

ESTTA Tracking number: **ESTTA965005**

Filing date: **04/05/2019**

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

|                |  |
|----------------|--|
| Proceeding No. | 92070429   |
| Filing Party   | Plaintiff<br>Intercontinental Exchange, Inc.   |
| Other Party    | Defendant<br>Chicaco Merchantile Exchange Inc.   |
| Pending Motion | There is no motion currently pending and no other motion is being filed concurrent with this consent motion. |
| Attachments    | Motion to Suspend Cancellation No. 92070429.pdf(461173 bytes )   |

### **Consent Motion for Suspension in View of Civil Proceeding**

The parties are engaged in a civil action which may have a bearing on this proceeding. Accordingly, Intercontinental Exchange, Inc. hereby requests suspension of this proceeding pending a final determination of the civil action. Trademark Rule 2.117.

Intercontinental Exchange, Inc. has secured the express consent of all other parties to this proceeding for the suspension requested herein.

### **Certificate of Service**

The undersigned hereby certifies that a copy of this filing has been served upon all parties, at their address of record by Email on this date.

Respectfully submitted,

/Megan Michaels/

Megan Michaels

megan.michaels@dlapiper.com, tmdocket@dlapiper.com

04/05/2019

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

INTERCONTINENTAL EXCHANGE,  
INC.,

PETITIONER,

v.

CHICAGO MERCANTILE EXCHANGE  
INC.

REGISTRANT.

Cancellation No. 92070429

**PETITIONER INTERCONTINENTAL EXCHANGE, INC.**  
**CONSENTED MOTION TO SUSPEND**  
**PENDING DISPOSITION OF FEDERAL CIVIL ACTION**

Pursuant 37 C.F.R. § 2.117(a) and TBMP § 510.02(a), Petitioner Intercontinental Exchange, Inc. (herein “ICE” or “Petitioner”), with the consent of Registrant Chicago Mercantile Exchange Inc. (“CME” or “Registrant”) hereby moves to suspend the above-referenced cancellation proceeding (the “Proceeding”) pending the final determination of the civil action, which is pending between Registrant and Petitioner in the United States District Court for the Northern District of Illinois filed on February 23, 2018, captioned *Chicago Mercantile Exchange Inc. v. ICE Clear US, Inc., ICE Clear Europe Limited, and Intercontinental Exchange, Inc.*, Civil Action No. 18-cv-01376 (the “Related Federal Action”).

This Proceeding concerns CME’s registration for SPAN (U.S. Reg. 2386878) for, risk margining services for futures and options exchange and clearing organizations in International Class 36 (the “Registration”). Petitioner asserts that Registrant’s SPAN trademark is generic

because, upon information and belief, the relevant consuming public for the Registrant's Goods and Services does not actually associate the Opposed Mark or the term "SPAN" with any particular source; and further, that the trademark SPAN is merely descriptive of the Registrant's goods and services because it conveys an immediate idea of the qualities, characteristics, or nature of the identified services, namely a method of measuring financial risk.

On February 23, 2018, Registrant filed the Related Federal Action against Petitioner, asserting claims for federal trademark infringement, federal and state unfair competition, breach of contract, and state deceptive trade practices arising out of Petitioner's alleged unauthorized use of Registrant's registered "SPAN" trademarks (U.S. Reg. Nos. 1,689,882, 1,689,883, 2,386,878, and 2,828,376) (the "SPAN Marks").

On May 31, 2018, Petitioner asserted counterclaims against Registrant in the Related Federal Action for a declaration that the SPAN Marks claimed by Registrant and asserted against Petitioner therein are invalid and unenforceable because, among other reasons, the SPAN Marks are generic, and for an order directing cancellation of the following United States Trademark Registrations pursuant to 15 U.S.C. § 1119. (See Exhibit A).

Because both matters relate to the validity of the "SPAN" trademark(s), there can be no doubt that the final resolution of the Related Federal Action may have a bearing on the issues before the Board. Therefore, in accordance with well-established principles, including those codified in 37 C.F.R. 2.117(a) and TBMP § 510.02(a), Petitioner, with consent of Registrant, respectfully requests that the Board suspend this Proceeding pending a final determination of the Related Federal Action.

