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BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91263958
Party	Defendant Winning Streak Sports, LLC
Correspondence Address	ADAM S. WEISS POLSINELLI PC 150 N. RIVERSIDE PLAZA, SUITE 3000 CHICAGO, IL 60606 UNITED STATES Primary Email: uspt@polsinelli.com Secondary Email(s): aweiss@polsinelli.com, jwillard@polsinelli.com, rrice@polsinelli.com, docketing@polsinelli.com, lshannon@polsinelli.com 312-873-3644
Submission	Opposition/Response to Motion
Filer's Name	Rachel A. Rice
Filer's email	rrice@polsinelli.com, uspt@polsinelli.com, aweiss@polsinelli.com, jwillard@polsinelli.com, docketing@polsinelli.com, lshannon@polsinelli.com
Signature	/Rachel A. Rice/
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IN THE UNITED STATES PATENT & TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL & APPEAL BOARD

VARSITY SPIRIT LLC, VARSITY ATHLETIC BAND, LLC, and VARSITY BRANDS, LLC, Opposers, vs. WINNING STREAK SPORTS, LLC, Applicant.	)	Opposition No. 91263958

RESPONSE TO OPPOSERS' MOTION TO STRIKE AFFIRMATIVE DEFENSES

Winning Streak Sports, LLC ("Applicant") hereby submits this response to the Motion to Strike Affirmative Defenses (the "Motion") submitted by Varsity Spirit LLC, Varsity Athletic Band, LLC, and Varsity Brands, LLC (collectively, "Opposers"). Opposers' Motion should be denied because Applicant has properly pleaded legally cognizable affirmative defenses—which all that is required at this stage of these proceedings.

I. BACKGROUND

On November 14, 2019, Applicant filed intent-to-use Application Serial No. 88692960 for the mark VARSITY VAULT in connection with "banners, namely, cloth banners, wool banners, banners of textile" in International Class 24 (the "'960 Application"). 1 TTABVUE 28. The '960 Application published for opposition on March 31, 2020, and after seeking the maximum allowable extension of time to oppose, on July 29, 2020, Opposers filed a Notice of Opposition against the '960 Application. 1 TTABVUE.

On September 4, 2020, Applicant timely filed its Answer to Opposers' Notice of Opposition. In its Answer, Applicant included the following among its affirmative defenses:

> 1. As a First Affirmative Defense, Applicant asserts that the Notice of Opposition fails to allege facts that state any claim upon which relief can be granted.
>
> 2. As a Second Affirmative Defense, Applicant asserts that the Notice of Opposition is barred under the doctrine of laches, waiver, estoppel and acquiescence.
>
> 3. As a Third Affirmative Defense, Applicant asserts that the Notice of Opposition is barred under the doctrine of unclean hands.
>
> . . . .
>
> 5. Applicant reserves the right to amend its Answer to add Affirmative Defenses and Counterclaims that are not now known but may later become known through discovery or other means.

4 TTABVUE 4, 5.

On September 23, 2020, Opposers moved to strike the aforementioned affirmative defenses under Rule 12(f).

II. LEGAL STANDARDS

An answer may also include a short and plain statement of any defenses, including affirmative defenses that the defendant may have to the claim or claims asserted by the plaintiff. Affirmative defenses are sufficiently pled if they "give fair notice" of the defense. *See, e.g.*, *Harsco Corp. v. Elec. Sci. Inc.*, 9 USPQ2d 1570 (TTAB 1988) (declining to strike matter that bears directly on claims and use of mark); *Order of Sons of Italy in Am. v. Profumi Fratelli Nostra AG*, 36 USPQ2d 1221, 1223 (TTAB 1995). Rule 12(f) motions to strike affirmative defenses are generally disfavored. *See, e.g.*, *Ohio State Univ. v. Ohio Univ.*, 51 USPQ2d 1289, 1293 (TTAB 1999). As a result, matter from a pleading will not be stricken unless it clearly has no bearing on issues in a case, its insufficiency is clearly apparent, and it fails to raise factual issues that should be determined on the merits. *Harsco Corp.*, 9 USPQ2d at 1570. Moreover, affirmative defenses are sufficiently pled if they "give fair notice" of the defense. *See, e.g.*, *id.* (declining to strike matter

that bears directly on claims and use of mark); *Order of Sons of Italy*, 36 USPQ2d at 1223. Flawed or otherwise incomplete pleadings may still be included if they do not prejudice the adverse party or may serve as the basis for a claim. *See, e.g.*, *Harsco Corp.* at 1570.

