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March 1, 2019

**Cancellation No. 92065883 (Parent Case)**

*Joseph Valenti,  
NERO International Holding Co., Inc., and  
NERO Live Adventure Games, LLC*

*v.*

*William J. Bearden dba NERO Central*

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**Cancellation No. 92065911**

*Joseph Valenti,  
NERO International Holding Co., Inc., and  
NERO Live Adventure Games, LLC*

*v.*

*NERO World, LLC*

**By the Board:**

**Consolidation**

In the August 14, 2018 order, the Board noted that it may consider the issue of consolidation after an answer is filed in each of these proceedings. Inasmuch as the answers have been filed, Respondents are represented by the same counsel of record, and these proceedings involve similar marks and similar issues of law and fact, the Board has found that consolidation is appropriate.

Accordingly, these proceedings are consolidated and may be presented on the same record and briefs. *Hilson Research Inc. v. Society for Human Resource Management*, 27 USPQ2d 1423, 1424 n.1 (TTAB 1993); and *Helene Curtis Indus. Inc. v. Suave Shoe Corp.*, 13 USPQ2d 1618, 1619 n.1 (TTAB 1989).

The Board file will be maintained in **Cancellation No. 92065883** as the “**Parent Case.**” Only a single copy of all motions and submissions pertaining to the consolidated proceedings should be filed, and each submission should be filed in the parent case only, and caption the consolidated proceeding numbers, listing and identifying the “Parent Case” first, as in the caption above.

Despite being consolidated, each proceeding retains its separate character and requires entry of a separate judgment. The decision on the consolidated cases shall take into account any differences in the issues raised by the respective pleadings; a copy of the decision shall be placed in the record for each proceeding file.

### **Petitioners’ Motion to Strike Affirmative Defenses**

These proceedings are before the Board for consideration of Petitioners’ motion to strike filed on September 24, 2018 in both proceedings. The motions are fully briefed.

#### **Analysis**

Trademark Rule 2.114(b)(1) provides for the pleading of various affirmative defenses in an answer to a petition for cancellation of a registration. TBMP § 311.02 (June 2018). The Board may strike from a pleading any insufficient defense, or any

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redundant, immaterial, impertinent or scandalous matter. Fed. R. Civ. P. 12(f)<sup>1</sup>; TBMP § 506; *Alcatraz Media, Inc. v. Chesapeake Marine Tours, Inc.*, 107 USPQ2d 1750, 1753 n.6 (TTAB 2013), *aff'd*, 565 F. App'x 900 (Fed. Cir. 2014); *Ohio State Univ. v. Ohio Univ.*, 51 USPQ2d 1289, 1292 (TTAB 1999); *Internet Inc. v. Corporation for National Research Initiatives*, 38 USPQ2d 1435, 1438 (TTAB 1996); *American Vitamin Products, Inc. v. Dow Brands Inc.*, 22 USPQ2d 1313, 1314 (TTAB 1992). 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. *Id.*

The respective subject registrations are Supplemental Register Registration No. 4697406 for the mark NERO NEW ENGLAND ROLEPLAYING ORGANIZATION (ROLEPLAYING ORGANIZATION disclaimed<sup>2</sup>), and Registration No. 4657988 for the mark NERO, both registered for “entertainment, namely, production of live-action role playing games and interactive theatre productions” in International Class 41.

In the operative petitions to cancel (92065883: 29 TTABVUE; 92065911: 27 TTABVUE), Petitioners rely on common law rights, examples of which are as follows:

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<sup>1</sup> The authority, Fed. R. Civ. P. 12(f), is applicable to this proceeding by operation of Trademark Rule 2.116(a).

<sup>2</sup> The underlying application record indicates that in the January 6, 2015 Office Action, after then-applicant amended to seek registration on the Supplemental Register, the examining attorney in examination required a disclaimer of ROLEPLAYING ORGANIZATION because such wording is generic in the context of the identified services. In the January 14, 2015 response to Office Action, then-applicant entered, a disclaimer as follows: “No claim is made to the exclusive right to use ‘ROLEPLAYING ORGANIZATION’ apart from the mark as shown.” The registration issued with what appears to be an inaccurate disclaimer of “NEURO” and “ORGANIZATION.”

“Since 1998, Valenti has continuously promoted NERO in the United States in connection with the provision, advertising, and promotion of role-playing events for consumers ...”

