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

Proceeding	91248617
Party	Defendant Alexandria Real Estate Equities, Inc.
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the matter of application Serial No. 88/118,247  
Trademark: WEARELABS

WeWork Companies Inc.,	)	
	)	
Opposer and	)	
Counterclaim Respondent	)	
	)	Opposition No. 91248617
v.	)	
	)	
Alexandria Real Estate Equities, Inc.,	)	
	)	
Applicant and	)	
Counterclaimant.	)	
_____	)	

**REPLY IN SUPPORT OF MOTION TO AMEND ANSWER TO NOTICE OF  
OPPOSITION AND COUNTERCLAIM**

**I. INTRODUCTION**

The Opposition to Motion to Amend Answer to Notice of Opposition and Counterclaim (18 TTABVUE) rests on the following argument: pay no attention to the statements Opposer made to the SEC that bear on assignments, ownership, and validity of trademark rights, and instead rely on contradictory USPTO filings as conclusive evidence of Opposer’s ownership of the trademarks at issue. This argument is factually and legally flawed.

The proposed amendments in the Motion to Amend Answer to Notice of Opposition and Counterclaim (12 TTABVUE) filed by Alexandria Real Estate Equities, Inc. (“ARE”) are not futile – to the contrary, Opposer’s conflicting accounts and the well-pled facts based on SEC filings of The We Company (whom Opposer identifies as its ultimate parent company) establish that ARE’s proposed additional affirmative defenses and counterclaims are well-supported and more than plausible.

The We Company told the SEC and the public that “residual rights related to the ‘we’ family trademarks” had been assigned in July 2019 – while this opposition was already pending – from WE Holdings LLC to The We Company for \$5.9 million. Then, in an amendment to the SEC registration statement, The We Company told the SEC and the public that the payment of consideration for the trademark rights in the transaction had been “subsequently” unwound, but that “The We Company continues to hold all of the assigned rights to the ‘we’ family of trademarks.” Nothing in the SEC filings gives any indication that Opposer itself is the owner of any of the trademarks at issue.

Opposer now argues that, because the SEC filings do not identify the rights in the “we” family trademarks any more specifically than “residual rights related to ‘we’ family trademarks”, the Board should simply presume that this trafficking in “we” family trademarks during the pendency of this proceeding did not cover *any* of the trademarks asserted by Opposer in this proceeding, namely WE, WEWORK, WEWORK LABS, and POWERED BY WE. Notably, Opposer does not offer even a hint of explanation regarding how the rights related to the “we” family trademarks assigned were for anything *other than* the marks asserted in this proceeding, nor how the reporting in the *Wall Street Journal* and other national publications was incorrect.

Opposer traces the public chain of title for the *registrations* that correspond with the asserted marks, and Opposer states (without evidence) that the \$5.9 million transaction did not include any of the trademark registrations that are the subject of ARE’s proposed affirmative defenses and counterclaims for cancellation. But this misses the point. The problem is the trafficking in \$5.9 million of “we” family trademarks, via an entity controlled by the ex-CEO that owned those trademark rights at the time this opposition was filed. That entity was not in the public chain-of-title for the WE-formative registrations set forth by Opposer since 2012.

Opposer also mischaracterizes the status of its trademark registrations: the ministerial act of acceptance of a Section 15 declaration is not a determination by the USPTO that a registration is incontestable, subsequent assignments can interfere with the “ownership” aspect of incontestability, and incontestability would not defeat all of ARE’s proposed additional counterclaims and defenses. In any event, only two of the eight asserted trademark registrations and applications at issue are even candidates for incontestability.

Accordingly, Opposer has failed to demonstrate that any of ARE’s new counterclaims or affirmative defenses are futile – ARE’s proposed additions are plausible and supported by well-pled facts.

Finally, while Opposer generally refers to the deadline to amend ARE’s Answer and Counterclaims, Opposer does not suggest any improper delay by ARE or undue prejudice to Opposer if the Board grants the Motion. The Board should thus find that there is no improper delay or undue prejudice.

For the reasons cited herein and in the Motion, the Board should allow ARE to amend its Answer and Counterclaims as requested.

## **II. ARE’S COUNTERCLAIM FOR CANCELLATION BASED ON NON-OWNERSHIP IS NOT FUTILE**

In its motion, ARE set forth evidence, in the form of the We Company’s public SEC filings, that contradicts the statements made in Opposer’s USPTO filings. (12 TTABVUE 4-7.) In response, Opposer argues that the “assignments recorded with the USPTO conclusively show that WeWork Companies Inc. owned the Incontestable Registrations at the time it filed this opposition proceeding” (18 TTABVUE 8) and that it “also owned the ITU Registrations at the time it filed this opposition” (*id.* at 11). Opposer’s argument is incorrect for four reasons.

