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

Proceeding	91264929
Party	Plaintiff Top Tobacco, L.P.
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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.:
88/917,699 for SUPERMATCH

Published in the Official Gazette on:
September 22, 2020

TOP TOBACCO, L.P.,

Opposer,

v.

POTOMAC TOBACCO COMPANY LIMITED,

Applicant.

Opposition No. 91264929

TOP TOBACCO’S MOTION TO STRIKE APPLICANT’S AFFIRMATIVE DEFENSES

Applicant’s Answer pleads four, separate affirmative defenses, each of which is legally insufficient and will 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, Top Tobacco, L.P. hereby moves for an order striking each of Applicant’s affirmative defenses.

Top Tobacco 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). Applicant’s affirmative defenses here typify the sort of immaterial clutter that should be stricken to avoid such confusion.

I. Applicant’s First and Second Affirmative Defenses of Estoppel, Acquiescence, Waiver, Laches, and Prior Registration are Legally Untenable.

In its first and second affirmative defenses, Applicant refers to a previously registered SUPERMATCH¹ mark owned by a different entity – POTOMAC TOBACCO COMPANY, besloten vennootschap met beperkte aansprakelijkheid – for use with “tobacco, cigarettes and cigars” that “coexisted” with Applicant’s U.S. Registration No. 3,022,409. (Answer at ¶¶ 1-2). As best understood and construed, these allegations assert some type of estoppel, waiver or laches defense. (Answer at ¶¶ 1-2).² But, none of these affirmative defenses are available in an opposition proceeding. Furthermore, to the extent these allegations are construed as an assertion of the prior registration defense, the defense is legally untenable on the facts alleged.

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). Estoppel requires a reliance of a party’s conduct and a prejudice resulting therefrom. *Panda Travel Inc. v. Resort Option Enterprises Inc.*, 94 U.S.P.Q.2d (BNA) 1789, 1797 (TTAB 2009) (repeating elements and holding of estoppel). Waiver requires an “intentional

¹ The United States Patent and Trademark Office issued a cancellation of Registration No. 4,434,423 referenced by Applicant on August 14, 2020 for failure to file an acceptable declaration under Section 71.

² To the extent these allegations are construed to assert some other matter, pursuant to Rule 12(f) of the Federal Rules of Civil Procedure, they should be stricken as redundant, immaterial, or impertinent matter.

relinquishment” of a “known right.” See *Kontrick v. Ryan*, 540 U.S. 443, 458 n.13 (2004) (internal quotation omitted) (overruled in part on other grounds).

Here, Applicant has not pled any privity between the parties, or any “intentional relinquishment” of a “known right” by Top Tobacco. And, it has not pled its reliance on or prejudice resulting from any conduct of Top Tobacco. Nor can Applicant plead any such facts. The procedural history of this action and the facts pled by Top Tobacco and the Applicant, show that there is no privity between the parties. They also establish that Top Tobacco could not have acted sooner to assert its rights. Applicant filed the subject application on May 15, 2020. See Trademark Electronic Search System (TESS) printout for the subject application, attached hereto as Exhibit A. The application published on the Official Gazette on September 22, 2020, and Top Tobacco filed its Notice of Opposition on September 22, 2020. Thus, Top Tobacco acted immediately and cannot be found to have intentionally relinquished a known right, nor can there be any prejudice resulting from any (non-existent) delay by Top Tobacco.

To the extent Applicant’s allegations are construed to raise the affirmative defense of laches, 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 U.S.P.Q.2d 1424, 1431-32 (Fed. Cir. 1991) (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, Top Tobacco acted at its first opportunity to oppose the subject application.

Finally, the assertion that the subject application is a refiling of an expired registration does not create a “prior registration” defense, i.e., that Top Tobacco cannot be damaged by a second registration of the same mark (by a different entity). See *O-M Bread, Inc. U.S. Olympic Commission*, 65 F. 3d 933 (Fed. Cir. 1995). As the TTAB held in *Land O' Lakes, Inc. v. Hugunin* “because the injury contemplated under the [prior registration] doctrine is injury not from a party's prior use of a mark but rather from the party's ownership of a registration for the mark, it necessarily follows that the registration must be in existence in order to form the basis for the claim of damage, and that an expired registration may not form the basis of a valid [prior registration] defense.” 88 U.S.P.Q.2D (BNA) 1957, 1957 (TTAB 2008). That is the case here. The prior registration (Reg. No. 4,434,423) expired by operation of law on November 19, 2019 when the registrant failed to file a Declaration of Use under Section 71. *Land O' Lakes, Inc.* 88 U.S.P.Q.2D (BNA) at 1957 (citing 15 U.S.C. § 1058(b) and Trademark Rule 2.160(a)(1)(i)). The subject application was not filed until May 15, 2020, and was published for opposition and opposed on September 22, 2020. Accordingly, the prior registration had expired at the time Applicant refiled the subject application and Top Tobacco’s filed its Notice of Opposition.