Consistent with this standard, the TBMP provides the following:

> 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. The primary purpose of pleadings, under the Federal Rules of Civil Procedure, is to give fair notice of the claims or defenses asserted. Thus, the Board, in its discretion, may decline to strike even objectionable pleadings where their inclusion will not prejudice the adverse party, but rather will provide fuller notice of the basis for a claim or defense. A defense will 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.

TBMP § 506.01.

III. ANALYSIS

Each of Opposers' purported bases for their Motion reflects Opposers' thinly-veiled attempt to preclude Applicant from advancing its good-faith affirmative defenses, which Applicant expects discovery to bear out as this case proceeds. Opposers bases all fail, and the Board should deny Opposers' Motion.

A. Applicant Cured Any Service Defects.

As an initial matter, Opposers' Motion appears to suggest in passing that the Board should not consider Applicant's Answer because of an inadvertent error in Applicant's service thereof. Yet, it does not appear that Opposers have requested relief deriving from the error in service. Rather, the bulk of Opposers' Motion is directed at Applicant's pleading and the affirmative defenses contained therein.

Given that Opposers do not appear to demand relief relating to service defects, Applicant respectfully suggests that the Board should consider the Answer as filed. Nevertheless, even if

Opposers' Motion were understood to request relief from service defects, the Board should consider defects cured and deny Opposers any relief relating thereto.

Opposers were aware of Applicant's Answer, but their first mention to Applicant of any defect in service was in Opposers' Motion itself, when Opposers stated that they did not receive Applicant's Answer via email service. Immediately upon receipt of Opposers' Motion, Applicant emailed Opposers to correct what was an inadvertent error and to cure any service defect by providing a copy of the Answer and an updated certificate of service for the same. Applicant further offered to be available to discuss further should any need to do so remain. To date, Applicant has received no response from Opposers.

Opposers' Motion appears to imply that failure to effect complete service is a fatal error barring the Board's consideration of the Answer. However, the Board has repeatedly recognized a difference between curable service—as here—and a complete lack of service—as in the case law Opposers cite. For example, in *Chocoladefabriken Lindt & Sprungli AG v. Karlo Flores,* 91 U.S.P.Q.2d 1698, 1670 (TTAB 2009), the serving party neglected to serve a copy of the complaint on the applicant's counsel. *Id.* The Board noted that "[u]pon learning of its error, opposer moved promptly to cure the technical deficiency of service by sending a copy of the complaint to applicant's counsel. Under the circumstances, the opposition may go forward on the pleadings of record." *Id.* Recognizing that "[t]he purpose of service in a Board proceeding is to provide notice of the action," because the other party responded with a motion discussing the filing at issue, the Board found that late, yet curable, service was sufficient. *Id.* Similarly, here, Opposers have suffered no prejudice from Applicant's inadvertent oversight, and in fact received Applicant's Answer. Moreover, default judgments for failure to timely answer the complaint are not favored by the law. *See* TBMP § 312.03.

The case law cited by Opposers is inapposite. Opposers cite *Coffee Studio LLC v. Reign LLC*, 129 USPQ2d 1480, 1481-82 (TTAB 2019), but in that case the serving party actually refused to make proper service and relied upon the electronic notices promulgated by the USPTO. Here, by contrast, Applicant immediately cured the technical deficiency of service in this case upon learning of its error.

For these reasons, Applicant respectfully submits that sufficient service has been made in the present case and requests that the Board deny any relief Opposers request relating thereto.

B. Applicant's First Affirmative Defense of Failure to State a Claims Is Proper.

Opposers incorrectly contend that the failure of a complaint to state a claim on which relief can be granted is not an appropriate affirmative defense. Opposers are incorrect, as case law is clear that failure to state a claim is a proper affirmative defense. *See, e.g.*, *Order of Sons of Italy*, 36 USPQ2d at 1222 (reasoning that an answer may include the "defense" of failure to state a claim upon which relief can be granted); TBMP 311.02(b)(1), Note 1 (citing *Sons of Italy* for same proposition). Simply put, Opposers position fails.

