

ESTTA Tracking number: **ESTTA1025994**

Filing date: **12/30/2019**

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

Proceeding	92065883
Party	Plaintiff Joseph Valenti, NERO International Holding Co., Inc., and NERO Live Adventure Games, LLC
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Date	12/30/2019
Attachments	NERO response to Amendment.pdf(94995 bytes)

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

In the matter of trademark Registration No. 4,694,406

For the mark NERO NEW ENGLAND ROLEPLAYING ORGANIZATION

Registered on March 3, 2015

Joseph Valenti, NERO International Holding
Co., Inc., and NERO Live Adventure Games
LLC,
Petitioners,
v.
William J. Bearden dba NERO Central (Parent)
and NERO World, LLC (Child),
Defendants.

Cancellation No. 92065883 (Parent)
92065911 (Child)

PETITIONER’S RESPONSE TO DEFENDANT’S
MOTION TO AMEND AFFIRMATIVE DEFENSES

Petitioners Joseph Valenti (“Valenti”), NERO International Holding Co., Inc. (“NIHC”), and NERO Live Adventure Games LLC (“NLAG”) (collectively, “Petitioners”) submits this memorandum in opposition to William J. Bearden dba NERO Central (“Bearden”) and NERO World LLC’s (“World”) (collectively, “Defendant’s”) Motion to Amend Affirmative Defenses (“Motion”).

I. Argument

A. Legal Analysis

Defendant’s motion does not identify the standards for a motion to amend affirmative defenses and fails to acknowledge that the right to amend affirmative defenses is not unlimited. Amendments that would cause undue delay, prejudice the opposing party, be futile, the product of bad faith, or have a dilatory motive will be denied. See *Leatherwood Scopes Int’l Inc. v. Leatherwood*, 63 U.S.P.Q.2d 1699, 1702-03 (T.T.A.B. 2002); *Foman v. Davis*, 371 U.S. 178, 182 (1962); *W.R. Grace & Co. v. Arizona Feeds*, 195 USPQ 670, 671 (Comm’r Pat. 1977); *Kemin Foods, L.C. v. Pigmentos Vegetales Del Centro S.A. de C.V.*, 464 F.3d 1339,

1 80 USPQ2d 1385, 1395 (Fed. Cir. 2006); *Am. Express Mktg. & Dev. Corp. v. Gilad Dev. Corp.*, 94 USPQ2d
2 1294, 1297 (TTAB 2010)¹; *see also* Trademark Trial and Appeal Board Manual of Procedure (TBMP) §
3 507.02 (2019).

4 The timing of the motion for leave to amend plays a large role in determining whether the other
5 party would be prejudiced by allowance of the proposed amendment. *Embarcadero Tech., Inc. v. Delphix*
6 *Corp.*, 117 USPQ2d 1518, 1523 (TTAB 2016) (*citing Black & Decker Corp. v. Emerson Electric Co.*, 84 USPQ2d
7 1482, 1486 (TTAB 2007)). However, the concept of “undue delay” is inextricably linked with the concept
8 of prejudice to the non-moving party (*see Marshall Field & Co. v. Mrs. Fields Cookies*, 11 USPQ2d 1355, 1359
9 (TTAB 1989)), such that the Board may determine that if there is no prejudice to the non-moving party,
10 there is no undue delay. *See Am. Express Mktg. & Dev. Corp.*, 94 USPQ2d at 1297 (although delay was
11 substantial, no prejudice where proceedings were still in the discovery stage and non-movant could be
12 afforded time in which to take discovery). Nonetheless, a motion for leave to amend should be filed as
13 soon as any ground for such amendment becomes apparent. *See Media Online Inc. v. El Clasificado Inc.*, 88
14 USPQ2d 1285 (TTAB 2008); *Trek Bicycle Corp. v. StyleTrek Ltd.*, 64 USPQ2d 1540, 1541 (TTAB 2001). Any
15 party who delays filing a motion for leave to amend its pleading and, in so delaying, causes prejudice to
16 its adversary, is acting contrary to the spirit of Rule 15(a) and risks denial of that motion. *See Capital*
17 *Speakers Inc. v. Capital Speakers Club of Washington D.C. Inc.*, 41 USPQ2d 1030 (TTAB 1996) (the Board may
18 deny a motion to amend when the movant knew or should have known of the facts upon which the
19 amendment is based when the original pleading was filed, and the movant offers no excuse for the
20 delay); *see also* 6 Fed. Prac. & Proc. Civ. § 1488 (3d ed. September 2018 update); Chapman, “Tips from the
21 TTAB: Amending Pleadings: The Right Stuff,” 81 Trademark Reporter 302, 307 (1991). A long or
22 unexplained delay in filing a motion for leave to amend may render the amendment untimely. *See Int’l*
23 *Fin. Corp. v. Bravo Co.*, 64 USPQ2d 1597, 1604 (TTAB 2002). However, “ordinarily, the Court should grant
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27 ¹ In deciding whether to grant leave to amend, the Board may also consider whether the party has previously amended its pleadings. *See Am. Express Mktg. & Dev. Corp. v. Gilad Dev. Corp.*, 94 USPQ2d at 1297.

