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

Proceeding	91236481
Party	Defendant Pinnacle Entertainment, Inc.
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Date	03/26/2018
Attachments	Applicants Brief in Opposition to Opposers Motion to Strike Certain Affirmative Defenses of Applicant Pinnacle Entertainment Inc.pdf(434645 bytes) Receipt to add new attorney.pdf(125380 bytes)

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

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 **APPLICANT'S BRIEF IN OPPOSITION TO OPPOSER'S MOTION TO STRIKE CERTAIN AFFIRMATIVE DEFENSES OF APPLICANT PINNACLE ENTERTAINMENT, INC.**

Applicant, PINNACLE ENTERTAINMENT, INC. ("Pinnacle" or "Applicant"), by and through its undersigned counsel of record, hereby files its brief in opposition to HRHH IP, LLC's ("HRHH" or "Opposer") Motion to Strike Certain Affirmative Defenses of Applicant Pinnacle Entertainment, Inc. ("Motion to Strike") filed by HRHH on March 5, 2018.

INTRODUCTION

HRHH's Motion to Strike Pinnacle's affirmative defenses should be denied. Pinnacle's affirmative defenses, as written, provide HRHH with fair notice, which is all that is required under Federal Rule of Civil Procedure 8(c) and TBMP § 311.02. Pinnacle's affirmative defenses amplify its denials and go principally to HRHH's inability to prove critical elements of its own case. Such defenses are routinely accepted in an answering pleading, and Pinnacle is entitled to discovery to rebut elements of HRHH's case. Finally, no purpose is advanced by striking Pinnacle's affirmative defenses at this very early stage in the proceeding because Pinnacle's affirmative defenses cannot, and do not, prejudice HRHH, nor does HRHH make any allegation of prejudice in its Motion to Strike.

Accordingly, HRHH's Motion to Strike should be denied in its entirety. However, should the Board find any of Pinnacle's Affirmative Defenses to be insufficient, Pinnacle respectfully requests leave to amend and replead its Answer pursuant to Rule 15(a)(2).

LEGAL STANDARD

Federal Rule of Civil Procedure 8 requires only that a defendant, in responding to a pleading, "affirmatively state" any avoidance or affirmative defenses. Fed. R. Civ. P. 8(c). Affirmative defenses are not subject to heightened pleading standards, but rather, need merely to "include enough detail to give the plaintiff *fair notice* of the basis for the defense." TBMP § 311.02(b) (emphasis added). The primary purpose of the pleadings, under both rules, is merely to give fair notice of the claims or defenses asserted. *Ohio State Univ. v. Ohio Univ.*, 51 USPQ2d 1289, 1292 (TTAB 1999).

Although this Board has the discretion to strike from a pleading any insufficient defense, "motions to strike are unfavored." TBMP § 506.01; *see also Harsco Corp. v. Electrical Sciences Inc.*, 9 U.S.P.Q.2d 1570 (T.T.A.B. Aug. 17, 1988). Matter will usually not be stricken from a pleading "unless it clearly has no bearing upon the issues in the case." TBMP § 506.01. A defense should not be stricken as insufficient if the insufficiency is not clearly apparent, or if it raises factual issues that should be determined on the merits. *Id.* Thus, even if insufficiently plead, the Board, in its discretion, may decline to strike affirmative defenses where their inclusion will not prejudice the adverse party, and rather provides fuller notice of the basis for a claim or defense. TBMP 506.01; *Ohio State*, 51 USPQ2d at 1292.

An answer may also include "affirmative assertions that, although they may not rise to the level of an affirmative defense, nevertheless state the reasons for, and thus amplify, the defendant's denial of one or more of the allegations in the complaint. These amplifications of denials, whether referred to as "affirmative defenses," "avoidances," "affirmative pleadings," or "arguments," are permitted by the Board because they serve to give the plaintiff fuller notice of the position which the defendant plans to take in defense of its right to registration." TBMP §