Much of Opposers' Motion is spent setting forth why Opposers believe their claim is properly pled. Opposers' attempts to argue the merits of their pleadings is off point, but to the extent the Board were to consider the substance of Opposers' Complaint, Applicant submits that Opposers' pleadings fail to state a claim on which relief can be granted. In order to support a claim, an opposer must allege facts that would, if proved, establish that (1) the opposer has standing to maintain the proceeding, and (2) a valid ground exists for opposing registration. *See Lipton Indus., Inc. v. Ralston Purina Co*., 670 F.2d 1024, 213 USPQ 185 (CCPA 1982).

Here, at least, Opposers have not properly plead priority with respect to the goods claimed by Applicant, but have, instead, relied upon their use of their marks in connection with dissimilar goods in other classes. Remarkably, Opposers appear to have submitted a template form of Notice

of Opposition that fails to appreciate the differences in the marks or goods at issue here. While Opposers allege that they have priority with respect to "spirit signs, spirit flags, breakthrough banners, megaphones, and/or poms," all of which are cheerleading or sports goods and equipment, the classes into which these goods fall do no overlap with those into which Applicant's goods fall. Moreover, Opposers base their consumer confusion allegations on purported relation between the marks, without alleging why Applicant's "VARSITY"-formative mark is any more confusing than the litany of third-party registered or common-law marks that also incorporate "VARSITY." In light of at least the above reasons, Opposers have not properly plead priority or a likelihood of confusion, and therefore have failed to state a claim on which relief can be granted.

Separately, Opposers have not shown, and have not even attempted to show, that they stand to suffer any actual prejudice from Applicant's affirmative defense of the failure of the complaint to state a claim on which relief can be granted. Nor could they, as this affirmative defense clearly has ample bearing on the issues in this case and raises factual issues that should be determined on the merits. On that basis alone, Opposers' Motion to Strike should be denied. *Pennington v. Wells Fargo Bank*, N.A., 947 F. Supp. 2d 529, 534 (E.D. Pa. 2013); *Baum v. Faith Techs., Inc.*, 10-CV-0144-CVE-TLW, 2010 WL 2365451, at *4 (N.D. Okl. June 9, 2010) (refusing to strike unnecessary affirmative defense because "[p]laintiff has not shown any real prejudice caused by this sentence, or by any portion of defendant's pleadings").

C. Applicant's Laches, Waiver, Estoppel, and Acquiescence Affirmative Defense Is Proper.

Opposers' Motion purports to require Applicant's affirmative defenses to adhere to a standard of pleading nowhere supported in the case law or the rules. "Rule 8(a) requires a statement 'showing' that the plaintiff is entitled to relief; Rule 8(b) merely requires that a defendant 'state' its defenses. Applying different pleading standards recognizes the differences between these

words; 'showing' requires some factual underpinnings to plead a plausible claim, while 'stating' contemplates that defendants can plead their defenses in a more cursory fashion." *Owen v. Am. Shipyard Co., LLC*, No. 1:15-CV-413 S, 2016 WL 1465348, at *2 (D.R.I. Apr. 14, 2016). Boilerplate affirmative defenses suffice to give Opposers fair notice of Applicant's defenses. *See Sibley v. Choice Hotels Int'l, Inc.*, 304 F.R.D. 125, 133 (E.D.N.Y. 2015) (declining to strike defendant's essentially boilerplate objections and finding they gave plaintiff fair notice of its defenses).

Opposers ignore the pleading standard applicable to affirmative defenses and suggest that Applicant be held to a standard of pleading that requires Applicant to plead the "basis for a claim." (Motion at 5). Opposers ignore that the affirmative defenses are not claims, and as affirmative defenses Applicant does not have the burden to prove a "claim" relating thereto. Opposers' attempt to strike Applicant's laches, waiver, estoppel and acquiescence affirmative defense fails.

In addition, because Opposers have offered no basis for claiming they stand to suffer prejudice, their Motion fails for this reason as well.

D. Applicant Has Properly Pled the Affirmative Defense of Unclean Hands.

Opposers attempt to imply that Applicant must satisfy a heightened pleading requirement relating to its unclean hands affirmative defense, by suggesting that Applicant must provide "specific" allegations of misconduct at this stage of the proceedings. However, the affirmative defense of unclean hands is not subject to the heightened pleading standards of Fed. R. Civ. P. 9. Opposers do not cite to any Federal Rule of Civil Procedure or rule of the Trademark Trial and Appeal Board in support of their position.