Dated: April 5, 2019

Respectfully submitted,  
DLA Piper US LLP

By: /s/ Paul Tafer  
Paul A. Tafer  
Attorney for Petitioner  
1650 Market Street  
Suite 4900  
Philadelphia, PA 19103

**CERTIFICATE OF SERVICE**

The undersigned counsel of record hereby certifies that a true and correct copy of Motion to Suspend Pending Disposition of Federal Civil Action has been served upon the following:

Joseph T. Kucala, Jr.  
NORVELL IP LLC  
jkucala@norvellip.com

via email on this 5th day of April, 2019.

By: */s/ Megan Michaels*  
**Megan Michaels**

# **EXHIBIT A**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

---

**CHICAGO MERCANTILE EXCHANGE  
INC.,**

*Plaintiff,*

v.

**ICE CLEAR US, INC., ICE CLEAR  
EUROPE LIMITED, AND  
INTERCONTINENTAL EXCHANGE,  
INC.,**

*Defendants.*

---

)  
)  
) Case No. 18-cv-01376

)  
) Hon. Matthew F. Kennelly

)  
) Magistrate Hon. M. David Weisman

**DEFENDANTS ICE CLEAR US, INC., ICE CLEAR EUROPE LIMITED, AND  
INTERCONTINENTAL EXCHANGE, INC.’S FIRST AMENDED ANSWER,  
DEFENSES, AND COUNTERCLAIMS TO PLAINTIFF’S COMPLAINT**

Defendants ICE Clear US, Inc. (“ICE US”), ICE Clear Europe Limited (“ICE Europe”), and Intercontinental Exchange, Inc. (“ICE”) (collectively “Defendants”), pursuant to Rules 12 and 13 of the Federal Rules of Civil Procedure, hereby submit their First Amended Answer, Defenses, and Counterclaims (“First Amended Answer”) to Plaintiff Chicago Mercantile Exchange Inc.’s (“CME” or “Plaintiff”) Complaint (“Complaint”) (ECF No. 1), and state as follows:

**Nature of Action**

1. Paragraph 1 of the Complaint contains legal conclusions to which no response by Defendants is required. To the extent a response is required, Defendants admit that the Complaint purports to state causes of action under the Lanham Act, 15 U.S.C. §§ 1114(1) and 1125(a), Illinois state law, common law, and the Illinois Uniform Deceptive Trade Practices Act,

815 Ill. Comp. Stat. 505/1 *et seq.*, but deny that the allegations have merit and deny the remaining allegations set forth in Paragraph 1 of the Complaint.

2. Defendants deny the allegations of Paragraph 2.

### **The Parties**<sup>1</sup>

1. Defendants lack sufficient knowledge or information to form a belief as to Plaintiff's allegations set forth in Paragraph 1 of the Complaint, and therefore deny those allegations.

2. Defendants deny that ICE US's principal place of business is at One North End Avenue, New York, New York 10282-1101. ICE US's principal place of business is 55 East 52nd Street, 40th Floor, New York, New York 10055. (ECF No. 14.) Defendants admit the remaining allegations set forth in Paragraph 2 of the Complaint.

3. Defendants deny that ICE Europe is an England and Wales private limited company. ICE Europe is a United Kingdom private limited company. (ECF No. 24.) Defendants admit the remaining allegations set forth in Paragraph 3 of the Complaint.

4. Defendants deny that ICE's principal place of business is at 2100 RiverEdge Parkway, Atlanta, Georgia 30328. ICE's principal place of business is 5660 New Northside Drive NW, 3rd Floor, Atlanta, GA 30328. (ECF No. 14.) Defendants admit the remaining allegations set forth in Paragraph 4 of the Complaint.

5. Defendants admit that, effective July 6, 2007, CME and ICE US entered into an agreement titled "SPAN® License Agreement" (the "ICE US Agreement"). The ICE US

---

<sup>1</sup> The Complaint contains two paragraphs numbered "Paragraph 1" and two paragraphs labeled "Paragraph 2." (ECF No. 1 at 1-2.) Defendants' First Amended Answer responds according to the Complaint's paragraph numbering, and thus includes responses to the two paragraphs labeled "Paragraph 1" and two paragraphs labeled "Paragraph 2." Further, the headings contained in this First Amended Answer are reproduced from the Complaint for reference and do not constitute admissions or other statements by Defendants.



