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

Proceeding	91236481
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
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In re Matter of Application No. 87/088,678 for the mark: **AMERICAN VINYL** in Class 41 HRHH IP, LLC, Opposer, vs. PINNACLE ENTERTAINMENT, INC., Applicant.	Opposition No. 91-236481 **OPPOSER HRHH IP, LLC'S MOTION TO STRIKE CERTAIN AFFIRMATIVE DEFENSES OF APPLICANT PINNACLE ENTERTAINMENT, INC.**

I. INTRODUCTION

Opposer HRHH IP, LLC ("Opposer") hereby moves pursuant to Fed.R.Civ.P. 12(f) and TBMP § 503 to strike the first, second, fourth, sixth, seventh, and eighth affirmative defenses set forth in the Answer (Dkt. No. 12) of Applicant Pinnacle Entertainment, Inc. ("Applicant").[1]

In brief, Opposer moves that the first affirmative defense for failure to state a claim be stricken as inadequately pled, as it consists of a conclusory statement without the factual allegations required for such a defense. Likewise, Opposer moves to strike the second affirmative defense of laches, acquiescence, and estoppel as inadequately pled and immaterial, because it contains no factual allegations required for the respective defenses. Moreover, the defenses of laches, acquiescence and estoppel are unavailable in an opposition proceeding concerning registrability of a mark, in which publication for opposition first triggers the ability

[1] The facts upon which this motion is based are taken from Opposer's Notice of Opposition dated September 5, 2017 and Applicant's Answer To Notice of Opposition dated February 9, 2018.

of an opposer to object to registration of a mark. Opposer moves to strike Applicant's fourth, sixth and seventh affirmative defenses as redundant because they are mere amplifications of denials found in previous sections of Applicant's answer. Finally, Opposer moves to strike Applicant's eighth affirmative defense as redundant, as it only recites applicable provisions of TBMP § 318 and Fed. R. Civ. P. 11 allowing for additional affirmative defenses if subsequent investigation and discovery so warrants.

Because the Board's determination of Opposer's motion will affect the scope of discovery in this proceeding, Opposer requests that the proceeding be suspended pending consideration of its motion to strike and that, after the Board decides the motion, all pending deadlines in this proceeding be reset.

II. OPPOSER'S MOTION TO STRIKE APPLICANT'S AFFIRMATIVE DEFENSES SHOULD BE GRANTED

A. The Standard for Adjudicating Motions to Strike

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 or any redundant, immaterial, impertinent, or scandalous matter." *See also* Fed. R. Civ. P. 12(f) ("The court may strike from a pleading an insufficient defense or any redundant, immaterial, impertinent, or scandalous matter.") Motions to strike are granted in appropriate cases, particularly as in the present case where meritless affirmative defenses that will only waste the parties' time and expense at trial can be summarily adjudicated as insufficient well before then. *See American Vitamin Products, Inc. v. DowBrands Inc.*, 22 USPQ2d 1313, 1314 (TTAB 1992) (granting motion to strike insufficient affirmative defenses); *Heller Fin., Inc. v. Midwhey Powder Co.,* 883 F.2d 1286, 1294 (7th Cir. 1989) ("where...motions to strike remove unnecessary clutter from the case, they serve to expedite, not delay.")

B. Applicant's First Affirmative Defense of Failure to State a Claim Consists of Mere Conclusory Allegations and Should Be Stricken Because Opposer Has Standing and Valid Grounds for This Opposition