Instead, Opposers rely on *Midwest Plastic Fabricators Inc. v. Underwriters Labs. Inc.*, 5 USPQ2d 1067, 1069 (TTAB 1980). That case is inapposite. *Midwest Plastic Fabricators* involved a motion to amend an answer *following discovery*. Here, by contrast, discovery has not yet begun.

Opposers also cite *Warnaco Inc. v. Adventure Knits, Inc.*, 210 USPQ 307, 313 (TTAB 1981). There, the "unclean" conduct at issue was separate and apart from the trademark issues at that heart of that dispute. Here, by contrast, it is presumptuous for Opposers to conclude that the actions that support an unclean hands defense are so unrelated to the issues in this case that the defense should be stricken. Applicant submits that discovery will bear on the issues relating to this defense, and striking this defense with prejudice would be improper.

In addition, because Opposers have offered no basis for claiming they stand to suffer prejudice, their Motion fails for this reason as well.

E. Applicant's Reservation of Its Right to Amend to Add Affirmative Defenses Is Proper.

Contrary to Opposers' claim, Applicant properly reserved its right to amend its Answer to assert additional affirmative defenses as this case progresses. Although Opposers blithely suggest that Applicant is reserving "unidentified defenses," (Motion at 6), in reality Applicant's Answer simply reflects that Applicant has the right, and reserves that right, to amend its Answer to include additional defense or counterclaims consistent with the proper and undisputed procedure for doing so. Although Opposers argue they are without notice of the specific affirmative defenses that may be sought in the future, this position proves too much, as Opposers would effectively foreclose any effort to amend pleadings. This is not the rule. The Federal Rules of Civil Procedure explicitly provide that pleadings may be amended. *See* Fed. R. Civ. P. 15. Indeed, Opposers' request that the Board strike Applicant's reservation of its right *to amend* to add affirmative defenses, *with prejudice* would deny Applicant the ability to seek to amend under Fed. R. Civ. P. 15. In effect, this would preclude Applicant from claiming additional affirmative defenses that may become known through the course of discovery, in contravention of the rules and of TBMP Section 501.01. *See Bd. of Regents v. S. Ill. Miners, LLC*, 110 USPQ2d 1182, 1186 (TTAB 2014).

In support of their position, Opposers cite *FDIC v. Mahajan*, 923 F. Supp. 2d 1133, 1141 (N.D. Ill. 2013). There, the defendant attempted to reserve the right to simply *assert* any and all affirmative defenses rather than mere reservation of its right to amend. That is not what Applicant's Answer reflects. Instead, Applicants simply note that they reserve the rights afforded them under the rules to seek leave to amend as the need arises. Opposers efforts to preemptively foreclose those rights must fail.

In addition, because Opposers have offered no basis for claiming they stand to suffer prejudice, their Motion fails for this reason as well.

IV. CONCLUSION

For at least the foregoing reasons, Opposers' Motion to Strike certain of Applicant's affirmative defenses should be denied.

In the event the Board concludes that any of Applicant's affirmative defenses are insufficiently pled, Applicant respectfully requests leave to re-plead its affirmative defenses.

Respectfully submitted,

WINNING STREAK SPORTS, LLC

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By: /s/ Adam S. Weiss

Adam S. Weiss
Luke Shannon
Rachel Rice
Polsinelli PC
150 N. Riverside Plaza
Suite 3000
Chicago, IL 60606
312-873-3644
aweiss@polsinelli.com
lshannon@polsinelli.com
rrice@polsinelli.com
uspt@polsinelli.com
docketing@polsinelli.com

Attorneys for Applicant

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of this paper has been served upon all parties, on October 13, 2020, by sending a copy via e-mail to the following addresses:

DANNY M. AWDEH
FINNEGAN HENDERSON FARABOW GARRETT & DUNNER, LLP
901 NEW YORK AVENUE, NW
WASHINGTON, DC 20001
UNITED STATES
docketing@finnegan.com
danny.awdeh@finnegan.com
katie.mcknight@finnegan.com
morgan.smith@finnegan.com
TTAB-Legal-Assistants@finnegan.com

By: /s/ Rachel Rice
Rachel Rice
Polsinelli PC
150 N. Riverside Plaza
Suite 3000
Chicago, IL 60606
312-873-3644
rrice@polsinelli.com

Attorneys for Applicant