311.02(d). Thus, an affirmative defense that amounts to an amplification of denials otherwise contained in an answer need not be stricken. *See Order of Sons of Italy in Am. v. Profumi Fratelli Nostra Ag*, 36 U.S.P.Q.2d 1221 (TTAB 1995) (distinguishing between proper defenses that are an "amplification of applicant's denial of opposer's claims" and those that are considered redundant); *see also Xoom Corp. v. Xoom Energy, LLC*, 91210148, 2016 WL 1642742, at *10 (TTAB 2016) ("to the extent this purported affirmative defense merely amplifies Applicant's denials and provides fuller notice of how it intends to defend this opposition, we need not strike it.") (non-precedential). Similarly, an affirmative defense that is restricted to "a reservation of rights to assert any affirmative defenses that may become apparent during the proceeding" need not be stricken. *Trenton Tech., Inc. v. Tronton LLC*, 91218360, 2016 WL 6833485, at *2 (TTAB 2016).

Here, Pinnacle's affirmative defenses are entirely appropriate under Federal Rule of Civil Procedure 8(c) and TBMP § 311.02(b), are sufficiently pled to put HRHH on notice of the nature of Pinnacle's asserted defenses, and are related to the issues in this proceeding as framed by the parties' pleadings. Even if this Board determines an affirmative defense is insufficient, HRHH has not established that it will suffer any unfair prejudice by reason of the affirmative defenses at issue making it unnecessary to strike them from the Answer.

ARGUMENT

I. PINNACLE'S AFFIRMATIVE DEFENSES ARE LEGALLY SUSTAINABLE

Setting aside HRHH's claim that Pinnacle must do any more than simply provide HRHH with notice of its defenses, HRHH does not demonstrate that the affirmative defenses in Pinnacle's Answer are legally or factually unsustainable or that their inclusion in Pinnacle's Answer is in any way prejudicial to HRHH. Accordingly, the Motion to Strike should be denied.

A. Pinnacle's First Affirmative Defense of Failure to State a Claim Is Adequately Pleaded.

"Failure to state a claim" defenses may be asserted in an answering pleading. *Order of Sons of Italy*, 36 USPQ2d at 1222. Federal Rule of Civil Procedure 12(b) permits a defendant to assert in the answer the "defense" of "failure to state a claim upon which relief can be granted." *Id.* A failure-to-state-a-claim defense is akin to a 'general denial' and is widely accepted as a permissible affirmative defense. "Moreover, there is little prejudice in permitting such a defense, as it generally has the same effect as a general denial, and the content of the pleadings is fixed." *California Dep't of Toxic Substances Control v. Alco Pac., Inc.*, 217 F. Supp. 2d 1028, 1043–44 (C.D. Cal. 2002) (citing *County Vanlines Inc. v. Experian Information Solutions, Inc.*, 205 F.R.D. 148, 153 (S.D.N.Y.2002) ("'Furthermore, it is well settled that the failure-to-state-a-claim defense is a perfectly appropriate affirmative defense to include in the answer' [as] 'there is no prejudicial harm to plaintiff and the defense need not be stricken'"); *SEC v. Toomey*, 866 F.Supp. 719, 723 (S.D.N.Y.1992) (finding affirmative defense of failure to state a claim upon which relief could be granted should not be stricken because there was no prejudice to plaintiff); *see also Oppel v. Empire Mut. Ins.* Co., 92 F.R.D. 494, 498 (S.D.N.Y.1981) (finding that failure to state a claim had the same effect as a general denial, there was no prejudice to plaintiff, and the defense need not be stricken).

Because HRHH must present evidence to prove its claims—whether this defense is pleaded in the Answer or not—HRHH cannot complain that it is prejudiced or that the defense's inclusion in the Answer will unduly expand the scope of discovery. *See Oppel*, 92 F.R.D. at 498 (although the defense is arguably redundant in that it is essentially a general denial, "there is no prejudicial harm to plaintiff and the defense need not be stricken"). Accordingly, Pinnacle's First Affirmative Defense should not be stricken.

B. Pinnacle's Second and Seventh Affirmative Defenses Are Adequately Pleaded and/or Are Permissible Amplified Denials Pursuant to TBMP § 311.02(d).

