Answer, p. 5, ¶ 7. Obviously Confluence is not opposing any of its own applications, nor could it, so this statement makes no sense.

Applicant's tenth purported affirmative defense is of a similar nonsensical nature. In that purported affirmative defense, Applicant asserts that "Opposer's claims are barred by the doctrine of laches." Answer, p. 6, ¶ 10. How would that even be possible, given that Opposer filed its Opposition during the duly constituted opposition period, and the Board instituted these proceedings after receiving and reviewing the Opposition? *See* Dkt. 2 & 3.

Similarly, with respect to purported affirmative defense number eight, obviously Opposer "actually believes" (Answer, p. 5, ¶ 8) there is a likelihood of confusion between Applicant's

mark and its CONFLUENCE word and design marks, or it would not have gone to the time and expense of opposing the Application on that very basis. The fact that Opposer filed the Opposition on the basis of likelihood of confusion is a matter of record that cannot be disputed (*see* Opposition). Applicant's Answer contains no factual allegations to the contrary.

Applicant's purported affirmative defenses of abandonment, acquiescence, waiver, estoppel, and laches all seem to suggest that Opposer lacks standing to institute the Opposition. To the extent Applicant wishes to convey such an allegation through those affirmative defenses—their meaning is unclear, since Applicant has provided no facts whatsoever to support them—the effort fails: Opposer has standing, for the reasons previously outlined in the Opposition and in Section II.2 above.

Finally, Applicant's second affirmative defense of fair use is similarly inappropriate. This is not an action for trademark infringement; fair use has no bearing on whether Applicant's applied-for mark is likely to be confused with Opposer's registrations. To the extent that Applicant is attempting to make a descriptive fair use argument, such argument is nonsensical, given that Applicant has sought a federal registration for what it claims is a trademark. Furthermore, Opposer's CONFLUENCE mark is not capable of being used for the claimed goods and services in a descriptive fashion, nor could Applicant ever allege that the mark is merely descriptive, given that Opposer's registrations for the CONFLUENCE mark are incontestable. *See* Opposition, Exhibits A & B.

There is no getting around that affirmative defenses must include sufficient detail to give the opposing party fair notice of the basis for each defense. No such notice has been given in Applicant's Answer. Even under the most charitable of readings, Applicant's Answer and remaining purported affirmative defenses raise no "'new facts or arguments that, if true, will

defeat the plaintiff's or prosecution's claim, even if all allegations in the complaint are true.'" *Saks v. Franklin Covey Co.*, 316 F.3d 337, 350 (2d Cir. 2003) (quoting Black's Law Dictionary 430 (7th ed. 1999)). In short, no plausible reading of Applicant's Answer can support any of its remaining purported affirmative defenses. The Board should strike these remaining purported affirmative defenses from the Answer or, alternatively, enter judgment on the pleadings as to the insufficiency of Applicant's pleading in these regards.

5. Suspension of the Opposition Is Proper So That the Issues Can Be Properly Framed for Discovery to Proceed Efficiently

Because the determination of this motion should narrow the issues for discovery and trial, resulting in a more efficient and streamlined proceeding, Confluence respectfully requests this Board to suspend this opposition proceeding pending the Board's ruling on Opposer's Motion to Strike and/or Motion for Judgment on the Pleadings.

CONCLUSION

Opposer respectfully requests the Board to issue judgment on the pleadings as to each of the alleged affirmative defenses or, alternatively, to strike each of the purported affirmative defenses so that this proceeding may move forward on the only issue properly before the Board—whether Applicant's application should be refused registration since the applied-for designation is confusingly similar to Confluence's incontestable registrations for the identical mark.

Respectfully submitted,

Date: December 12, 2016

/Jacob H. Rooksby/

Jacob H. Rooksby
Attorney for Opposer
Cohen & Grigsby P.C.
625 Liberty Avenue
Pittsburgh, PA 15222-3153
412-297-4900
jrooksby@cohenlaw.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing COMBINED MOTION TO STRIKE AND/OR MOTION FOR PARTIAL JUDGMENT ON THE PLEADINGS, AND MOTION TO SUSPEND related to Opposition No. 91230610 was mailed on December 12, 2016, first-class postage prepaid, to counsel for Applicant:

John M. Kim
IPLA, LLP
4445 Eastgate Mall Suite 200
San Diego, CA 92121

/Jacob H. Rooksby/

Jacob H. Rooskby
Cohen & Grigsby, P.C.
625 Liberty Avenue
Pittsburgh, PA 15222-3152
Telephone: (412) 297-4900
Fax: 412-209-0672
Email: iptrademark@cohenlaw.com
jrooksby@cohenlaw.com
Attorney for Opposer