

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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WINTER

September 30, 2018

Cancellation No. 92067504

Colombina S.A.

v.

Amazonas Imports, Inc.

BY THE TRADEMARK TRIAL AND APPEAL BOARD:

This case now comes up for consideration of Petitioner’s fully briefed combined motion (filed May 3, 2018) to strike Respondent’s answer to the amended petition for cancellation, to strike Respondent’s affirmative defenses, and for default judgment.

The Board has considered the parties’ briefs on the contested motion, but does not repeat or discuss all of the arguments. *Guess? IP Holder LP v. Knowlux LLC*, 116 USPQ2d 2018, 2019 (TTAB 2015). For purposes of this order, the Board presumes the parties’ familiarity with the pleadings and the parties’ arguments made in connection with the subject motion.

Background

On February 15, 2018, Petitioner filed an amended petition seeking cancellation of three registrations owned by Respondent, Amazonas Imports, Inc. (hereafter “no apostrophe”), and the Board accepted the amended petition as Petitioner’s pleading

of record (18 TTABVUE). Notably, Petitioner alleges in its petition, in relevant part, that the applications underlying the involved registrations were not filed by the owner of the marks, Amazona's Imports, Inc. (hereafter "with apostrophe"), but were filed by Amazonas Inc., a sister corporation, whose business status in California had been suspended and not reinstated (amended pet. to cancel, ¶¶ 3, 9-11; 17 TTABVUE 3, 6). Respondent, identified in its brief as "Amazona's Imports, Inc." (with apostrophe) instead of Amazonas Inc. (no apostrophe), submitted a timely answer to the amended pleading, which Petitioner now seeks to strike because it was assertedly submitted by the incorrect party, *i.e.*, the alleged sister corporation, "Amazona's Imports, Inc." (with apostrophe), not the registrant, Amazonas Imports, Inc. (no apostrophe). Previously, the Board deferred Respondent's motion to correct its name under Section 7 of the Trademark Act in view of Petitioner's opposition thereto (*Id.*).

Petitioner's Motion to Strike and for Entry of Default Judgment

- **Motion to Strike Answer and Enter Default Judgment:**

Petitioner seeks to strike the answer in its entirety because it was assertedly filed by the incorrect entity, namely, Amazona's Imports, Inc. (with apostrophe), rather than the identified registrant, Amazonas Imports, Inc. (no apostrophe). Additionally, Petitioner contends that the real respondent, Amazonas Imports, Inc. (no apostrophe), does not have current corporate status and, under California law, it cannot file an answer. In view thereof, because Amazonas Imports, Inc. (no apostrophe) is the real respondent/registrator, not Amazona's Imports, Inc. (with apostrophe), Petitioner argues that the answer should be stricken and default

judgment should be entered. Petitioner's motion is supported by the declaration of its counsel, Gary J. Nelson, who submitted exhibits showing information on Amazonas Imports, Inc. (no apostrophe) from the State of California Franchise Tax Board.

In response, Amazona's Imports, Inc. (with apostrophe) maintains that it is the correct entity to submit an answer because it is not connected with the prior entity called Amazonas Imports, Inc. (no apostrophe); that the lack of an apostrophe in its name in the underlying applications was a typographical error; and that the cross-referencing of information for both entities is an error in the California Secretary of State's database due to a 2010 filing error by Amazona's Imports, Inc. (with apostrophe), which cannot be fixed due to the age of the records. For instance, Amazona's Imports, Inc. (with apostrophe) explains that Lorna Veliz is identified as the registered agent for Amazonas Imports, Inc. (no apostrophe), but that she has never been affiliated with that company. In support of its response, Amazona's Imports, Inc. (with apostrophe) points out that the USPTO has granted its Section 7 amendment requests for other trademarks (23 TTABVUE 38), and has submitted the declaration of Lorna Veliz, the director and owner of Amazona's Imports, Inc. (with apostrophe), who attests that, inter alia, Amazona's Imports, Inc. (with apostrophe) has never had any relationship with Amazonas Imports, Inc. (no apostrophe) (§ 6, 23 TTABVUE 15).