Agreement speaks for itself. To the extent this paragraph is construed to contain additional factual allegations requiring a response, they are denied. Except as so admitted, Defendants deny the remainder of the allegations set forth in Paragraph 5 of the Complaint.

6. Defendants admit that, effective June 26, 2007, CME and ICE Europe entered into an agreement titled “SPAN® License Agreement” (the “ICE Europe Agreement”). The ICE Europe Agreement speaks for itself. To the extent this paragraph is construed to contain additional factual allegations requiring a response, they are denied. Except as so admitted, Defendants deny the remainder of the allegations set forth in Paragraph 6 of the Complaint.

7. Defendants admit that ICE Clear Canada, Inc., ICE Clear Netherlands B.V., and ICE Clear Singapore Pte. Ltd. are wholly-owned subsidiaries of ICE. Defendants lack sufficient knowledge or information to form a belief as to the remainder of the allegations set forth in Paragraph 7 of the Complaint, and therefore deny those allegations.

8. Paragraph 8 of the Complaint contains legal conclusions to which no response by Defendants is required. To the extent an answer is required as to those allegations, Defendants deny the allegations and legal conclusions set forth in the first and third sentences of Paragraph 8 of the Complaint. Defendants admit the allegations set forth in the second sentence of Paragraph 8 of the Complaint. Except as so admitted, Defendants deny the remainder of the allegations set forth in Paragraph 8 of the Complaint.

9. Defendants admit that the Internet website at <https://www.theice.com/clear-us/risk-management> is a website operated by ICE US. Defendants further admit that, as of the date of the Complaint, the term “SPAN” appeared on the Internet website, but aver that such use of the term “SPAN” was both lawful and previously approved by CME. (See Answer to Paragraphs 41-42 of the Complaint, *infra*.) Except as so admitted, Defendants deny the

remainder of the allegations set forth in the first, second, and third sentences of Paragraph 9 of the Complaint.

10. Defendants admit that the Internet website at <https://www.theice.com/clear-europe/risk-management> is a website operated by ICE Europe. Defendants further admit that, as of the date of the Complaint, the term “SPAN” appeared on the Internet website, but aver that such use of the term “SPAN” was both lawful and previously approved by CME. (*See* Answer to Paragraphs 41-42 of the Complaint, *infra*.) Except as so admitted, Defendants deny the remainder of the allegations set forth in the first, second, and third sentences of Paragraph 10 of the Complaint.

11. Defendants admit that ICE Clear Canada, Inc., ICE Clear Netherlands B.V., and Ice Clear Singapore Pte. Ltd. are wholly-owned subsidiaries of ICE. Defendants further admit that the Internet websites at <https://www.theice.com/clear-canada/riskmanagement>, <https://www.theice.com/clear-netherlands/risk-management>, and <https://www.theice.com/clear-singapore/risk-management> are Defendants’ websites. Defendants further admit that, as of the date of the Complaint, the term “SPAN” appeared on the Internet websites, but aver that such use of the term “SPAN” was both lawful and previously approved by CME. (*See* Answer to Paragraphs 41-42 of the Complaint, *infra*.) Except as so admitted, Defendants deny the remainder of the allegations set forth in the first, second, and third sentences of Paragraph 11 of the Complaint.

12. Defendants deny the allegations set forth in Paragraph 12 of the Complaint.

13. Paragraph 13 of the Complaint contains legal conclusions to which no response by Defendants is required. To the extent a response is required, Defendants admit that the Complaint purports to state causes of action under the Lanham Act, 15 U.S.C. §§ 1114(1) and

1125(a), Illinois state law, common law, and the Illinois Uniform Deceptive Trade Practices Act, 815 Ill. Comp. Stat. 505/1 *et seq.*, and except as so admitted, deny the remaining allegations set forth in Paragraph 13 of the Complaint.

14. Paragraph 14 of the Complaint contains legal conclusions to which no response by the Defendants is required. To the extent a response is required, Defendants deny the allegations and legal conclusions set forth in Paragraph 14 of the Complaint.

