

UNITED STATES PATENT AND TRADEMARK OFFICE  
Trademark Trial and Appeal Board  
P.O. Box 1451  
Alexandria, VA 22313-1451  
General Contact Number: 571-272-8500

Mailed: April 4, 2017

Opposition No. 91230610

*Confluence Technologies, Inc.*

*v.*

*Atlassian Pty Ltd*

**Geoffrey M. McNutt, Interlocutory Attorney:**

This case is before the Board for consideration of Opposer's December 12, 2016, motion to strike Applicant's affirmative defenses. The motion is fully briefed.

For purposes of this order, we presume the parties' familiarity with the pleadings, the history of the proceeding, and the arguments submitted in support of and in opposition to Opposer's each motion. In deciding the motion, the Board has carefully considered all of the parties' arguments, although the Board does not find it necessary to discuss all of them in this order. *See Guess? IP Holder L.P. v. Knowlux LLC*, 116 USPQ2d 2018, 2018 (TTAB 2015).

Applicant has applied to register the mark CONFLUENCE (in standard character form) for

Computer software for use on computers and mobile devices for content sharing and collaboration; Computer software for use on computers and mobile devices for business knowledge management and collaboration, task and project management, general work management, project tracking, document management, transmission and

receipt of data and images, messaging and conversation based contextual sharing of information, organizing documents, data and information, providing a platform for collaboration, sharing of information, and interactive discussions to other users, and uploading and transferring files; Computer software for use on computers and mobile devices for facilitating the exchange of information via the Internet featuring collaboration tools; Computer software for use on computers and mobile devices for electronic communications, including chats, email and discussions; Downloadable electronic publications, namely, manuals, brochures, newsletters, technical data sheets and product specification brochures in the fields of knowledge management and team collaboration

in International Class 9.<sup>1</sup>

Opposer has opposed registration of Applicant's mark on the ground of likelihood of confusion under Section 2(d), 15 U.S.C. § 1052(d) based on Opposer's prior registration and use of the marks CONFLUENCE and CONFLUENCE and design for various computer software services.

In its answer, Applicant denied the salient allegations in the notice of opposition and asserted ten affirmative defenses, each of which is discussed in detail below. Opposer timely filed a motion to strike each of Applicant's affirmative defenses. Fed. R. Civ. P. 12(f)(2); TBMP § 506.02 (January 2017).

Under Fed. R. Civ. P. 12(f), the Board may grant a motion to strike from a pleading any insufficient defense. Motions to strike are not favored and a defense will not be stricken if the insufficiency of the defense is not clearly apparent, or if it raises factual issues that should be determined on a hearing on the merits. *Harjo v. Pro Football*

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<sup>1</sup> Application Serial No. 86891074, filed on January 29, 2016, based on an allegation of use in commerce under Trademark Act Section 1(a), 15 U.S.C. § 1051(a).

*Inc.*, 30 USPQ2d 1828 (TTAB 1994) (citing Wright & Miller, Federal Practice and Procedure: Civ. 2d § 1381 (1990)); *see also Ohio State Univ. v. Ohio Univ.*, 51 USPQ2d 1289, 1292 (TTAB 1999) (citations omitted); TBMP § 506.01. Nevertheless, the Board grants motions to strike in appropriate cases.

The elements of a defense should be stated simply, concisely, and directly, although the pleading must include enough factual background and detail to give the plaintiff fair notice of the basis for the defense. Fed. R. Civ. P. 12(f); *IdeasOne Inc. v. Nationwide Better Health Inc.*, 89 USPQ2d 1952, 1953 (TTAB 2009); *Ohio State Univ. v. Ohio Univ.*, 51 USPQ2d 1289, 1292 (TTAB 1999) (noting that the primary purpose of pleadings “is to give fair notice of the claims or defenses asserted”); *see also* TBMP § 311.02(b) and the cases cited in footnote 15 therein.

- ***Failure to State a Claim Upon Which Relief Can be Granted***

Applicant’s first affirmative defense, that Opposer has failed to state a claim upon which relief can be granted, is not a true affirmative defense because it relates to an assertion of the insufficiency of the pleading rather than a statement of a defense to a properly pleaded claim. *See Hornblower & Weeks Inc. v. Hornblower & Weeks Inc.*, 60 USPQ2d 1733, 1738 n.7 (TTAB 2001). Moreover, the defense has no apparent merit at this stage in the proceeding. Applicant has not filed a motion to dismiss or otherwise indicated any basis for its allegation that Opposer’s complaint fails to state a claim upon which relief may be granted. This defense therefore is **STRICKEN**.