Applicant's first affirmative defense, failure to state a claim, is not an affirmative defense "because it relates to an assertion of the insufficiency of the pleading of opposer's claim rather than a statement of a defense to a properly plead claim." *John W. Carson Foundation v. Toilets.com Inc.*, 94 USPQ2d 1942, 1949 (TTAB 2010). Although Fed.R.Civ.P. 12(b) (6) allows an applicant to raise this defense, an opposer may use the assertion to test the sufficiency of the defense in advance of trial by moving to strike it from the applicant's answer. *See S.C. Johnson & Son v. GAF Corporation,* 177 USPQ 720 (TTAB 1973). Accordingly, an affirmative defense for failure to state a claim will be stricken if the opposer alleges such facts that would, if proved, establish that (1) the opposer has standing to maintain the proceeding, and (2) a valid ground exists for opposing the application. *American Vitamin Products, Inc. v. DowBrands Inc.*, 22 USPQ2d 1313, 1314 (TTAB 1992); TBMP § 503.02. In determining the motion, all of an opposer's well-pleaded claims must be accepted as true. *See* SA Wright & Miller, *Federal Practice and Procedure: Civil 2d Section* (1990). Further, the notice of opposition must be construed in the light most favorable to the opposer. *Id.*

Opposer has properly made its registrations of record, with evidence that its registrations are subsisting and owned by Opposer. (1 TTABVUE at ¶¶ 2-4). Accordingly, Opposer has established its standing in this proceeding. *Cunningham v. Laser Golf Corp.,* 222 F.3d 943, 945 (Fed. Cir. 2000); *Lipton Industries,* 670 F.2d 1024, 1028-29 (CCPA 1982).

Opposer has alleged prior rights in its VINYL mark, likelihood of confusion, and a likelihood of dilution. (See Dkt. No. 1 at ¶¶ 7-15). Accordingly, Opposer has pleaded valid grounds for opposing Applicant's application. *See* TBMP § 309.03(b) ("A real interest in the proceeding and a reasonable belief of damage may be found, for example, where plaintiff pleads

(and later proves): A claim of likelihood of confusion that is not wholly without merit, including claims based upon current ownership of a valid and subsisting registration or prior use of a confusingly similar mark"); *Jewelers Vigilance Committee Inc. v. Ullenberg Corp.*, 823 F.2d 490, 493-94 (Fed. Cir. 1987); *Lipton Industrie*, 670 F.2d at 1029.

Because Opposer has alleged facts that establish standing and grounds for opposing Applicant's mark, the Board should strike Applicant's first affirmative defense.

C. Applicant's Second Affirmative Defense of Laches, Acquiescence, and Estoppel Should be Stricken

i. The Defenses are Pleaded Without Adequate Factual Support

Applicant's second affirmative defense of laches, acquiescence, and estoppel should be stricken because, as pled, it is merely conclusory and fails to state facts that would give adequate notice of the basis for such defense. As TBMP § 300 makes clear, "[t]he 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 of the defense." Where a defense contains mere conclusory allegations that do not give an opposer fair notice as to the specific conduct which provides the basis for the defense, the defense will be stricken by the Board. *See, Lincoln Logs Ltd. v. Lincoln Precut Log Homes, Inc.*, 971 F.2d 732, 735 (Fed. Cir. 1992) (dismissing applicant's asserted defenses of laches and estoppel because applicant failed to allege facts supporting the necessary elements of each alleged defense).

Here, Applicant alleges only that Opposer "fails to acknowledge that multiple mark registrations exist with the USPTO which are based upon or incorporate the term 'Vinyl'" as the basis for its laches, acquiescence and estoppel defenses. (12 TTAVBUE at 3) Applicant's reliance on Opposer's alleged inaction or acquiescence with respect to certain third party registrations is an improper basis for these defenses. *See Textron, Inc. v. The Gillette Co.*, 180

USPQ 152, 154 (TTAB 1973) (holding a party may not base its claim for relief on the asserted rights of strangers with whom it is not in privity of interest); *Plus Products v. General Mills, Inc.*, 188 USPQ 520, 522 (TTAB 1975).