15. Paragraph 15 of the Complaint contains legal conclusions to which no response by the Defendants is required. To the extent a response is required, Defendants deny the allegations and legal conclusions set forth in Paragraph 15 of the Complaint.

16. Paragraph 16 of the Complaint contains legal conclusions to which no response by the Defendants is required. To the extent a response is required, Defendants deny the allegations and legal conclusions set forth in Paragraph 16 of the Complaint.

**CME's Long and Distinguished History**

17. Defendants lack sufficient knowledge or information to form a belief as to Plaintiff's allegations set forth in Paragraph 17 of the Complaint, and therefore deny those allegations.

18. Defendants lack sufficient knowledge or information to form a belief as to Plaintiff's allegations set forth in Paragraph 18 of the Complaint, and therefore deny those allegations.

19. Defendants lack sufficient knowledge or information to form a belief as to Plaintiff's allegations set forth in Paragraph 19 of the Complaint, and therefore deny those allegations.

20. Defendants lack sufficient knowledge or information to form a belief as to Plaintiff's allegations set forth in Paragraph 20 of the Complaint, and therefore deny those allegations.

21. Defendants lack sufficient knowledge or information to form a belief as to Plaintiff's allegations set forth in Paragraph 21 of the Complaint, and therefore deny those allegations.

22. Defendants lack sufficient knowledge or information to form a belief as to Plaintiff's allegations set forth in Paragraph 22 of the Complaint, and therefore deny those allegations.

23. Defendants lack sufficient knowledge or information to form a belief as to Plaintiff's allegations set forth in Paragraph 23 of the Complaint, and therefore deny those allegations.

**CME's SPAN Trademarks**

24. Defendants lack sufficient knowledge or information to form a belief as to Plaintiff's allegations set forth in Paragraph 24 of the Complaint, and therefore deny those allegations.

25. Defendants admit that CME purports to own the federal trademark registrations for the SPAN-based marks as alleged in Paragraph 25 of the Complaint, and attached as Exhibit A to the Complaint. Except as so admitted, Defendants deny knowledge and information sufficient to form a belief as to the truth of the allegations set forth in Paragraph 25 of the Complaint, and therefore deny those allegations.

26. Paragraph 26 of the Complaint contains legal conclusions to which no response by Defendants is required. To the extent a response is required, Defendants deny the allegations and legal conclusions set forth in Paragraph 26 of the Complaint.

27. Defendants lack sufficient knowledge or information to form a belief as to Plaintiff's allegations set forth in Paragraph 27 of the Complaint, and therefore deny those allegations.

28. Defendants admit that CME purports to own the federal trademark application as alleged in Paragraph 28 of the Complaint. Except as so admitted, Defendants lack sufficient knowledge or information to form a belief as to Plaintiff's allegations set forth in Paragraph 28 of the Complaint, and therefore deny those allegations.

29. Defendants lack sufficient knowledge or information to form a belief as to Plaintiff's allegations set forth in Paragraph 29 of the Complaint, and therefore deny those allegations.

30. Defendants lack sufficient knowledge or information to form a belief as to Plaintiff's allegations set forth in Paragraph 30 of the Complaint, and therefore deny those allegations.

31. Paragraph 31 of the Complaint contains legal conclusions to which no response by Defendants is required. To the extent a response is required, Defendants lack sufficient knowledge or information to form a belief as to Plaintiff's allegations set forth in Paragraph 31 of the Complaint, and therefore deny those allegations.

32. Paragraph 32 of the Complaint contains legal conclusions to which no response by Defendants is required. To the extent a response is required, Defendants lack sufficient

knowledge or information to form a belief as to Plaintiff's allegations set forth in Paragraph 32 of the Complaint, and therefore deny those allegations.

**Defendants' Infringing Conduct in Violation of CME's SPAN Marks**

33. Defendants admit that, effective July 6, 2007, CME and ICE US entered into the ICE US Agreement. The ICE US Agreement speaks for itself. To the extent this paragraph is construed to contain additional factual allegations requiring a response, they are denied. Except as so admitted, Defendants deny the remainder of the allegations set forth in Paragraph 33 of the Complaint.