- ***Fair Use***

As its second affirmative defense, Applicant has pleaded that Opposer's claim is barred by the doctrine of fair use. The "fair use" defense of Section 33(b)(4) of the Trademark Act, 15 U.S.C. § 1115(b)(4), is a defense available to a defendant in a federal action charged with infringement of a registered mark, *see, e.g., KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 72 USPQ2d 1833,1836 (2004), and has no applicability in *inter partes* proceedings before the Board, which involve only the issue of registrability of a mark. *See Truescents LLC v. Ride Skin Care LLC*, 81 USPQ2d 1334, 1338 (TTAB 2006); *Miles Labs. Inc. v. Naturally Vitamin Supplements Inc.*, 1 USPQ2d 1445, 1454 (TTAB 1986). Further, the "noncommercial use" exception of Section 43(c)(3)(C) of the Trademark Act, 15 U.S.C. § 1125(c)(3)(C), does not apply in a Board proceeding involving a mark sought to be registered as a trademark or service mark, because an applicant seeking registration is necessarily relying on a claim of use of its mark, or intended use of its mark, in commerce. *American Express Mktg. & Dev. Corp. v. Gilad Dev. Corp.*, 94 USPQ2d 1294, 1298 (TTAB 2010). *See also Research in Motion Limited v. Defining Presence Mktg. Group Inc.*, 102USPQ2d 1187, 1188 (TTAB 2012) (Board will assess alleged parody as part of the circumstances in determining whether plaintiff has made out its claim). Accordingly, this defense is **STRICKEN**.

- ***Abandonment***

Applicant's third affirmative defense, that Opposer abandoned its marks by failing to control or police them, is not an affirmative defense, but rather a collateral

attack on Opposer's pleaded registrations that is impermissible unless asserted by means of a counterclaim to cancel the pleaded registrations.<sup>2</sup> Trademark Rule 2.114(b)(3)(ii). *See also Textron, Inc. v. Gillette Co.*, 180 USPQ 152, 153 (TTAB 1973) (defense attacking validity of registration cannot be raised by affirmative defense, but must be raised by cancellation (counterclaim)). Accordingly, this defense is **STRICKEN**.

- ***Standing***

As its fourth affirmative defense, Applicant has pleaded that Opposer lacks standing to bring this proceeding because it has abandoned rights in its pleaded marks and will not be damaged by Applicant's registration of its subject mark. As discussed above, the "defense" of abandonment is in fact a collateral attack on Opposer's pleaded registrations that may only be raised by means of counterclaims to cancel them. Trademark Rule 2.114(b)(3)(ii). This is true regardless of whether the pleading of abandonment is based on allegations of nonuse of the mark with no intent to resume use or on allegations that the trademark owner's course of conduct has caused the mark to lose its significance as a source identifier.

Additionally, the requirement for standing in a Board proceeding is found in the Trademark Act, which permits opposition by "[a]ny person who believes that he would be damaged by the registration of a mark." Trademark Act § 13(a). An opposer need only show that it has a real interest in the proceeding and a reasonable basis for its

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<sup>2</sup> Under Trademark Act § 45, 15 U.S.C. § 1127, a mark shall be deemed abandoned when a course of conduct by the owner causes the mark to become the generic name for the goods/services or otherwise to lose significance as a mark.

belief that it would be damaged by registration. *Coach Servs. Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 101 USPQ2d 1713, 1727 (Fed. Cir. 2012).

In any event, standing must be proven by Opposer as an element of its case-in-chief. *See Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982) (“The facts regarding standing, we hold, are part of a petitioner’s case and must be affirmatively proved.”). Accordingly, Applicant need not plead lack of standing as an affirmative defense in order to argue it at the summary judgment stage or at trial. Further, although damage may be relevant to a party’s standing, *i.e.*, its real interest in the proceeding, there is no requirement that actual damage be pleaded or proved in order to establish standing or prevail in an opposition or cancellation proceeding. *See Blackhorse v. Pro Football Inc.*, 98 USPQ2d 1633, 1638 (TTAB 2011) (striking affirmative defense that petitioner will not be damaged; there is no requirement that actual damage be pleaded and proved in order to establish standing or prevail in opposition or cancellation proceeding). Accordingly, this defense is **STRICKEN**.