“NIHC is the rightful owner of the NERO trademark through a former registered trademark, U.S. Registration No. 2270409 (“NIHC’s ’409 Registration”), registered on August 17, 1999, for the services of “Entertainment activities, namely, the conducting of role-playing events featuring costumes, lifestyles, customs, and languages from times past, other than the era of the Roman Empire ...”<sup>3</sup>

“NIHC is also the owner of U.S Serial No. 87865575 (“NIHC’s ’575 Serial”), filed on April 5, 2018, for NERO, covering the services of “Entertainment activities, namely, the conducting of roleplaying events featuring costumes, lifestyles, customs, and languages from times past, other than the era of the Roman Empire ...”<sup>4</sup>

“NHIC is also the owner of the valid and subsisting common law and unregistered trademark NERO New England Roleplaying Organization (“NERO NERO”).”

“By and through NERO LARP, NLAG offers entertainment services, namely, providing a website featuring photographic, audio, video, and prose presentations for role-playing events featuring costumes, lifestyles, customs, and languages from times past, other than the era of the Roman Empire...”

“NLAG is the owner of the valid and subsisting common law and unregistered trademark NERO LARP.”

“NLAG has used the NERO LARP trademark in interstate commerce in the United States continuously since 1998 in connection with NLAG Services.”

“As a result of NIHC’s widespread, continuous, and exclusive use of the NERO trademark to identify its services and NIHC as their source, NIHC owns a valid and subsisting federal statutory and common law rights to the NERO trademark.”

“As a result of NIHC’s widespread, continuous, and exclusive use of the NERO NERO trademark to identify its services and NIHC as their source, NIHC owns a valid and subsisting federal statutory and common law rights to the NERO NERO trademark.”

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<sup>3</sup> Registration No. 2270409 was cancelled. An expired or cancelled registration may be made of record, but it is not evidence of anything except that the registration issued. It is not evidence of any presently existing rights in the mark shown in the registration, or that the mark was ever used. Thus, it has no probative value. TBMP § 704.03(b)(1)(A), and authorities cited therein.

<sup>4</sup> The Office record for this application indicates that it is suspended in examination pending the disposition of these consolidated cancellation proceedings.

“As a result of NLAG’s widespread, continuous, and exclusive use of the NERO LARP trademark to identify its services and NLAG as their source, NLAG owns a valid and subsisting federal statutory and common law rights to the NERO LARP trademark.”

In their answers, Respondents Bearden and NERO World LLC denied the salient allegations in the petitions, including the allegations of rights set forth above, and asserted identical or similar affirmative defenses. Petitioners moved to strike each of the affirmative defenses.

**Affirmative Defenses 1, 2 and 3:**

Respondents assert, respectively, that Nero Live Adventure Games, LLC, Nero International Holding Co, Inc., and Joseph Valenti lack standing.

Petitioners’ motion to strike is **granted**. An assertion of lack of standing is not an affirmative defense. Rather, standing is an essential element of a plaintiff’s case which, if it is not proved at trial, defeats the plaintiff’s claims. *Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 188 (CCPA 1982); *Nobelle.Com, LLC v. Qwest Communications Int’l, Inc.*, 66 USPQ2d 1300, 1303 (TTAB 2003); *No Nonsense Fashions, Inc. v. Consol. Foods Corp.*, 226 USPQ 502, 504 (TTAB 1985).

Whether one or more Petitioners can or cannot prove their standing to bring these proceedings are matters for discovery and trial.

**Affirmative Defense 4:**

Respondents assert, respectively, the equitable doctrines of bad faith and unclean hands, on the basis that Petitioners, “individually and/or in concert, improperly placed a registration mark (®), claimed registrations to which they had no rights, referred to non-existent registrations in connection with the Nero mark with the

intent of deceiving the purchasing public or others in the trade into believing that the mark was registered, and other acts.”

Petitioners’ motion to strike is **granted**. This defense is set forth with a degree of factual particularity, but is devoid of necessary clarity. Respondents appear to allege that Petitioners have made improper use of the federal registration symbol, and that one or more Petitioners claim ownership of the cancelled registration for the mark NERO. The defense does not set forth what specific actions or inactions, on the part of one or more of the Petitioners, Respondents allege to implicate the principle of bad faith, such as would be sufficient to negate Petitioners’ claims. Respondents’ allegations are cryptic, incomplete, and lacking in key factual detail that is required in order to place Petitioners on notice of the factual basis for the defense. Thus, there is no actual affirmative defense for the Board to entertain.

Nonetheless, to the extent that Respondents believe that their assertions are relevant to the merits of their positions in defending the proceedings, they may pursue arguments and evidence relevant thereto during discovery and at trial.

**Affirmative Defense 5:**

Respondents assert, respectively, that “portions of this action are barred because the ‘trademark’ NERO LARP are generic, non-distinctive, ornamental, and/or merely descriptive.”