In reply, Petitioner points out that the specimens of use submitted with the underlying applications and with maintenance documents show use of the marks by Amazonas Imports, Inc. (no apostrophe), not the entity that claims to be the correct

registrant, and that other records contradict the claims and assertions made by the declarant of Amazona's Imports, Inc. (with apostrophe). In support of its reply brief, Petitioner submitted a second declaration of its counsel, Gary J. Nelson, as well as several exhibits showing the specimens of use submitted by the registrant in support of the involved registrations.

Pursuant to Fed. R. Civ. P. 12(f), which is applicable to Board proceedings under Trademark Rule 2.116(a), 37 C.F.R. § 2.116(a),¹ the Board may order stricken from a pleading any insufficient defense, or any redundant, immaterial, impertinent or scandalous matter. *See 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); *see also* Trademark Trial and Appeal Board Manual of Procedure ("TBMP") § 506 (June 2018). 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 University v. Ohio University*, 51 USPQ2d 1289, 1293 (TTAB 1999); *Internet Inc. v. Corp. for Nat'l Research Initiatives*, 38 USPQ2d 1435, 1438 (TTAB 1996); *Am. Vitamin Prods., Inc. v. Dow Brands Inc.*, 22 USPQ2d 1313, 1314 (TTAB 1992).

The Board finds that Fed. R. Civ. P. 12(f) does not support Petitioner's motion to strike the pleading in its entirety. Under Fed. R. Civ. P. 12(f), the Board may strike portions of a pleading. *See, e.g., Finanz St. Honore, B.V. v. Johnson & Johnson*, 85 USPQ2d 1478, 1480 (TTAB 2007) (motion to strike counterclaim ground that portion

¹ Trademark Rule 2.116(a) provides that "[e]xcept as otherwise provided, and wherever applicable and appropriate, procedure and practice in *inter partes* proceedings shall be governed by the Federal Rules of Civil Procedure."

of mark is generic asserted against registration over five years old granted); *Ohio State University v. Ohio University*, 51 USPQ2d 1289, 1293 (TTAB 1999) (motion to strike certain allegations in the counterclaim); *Continental Gummi-Werke AG v. Continental Seal Corp.*, 222 USPQ 822, 825 (TTAB 1984) (affirmative defense stricken because identical to counterclaim). More importantly, in this case, if the Board were to strike the answer on the basis that it was submitted by the incorrect party, the Board would effectively be making factual findings related to the merits of Petitioner's lack of ownership claim, *viz.* that the identified Applicant/Registrant of the involved registrations, Amazonas Imports, Inc. (no apostrophe), is a separate entity from Amazona's Imports, Inc. (with apostrophe); that Amazona's Imports, Inc. (with apostrophe) is not the owner of said registrations; and, therefore, that Amazona's Imports, Inc. (with apostrophe) is not the proper party to have answered in this proceeding. In view thereof, Petitioner's motion to strike the answer submitted by Amazona's Imports, Inc. (with apostrophe) is improper at this juncture of the proceeding and is, therefore, **DENIED**. Accordingly, Petitioner's motion for default judgment is moot and will be given no further consideration.

- **Motion to Strike Affirmative Defenses:**

Petitioner also requests that all of the asserted affirmative defenses be stricken.

The affirmative defenses set forth in the answer are as follows:

38. As a first affirmative defense, Petitioner's claims are barred by the doctrine of laches. Petitioner had constructive notice of Respondent's registrations, as well as actual notice of Respondent's use and registration of its marks for over ten (10) years, but failed to object. Respondent had no knowledge that anyone would object to its use and registration of its well-established marks, and continued to develop its brand in reliance on the

absence of any objection. Petitioner's unreasonabl[y] delayed objection has caused material prejudice to Respondent.

39. As a second affirmative defense, Petitioner's claims are barred by the doctrine of estoppel. Petitioner had constructive notice of Respondent's registrations, as well as actual notice of Respondent's use and registration of its marks for over ten (10) years, but failed to object. Respondent had no knowledge that anyone would object to its use and registration of its well-established marks, and continued to develop its brand in reliance on the absence of any objection. As a result, Petitioner is estopped from enforcing any alleged trademark rights against Respondent.

