UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

MBA

Mailed: July 20, 2011

Cancellation No. 92053442

Safe Home Products, Inc.

v.

Unique Home Designs

Before Bucher, Kuhlke and Taylor, Administrative Trademark Judges

By the Board:

This case now comes up for consideration of respondent's motion, filed May 12, 2011, to strike petitioner's "affirmative defense" that respondent's counterclaims fail to state claims upon which relief may be granted.[1] The motion is fully briefed.

Background

Respondent owns a registration of the mark SAFEHOME BY UNIQUE HOME DESIGNS & Design, with HOME DESIGNS disclaimed, for "Doors and windows of metal; Metal gates and fences; Metal guard barriers for doors and windows; Metal window

[1] Failure to state a claim upon which relief may be granted is not a true affirmative defense. John W. Carson Foundation v. Toilets.com Inc., 94 USPQ2d 1942, 1949 (TTAB 2010). Nevertheless, we have exercised our discretion to consider respondent's motion.

shutters."[2] In its petition for cancellation, petitioner alleges prior use and registration of the mark SAFE HOME PRODUCTS, with HOME PRODUCTS disclaimed, for online retail store services and related services involving goods including safety products,[3] prior use of SAFE HOME for unspecified goods, that it "sells window and door related products on its website" and that use of applicant's mark is likely to cause confusion with petitioner's marks. In its answer, respondent denies the salient allegations in the petition for cancellation, raises several affirmative defenses and counterclaims for cancellation of petitioner's pleaded registration on three grounds. Specifically, respondent alleges that: (1) "members of the relevant public would primarily understand the term SAFE HOME PRODUCTS to refer to the genus of the services identified" in petitioner's pleaded registration; Counterclaims ¶ 5; (2) petitioner committed fraud because despite its declaration to the contrary, the mark in petitioner's pleaded registration "was not in use in commerce as three words with spacing between them at the time of filing" of the application which matured into petitioner's pleaded registration; id. ¶¶ 14, 18, 21-25; and (3) petitioner's

[2] Registration No. 3895082, issued December 21, 2010 from an application filed October 2, 2009.

[3] Registration No. 3084634, issued April 25, 2006 under Section 2(f) from an application filed October 5, 2004, based on dates of first use of April 1999.

application "was void ab initio in violation of Section 1(a)" of the Act, because the mark therein was not in use at least as early as the filing date of the application. Id. ¶¶ 14, 27. In its amended answer, petitioner denies the salient allegations in respondent's counterclaims and asserts as an "affirmative defense" that respondent's counterclaims failed to state claims upon which relief may be granted.

Analysis

Under Fed. R. Civ. P. 12(f), the Board "may order stricken from any pleading any insufficient defense or any redundant, immaterial, impertinent, or scandalous matter." See, TBMP § 506.01 (3d ed. rev. 2011). Here, respondent essentially argues that the "affirmative defense" of failure to state a claim is insufficient and should be stricken because respondent's counterclaims in fact state claims upon which relief may be granted.

The applicable standard for determining whether respondent has stated counterclaims upon which relief may be granted, under Fed. R. Civ. P. 12(b)(6), is as follows:

> a plaintiff need only allege such facts as would, if proved, establish that (1) the plaintiff has standing to maintain the proceedings, and (2) a valid ground exists for [petitioning to cancel] the [registration]. The pleading must be examined in its entirety, construing the allegations therein liberally, as required by Fed. R. Civ. P. 8(f), to determine whether it contains any

> allegations which, if proved, would entitle plaintiff to the relief, sought. See Lipton Industries, Inc. v. Ralston Purina Co., 670 F.2d 1024, 213 USPQ 185 (CCPA 1982); Kelly Services Inc. v. Greene's Temporaries Inc., 25 USPQ2d 1460 (TTAB 1992); and TBMP §503.02 (2d. ed. rev. 2004). For purposes of determining a motion to dismiss for failure to state a claim upon which relief can be granted, all of plaintiff's well-pleaded allegations must be accepted as true, and the complaint must be construed in the light most favorable to plaintiff. See Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc., 988 F.2d 1157, 26 USPQ2d 1038 (Fed. Cir. 1993); see also 5A Wright & Miller, Federal Practice And Procedure: Civil 2d §1357 (1990).

Fair Indigo LLC v. Style Conscience, 85 USPQ2d 1536, 1538 (TTAB 2007); see also, Young v. AGB Corp., 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998). However,

> [i]n order to avoid dismissal for failure to state a claim, a complaint must allege facts "plausibly suggesting (not merely consistent with)" a showing of entitlement to relief. See, Bell Atl. Corp. v. Twombly, 550 U.S. 544, 557, 127 S.Ct. 1955, 167 L.Ed.2d 929 (2007); Cambridge [v. United States, 558 F.3d 1331, 1335 (Fed. Cir. 2009)]. At the same time, a court is "not bound to accept as true a legal conclusion couched as a factual allegation." Twombly, 550 U.S. at 555, 127 S.Ct. 1955 (quoting Papasan [v. Allain, 478 U.S. 265, 286, 106 S.Ct. 2932]).