Petitioners’ motion to strike is **denied**. In the pleadings, Petitioners allege that NERO Live Adventure Games, LLC owns rights in the mark NERO LARP for “entertainment services, namely, providing a website featuring photographic, audio,

video, and prose presentations for role-playing events featuring costumes, lifestyles, customs, and languages from times past, other than the era of the Roman Empire,” and Respondents allege by way of this defense that the mark NERO LARP is generic, non-distinctive, ornamental and/or merely descriptive. Respondents’ assertions are insufficiently pleaded, but are essentially contentions regarding the strength of the NERO LARP mark. These matters are actually amplifying denials that do not rise to the level of an affirmative defense, and that serve to amplify Respondents’ denials of the corresponding allegations in the petitions to cancel. Thus, the assertions are permitted inasmuch as they function to place Petitioners on further notice of Respondents’ position. TBMP § 311.02(d). The Board will not strike these matters. However, Respondents are left to pursue and present their arguments and proofs thereon during discovery and at trial.

**Affirmative Defense 6:**

Respondents assert, respectively, “that any claim which any Plaintiff may have had on any trademarks at issue was abandoned prior to use and registration of Defendant’s trademark, and that Defendant’s use and registration of the trademark was prior to any renewed legitimate use of the mark by Plaintiffs.”

Petitioners’ motion to strike is **denied**. Again, Respondents’ conclusory assertion here is essentially an amplifying denial that does not rise to the level of an affirmative defense, but serves to amplify the denials of the corresponding allegations in the petitions to cancel. The assertion that Petitioners abandoned their rights is permitted inasmuch as it functions to place Petitioners on further notice of

Respondents' position. TBMP § 311.02(d). The Board will not strike these matters, and Respondents are left to pursue and present their arguments and proofs thereon during discovery and at trial.

**Affirmative Defense 7:**

Respondents assert, respectively, that "Plaintiff NIHC's recent attempt to claim the NERO trademark with the USPTO was fraudulent, and should have been denied on those grounds. NIHC and other Plaintiffs were therefore not harmed by the USPTO's refusal of NIHC's recent application."

Petitioners' motion to strike is **granted**. Again, Respondents' defense lacks specificity, and is not an affirmative defense. It appears that Respondents are referring to the allegations that Petitioner NERO International Holding Co., Inc. filed application Serial No. 87865575 to register the mark NERO. The Board has no jurisdiction over said application. Any allegation of fraud that Respondents wish to assert against said application would need to be brought by way of a timely and properly pleaded notice of opposition filed and instituted during the opposition period if and when the application is published pursuant to Trademark Rule 2.80. Lastly, to the extent that Respondents challenge one or more Petitioners' standing by way of this defense, as already noted herein, lack of standing is not an affirmative defense.

**Affirmative Defense 8:**

Respondents assert, respectively, that "no Plaintiff has any enforceable trademark right in any of the disputed marks."

Petitioners' motion to strike is **denied**. This assertion is not an affirmative defense; rather, it is merely a general amplification that functions to place Petitioners on further notice of Respondents' position. TBMP § 311.02(d). Respondents are left to pursue and present their arguments and proofs regarding Petitioners' rights in their marks during discovery and at trial.

**Affirmative Defense 9:**

Respondents assert, respectively, that "(A)dditional defenses may be uncovered during the discovery process, at which time Defendant will timely seek leave to amend and claim the same."

Petitioners' motion to strike is **granted**. Respondents do not set forth an affirmative defense here, nor are parties required to reserve a right to assert future affirmation defenses. Amendments to pleading in Board proceedings are governed by Fed. R. Civ. P. 15, as applicable. TBMP § 507.02.

In summary, Petitioners' motion to strike is **granted in part, and denied in part**, as set forth herein.

**Schedule**

Proceedings are resumed. Conference, discovery and trial dates are reset as indicated below. These proceedings have been pending for nearly two years, and the Board expects that the parties will adhere to this schedule.

Deadline for Required Discovery Conference	3/31/2019
Discovery Opens	3/31/2019
Initial Disclosures Due	4/30/2019
Expert Disclosures Due	8/28/2019

Discovery Closes	9/27/2019
Plaintiff's Pretrial Disclosures Due	11/11/2019
Plaintiff's 30-day Trial Period Ends	12/26/2019
Defendant's Pretrial Disclosures Due	1/10/2020
Defendant's 30-day Trial Period Ends	2/24/2020
Plaintiff's Rebuttal Disclosures Due	3/10/2020
Plaintiff's 15-day Rebuttal Period Ends	4/9/2020
Plaintiff's Opening Brief Due	6/8/2020
Defendant's Brief Due	7/8/2020
Plaintiff's Reply Brief Due	7/23/2020
Request for Oral Hearing (optional) Due	8/2/2020

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, the manner and timing of taking testimony, matters in evidence, 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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