Pinnacle's Second Affirmative Defense of Laches, Acquiescence, and Estoppel and its Seventh Affirmative Defense regarding no confusion or dilution are, at minimum, amplifying denials providing full notice of the basis for Pinnacle's defenses and their inclusion in the Answer is in no way prejudicial to HRHH. As such, these affirmative defenses should not be stricken. TBMP § 311.02(d); *see also Order of Sons of Italy*, 36 U.S.P.Q.2d at 1221.

Contrary to HRHH's assertions, Pinnacle's Second and Seventh Affirmative Defenses are not merely conclusory or redundant. Specifically, the Second Affirmative Defense contains the factual allegation "HRHH's Opposition fails to acknowledge that multiple mark registrations exist...which are based upon or incorporate the term 'Vinyl'..." (12 TTABVUE at 3.) Similarly, Pinnacle's Seventh Affirmative Defense alleges "as set forth in the Application, insofar as Pinnacle has sufficiently narrowed the scope of its services...so as to eliminate any possible confusion or dilution..." (12 TTABVUE at 4.) These allegations provide HRHH fuller notice of how Pinnacle intends to defend this opposition.

While not conceding any insufficiencies of its defenses as pleaded, such statements are permissible elaborations of Pinnacle's denials of HRHH's claims of likelihood of confusion and dilution. Pursuant to TBMP § 311.02(d), such amplifications of Pinnacle's denials—designated as "affirmative defenses" or otherwise—are permitted by the Board and should not be stricken.

C. Pinnacle's Fourth and Sixth Affirmative Defenses Need Not Be Stricken.

As delineated above, motions to strike "are not favored and matter usually will not be stricken unless it clearly has no bearing upon the issues in the case." TBMP § 506.01. This is because, per the TTAB Rules, the "primary purpose" of pleadings is "to give fair notice of the claims or defenses asserted." *Id.*

Here, Pinnacle's Fourth Affirmative Defense asserts that HRHH cannot establish a likelihood of confusion between HRHH's mark registrations and Pinnacle's sought-after-application mark. Thus, Pinnacle's defense gives notice to HRHH that it intends to challenge HRHH's opposition, in part, on the grounds that there is no likelihood of confusion. Similarly, Pinnacle's Sixth Affirmative Defense asserts that HRHH cannot establish that that registration of Pinnacle's sought-after application will cause dilution of HRHH's mark(s). Again, Pinnacle's defense gives fair notice to HRHH that Pinnacle intends to challenge HRHH's opposition on this ground. HRHH has not shown by its Motion to Strike that either Pinnacle's Fourth or Sixth affirmative defenses clearly have no bearing upon the issues in the case. The questions of whether there is no likelihood of confusion or that there will be no actual dilution (or both) are issues that will unquestionably have a bearing on the case.

Based on the foregoing, Pinnacle's Fourth and Sixth affirmative defenses give fair notice to HRHH on the defense(s) Pinnacle intends to assert in this action. Both defenses have a bearing on this case. It therefore follows that both defenses comport with the primary purpose of pleadings per the Federal Rules of Civil Procedure and the TTAB Rules and should be permitted.

D. Pinnacle's Eighth Affirmative Defense Need Not Be Stricken.

Pinnacle's Eight Affirmative Defense is a reservation of rights to assert any affirmative defenses that may become apparent during the proceeding. Even if the Board determines that this is not an appropriate affirmative defense, it is not necessary to strike this language from the Answer as it in no way prejudices HRHH. *See Trenton Tech., Inc. v. Tronton LLC*, 91218360, 2016 WL 6833485, at *2 (TTAB 2016) (finding an affirmative defense comprised of "a reservation of rights to assert any affirmative defenses that may become apparent during the proceeding" need not be stricken); *see also Ohio State*, 51 USPQ2d at 1292.

