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

Proceeding	91233968
Party	Plaintiff Esurance Insurance Services, Inc.
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Submission	Motion to Strike Pleading/Affirmative Defense
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

ESURANCE INSURANCE SERVICES, INC.,	:	
Opposer,	:	**Opp. No. 91233968**
	:	Mark: BESURANCE
v.	:	CORPORATION
	:	Serial No. 87/089,957
BESURANCE CORPORATION,	:	Serial No. 87/089,945
Applicant.	:	

OPPOSER'S MOTION TO STRIKE
APPLICANT'S AFFIRMATIVE DEFENSES

Pursuant to Federal Rule of Civil Procedure 12(f) and TBMP § 506, Opposer Esurance Insurance Services, Inc. ("**Opposer**" or "**Esurance**"), hereby moves to strike each of the "Affirmative Defenses" set forth in the Answer filed by Applicant Besurance Corporation ("**Applicant**" or "**Besurance**") on May 9, 2018. As pled, each of Applicant's purported defenses fails as a matter of law.

Additionally, and because the disposition of Esurance's motion will affect the scope of discovery in this proceeding, Esurance moves to suspend the proceedings pending consideration of this Motion to Strike. Esurance requests that once the Board rules on the Motion, the deadlines for discovery and trial be reset.

MEMORANDUM IN SUPPORT OF MOTION

I. INTRODUCTION

Section 506.01 of the TBMP provides that the Board may, upon motion or upon its own initiative, "order stricken from a pleading any insufficient defense." TBMP § 506.01 (2017); *see also* FED. R. CIV. P. 12(f). Although motions to strike are not favored, they are permissible to "test the sufficiency of [a] defense in advance of trial," and will be granted when appropriate. *Order Sons of Italy in America v. Profumi Fratelli Nostra AG*, 36 USPQ2d 1221, 1222-23 (TTAB 1995) (granting motion to strike "defense" of failure to state a claim). *See also* Trademark Rule 2.116 and TBMP § 506.01 (June 2017). "[A] defense that might confuse the issues in the case and would not, under the facts alleged, constitute a valid defense to the action can and should be deleted." Charles A. Wright, Arthur R. Miller et al., *5C Federal Practice and Procedure: Civil 2d* § 1381 (Jan. 2017).

Under Rule 8's liberal notice pleading standard, an "affirmative defense is subject to the same pleading requirements" as a complaint, so all affirmative defenses, including equitable defenses, ***must*** be pled with the specific elements required to establish the defense or else be stricken. *See Ashcroft v. Iqbal*, 556 U.S. 662, 663 (2009); *Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1538 (TTAB 2007) (elements of each claim should include enough detail to give fair notice of claim). Applicant, however, has failed to give Esurance or the Board any factual bases for these defenses. Each of Applicant's "Affirmative Defenses" is improperly pleaded and fails as a matter of law.

Thus, Esurance requests that the Board strike each of Applicant's "Affirmative Defenses." In addition, Esurance requests that the Board suspend the proceedings

pending resolution of this Motion to Strike. If Applicant is allowed to proceed with and take discovery on its improper Affirmative Defenses, the scope of discovery could be significantly - and unnecessarily - expanded. In the interest of efficiency, the motion should therefore be resolved before discovery continues. Esurance accordingly requests that the discovery and trial schedule be reset after a decision on this Motion to Strike.

II. APPLICANT'S AFFIRMATIVE DEFENSES FAIL AS A MATTER OF LAW

A. Opposer's Claim is Not Barred by "Waiver"

Applicant's first asserted defense is that Esurance's claim is barred by the doctrine of waiver. Applicant asserts that because Esurance did not oppose a ***different*** application incorporating the term "BESURANCE," Serial No. 86/429,752 (the "**'752 Application**"), Esurance has waived its right to oppose the subject applications. This affirmative defense is insufficient on its face inasmuch as it fails to give Esurance or the Board any factual basis for the defense.

Waiver is the "intentional relinquishment or abandonment of a known right or privilege." *Johnson v. Zerbst*, 304 U.S. 458, 464 (1938). "[G]enerally speaking the three requirements or elements necessary to establish an effective waiver are: an existing right, knowledge of the right, [and] an actual intention to relinquish the right." 28 *Am.Jur.2d Estoppel and Waiver § 201*. Applicant has failed to allege any of these elements with particularity.

