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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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Attachments	Motion to Strike BESURANCE CORPORATIONs Affirmative Defenses.pdf(32059 bytes)

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 10, 2017. As pled, each of Applicant's purported defenses is legally insufficient and improper 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 the initial discovery conference, 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); TBMP §506.01.

Applicant was required to plead only enough detail in its Affirmative Defenses to provide both Esurance and this Board with fair notice of the basis for those defenses. FED. R. CIV. P. 8(b) (defense must be stated in "short and plain terms"); TTAB §311.02(b) ("[t]he elements of a defense… should include enough detail to give the plaintiff fair notice of the basis for the defense"). But as demonstrated below, none of Applicant's Affirmative Defenses meet even this relaxed standard. Rather, the Affirmative Defenses amount to no more than bald and conclusory assertions – containing ***no*** details, let alone those sufficient to plead the elements necessary to establish each defense. *McDonnell Douglas Corporation v. National Data Corporation*, 228 USPQ 45, 47 (TTAB 1985) (bald allegations without any further details were found to be insufficient in providing fair notice of the basis for a claim). Accordingly, Esurance respectfully requests that all of the Affirmative Defenses be stricken.

In addition, the Board should suspend the proceedings pending resolution of this Motion to Strike. If Applicant is allowed to proceed with and take discovery on its vague

and insufficient Affirmative Defenses as they are currently pled, the scope of discovery could be significantly - and unnecessarily - expanded. In the interest of efficiency, the motion should therefore be resolved before discovery opens. Esurance accordingly requests that the discovery and trial schedule be reset after a decision on this Motion to Strike.

II. THE AFFIRMATIVE DEFENSES ARE INSUFFICIENTLY PLED

A. Applicant's First Affirmative Defense of Failure to State A Claim Must Be Stricken Because Esurance Has Successfully Alleged Standing And a Valid Ground to Oppose.

Applicant's first Affirmative Defense asserts, without any explanation, that: "Opposer has failed to state a claim upon which relief may be granted." But to state a claim upon which relief may be granted, an opposer need only allege (1) standing and (2) one or more grounds for opposition. *Order Sons of Italy in America*, 36 USPQ2d at 1222; TBMP §309.03(a)(2). When those elements are pled in the Notice of Opposition, an applicant's "failure to state a claim" defense must be stricken. *Order Sons of Italy in America*, 36 USPQ2d at 1222 (granting motion to strike); *see also American Vitamin Products Inc. v. DowBrands Inc*., 22 USPQ2d 1313, 1314 (TTAB 1992) (same).

Here, the Notice of Opposition is clearly sufficient. First, to adequately allege standing at the pleading stage, "all that is required is that [an opposer] allege facts sufficient to show a 'real interest' in the proceeding, and a 'reasonable basis' for its belief that it would suffer some kind of damage if the mark is registered." TBMP § 309.03(b). In this case, Esurance claimed in the Notice of Opposition that, *inter alia*, its specifically identified ESURANCE marks have been federally registered and used long prior to the filing dates of the opposed applications for BESURANCE CORPORATION (Application

Nos. 87/089,957 and 87/089,945), that the BESURANCE CORPORATION mark is confusingly similar to Esurance's ESURANCE marks, that the parties' services are related, and that use of the BESURANCE CORPORATION mark on the applied-for services is likely to cause confusion with Esurance's existing registrations. These allegations are more than enough to establish standing. *Id.* (noting for standing purposes that an opposer may plead a "real interest" in the proceeding and its "reasonable belief of damage" by including a claim of likelihood of confusion "based upon current ownership of a valid and subsisting registration or prior use of a confusingly similar mark"). *See also Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842 (Fed. Cir. 2000) (stating that a pleading must be examined in its entirety and the allegations must be construed liberally to determine whether it contains any allegations, which, if proved, would entitle the plaintiff to the relief sought). Thus, Esurance has sufficiently alleged standing. Esurance has also specifically pled priority and likelihood of confusion as a ground for opposition. Accordingly, Esurance has stated a claim upon which relief can be granted. In view of the foregoing, Applicant's first Affirmative Defense must be stricken.

B. Applicant's Equitable Affirmative Defenses Fail Because No Specific Elements Are Pled.

Applicant's equitable Affirmative Defenses numbered two, three, four, and five, plead no specific facts whatsoever and therefore fail to meet the minimum pleading standard. Accordingly, these defenses must be stricken. Applicant's equitable defenses state only that:

> 2. Opposer's claims are barred in whole or in part by the doctrine of unclean hands.

> 3. Opposer's claims are barred in whole or in part by the doctrine of waiver.
> 4. Opposer's claims are barred in whole or in part by the doctrine of acquiescence.
> 5. Opposer's claims are barred in whole or in part by the doctrine of estoppel.