Acceptance Insurance Companies, Inc. v. United States, 583 F.3d 849, 854 (Fed. Cir. 2009). Furthermore, "[t]hreadbare recitals of the elements of a cause of action, supported by

mere conclusory statements, do not suffice." Ashcroft v. Iqbal, ___ U.S. ___, 129 S.Ct. 1937, 1949 (2009) (citing Twombly, 550 U.S. at 555).

Here, as respondent points out, "[a] counterclaimant's standing to cancel a pleaded registration is inherent in its position as defendant in the original proceeding." TBMP § 309.03(b). In addition, petitioner does not dispute that respondent has sufficiently stated a claim that the mark in petitioner's pleaded registration is generic. See also, In re Dial-A-Mattress Operating Corp., 240 F.3d 1341, 57 USPQ2d 1807, 1810 (Fed. Cir. 2001); In re American Fertility Society, 188 F.3d 1341, 51 USPQ2d 1832, 1836 (Fed. Cir. 1999). Therefore, respondent has sufficiently alleged its standing and that the mark in petitioner's pleaded registration is generic.

Turning next to respondent's counterclaim that the application which matured into petitioner's pleaded registration was void ab initio, that counterclaim is also sufficient. Indeed, respondent alleges that the mark in petitioner's pleaded registration "was not in use in commerce as three words with spacing between them at the time of filing" of petitioner's involved application. Counterclaim ¶ 14. This is enough. 15 U.S.C. § 1(a); see

also, Sinclair Oil Corp. v. Kendrick, 85 USPQ2d 1032, 1036 & n. 7 (TTAB 2007).[4]

Finally, respondent's fraud counterclaim is also sufficient. Respondent specifically alleges that petitioner's attorney executed a declaration in support of petitioner's application on petitioner's behalf, and that contrary to the claims in that declaration, petitioner's mark "was not in use in commerce as three words with spacing between them at the time of filing" of the application. Counterclaims ¶¶ 14, 18, 20-23. Respondent further alleges that petitioner's claim in the declaration that the mark was in use as of the filing date of the application "was a knowingly made, false and material misrepresentation of fact that was made in order to obtain the Examining Attorney's approval of the application." Id. ¶ 24.[5] These allegations sufficiently allege fraud. See, e.g., In re Bose Corp., 580 F.3d 1240, 91 USPQ2d 1938 (Fed. Cir. 2009); Asian and Western Classics B.V. v. Selkow, 92 USPQ2d 1478, 1479 (TTAB 2009).[6]

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[4] Whether SAFEHOMEPRODUCTS is equivalent to SAFE HOME PRODUCTS may be an issue not only with respect to whether the mark was in use as of the filing date of the application, but also with respect to whether the mark is generic and/or whether petitioner committed fraud.

[5] Whether such statements would be material or petitioner actually had the requisite intent to deceive, in light of the initial remarks in petitioner's office action response of November 29, 2005 (or other evidence), are matters for trial.

[6] However, the parties should be aware that the adequacy of petitioner's original or substitute specimen is not, in and of itself, a basis upon which to challenge an application or

Conclusion

For all of these reasons, respondent's motion to strike is hereby **GRANTED**, and petitioner's "affirmative defense" that respondent fails to state counterclaims upon which relief may be granted is hereby **STRICKEN**. Proceedings herein are resumed, and disclosure, conferencing, discovery, trial and other dates are reset as follows:

Deadline for Discovery Conference	August 10, 2011
Discovery Opens	August 10, 2011
Initial Disclosures Due	August 26, 2011
Expert Disclosures Due	December 24, 2011
Discovery Closes	January 23, 2012
Plaintiff's Pretrial Disclosures	March 8, 2012
30-day testimony period for plaintiff's testimony to close	April 22, 2012
Defendant/Counterclaim Plaintiff's Pretrial Disclosures	May 7, 2012
30-day testimony period for defendant and plaintiff in the counterclaim to close	June 21, 2012
Counterclaim Defendant's and Plaintiff's Rebuttal Disclosures Due	July 6, 2012
30-day testimony period for defendant in the counterclaim and rebuttal testimony for plaintiff to close	August 20, 2012
Counterclaim Plaintiff's Rebuttal Disclosures Due	September 4, 2012
15-day rebuttal period for plaintiff in the counterclaim to close	October 4, 2012

registration in an *inter partes* proceeding. See, General Mills Inc. v. Health Valley Foods, 24 USPQ2d 1270, 1273 n. 6 (TTAB 1992); Century 21 Real Estate Corp. v. Century Life of America, 10 USPQ2d 2034, 2035 (TTAB 1989).

Brief for plaintiff due	December 3, 2012
Brief for defendant and plaintiff in the counterclaim due	January 2, 2013
Brief for defendant in the counterclaim and reply brief, if any, for plaintiff due	February 1, 2013
Reply brief, if any, for plaintiff in the counterclaim due	February 16, 2013

In each instance, a copy of the transcript of testimony, together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.l25.

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.

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