

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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June 15, 2021

Opposition No. 91264929

Top Tobacco, L.P.

v.

Potomac Tobacco Company Limited

Ann Linnehan, Interlocutory Attorney:

On February 9, 2021, the Board struck the first and second affirmative defenses from Applicant's answer and allowed Applicant time to file and serve an amended answer which sufficiently sets forth affirmative defenses based on the circumstances of this case.¹ On March 1, 2021, Applicant filed its amended answer.²

This case now comes up on Opposer's motion (filed March 22, 2021) to strike the affirmative defense in Applicant's amended answer.³ The motion is fully briefed.⁴

Applicant's affirmative defense reads as follows:

¹ Applicant had previously withdrawn the third and fourth affirmative defenses from its October 15, 2020 answer.

² Applicant's change of correspondence address filed on the same day is noted.

³ 13 TTABVUE.

⁴ The Board has considered the parties' briefs and materials or evidence submitted therewith, but addresses the record only to the extent necessary to set forth the Board's analysis and findings and does not repeat or address all of the parties' arguments or materials. *Guess? IP Holder LP v. Knowlux LLC*, 116 USPQ2d 2018, 2019 (TTAB 2015).

1. Opposer did not object to U.S. Registration No. 4434423 for the mark SUPERMATCH issued to and owned by Applicant's related company Potomac Tobacco Company, besloten vennootschap met beperkte aansprakelijkheid, a/k/a Potomac Tobacco Company B.V.B.A. during the time that it was in existence, and this was one of the factors that Applicant and its predecessor in interest relied on when the subject application was filed. By document dated January 20, 2010, Potomac Tobacco Company B.V.B.A. granted a Power of Attorney to Mr. Alain Gunzburg, giving him full power and authority to sign, execute, acknowledge and deliver on their behalf any and all documents and contracts concerning the intellectual property (such as copyrights, trademarks, domain names) including assignments and licenses. Potomac Tobacco Company, besloten vennootschap met beperkte aansprakelijkheid, a/k/a Potomac Tobacco Company B.V.B.A. represented by their Power of Attorney Mr. Gunzburg assigned to Applicant all right, title and interest in and to the SUPERMATCH mark in the United States together with the entire business and all business plans pertaining to the trademark, including the good will of the business symbolized by the mark in the United States effective May 14, 2020. As a result, Applicant is the successor-in-interest to its related company Potomac Tobacco Company, besloten vennootschap met beperkte aansprakelijkheid. In addition on May 14, 2020, the effective date of the assignment, Potomac Tobacco Company Ltd a Mauritius limited liability company, wholly owned Applicant Potomac Tobacco Company Limited and owned 99.81% of Potomac Tobacco Company, besloten vennootschap met beperkte aansprakelijkheid, a/k/a Potomac Tobacco Company B.V.B.A. with Applicant owning the remaining 0.19%. Based on the Applicant's reliance on the fact that the filing of the subject application overlapped with the existing registration without objection by any third party including the Opposer, Applicant commenced use of its SUPERMATCH trademark on some of the goods listed in the subject application in commerce in the United States with an intention to use the trademark in commerce in connection with the remaining goods.

I. Motion to Strike

In support of its motion to strike, Opposer argues that Applicant's amended affirmative defense "is equally unclear as to whether Applicant intends to replead a *Morehouse* defense, estoppel, acquiescence or laches" and that it cures none of the deficiencies cited by the Board in its early order striking the Applicants' affirmative defenses.⁵

In response, Applicant points out that it "does not purport to assert a *Morehouse* defense."⁶ Applicant suggests that its affirmative defense amplifies its general denial of the pleaded claim. Applicant further indicates that its defense is one based on estoppel, laches, and acquiescence. It suggests that its affirmative defense seeks to assert that Opposer's unreasonable delay in asserting its rights was something that Applicant relied upon when it moved forward with its business plans pertaining to the subject mark. Applicant also suggests the pandemic interfered with its ability to import goods into the U.S. which would have then allowed it to take the necessary steps to record the involved assignment with the Office.

In reply, Opposer argues that Applicant's affirmative defense "fails to address its fundamental flaw, namely, that Applicant's prior registration...expired prior to the filing of the present application" and "fails to rebut that its new application presents [Applicant] with new harm."⁷ In addition, Opposer asserts that Applicant's allegations concerning the expired, prior registration owned by its predecessor and

⁵ 12 TTABVUE 3.

⁶ 15 TTABVUE 3.

⁷ 17 TTABVUE 2.

the alleged assignment of the rights to Applicant does not amplify Applicant's denial of the likelihood of confusion claim.

Under Fed. R. Civ. P. 12(f), the Board may order stricken from a pleading any insufficient or impermissible defense, or any redundant, immaterial, impertinent or scandalous matter. *See also* Trademark Rule 2.116(a), 37 C.F.R. § 2.116(a); *see also* TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PROCEDURE (TBMP) § 506 (June 2020). Motions to strike are not favored, and matter will not be stricken unless it clearly has no bearing upon the issues in the case. *See, e.g., Ohio State Univ. v. Ohio Univ.*, 51 USPQ2d 1289, 1293 (TTAB 1999); *Harsco Corp. v. Elec. Sciences Inc.*, 9 USPQ2d 1570 (TTAB 1988). Inasmuch as the primary purpose of pleadings under the Federal Rules is to give fair notice of the claims or defenses asserted, however, the Board 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. *See McDonnell Douglas Corp. v. Nat'l Data Corp.*, 228 USPQ 45, 47 (TTAB 1985); *see also* TBMP § 309.03(a)(2).