Applicant's allegation that Opposer did not oppose another application that included wording similar to the opposed marks is insufficient to support a defense of waiver. As the Board recently held in *Wellspring Pharm. Corp. v McCord Research,*

Inc., Opp. No. 91233742, 2018 WL 447512, at *2 (Jan. 12, 2018) (not precedential) (emphasis added):

> Opposer, as a trademark owner, is entitled to protect rights in its registered trademarks by seeking to preclude registration of what it believes to be a confusingly similar mark. *See Cook's Pest Control, Inc. v. Sanitas Pest Control Corp.*, 197 USPQ 265, 268 (TTAB 1977). At the same time, Opposer is not required to act against every conceivable similar mark; indeed, requiring such action would clutter the Board's docket. *Cf. Wallpaper Mfrs., Ltd. v. Crown Wallcovering Corp.*, 680 F.2d 755, 214 USPQ 327, 336 (CCPA 1982) (a party need not take action against every possibly infringing use to avoid abandonment through failing to police its mark). Accordingly, ***Opposer's failure to oppose registration of other BARRIER-formative marks does not give rise to equitable estoppel or waiver***.

In this case, as in *Wellspring Pharm. Corp.*, Esurance's failure to oppose another application including the term "BESURANCE" does not give rise to an equitable defense of waiver.

Applicant has failed to allege any of the elements necessary to establish the affirmative defense of waiver. Furthermore, the meager factual basis Applicant has provided fails as a matter of law. Thus, Applicant's first affirmative defense should be stricken.

B. Applicant's Second Affirmative Defense of "Laches" is Barred Because Esurance Filed a Timely Notice of Opposition

Applicant asserts that Esurance's opposition is barred by the equitable defense of laches because Opposer did not file an opposition against the '752 Application. Applicant's factual allegations regarding Esurance's alleged actions with respect to a different (now abandoned) application are wholly irrelevant to a laches defense in this consolidated opposition.

Application of the equitable defenses of laches in *inter partes* proceedings is generally limited. *Barbara's Bakery, Inc. v. Landesman*, 82 USPQ2d 1283, 1292 n.14 (TTAB 2007) ("to the extent that applicant is attempting to assert the defenses of laches, acquiescence or estoppel, such defenses generally are not available in an opposition proceeding, and [] amendment of applicant's answer to assert any such defense therefore would be futile"); *see also Nat'l Cable Television Ass'n Inc. v. Am. Cinema Editors Inc.*, 937 F.2d 1572, 19 USPQ2d 1424, 1432 (Fed. Cir. 1991). The party raising the affirmative defense of laches has the burden of proof. *Bridgestone/Firestone Research Inc. v. Automobile Club de l'Ouest de la France*, 245 F.3d 1359, 58 USPQ2d 1460, 1462 (Fed. Cir. 2001). In order to prevail on the affirmative defense of laches, Applicant will be required "to establish that there was undue or unreasonable delay by petitioner in asserting its rights, and prejudice to [Applicant] resulting from the delay." *Ava Ruha Corp. dba Mother's Market & Kitchen v. Mother's Nutritional Center, Inc.*, 113 U.S.P.Q.2d 1575, 1580 (2015) (internal citations omitted). However, there is no possible way for Applicant to establish that there was an undue or unreasonable delay by Esurance in asserting its rights against the opposed applications.

Laches begins to run from the time action could be taken, which, in an opposition, begins when the mark in question is published for opposition. *Panda Travel, Inc. v. Resort Option Enter., Inc.*, 94 USPQ2d 1789, 1797 n.21 (TTAB 2009) (citing *Christian Broadcasting Network Inc. v. ABS-CBN Int'l*, 81 USPQ2d 1560, 1573 (TTAB 2007)). The subject applications were published for opposition on December 13, 2016. Opposer promptly obtained a ninety day extension of time and filed its consolidated notice of opposition against the subject applications on April 12, 2017. Given that Opposer filed

its Consolidated Notice of Opposition during the opposition period provided by the Board, there simply was no undue delay by Opposer and no prejudice to Applicant. *See Id.* ("Because opposer timely filed notices of opposition, there has been no undue delay by opposer or prejudice to applicant caused by opposer's delay.").

Inasmuch as the applicable laches period in this case is less than ninety days, and Applicant's Amended Answer does not set forth any facts to indicate that this delay was unreasonable or that Applicant was prejudiced by the delay, Applicant's affirmative defense does not provide Opposer fair notice of the basis for the defense and is insufficiently pleaded. *See* Fed. R. Civ. P. 8(b)(1).

III. CONCLUSION

For the foregoing reasons, Esurance respectfully requests that the Board strike both of Applicant's Affirmative Defenses and grant such other and further relief as the Board deems appropriate. Moreover, the proceeding should be suspended pending consideration of Esurance's motion to strike, and the discovery and trial periods should be reset accordingly.

Respectfully submitted,

Date: May 18, 2018 /Katherine P. Califa/

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CERTIFICATE OF SERVICE

I hereby certify that on May 18, 2018, a copy of the foregoing MOTION TO STRIKE was served via email upon counsel for Applicant, as follows:

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