First, there has not been a determination that Opposer's two so-called "Incontestable Registrations" are actually incontestable. "When a § 15 affidavit or declaration [of incontestability] complies with the requirements of the statute and rules, the USPTO updates its records to acknowledge receipt of the affidavit or declaration and sends a notice of acknowledgment to the owner of the registration. Acknowledging receipt of the affidavit or declaration provides notice to the public that an affidavit or declaration of incontestability has been filed; it is not a determination by the USPTO that the registration is in fact incontestable. The question of whether the registration is incontestable arises and is determined by a court if there is a proceeding involving the mark." Trademark Manual of Examining Procedure § 1605 (citing 37 C.F.R. §2.167(i)). *See also* "Obtaining incontestable rights in Principal Register registration," 3 McCarthy on Trademarks and Unfair Competition § 19:140 (5th ed.). Opposer has thus not conclusively proven the incontestable nature of any of its registrations and cannot use the § 15 filing as the basis for arguing that the proposed cancellation claim is futile with respect to the two registrations for which a § 15 declaration was filed.

Second, Opposer asks the Board to shortcut the proceeding and conclude ownership based on the pleadings, without testing the veracity of any of the claims in the recorded assignments. Opposer claims that "the assignee 'steps into the shoes of the assignor,'" and that "the assignments recorded with the USPTO demonstrate that WeWork Companies Inc. owned the Incontestable Registrations when it filed this opposition." (18 TTABVUE 8-9.) But this does not end the inquiry. Opposer misses an important aspect of the proposed counterclaims and defenses: as illuminated by the SEC filings, We Holdings LLC owned and assigned "we" trademark rights during the pendency of this opposition. The SEC filings contradict statements made in the Notice of Opposition and in the assignment documents from Opposer's predecessors-in-interest to

Opposer for the “we” trademarks. The SEC filings undermine the validity of the recorded assignment documents and the premise that Opposer owns the trademarks at issue. *Accord Fed. Treasury Enter. Sojuzplodoimport v. Spirits Int’l N.V.*, 623 F.3d 61, 68 (2d Cir. 2010) (satisfaction of the requirements for incontestability cannot preclude a challenge to ownership where the disputed assignment occurs after incontestability).

Third, Opposer also argues that its public chain of title for other registrations not yet subject to a Declaration of Incontestability under § 15 and intent-to-use applications “conclusively” show that WeWork Companies Inc. is the owner of “the ITU Registrations – WEWORK LABS (Reg. No. 4,818,504), WEWORK (Reg. No. 5,504,982) and WE (design) (Reg. No. 5,868,965).” (18 TTABVUE 11-12.) Again, ARE’s allegations regarding non-ownership based on the SEC filings apply equally to these other registrations. The dispute is *not over the named owner of record* for these trademark filings, but rather who was the *true owner of the trademark rights*.

Fourth, Opposer argues that statements in SEC filings are “vague,” (18 TTABVUE 12), but does offer a contrary explanation (let alone evidence that would establish futility as a matter of law) that the statements therein are untrue or that the claimed “residual rights in the ‘we’ family trademarks” refer to anything other than the marks at issue in this proceeding. Indeed, Opposer acknowledges that We Holdings LLC, which according to the SEC filings assigned the rights in exchange for \$5.9 million dollars in July 2019, was the original applicant of the WEWORK registration No. 4,015,942. (18 TTABVUE 5.) This supports ARE’s allegations – We Holdings LLC apparently owned at least one of the marks at issue here in 2012, and apparently continued to own other rights in the “we” family trademarks, justifying the original \$5.9 million payment. Opposer is plainly incorrect that the proposed counterclaim is futile.

The Board should grant leave to amend because ARE sufficiently stated a claim of non-ownership. *See Hurley Int'l LLC v. Volta*, 82 USPQ2d 1339 (TTAB 2007) (granting leave to amend pleadings where claim is adequately pled). The question at this stage is not whether ARE has proven its claim, but instead whether it has alleged facts supporting a plausible claim. Here, ARE has sufficiently stated a claim of non-ownership given that it alleges facts supporting a claim that neither Opposer nor its predecessors-in-interest own or owned the trademarks at issue, rendering its registrations subject to cancellation. Thus, the counterclaim cannot be futile.