Accordingly, Applicant’s first and second affirmative defenses should be stricken.

II. Applicant’s Third Affirmative Defense is Immaterial.

In the third affirmative defense, Applicant states that it is the owner of registrations in twenty-nine countries. (Answer at ¶ 3). These allegations, however, are immaterial to this matter and have no bearing on the outcome of this litigation, and therefore should be stricken. See *Garlanger*, 223 F. Supp. 2d at 609.

A valid affirmative defense raises new facts and arguments that, if true, will defeat the plaintiff’s claim, even if all of the plaintiff’s allegations are true. *Emergency One, Inc. v. Am. Fire Eagle Engine, Co.*, 332 F.3d 264, 271 (4th Cir. 2003). However, it is well established that, under

the concept of territoriality, trademark rights exist in each country solely according to that country's statutory scheme. *Person's Co. Ltd. v. Christmas*, 14 U.S.P.Q.2d 1477, 1479 (Fed. Cir. 1990) (holding the appellant's use of its mark in Japan could not form the basis for priority in the United States); *ITC Ltd. v. Punchgini Inc.*, 82 U.S.P.Q.2d 1414, 1426, 1433 (2nd Cir. 2007) (affirming denial of unfair competition claim because, under the territoriality principle, plaintiff's use of the mark outside the U.S. does not give plaintiff a federally protected right.) Thus, use or registration of a mark in a foreign country does not establish rights in the United States. *Mother's Restaurants Incorporated v. Mother's Other Kitchen, Inc.*, 218 U.S.P.Q. 1046, 1048 (TTAB 1983) (holding that opposer's promotional activities in Canada of marks did not result in rights in those marks in the United States.) Accordingly, even if true, Applicant's allegations of registrations outside of the United States do not give it rights in the United States and are therefore immaterial to this proceeding.

Moreover, allowing the allegations to remain in this case will be prejudicial in that they create issues for discovery and trial relating to when, where, by whom and in what fashion the SUPERMATCH mark was used and registered. It also creates the risk that the ultimate resolution of this opposition will be resolved in part based on the use and registration of the term outside the U.S., which would conflict with the concept of territoriality. Thus, allowing the allegations to remain will both increase the expense and burden of the defense of this opposition, and risk an incorrect result. Accordingly, Top Tobacco will be prejudiced in this proceeding unless these allegations, which as a matter of law do not constitute a defense in this opposition, are stricken.

III. Applicant's Fourth Affirmative Defense is Not a Recognized Defense.

As stated above, a valid affirmative defense alleges new facts and arguments that, if proven, would provide a defense to an action. *See Emergency One, Inc.*, 332 F.3d at 271. Applicant's fourth affirmative defense plead no such facts or arguments. Rather, it seeks to reserve additional

defenses that “may be developed” at some point in the future. 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). But, any such amended pleading will be governed by Rule 15 of the Federal Rules of Civil Procedure and cannot be reserved by a placeholder affirmative defense. Indeed, “[a] defendant cannot reserve unidentified defenses since it does not provide a plaintiff fair notice of such defenses.” *Id.* Accordingly, Applicant’s fourth affirmative defense unnecessarily clutters this proceeding and should be stricken.

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, Top Tobacco 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 Top Tobacco any such additional and further relief that the Board deems proper.

Respectfully submitted,

Dated: November 4, 2020

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EXHIBIT A



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SUPERMATCH

Word Mark	SUPERMATCH
Goods and Services	IC 034. US 002 008 009 017. G & S: CIGARS; CIGARETTES
Standard Characters Claimed	
Mark Drawing Code	(4) STANDARD CHARACTER MARK
Serial Number	88917699
Filing Date	May 15, 2020
Current Basis	1B
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Published for Opposition	September 22, 2020
Owner	(APPLICANT) Potomac Tobacco Company Limited CORPORATION BR.VIRGIN ISLANDS P.O. BOX 3085, MILL MALL, SUITE 6 Wickhams Cay, Road Town TORTOLA BR.VIRGIN ISLANDS
Attorney of Record	KATHRYN JENNISON SHULTZ
Type of Mark	TRADEMARK
Register	PRINCIPAL
Live/Dead Indicator	LIVE

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