40. As a third affirmative defense, Petitioner's claims are barred by the doctrine of acquiescence. Petitioner had constructive notice of Respondent's registrations, as well as actual notice of Respondent's use and registration of its marks for over ten (10) years, but failed to object. Respondent had no knowledge that anyone would object to its use and registration of its well-established marks, and continued to develop its brand in reliance on the absence of any objection. Petitioner acquiesced to Respondent's use and registration of its marks and is therefore barred from enforcing any alleged trademark rights against Respondent.

41. As a fourth affirmative defense, Petitioner's claims are barred by the doctrine of waiver. Petitioner had constructive notice of Respondent's registrations, as well as actual notice of Respondent's use and registration of its marks for over ten (10) years, but failed to object. Respondent had no knowledge that anyone would object to its use and registration of its well-established marks, and continued to develop its brand in reliance on the absence of any objection. By failing to object to Respondent's use and registration of its marks, Petitioner knowingly and intentionally relinquished and therefore waived any purported right to enforce its alleged trademarks.

42. As a fifth affirmative defense, Petitioner's claims are barred because Respondent's marks have not interfered with or damaged Petitioner in any manner.

43. As a sixth affirmative defense, Petitioner's false suggestion of a connection claim is barred due to the fact that AMAZON/AMAZONAS and/or a "bird" design does not point uniquely and unmistakably to Petitioner. Numerous third party registrations exist for marks containing AMAZON and/or a "bird" design (or similar formatives) for the goods at issue, and consumers are well accustomed to associating AMAZON and/or "bird" designs with others and not Petitioner.

44. As an seventh affirmative defense, Petitioner's false suggestion of a connection claim is barred from recovery due to the fact that AMAZON is not of sufficient fame such that consumers would presume a connection between Respondent or Respondent's marks and Petitioner or its alleged marks.

45. As an eighth affirmative defense, Petitioner's false suggestion of a connection claim is barred from recovery because Respondent's marks are not the same as or a close approximation of Petitioner's alleged marks.

46. As a ninth affirmative defense, the term AMAZON is merely descriptive of goods and is therefore weak and entitled to a severely narrow scope of protection.

The Board turns first to the first four affirmative defense of laches, estoppel, acquiescence, and waiver, which, in the answer at issue, comprise identical allegations.

- o Laches

A prima facie defense of laches requires the defendant to plead and ultimately prove that (1) the petitioner's delay in asserting its rights against respondent, for an unreasonable and inexcusable length of time, from the time the petitioner knew or should have known of its claim against respondent, and (2) the delay operated to the material prejudice or injury of respondent. *See Bridgestone/Firestone Research Inc. v. Automobile 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); *A. C. Auckerman Co. v. R. L. Chaides Construction Co.*, 960 F.2d 1020, 22 USPQ2d 1321 (Fed. Cir. 1992). However, in cancellation proceedings, laches starts to run from the date the underlying application is published for opposition, and not from the date of petitioner's knowledge of respondent's use of its mark. *See Nat'l Cable Television Association Inc. v. American Cinema Editors Inc.*, 19 USPQ2d 1424 (Fed. Cir. 1991). The party asserting laches in a cancellation proceeding must plead and prove, in addition to delay, circumstances sufficiently compelling to give rise to estoppel, which are generally shown by the fact that respondent, in reliance on petitioner's silence, built up valuable business and goodwill during the period of petitioner's delay. *See Turner v. Hops Grill & Bar Inc.*, 52 USPQ2d 1310, 1313 (TTAB 1999). The mere passage

of time does not constitute laches. *See Advanced Cardiovascular Systems v. SciMed Life Systems*, 988 F.2d 1157, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993).

- Equitable Estoppel and Acquiescence

The elements required to establish the defense of equitable estoppel are (1) misleading conduct, which may include not only statements and action but silence and inaction, leading another to reasonably infer that rights will not be asserted against it; (2) reliance upon this conduct; and (3) due to this reliance, material prejudice if the delayed assertion of such rights is permitted. *See Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes Inc.*, 971 F.2d 732, 23 USPQ2d 1701, 1703 (Fed. Cir. 1992).