1 leave to amend whenever doing so will not unduly delay trial of the case or prejudice the other party.”
2 *Microsoft Corp. v. Qantel Business Systems Inc.*, 16 USPQ2d 1732, 1733 (TTAB 1990) (citing *Flatley v. Trump*,
3 11 USPQ2d 1284, 1286 (TTAB 1989)). Furthermore, a proposed amendment may serve simply to amplify
4 allegations already included in the moving party’s pleading. See *Avedis Zildjian Co. v. D. H. Baldwin Co.*,
5 180 USPQ 539, 541 (TTAB 1973) (allegations amplified); TBMP § 507.02. The granting of a motion for
6 leave to amend a pleading is within the discretion of the Board and is allowed only when justice so
7 requires. *Trek Bicycle Corp.* 4 USPQ2d at 1541.

8 Accordingly, since Defendant’s Motion is in bad faith, untimely, and serves no useful purpose,
9 the Board should deny the Motion.

10 A. Defendant’s Motion Is In Bad Faith

11 In the instant Motion, Defendant’s wish to add fraud as a defense in these proceedings.
12 However, Defendants have already tried asserting fraud as a defense in these proceedings and the Board
13 has already denied Defendant’s affirmative defense of fraud. 8 TTABVUE 41. When the Board denied
14 Defendant’s affirmative defense of fraud, the Board stated that fraud is not an affirmative defense and
15 “[a]ny allegation of fraud that [Defendant] wish to assert against said application would need to be
16 brought by way of a timely and property pleaded notice of opposition filed and instituted during the
17 opposition period if and when the application is published pursuant to Trademark Rule 2.80. The Board
18 should rule in the same manner this time since fraud is still not an affirmative defense.

19 As such, Defendant’s Motion should be denied.

20 B. Defendant’s Motion Is Futile

21 Defendants arguments revolve around a few issues and admissions: 1. Petitioners were using the
22 NERO trademark; 2. Defendants were aware of Petitioners use of the NERO trademark; and 3. The
23 misguided belief that Valenti’s companies, NIHC and NLAG, did not exist. However, these arguments
24 should be decided in an opposition proceeding if Petitioner’s NERO application prevails. Defendant’s
25 use of fraud (or unclean hands) is futile to these proceedings since Petitioner’s still have their common
26 law rights. Nothing Defendants have shown or stated negate Petitioners common law rights.

27 As such, Defendant’s Motion should be denied.

1 C. Defendant's Motion Is Delayed

2 Defendant's claim there is no delay in submitting their Motion, however, that is not correct.
3 Defendants claim that the addition of fraud (or unclean hands) is based on the business structures of
4 Valenti. Defendants have always known of Valenti's business structures and have always been able to
5 access the NY Secretary of State website. Defendant's also bring up the tax payments owed to NY, which
6 was mentioned and shown in Petitioner's Motion To Amend Petitioners Name. TTABVUE 16. In fact,
7 the arguments made by Defendants are similar to the arguments Defendants made in Defendant's
8 Opposition To Plaintiff's Motion To Amend Name. 4 TTABVUE 17. The arguments Defendants are
9 making of fraud (or unclean hands) could have been made by Defendants in 2017 or when Defendant's
10 filed their Answer in 2018. TTABVUE 31.

11 Defendants waited well over a year to try to amend their affirmative defenses, even though
12 Defendants made the same arguments in 2017. Based on the length of time in Defendant's delay, the
13 Motion should be denied.

14 II. CONCLUSION

15 Defendant's Motion is unsupported in fact and in law and, therefore, Petitioner's respectfully
16 request that the Board deny Defendant's Motion.

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18 HORTON LAW

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20 Date: 12/30/2019

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on Defendant’s counsel of record by email on this date, at the following address:

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