### **III. ARE'S COUNTERCLAIM FOR ABANDONMENT IS NOT FUTILE**

ARE's proposed counterclaim for abandonment alleges that the "we family trademarks" are owned concurrently by multiple legal entities and thus the trademarks at issue have lost significance as the identifier of a single source. (12 TTABVUE 33, Ex. 2 at ¶¶35-38.) In response, Opposer claims that the counterclaim is futile because ARE "must allege ultimate *facts* pertaining to the alleged abandonment." (18 TTABVUE 12.) It goes on to claim that "the proposed third counterclaim appears to rely upon the same flawed theory of non-ownership as the second proposed counterclaim [], which fails for the reasons explained in Section I." (*Id.* at 13.)

Opposer's argument is again flawed. Its claims regarding ownership do not conclusively establish the accuracy of the USPTO records for the reasons discussed above. Instead, Opposer's contradictory statements to the SEC, which are taken as true for purposes of this motion, demonstrate that Opposer has not been at all relevant times the owner of the asserted trademarks.

Moreover, Opposer incorrectly argues that ARE's "allegations still could not support a counterclaim for abandonment because Applicant does not (and cannot) allege that the Registered Marks 'have lost all capacity to act as a source-identifier for [WeWork's services].'" *Id.* But ARE

has alleged exactly that – given the split ownership of the marks, they are not capable as serving as an identifier of a single source, as they may identify any number of entities or individuals.

Opposer’s reliance on *Leatherwood Scopers Int’l, Inc. v. Leatherwood*, 63 U.S.P.Q. 2d 1699, 1702-03 (TTAB 2002) is misplaced. There, the proposed amendment to allege abandonment was based on the argument that the applicant had acquiesced to opposer’s use of the mark, which constituted naked licensing and abandonment. (*Id.*) This was insufficient to state a claim, as “[there is a] distinction between conduct of a trademark owner which results in a loss of right to enjoin a particular use because of an affirmative *defense* available to that user and conduct which results in a loss of *all* rights of protection as a mark against use by anyone. Only when all rights of protection are extinguished is there abandonment.” (*Id.*; emphasis in original; citation omitted.) That rationale is inapplicable here, as ARE is not alleging its own right to use Opposer’s asserted marks, but instead alleges that they cannot serve as the identifier of a single source and so the conduct results in a loss of all rights of protection as a mark.

Moreover, given that ARE alleges that Opposer’s parent company, or some other company controlled by Opposer’s prior CEO, used the marks instead of Opposer, this is sufficient to establish a claim for abandonment. See *Noble House Home Furnishings, LLC v. Floorco Enterprises, LLC*, 118 U.S.P.Q.2d 1413 (TTAB 2016) (abandonment shown where registrant ceased use of the mark and the only evidence offered was that the parent company continued to market products under the mark). Opposer cannot benefit from its own “vague” SEC filings and complicated corporate structure to argue that a claim of abandonment is futile as a matter of law. Thus, Opposer’s suggestion as to how “[a]bandonment typically occurs” (18 TTABVUE 14) does not bear on whether ARE can prevail on abandonment.



Because ARE pleaded a sufficient claim for abandonment, the proposed counterclaim is not futile and the Motion should be granted.

#### **IV. ARE'S AFFIRMATIVE DEFENSES ARE WELL-PLEADED AND PLAUSIBLE**

ARE also seeks to add affirmative defenses of lack of standing, abandonment, and improper assignment of intent-to-use applications. Opposer impliedly acknowledges that if ARE's counterclaims are properly pleaded, the standing and abandonment defenses are likewise sufficient – offering no argument against the defenses other than that they are “futile for the same reasons the proposed counterclaims are futile.” (18 TTABVUE 14.) Opposer's USPTO filings are not conclusive evidence of its ownership of the marks and thus the affirmative defenses are not futile.

Likewise, Opposer's only argument that the affirmative defense for violation of the anti-trafficking rule is that “the same USPTO assignment documents that prove the futility of Applicant's proposed amended counterclaims also prove the futility of the proposed affirmative defenses.” (18 TTABVUE 14-15.) This claim is likewise misplaced. If Opposer's alleged predecessor did not own the marks, it had nothing to assign, and whether it merged with Opposer and then spun off another company does not conclusively establish that Opposer was the successor to *any* business of the original applicant, or that Opposer took over any business that was ongoing and existing with respect to the trademarks at issue.

Accordingly, Opposer has failed to demonstrate that any of the affirmative defenses are futile. Accordingly, the Motion should be granted.

**V. CONCLUSION**

For the foregoing reasons, and those in the Motion, ARE should be afforded leave to amend its affirmative defenses and counterclaims as set forth in the Motion.

Date: March 12, 2020

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and complete copy of the foregoing **REPLY IN SUPPORT OF MOTION TO AMEND ANSWER TO NOTICE OF OPPOSITION AND COUNTERCLAIM** was transmitted via e-mail to Opposer's counsel of record at the following address:

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Date: March 12, 2020

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