“Acquiescence is a type of estoppel that is based upon the plaintiff’s conduct that expressly or by clear implication consents to, encourages, or furthers the activities of the defendant, that is not objected to.” *See Nashin v. Prod. Source Int’l LLC*, 107 USPQ2d 1257, 1263 (TTAB 2013) (quoting *Panda Travel, Inc. v. Resort Option Enter., Inc.*, 94 USPQ2d 1789, 1797 fn. 21 (TTAB 2009)); *see also Christian Broadcasting Network Inc. v. ABS-CBN Int’l*, 84 USPQ2d 1560, 1573 (TTAB 2007).

- Waiver

By “the doctrine of waiver,” the Board assumes that the defendant is attempting to assert a defense based on “estoppel by agreement” or “contractual estoppel,” i.e., that a prior agreement between the parties estops the plaintiff from filing the present opposition or cancellation. *See, e.g., M-5 Steel Mfg. Inc. v. O’Hagin’s Inc.*, 61 USPQ2d 1086, 1095 (TTAB 2001); *Danskin, Inc. v. Dan River, Inc.*, 498 F.2d 1386, 182 USPQ 370, 372 (CCPA 1974).

In each of Respondent’s first four affirmative defenses, Respondent alleges that Petitioner had actual notice of the involved registrations for over ten (10) years, but failed to object and that Petitioner unreasonably delayed objection has caused material prejudice to Respondent (¶¶ 38-41; 21 TTABVUE 6-7). However, as discussed supra, the affirmative defenses of laches, acquiescence, estoppel and waiver differ, and Respondent has not differentiated between them by alleging facts that are pertinent to each defense. In addition, Respondent has not alleged to what action or conduct Petitioner did not object. Affirmative defenses, like claims in a petition for

cancellation, must be supported by enough factual background and detail to fairly place the petitioner on notice of the basis for the defenses. *See IdeasOne Inc. v. Nationwide Better Health Inc.*, 89 USPQ2d 1952, 1953 (TTAB 2009); *Ohio State Univ. v. Ohio Univ.*, 51 USPQ2d 1289, 1292 (TTAB 1999) (primary purpose of pleadings “is to give fair notice of the claims or defenses asserted”); *Midwest Plastic Fabricators Inc. v. Underwriters Laboratories Inc.*, 5 USPQ2d 1067, 1069 (TTAB 1987) (pleading of unclean hands insufficient as answer did not include “specific allegations of conduct by petitioner that, if proved, would prevent petitioner from prevailing on its claim; instead, the allegations of the fourth affirmative defense are either unclear, non-specific, irrelevant to the pleading of unclean hands, or merely conclusory in nature”). A party must allege sufficient facts beyond a tender of ‘naked assertion[s]’ devoid of ‘further factual enhancement,’ to support its claims. *Ashcroft v. Iqbal*, 556 U.S. 662, 663 (2009) (quoting *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007)).

In view of the foregoing, the Board finds that Respondent has not set forth sufficient allegations to support its four equitable defenses. Additionally, the four equitable defenses are not available against Petitioner’s claims grounded in allegations of abandonment (*see Saint-Gobain Abrasives Inc. v. Unova Industrial Automation Systems Inc.*, 66 USPQ2d 1355, 1359 (TTAB 2003); *Tbc Corp. v. Grand Prix Ltd.*, 12 USPQ2d 1311 (TTAB 1989)); and the defenses of laches, equitable estoppel, and acquiescence will not be available to Respondent if the Board determines that registrant Amazonas Imports, Inc. (no apostrophe) was not the owner of the mark at the time the underlying applications were filed. *See American*

Velcro, Inc. v. Charles Mayer Studios, Inc., 177 USPQ 149, 153 n.5 (TTAB 1973) (“The rationale behind these series of cases is that it is within the public interest to have registrations which are void ab initio stricken from the register and that this interest or concern cannot be voided by the inaction of any single person or concern, no matter how long the delay persists.”).

Nonetheless, Petitioner is not correct concerning the applicability of Respondent’s equitable defenses to Petitioner’s claim under Section 2(a) of the Trademark Act. *See Bridgestone/Firestone Research Inc. v. Auto. Club*, 245 F.3d 1359, 58 USPQ2d 1460, 1463-64 (Fed. Cir. 2001) (laches may be an affirmative defense against a Section 2(a) false suggestion of a connection claim because it is designed to protect a single person or institution from exploitation of their persona, not to protect the public or a broader group); *see also Teledyne Technologies, Inc. v. Western Skyways, Inc.*, 78 USPQ2d 1203, 1210 (TTAB 2006), *aff’d*, 208 Fed. Appx. 886 (Fed. Cir. 2006) (regarding laches and acquiescence, petitioner was on constructive notice on the date of issuance of the registration).