Even if true, Opposer's alleged inaction against third parties is insufficient to provide the basis for any of the asserted defenses:

- To establish laches, Applicant must allege: "(1) unreasonable delay in assertion of one's rights against another; and (2) material prejudice to the latter attributable to the delay." *Lincoln Logs,* 971 F.2d at 734. Here, Applicant's answer provides no factual allegations showing how Applicant was prejudiced. Accordingly, Applicant's laches defense is insufficient.
- To establish acquiescence, Applicant must allege: "(1) the senior user actively represented that it would not assert a right or a claim; (2) the delay between the active representation and assertion of the right or claim was not excusable; and (3) the delay caused the defendant undue prejudice." *Seller Agency Council, Inc. v. Kennedy Ctr. for Real Estate Educ., Inc.*, 621 F.3d 981, 989 (9th Cir. 2010). Applicant's answer alleges no facts showing active consent or undue prejudice. Accordingly, Applicant's acquiescence defense is insufficient.
- To establish estoppel, Applicant must allege: "(1) misleading conduct, which may include not only statements and action but silence and inaction, leading another to reasonably infer that rights will not be asserted against it; (2) reliance upon this conduct; and (3) due to this reliance, material prejudice if the delayed assertion of such rights is permitted." *Lincoln Logs,* 971 F.2d at 734 ; *see also Heckler v. Cmty. Health Servs. of Crawford Cty., Inc.*, 467 U.S. 51, 59 (1984) (providing that

estoppel requires detrimental reliance on a "definite misrepresentation of fact"). Applicant's answer alleges no facts with respect to Opposer's inducement or Applicant's detrimental reliance. Accordingly, Applicant's estoppel defense fails.

ii. The Defenses are Unavailable in Opposition Proceedings

Because these defenses require a "detrimental" delay, they are generally unavailable in opposition proceedings because the relevant time period is not measured from when an applicant begins using its mark but, rather, from when a mark is published for opposition. Any delay prior to publication is irrelevant because publication marks the first time that an opposer could challenge the registration of the mark. *See* TBMP §311.02(b) (acquiescence and laches "start to run … from the time the mark is published for opposition, not from the time of knowledge of use"); *Nat'l Cable Television Assoc., Inc. v. Am. Cinema Editors, Inc.,* 937 F.2d 1572, 1582 (Fed. Cir. 1991) (measure for laches runs no earlier than publication for opposition, not from knowledge of use); *Panda Travel Inc. v. Resort Option Enters. Inc.*, 94 USPQ2d 1789, 1797 (TTAB 2009) (in an opposition, estoppel defense must be tied to the registration of applicant's marks, not applicant's use of its marks); *Krause v. Krause Publ'ns Inc.*, 76 USPQ2d 1904, 1914 (TTAB 2005) (the equitable defense of acquiescence in an opposition or cancellation proceeding does not begin to run until the mark is published for opposition).

Here, the short time period between the publication of the application at issue and the filing of the opposition is insufficient as a matter of law to constitute an unreasonable delay for the purposes of laches, acquiescence, or estoppel. *See, e.g.*, *Panda Travel Inc.*, 94 USPQ2d at 1797 (because Opposer's Notices of Opposition were timely filed, there can be no delay for purposes of laches or estoppel); *Krause*, 76 USPQ2d at 1914 (This relatively short period cannot be viewed as an unreasonable delay); *Callaway Vineyard & Winery v. Endsley Capital Group Inc.*, 63 USPQ2d 1919, 1923 (TTAB 2002) (since opposer promptly opposed registration of

applicant's mark, applicant has no basis for the defenses of laches, estoppel, or acquiescence). As such, Applicant's second affirmative defense fails.

Accordingly, the Board should strike Applicant's second affirmative defense of laches, acquiescence, and estoppel.

D. Applicant's Fourth, Sixth and Seventh Affirmative Defenses Should Be Stricken as Redundant

Applicant's fourth, sixth, and seventh affirmative defenses are merely amplifications of Applicant's denials of Opposer's allegations in its notice of opposition, not affirmative defenses. A defense that is redundant or is otherwise nothing more than a restatement of a denial in the answer and does nothing to add anything to that denial, should be stricken. *See, e.g., Order of Sons of Italy in America v. Profumi Fratelli Nostra AG,* 36 USPQ2d 1221, 1223 (TTAB 1995). "While Defendant is free to challenge these elements of Plaintiff's case-in-chief at trial, it is inappropriate and redundant for Defendant to rehash its general denials under the guise of affirmative defenses." *Twin Rivers Eng'g, Inc. v. Fieldpiece Instruments, Inc.,* 2016 WL 7042232, at *2 (E.D. Tex. Apr. 6, 2016); *See F.T.C. v. Think All Pub. L.L.C.*, 564 F. Supp.2d 663, 665-66 (E.D. Tex. 2008).