Affirmative defenses ***must*** be supported with factual allegations because bare statements that merely recite legal conclusions do not provide the opposing party with fair notice of the defense asserted. *Barnes v. AT&T Pension Benefit Plan-NonBargained Program*, 718 F. Supp. 2d 1167, 1170 (9th Cir. 2010). Even 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); *Software Publrs. Ass'n v. Scott & Scott, LLP*, No. 3:06-CV-0949-G, 2007 WL 2325585, *2 (N.D. Tex. Aug. 15, 2007) (striking equitable defenses in Lanham Act case because "bald assertions" that the plaintiff's claims were "barred" by estoppel, laches and unclean hands did not meet pleading standard). Applicant, however, has failed to give Esurance or the Board any factual bases for these defenses.

Applicant's Affirmative Defense of "unclean hands" is a bald allegation completely lacking any supporting facts. Applicant has failed to set forth any specific allegations of conduct on the part of Esurance that, if proved, would prevent Esurance from prevailing on its claims. In the absence of specifics, Applicant's purported unclean hands defense must fail, as a matter of law. *See Midwest Plastic Fabricators Inc. v.*

Underwriters Laboratories Inc., 5 USPQ2d 1067, 1069 (TTAB 1987) (finding respondent failed to state a defense of unclean hands).

Applicant's third asserted defense is that opposer's claim is barred by the doctrine of waiver. As in *Castro v. Cartwright*, Opp. No. 91188477 (TTAB Sept. 5, 2009) (not precedential), this assertion is insufficient on its face inasmuch as it fails to give Esurance or the Board any factual basis for the defense.

Applicant's fourth asserted defense of acquiescence fails for the same reason. As an initial matter, equitable defenses such as acquiescence and estoppel are generally not available in opposition proceedings because these defenses start to run from the time the mark is published for opposition. *Barbaras Bakery, Inc. v. Barbara Landesman*, 82 USPQ2d 1283, 1292 n. 14 (TTAB 2007) (emphasis added) (defenses of laches, acquiescence or estoppel generally not available in opposition proceeding). TBMP §311.02(b) (the affirmative defense of acquiescence is "severely limited in Board proceedings"). To properly raise acquiescence, Applicant would have to allege and show, *inter alia*, that (1) Esurance took some affirmative act "which led [A]pplicant to reasonably believe [Esurance] would not oppose [A]pplicant's registration of its mark," *DAK Indus. Inc. v. Daiichi Kosho Co. Ltd.,* 25 USPQ2d 1622, 1625 (TTAB 1993); (2) Esurance slept on its rights from "the time of knowledge of the application for registration (that is, from the time the mark is published for opposition)", rather than "from the time of knowledge of use"; and (3) that such an unreasonable delay caused harm to the Applicant. TBMP § 311.02(b). Not only has Applicant completely failed to allege these required elements here, but it is indisputable that Esurance has filed a timely Notice of Opposition within the prescribed opposition period. As a result, and regardless

of the insufficiency of Applicant's stated defense, there is no possible basis for a claim of delay, let alone prejudice from such a delay, and therefore the affirmative defense of acquiescence is simply not available to Applicant. *Universal City Studios LLLP v. Valen Brost*, Opp. No. 91153683, 2003 WL 22415603, *5 (Oct. 15, 2003) (acquiescence defense was "not available" where opposer "timely filed its notice of opposition"), citing *NCTA v. American Cinema Editors Inc.*, 19 USPQ2d 1424, 1431 (Fed. Cir. 1991).

To plead equitable estoppel properly, Applicant needed to allege specific affirmative conduct (or misleading inaction or silence) relied upon by Applicant to create the estoppel, and this conduct must have taken place ***after*** the publication of the applications for opposition, in this case, December 13, 2016. *Bausch & Lomb Inc. v. Karl Storz GmbH & Co., KG*, 87 USPQ2d 1526, 1531 (TTAB 2008). Here, Applicant has made no such allegations.

In conclusion, none of the equitable Affirmative Defenses passes muster under Rule 8(b) or TTAB Rule 311.02. Each is a mere conclusory, "boilerplate" allegation, without any consideration of the actual applicability of the defense to the allegations in this case and without any identification of the underlying factual basis for the defense. As a result, Esurance and the Board are left to speculate as to the predicates for those defenses—hardly the "fair notice" required under the rules. Like Applicant's other Affirmative Defenses, the purported Affirmative Defenses of unclean hands, waiver, acquiescence, and estoppel should be stricken as insufficiently pled.

The sixth "affirmative defense" is merely a catch-all statement that Applicant reserves the right to amend this Answer and Affirmative Defenses based on information

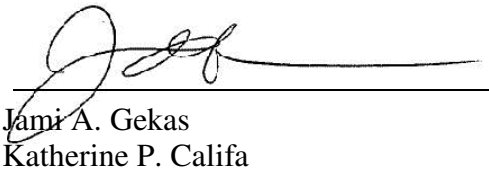
obtained during discovery. This is not a defense and should therefore be stricken, as well.

III. CONCLUSION

For the foregoing reasons, Esurance respectfully requests that the Board strike all 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 deadlines for the initial discovery conference, discovery and trial periods should be reset accordingly.

Respectfully submitted,

Date: May 31, 2017



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CERTIFICATE OF SERVICE

I hereby certify that on May 31, 2017, a copy of the foregoing MOTION TO STRIKE was served via email upon counsel for Applicant, as follows:

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