Nonetheless, the Board grants motions to strike in appropriate instances. Notably, the pleading of the defenses should include enough factual support to give the plaintiff fair notice of the basis for the defense. *See IdeasOne Inc. v. Nationwide Better Health Inc.*, 89 USPQ2d 1952, 1953 (TTAB 2009) (Claim or defense must be specific enough to provide fair notice to adverse party of restriction being sought); *H.D. Lee Co. v. Maidenform Inc.*, 87 USPQ2d 1715, 1720 (TTAB 2008); *see also* TBMP § 311.02(b).

After carefully reviewing the amended affirmative defense, the Board finds that such defense is insufficient. The Board does not read such claim as an amplification of its denial of the likelihood of confusion claim. In addition, Applicant's arguments concerning the pandemic are not well-taken. Further, the Board remains confused as to what affirmative defense Applicant intends to allege. Applicant's brief on the motion further confuses the Board. While Applicant asserts in its brief that it is not alleging a *Morehouse* defense, it does discuss the affirmative defenses of estoppel, laches, and acquiescence. Yet Applicant fails to indicate which of these three defenses it is actually attempting to plead.

For example, to prevail on a laches defense, a defendant must plead and later prove two elements: (1) that the plaintiff unreasonably delayed in asserting its rights and (2) that such delay resulted in material prejudice to the defendant. *Bridgestone/Firestone Research Inc. v. Auto. Club de l'Ouest de la France*, 245 F.3d 1359, 58 USPQ2d 1460, 1462 (Fed. Cir. 2001); *Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes, Inc.*, 971 F.2d 732, 23 USPQ2d 1701, 1703 (Fed. Cir. 1992). Prejudice requires a showing of some detriment resulting from the delay, such as evidentiary prejudice or economic prejudice. *Bridgestone/Firestone Research*, 58 USPQ2d at 1463; *see also Fishking Processors, Inc. v. Fisher King Seafoods Ltd.*, 83 USPQ2d 1762, 1766 (TTAB 2007). Applicant does not sufficiently allege that Opposer unreasonably delayed in failing to object to the prior registration during the time it was in existence. Applicant also does not allege what exactly was the material prejudice – the detriment – that Applicant suffered as a result of the alleged delay.

In this case, Applicant's amended answer is not sufficient to put Opposer on notice that laches is asserted because Applicant did not allege facts supporting either element of the defense, nor did it even mention the elements or the term "laches."

Neither does Applicant even mention the terms "acquiescence" or "estoppel" in its pleading. Nevertheless, the Board notes that the affirmative defenses of acquiescence and equitable estoppel require some affirmative act by the plaintiff which led the defendant to reasonably believe that the plaintiff would not challenge the defendant's registration of its mark. *DAK Indus. Inc. v. Daiichi Kosho Co. Ltd.*, 25 USPQ2d 1622, 1625 (TTAB 1993); *see also Christian Broad. Network Inc. v. ABS-CBN Int'l*, 84 USPQ2d 1560, 1573 (TTAB 2007). Here, other than the allegation that Opposer did not oppose the registration of its predecessor, Applicant has not alleged as an element of the acquiescence defense that Opposer actively represented that it would not assert a right or a claim, and similarly did not allege as part of the estoppel defense that Opposer engaged in misleading conduct upon which Applicant relied.

As previously noted by the Board in its order of February 9, 2021, the affirmative defenses of estoppel, laches, and acquiescence generally are not applicable in opposition proceedings because these defenses start to run from the time a mark is published for opposition, not from the time of knowledge of use. *Nat'l Cable Television Ass'n Inc. v. Am. Cinema Editors Inc.*, 937 F.2d 1572, 19 USPQ2d 1424, 1432 (Fed. Cir. 1991); *Barbara's Bakery, Inc. v. Landesman*, 82 USPQ2d 1283,

1292 n.14 (TTAB 2007). Applicant has not alleged any facts or events occurring between the time its mark was published for opposition and the filing of the notice of opposition. Inasmuch as the opposition was filed within the time allowed therefore, Applicant has not alleged a plausible defense of estoppel, laches, or acquiescence, and it does not appear that such affirmative defenses are available to Applicant.

Applicant's proposed affirmative defense is insufficiently pleaded and futile. In view thereof, the motion to strike is hereby granted.

Applicant's March 22, 2021 answer is accepted into the record, but the affirmative defense is stricken.

Proceedings are hereby resumed. Dates are reset as follows:

Deadline for Discovery Conference	7/16/2021
Discovery Opens	7/16/2021
Initial Disclosures Due	8/15/2021
Expert Disclosures Due	12/13/2021
Discovery Closes	1/12/2022
Plaintiff's Pretrial Disclosures Due	2/26/2022
Plaintiff's 30-day Trial Period Ends	4/12/2022
Defendant's Pretrial Disclosures Due	4/27/2022
Defendant's 30-day Trial Period Ends	6/11/2022
Plaintiff's Rebuttal Disclosures Due	6/26/2022
Plaintiff's 15-day Rebuttal Period Ends	7/26/2022
Plaintiff's Opening Brief Due	9/24/2022
Defendant's Brief Due	10/24/2022
Plaintiff's Reply Brief Due	11/8/2022
Request for Oral Hearing (optional) Due	11/18/2022

Generally, the Federal Rules of Evidence apply to Board trials. Trial testimony is taken and introduced out of the presence of the Board during the assigned testimony periods. The parties may stipulate to a wide variety of matters, and many requirements relevant to the trial phase of Board proceedings are set forth in Trademark Rules 2.121 through 2.125. These include pretrial disclosures, matters in evidence, the manner and timing of taking testimony, and the procedures for submitting and serving testimony and other evidence, including affidavits, declarations, deposition transcripts and stipulated evidence. Trial briefs shall be submitted in accordance with Trademark Rules 2.128(a) and (b). Oral argument at final hearing will be scheduled only upon the timely submission of a separate notice as allowed by Trademark Rule 2.129(a).

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