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

Proceeding	91254921
Party	Plaintiff REPUBLIC TECHNOLOGIES (NA), LLC
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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

In the Matter of Application Serial No. 88/752,749 for REY Published in the Official Gazette on March 10, 2020 REPUBLIC TECHNOLOGIES (NA), LLC, Opposer, v. DON DISTRO, INC. Applicant.	**Opposition No. 91254921**

OPPOSER'S MOTION TO STRIKE APPLICANT'S AFFIRMATIVE DEFENSES

Applicant's Answer pleads five, separate affirmative defenses, each of which is legally insufficient and will require unnecessary discovery and serve only to clutter this case. Accordingly, in the interest of the effective administration of this matter, and pursuant to Federal Rule of Civil Procedure 12(f) and TBMP § 506, Republic Technologies (NA), LLC ("Republic") hereby moves for an order striking each of Applicant's affirmative defenses.

Republic appreciates that motions to strike are generally disfavored. Motions to strike should be granted, however, when they simplify the pleadings and save time and expense by excising redundant, immaterial, or impertinent matter that will not have a bearing on the outcome of the litigation. *Garlanger v. Verbeke*, 223 F. Supp. 2d 596, 609 (D.N.J. 2002); *see also 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"). Furthermore, where an affirmative defense might "confuse the issues in the case and would not, under the facts alleged, constitute a valid defense to the action, [the affirmative defense] can and should be

deleted." *Waste Mgmt. Holdings v. Gilmore,* 252 F.3d 316, 347 (4th Cir. 2001) (internal citations omitted). Applicant's affirmative defenses here typify the sort of clutter that should be stricken to avoid such confusion. Each suffers from one or more of the following deficiencies: (i) it is legally deficient in that it is either not a recognized affirmative defense or is otherwise legally improper; (ii) it fails to meet the heightened pleading standard for fraud-based claims; or (iii) it is a "bare bones," conclusory statement that contains no well-pled facts that would render the defense plausible.

I. Applicant's Affirmative Defenses of Estoppel and Laches are Legally Untenable

Applicant's second and third affirmative defenses of estoppel and laches are deficient because neither affirmative defense is available in an opposition proceeding, on the facts alleged or both.

The TTAB has consistently held "that the doctrine of estoppel may be invoked only by one who has been prejudiced by the conduct relied upon to create the estoppel, and a party may not therefore base its claim for relief on the asserted rights of strangers with whom it is not in privity of interest." *Textron, Inc. v. The Gillette Co.*, 180 U.S.P.Q. 152, 154 (TTAB 1973) (internal citations omitted). Moreover, estoppel requires reliance on a party's conduct and prejudice resulting therefrom. *See Panda Travel Inc. v. Resort Option Enterprises Inc.*, 94 U.S.P.Q.2d (BNA) 1789, 1797 (TTAB 2009) (repeating elements and holding that "[a]cquiescence is a type of estoppel…"). *See also, National Cable Television Ass'n Inc. v. Am. Cinema Editors, Inc.*, 19 U.S.P.Q.2d 1424, 1431-32 (Fed. Cir. 1991).

Moreover, the Court of Appeals for the Federal Circuit has explicitly held that laches cannot apply in an opposition proceeding where an opposer acts at its first opportunity to oppose the issuance of a registration – namely, when the mark is published for opposition. *National Cable*

Television Ass'n Inc., 19 USPQ2d at 1431-32 (re-affirming precedent that laches is measured "from the time the action could be taken against the acquisition by another of a set of rights…"). *See also, Panda Travel Inc.*, 94 U.S.P.Q.2d at 1797 ("Because opposer timely filed notices of opposition, there has been no undue delay by opposer or prejudice to Respondent caused by opposer's delay").