- ***Acquiescence, Waiver, and Estoppel***

Applicant’s fifth, sixth, ninth, and tenth affirmative defenses consist of bald pleadings of the affirmative defenses of acquiescence, waiver, estoppel, and laches. A legally sufficient pleading of each defense must include enough factual detail to provide Opposer fair notice of the basis for the defense. Fed. R. Civ. P. 8(b)(1) and 12(f); *see e.g., IdeasOne*, 89 USPQ2d at 1952; *Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1538 (TTAB 2007); *Midwest Plastic Fabricators, Inc. v. Underwriters*

*Labs. Inc.*, 5 USPQ2d 1067, 1069 (TTAB 1980); *see also* TBMP § 311.02(b) (“The elements of a defense should be stated simply, concisely, and directly. However, the pleading should include enough detail to give the plaintiff fair notice of the basis for the defense.”). Applicant has done no more than list these defenses by name, and has provided no further facts upon which they might plausibly be based. Additionally, the affirmative defenses of acquiescence, equitable estoppel, waiver, and laches generally are not applicable in opposition proceedings because these defenses start to run from the time the mark is published for opposition, not from the time of knowledge of use. *See Nat’l Cable Television Ass’n Inc. v. Am. Cinema Editors Inc.*, 937 F.2d 1572, 19 USPQ2d 1424, 1432 (Fed. Cir. 1991); *Bakery Inc. v. Landesman*, 82 USPQ2d 1283, 1292 n.14 (TTAB 2007); *Bausch & Lomb Inc. v. Karl Storz GmbH & Co. KG*, 87 USPQ2d 1526, 1531 (TTAB 2008); *Krause v. Krause Publ’ns., Inc.*, 76 USPQ2d 1904, 1914 (TTAB 2005). These defenses therefore are **STRICKEN**.

- ***No Trademark Use***

As its seventh affirmative defense, Applicant has pleaded that “Opposer’s claims are barred because it has never used, or currently does not use, the CONFLUENCE marks in commerce in connection with some are all of the services in its [registrations].” To the extent Applicant seeks to challenge the validity of Opposer’s pleaded registrations either on the ground that at the time Oppose applied to register the marks they were not in use commerce on the services identified in the applications, or on the ground that Opposer has abandoned the registered marks, such “defenses” constitute collateral attacks on Opposer’s pleaded registrations that

may only be asserted by means of counterclaims to cancel the pleaded registrations. Trademark Rule 2.114(b)(3)(ii). Accordingly, this defense is **STRICKEN**.

- ***Bad faith***

As its eighth affirmative defense, “bad faith,” Applicant has pleaded that “Opposer’s claims are barred because Opposer does not actually believe that there is a likelihood of confusion [between the parties’ marks].” This defense is without merit in this opposition proceeding. The defense therefore is **STRICKEN**.

- ***Right to Raise Additional Defenses***

Finally, Applicant’s reservation of the right to raise additional defenses as they become known during discovery is not an affirmative defense but simply an advisory statement. Applicant may not “reserve” unidentified defenses at the pleadings stage of the proceeding to assert at a later time, since to do so would deprive Opposer of fair notice of such defense. In the event that Applicant learns of factual grounds for additional defenses during discovery, it may attempt to assert them only by filing a timely motion for leave amend its answer. Accordingly, this statement is **STRICKEN**.

In sum, Opposer’s motion to strike each of Applicant’s affirmative defenses is **granted**. Applicant’s affirmative defenses nos. 1–10 and Applicant’s statement reserving the right to raise additional defenses are **STRICKEN**.

Proceedings are resumed on the following schedule.

Deadline for Discovery Conference	<b>5/4/2017</b>
Discovery Opens	<b>5/4/2017</b>
Initial Disclosures Due	<b>6/3/2017</b>
Expert Disclosures Due	<b>10/1/2017</b>



Discovery Closes	<b>10/31/2017</b>
Plaintiff's Pretrial Disclosures	<b>12/15/2017</b>
Plaintiff's 30-day Trial Period Ends	<b>1/29/2018</b>
Defendant's Pretrial Disclosures	<b>2/13/2018</b>
Defendant's 30-day Trial Period Ends	<b>3/30/2018</b>
Plaintiff's Rebuttal Disclosures	<b>4/14/2018</b>
Plaintiff's 15-day Rebuttal Period Ends	<b>5/14/2018</b>

The Federal Rules of Evidence generally apply to Board trials. Trial testimony is taken and introduced out of the presence of the Board during the assigned testimony periods. The parties may stipulate to a wide variety of matters, and many requirements relevant to the trial phase of Board proceedings are set forth in Trademark Rules 2.121 through 2.125. These include pretrial disclosures, the manner and timing of taking testimony, matters in evidence, and the procedures for submitting and serving testimony and other evidence, including affidavits, declarations, deposition transcripts and stipulated evidence. Trial briefs shall be submitted in accordance with Trademark Rules 2.128(a) and (b). Oral argument at final hearing will be scheduled only upon the timely submission of a separate notice as allowed by Trademark Rule 2.129(a).