Specifically, Applicant's fourth affirmative defense is an amplification of Applicant's denial of a likelihood of confusion. Applicant's answer already contains denials of the likelihood of confusion. (*See* 12 TTABVUE at ¶¶ 7-10). Accordingly, Applicant's fourth affirmative defense is redundant and should be stricken.

Similarly, Applicant's sixth affirmative defense is an amplification of Applicant's denial of a likelihood of dilution. However, Applicant's answer already contains denials of a likelihood of dilution. (*See* 12 TTABVUE at ¶¶ 11-13). Accordingly, Applicant's eighth affirmative defense is redundant. In addition, Applicant cites the wrong standard required for establishing a

claim for dilution. The standard is a likelihood of dilution, not actual dilution. 15 U.S.C. § 1125(c)(1).

Applicant's seventh affirmative defense, like the fourth and sixth discussed above, is an amplification of Applicant's denials of both a likelihood of confusion and a likelihood of dilution. However, Applicant's answer already contains denials of both of these grounds for opposition. Thus, the seventh affirmative defense is redundant and should be stricken.

E. Applicant's Eighth Affirmative Defense of Reserving the Right to File More Affirmative Defenses Should Be Stricken as Redundant

Applicant's eighth affirmative defense is not an affirmative defense and should be stricken as redundant, because it only recites applicable provisions of TBMP § 318 and Fed.R.Civ.P. 11 allowing for additional affirmative defenses if subsequent investigation and discovery so warrants. *See* TBMP § 318 and Fed.R.Civ.P. 11. Applicant's assertion of its rights under the applicable rules is superfluous and should be stricken as redundant.

III. OPPOSER'S REQUEST TO SUSPEND PROCEEDINGS

Applicant's first affirmative defense of failure to state a claim is not an affirmative defense, but, rather, an attack on the sufficiency of Opposer's pleading of its grounds. As such, the Board should treat the disposition of this motion to strike in the same manner in which it would treat a motion to dismiss. That is, it should suspend all deadlines pending its adjudication. *See* TBMP § 503.01 (filing a motion to dismiss for failure to state a claim upon which relief can be granted "effectively stays the time for the parties to conduct their required discovery conference because the pleadings must be complete and issues joined before the conference is held"); TBMP § 316 (any potentially dispositive motion, such as a failure to state a claim, directed to the pleadings suspends the case "for decision on the motion and the Board will reset

the deadline for the discovery conference as well as all subsequent dates, as appropriate, when the motion is decided.")

As the Board's determination of Opposer's motion will affect the scope of discovery in this proceeding, Opposer requests that the proceeding be suspended pending consideration of its motion to strike and that, after the Board decides the motion, the deadlines for all pending deadlines in this proceeding be reset.

IV. CONCLUSION

For the reasons stated above, Applicant's first, second, fourth, sixth, seventh, and eighth affirmative defenses should be stricken, and the proceeding suspended pending disposition of this motion. All pending deadlines in this after this motion is decided.

Respectfully submitted,

Dated: March 5, 2018

By:/Jill M. Pietrini/

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CERTIFICATE OF ELECTRONIC TRANSMISSION

I hereby certify that this correspondence is being transmitted electronically to Commissioner of Trademarks, Attn: Trademark Trial and Appeal Board through ESTTA pursuant to 37 C.F.R. §2.195(a), on this 5th day of March, 2018.

/LaTrina Martin/
LaTrina Martin

CERTIFICATE OF SERVICE

I hereby certify that the **OPPOSER HRHH IP, LLC'S MOTION TO STRIKE CERTAIN AFFIRMATIVE DEFENSES OF APPLICANT PINNACLE ENTERTAINMENT, INC.** is being sent by electronic mail addressed to:

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on this 5th day of March, 2018.

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