Here, not only has Applicant failed to plead any fact to support these defenses, but Republic acted at its first opportunity to oppose the present application. Applicant has not pled reliance on or prejudice resulting from any conduct of Republic. *See Land O' Lakes Inc. v. Hugunin*, 88 U.S.P.Q.2d 1957, 1957 (TTAB 2008) (equitable defenses "require factual development" to establish undue delay). Moreover, as established by both the procedural history of this action and the facts pled by Republic, Applicant filed the subject application on January 9, 2020 based on its intent to use the REY mark. *See* Trademark Electronic Search System (TESS) printout for the subject application, attached hereto as Exhibit A. Soon after the subject application published on the Official Gazette on March 10, 2020, Republic timely filed its Notice of Opposition in this proceeding on March 27, 2020. As such, the affirmative defenses of estoppel and laches are not available to Applicant in these proceedings and should be stricken.

Furthermore, as a result of the deficiency of facts plead to support these affirmative defenses, unless these affirmative defenses are stricken, Republic will be forced to serve discovery requests and dedicate deposition time, not only to discover the basis of Applicant's affirmative defenses, but also to prepare Republic's responses to these defenses. Striking these affirmative defenses will therefore serve the interests of the parties and the Board by removing irrelevant and unnecessary issues from discovery and from the proceeding in general, and allow this case to move forward in an efficient and focused manner. *See Garlanger*, 223 F. Supp. 2d at 609.

II. Applicant's Affirmative Defense of Unclean Hands is Untenable

Under Rule 8, allegations "must contain sufficient factual matter" so as to "allow the [Board] to draw a reasonable inference" that the allegations are true. *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009). Where such factual matter is lacking, the allegation must be stricken or dismissed. *See Id.* Thus, Rule 8 requires that affirmative defenses must do more than merely assert bare bones, conclusory allegations that fail to put party on notice of the underlying bases for the purported defenses. *See Linc. Fin. Corp. v. Onwuteaka*, No. 95C4928, 1995 U.S. Dist. LEXIS 17825, at *8 (N.D. Ill. Nov. 30, 1995) (holding that "if an affirmative defense contains no more than 'bare bones conclusory allegations,' it must be stricken.").

Applicant's fourth affirmative defense purports to raise "unclean hands" as an affirmative defense. But, unclean hands sounds in fraud and, therefore, Applicant's fourth affirmative defense must also meet the heightened pleading standards of Federal Rule of Civil Procedure 9(b). See *Am. Top English v. Lexicon Marketing (USA), Inc.*, No. 03C 7021, 2004 U.S. Dist. LEXIS 23640, at *32 (N.D. Ill. Oct. 4, 2004) (striking "improperly pled" unclean hands defense where defendant failed to plead specifics constituting elements of the defense and noting that defenses of fraud must be pled with particularity in accordance with Fed. R. Civ. P. 9(b)); *see also Midwest Plastic Fabricators Inc. v. Underwriters Labs. Inc.*, 5 USPQ2d 1067, 1069 (TTAB 1987) (striking unclean hands defense where allegations failed to set forth "specific allegations of conduct by petitioner that, if proved would prevent petitioner from prevailing"). Federal Rule of Civil Procedure 9(b) requires a party pleading fraud to "state with particularity the circumstances constituting fraud."

Applicant's unclean hands affirmative defense, however, merely states that "Opposer's claims are barred by the doctrine of unclean hands." *See* Aff. Def. ¶ 4, Answer, at 2. This conclusory statement does not plead facts with sufficient particularity as to meet the heightened pleading standards of Rule 9. Furthermore, the "bare bones" statement would similarly require

discovery in order for Republic to disprove that applicability of the affirmative defense, serving to clutter this case and unfairly burden Republic. Accordingly, Applicant's affirmative defense of unclean hands should be stricken.

III. Applicant's Remaining Affirmative Defenses Are Also Untenable

None of Applicant's Affirmative defenses — failure to state a claim, estoppel, laches, unclean hands — allege a single specific fact and should be stricken. See Aff. Def. ¶¶ 1-5, Answer, at 2. Rule 8 of the Federal Rules of Civil Procedure "requires more than labels and conclusions, and a formulaic recitation of the elements of a cause of action will not do." *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 556 (2007). Each of Applicant's affirmative defenses is precisely the sort of "bare bones, conclusory" statement that is not permitted. *See Linc. Fin. Corp.*, No. 95C4928, 1995 U.S. Dist. LEXIS 17825, at *8. Indeed, each only states the affirmative defense without providing factual basis which fails to give Republic any notice of the conduct on which the Applicant bases the defense.