Accordingly, Petitioner’s motion to strike is **GRANTED** with respect to Respondent’s first four affirmative defenses. However, because the four equitable defenses may be valid as to Petitioner’s false suggestion of a connection claim, Respondent is allowed until **THIRTY (30) DAYS** from the mailing date of this order to submit an amended answer setting forth sufficient affirmative defenses. *See Intellimedia Sports Inc. v. Intellimedia Corp.*, 43 USPQ2d 1203, 1208 (TTAB 1997);

Miller Brewing Co. v. Anheuser-Busch Inc., 27 USPQ2d 1711, 1714 (TTAB 1993); TBMP § 503.03.

Petitioner's motion to strike Respondent's fifth affirmative defense is also **GRANTED** because an allegation of "interference" with or damage to Petitioner, or proving same, is not required to establish standing or to prevail in an opposition or cancellation proceeding. *See Books on Tape Inc. v. Booktape Corp.*, 836 F.2d 519, 5 USPQ2d 1301 (Fed. Cir. 1987); *Jewelers Vigilance Committee Inc. v. Ullenberg Corp.*, 823 F.2d 490, 2 USPQ2d 2021 (Fed.Cir.1987); *Int'l Order of Job's Daughters v. Lindeburg & Co.*, 727 Fed.2d 1087, 220 USPQ 1017 (Fed. Cir. 1984). Accordingly, Respondent's fifth affirmative defense is **STRICKEN**. *See* Fed. R. Civ. P. 12(f).

Finally, as regards Petitioner's motion to strike affirmative defense numbers 6, 7, 8 and 9, said motion is **DENIED**. These four affirmative defenses constitute amplifications of Respondent's denials of Petitioner's allegations. In view thereof, they merely provide information to Petitioner regarding how Respondent may defend itself against Petitioner's claims. *See, e.g., Order of Sons of Italy in America v. Profumi Fratelli Nostra AG*, 36 USPQ2d 1221, 1223 (TTAB 1995) (amplification of applicant's denial of opposer's claims not stricken).

Summary; Proceeding Resumed; Trial Dates Reset

Petitioner's motion to strike is **DENIED IN PART, and GRANTED IN PART**, to the extent discussed herein, and Petitioner's motion for entry of default judgment is moot. To the extent Respondent's equitable defenses are available in connection with Petitioner's claim under Section 2(a) of the Trademark Act, Respondent is

allowed until **THIRTY (30) DAYS** from the mailing date of this order to submit sufficiently pleaded affirmative defenses of laches, estoppel, acquiescence, and waiver.

Insofar as Petitioner sought entry of default judgment against Amazonas Imports, Inc. (no apostrophe) based on the Board striking the answer filed by Amazona's Imports, Inc. (with apostrophe), this proceeding is considered to have been suspended since the filing date of Petitioner's motion. *See* Trademark Rule 2.127(d). Accordingly, this proceeding is resumed. Trial dates are reset as shown in the following schedule:

Time to File Amended Answer	10/30/2018
Deadline for Discovery Conference	11/29/2018
Discovery Opens	11/29/2018
Initial Disclosures Due	12/29/2018
Expert Disclosures Due	4/28/2019
Discovery Closes	5/28/2019
Plaintiff's Pretrial Disclosures Due	7/12/2019
Plaintiff's 30-day Trial Period Ends	8/26/2019
Defendant's Pretrial Disclosures Due	9/10/2019
Defendant's 30-day Trial Period Ends	10/25/2019
Plaintiff's Rebuttal Disclosures Due	11/9/2019
Plaintiff's 15-day Rebuttal Period Ends	12/9/2019
Plaintiff's Opening Brief Due	2/7/2020
Defendant's Brief Due	3/8/2020

Plaintiff's Reply Brief Due	3/23/2020
Request for Oral Hearing (optional) Due	4/2/2020

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, 37 C.F.R. §§ 2.121-2.125. 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), 37 C.F.R. §§ 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), 37 C.F.R. § 2.129(a).