II. APPLICANT REQUESTS LEAVE TO AMEND ANSWER

Alternatively, should the Board determine that one or more of Pinnacle's defenses is subjecting to being struck, Pinnacle respectfully requests leave to amend its Answer. A party may amend its pleadings by leave of the Board and leave must be freely given when justice so requires. *See* Fed. R. Civ. P. 15(a); *see also Embarcadero Techs., Inc. v. Delphix Corp.*, 117 U.S.P.Q.2d 1518 (Trademark Tr. & App. Bd. Jan. 21, 2016) ("Trademark Rule 2.115, 37 C.F.R. § 2.115, and Fed. R. Civ. P. 15(a) encourage the Board to look favorably on motions to amend pleadings."). The Board liberally grants leave to amend the pleadings at any state of a proceeding when justice so requires, unless entry of the proposed amendment would violate settled law or be prejudicial to the rights of the adverse party. *Boral Ltd. V. FMC Corp.*, 59 U.S.P.Q. 1701 (TTAB 2001).

"In deciding whether to grant leave to amend, the Board may consider undue delay, prejudice to the opposing party, bad faith or dilatory motive, futility of the amendment, and whether the party has previously amended its pleadings." *Embarcadero Techs., Inc. v. Delphix Corp.*, 117 U.S.P.Q.2d 1518 (TTAB 2016) (*citing Foman v. Davis*, 371 U.S. 178, 182 (1962)). The timing of the motion for leave to amend is the primary consideration in determining whether the other party will be prejudiced. *See Black & Decker Corp. v. Emerson Electric Co.*, 84 USPQ2d 1482, 1486 (TTAB 2007); *see also Flatley v. Trump*, 11 U.S.P.Q.2d 1284 (Trademark Tr. & App. Bd. Apr. 10, 1989) ("Inasmuch as these cases are still in the discovery stage, respondent would not be prejudiced by allowance of the proposed amendment.").

Here, there has been no undue delay on the part of Applicant, as a request for leave to amend is being requested (as alternative relief) in response to HRHH's notice of taking issue

with Applicant's affirmative defenses *as asserted* and prior to undertaking (let alone completing) any discovery. *See Trek Bicycle Corp. v. Styletrek Ltd.*, 64 U.S.P.Q.2d 1540 n. 3 (TTAB 2001) (when considering a request to amend, "there generally will be no prejudice to a [party] if the [party] is allowed a full opportunity for discovery on the issues raised in the amended pleading"). Thus, the timing of the request would not give rise to any prejudice to HRHH.

Moreover, to the extent an amendment is necessary, Applicant would not be seeking leave to amend for any bad faith or dilatory purpose, but rather to provide additional factual detail to its Answer. Amendment will not be futile as the inclusion of additional factual background will allow for each of the asserted defenses to further stand as amplifications of Pinnacle's denials set forth in its Answer. Finally, Pinnacle has not previously amended its pleading. Thus, all of the factors weigh in favor granting Pinnacle leave to amend its affirmative defenses—should the Board agree at any level with the assertions made by HRHH in its motion.

Thus, to the extent the Board finds that Applicant's affirmative defenses are not pled with the requisite particularity, Applicant requests the Board for leave to amend these defenses.

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III. CONCLUSION

For the foregoing reasons, Pinnacle respectfully submits that this Board should deny HRHH's Motion to Strike in its entirety. In the event the Board grants HRHH's motion, in whole or in part, Pinnacle requests leave to replead its Answer pursuant to Rule 15(a)(2).

Dated this 26th day of March, 2018.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and complete copy of the foregoing **APPLICANT'S BRIEF IN OPPOSITION TO OPPOSER'S MOTION TO STRIKE CERTAIN AFFIRMATIVE DEFENSES OF APPLICANT PINNACLE ENTERTAINMENT, INC.** is being served on opposing counsel by forwarding said copy on March 26, 2018 via electronic mail addressed to:

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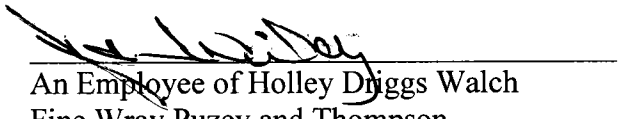

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Change of Correspondence Address

Proceeding.	91236481
Defendant	Defendant Pinnacle Entertainment, Inc.

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Certificate of Service

The undersigned hereby certifies that a copy of this paper has been served upon all parties, at their address of record by Email on this date.

Respectfully submitted,
/Joanna M. Myers/
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03/26/2018