Furthermore, Applicant's First Affirmative Defense alleges nothing more than that the "Opposer has failed to state a claim upon which relief may be granted." See Aff. Def. ¶1, Answer, at 2.). However, the Board has repeatedly stricken such a "defense" where, as here, the opposer has alleged facts that, if proved, would establish that "(1) [the opposer] has standing to maintain the proceeding, and (2) a valid ground exists for opposing the registration." *Great Adirondack Steak & Seafood Café, Inc. v. Adirondack Pub & Brewery, Inc.,* Opp. No. 91219162, 2015 TTAB LEXIS 321, at *9 (TTAB Mar. 30, 2015) (non-precedential) (striking all of Applicant's affirmative defenses). *See also, S.C. Johnson & Son, Inc. v. GAF Corp.*, 177 U.S.P.Q (BNA) 720, 721 (TTAB 1973) (striking defense of failure to state claim upon which relief could be granted where the opposer alleged likelihood of confusion with its prior registered mark). Here, Republic sufficiently alleges both its standing and a valid ground for opposition by pleading its prior use and registration

of the EL REY and EL REY and Design marks, U.S. Registration Nos. 3,687,424; and 3,030,950, and a claim of likelihood of confusion. Notice of Opposition at ¶¶ 2-4; *see* TBMP § 309.03(b)-(c); *Central Mfg. Co. v. Stealth, Ltd.*, Opp. No. 91158263, 2004 TTAB LEXIS 348, at *2-4 (TTAB June 22, 2004) (non-precedential) (striking applicant's affirmative defense that opposer failed to state a claim for relief because it found opposer sufficiently alleged a cause of action).

Finally, Applicant's attempt to reserve additional affirmative defenses, does not allege any facts and is not an affirmative defense. As the Board has noted, such statement is "merely an advisory statement that Applicant may amend its pleading at some future date." *Meeshaa Inc. v. Anaya Gems* , 2017 TTAB LEXIS 282,*2 at n. 3 (TTAB July 31, 2017). Applicant's statement should be stricken, as in *Meeshaa*, because "[a] defendant cannot reserve unidentified defenses since it does not provide a plaintiff fair notice of such defenses." *Id.*

Accordingly, the affirmative defenses should be stricken, as each is untenable and fails to give Republic notice of any conduct on which Applicant bases the defense which would cause Republic to conduct unnecessary discovery in order to determine such bases.

CONCLUSION

Each of the aforementioned affirmative defenses have no legitimate basis in this proceeding and will serve merely to unduly complicate it. Striking them will best serve the interests of the parties and the Board by removing irrelevant and unnecessary issues from the proceeding and allowing this case to move forward in an efficient and focused manner.

WHEREFORE, Republic respectfully requests that the Board enter an Order granting this Motion and: (1) strike all of the affirmative defenses of Applicant's Answer; and (2) grant Republic any such additional and further relief that the Board deems proper.

Respectfully submitted,

Dated: May 8, 2020 By: /Antony J. McShane/

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CERTIFICATE OF SERVICE

I, Antony J. McShane, an attorney, state that I served a copy of the foregoing **OPPOSER'S MOTION TO STRIKE APPLICANT'S AFFIRMATIVE DEFENSES** upon:

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30632495.5

EXHIBIT A

TESS was last updated on Fri May 8 03:47:22 EDT 2020

REY

Word Mark	REY
Goods and Services	IC 034. US 002 008 009 017. G & S: Hookah and hookah accessories, namely, hookah hoses
Standard Characters Claimed	
Mark Drawing Code	(4) STANDARD CHARACTER MARK
Serial Number	88752749
Filing Date	January 9, 2020
Current Basis	1B
Original Filing Basis	1B
Published for Opposition	March 10, 2020
Owner	(APPLICANT) Don Distro, Inc. CORPORATION CALIFORNIA 340 Cherry Ave Long Beach CALIFORNIA 90802
Attorney of Record	Louis F. Teran
Type of Mark	TRADEMARK
Register	PRINCIPAL
Live/Dead Indicator	LIVE