34. Defendants admit that, effective June 26, 2007, CME and ICE Europe entered into the ICE Europe Agreement. The ICE Europe Agreement speaks for itself. To the extent this paragraph is construed to contain additional factual allegations requiring a response, they are denied. Except as so admitted, Defendants deny the remainder of the allegations set forth in Paragraph 34 of the Complaint.

35. Paragraph 35 of the Complaint contains legal conclusions to which no response by Defendants is required. To the extent a response is required, Defendants deny the allegations and legal conclusions set forth in Paragraph 35 of the Complaint.

36. Paragraph 36 of the Complaint contains legal conclusions to which no response by Defendants is required. To the extent a response is required, the ICE US Agreement and the ICE Europe Agreement speak for themselves. To the extent this paragraph is construed to contain additional factual allegations requiring a response, they are denied. Except as so admitted, Defendants deny the allegations and legal conclusions set forth in Paragraph 36 of the Complaint.

37. Paragraph 37 of the Complaint contains legal conclusions to which no response by Defendants is required. To the extent a response is required, the ICE US Agreement and the ICE Europe Agreement speak for themselves. To the extent this paragraph is construed to contain additional factual allegations requiring a response, they are denied. Except as so admitted, Defendants deny the allegations and legal conclusions set forth in Paragraph 37 of the Complaint.

38. Defendants lack sufficient knowledge or information to form a belief as to Plaintiff's allegations set forth in Paragraph 38 of the Complaint, and therefore deny those allegations.

39. Defendants admit that the ICE US Agreement's ten (10) year term expired on July 6, 2017. Defendants admit that the ICE Europe Agreement's ten (10) year term expired on June 26, 2017. Except as so admitted, Defendants deny the allegations set forth in Paragraph 39 of the Complaint.

40. Defendants admit that Matthew J. Kelly, Managing Director, Chief Intellectual Property Counsel, CME Group, sent a letter dated August 9, 2017 to Johnathan Short, General Counsel, ICE, alleging that ICE US and ICE Europe were "in breach" of the ICE US Agreement and the ICE Europe Agreement, respectively, and were allegedly "misusing the SPAN® trademark." Defendants further aver that, following the August 9, 2017 letter from Mr. Kelly to Mr. Short, the parties discussed resolving Plaintiff's concerns and obtaining new licenses during an August 16, 2017 telephone call between Mr. Kelly and Mr. Short. Defendants further aver that Mr. Kelly advised that CME was still considering the financial terms of a new license and would revert with a proposal once CME had determined such financial terms. Except as so admitted, Defendants deny the allegations set forth in Paragraph 40 of the Complaint.

41. Defendants admit that, during an August 16, 2017 telephone call between Mr. Kelly and Mr. Short, ICE agreed to continue discussions regarding a new license, and to draft new disclaimers to include on its websites in connection with its use of the “SPAN” term. Defendants aver that ICE drafted new disclaimer language for Plaintiff’s review, that Mr. Kelly approved the new disclaimer by e-mail dated September 20, 2017, and that (relying on said approval) ICE implemented the new disclaimer on its websites in connection with its use of the “SPAN” term. Defendants further aver that it was ICE’s understanding that the implementation of the new disclaimers resolved the dispute regarding use of the term “SPAN,” pending receipt of a new license proposal from CME. Except as so admitted, Defendants deny the allegations set forth in Paragraph 41 of the Complaint.

42. Defendants admit that, as of the date of the Complaint, the term “SPAN” appeared on ICE’s Internet websites, but aver that such use of the term “SPAN” was both lawful and previously approved by CME. (*See Answer to Paragraph 41 of the Complaint, supra.*) Defendants further aver that ICE drafted new disclaimer language for Plaintiff’s review, that Mr. Kelly approved the new disclaimer by e-mail dated September 20, 2017, and that (relying on said approval) ICE implemented the new disclaimer on its websites in connection with its use of the “SPAN” term. Defendants further aver that it was ICE’s understanding that the implementation of the new disclaimers resolved the dispute regarding use of the term “SPAN,” pending receipt of a new license proposal from CME. Defendants further aver that Plaintiff did not send ICE a new license proposal, despite Plaintiff’s promise that it would send ICE a new license proposal. Defendants further aver that instead of sending a new proposal as promised, Plaintiff remained silent for six months, while Defendants (in reliance on the approval provided by CME as described *supra*) continued to use the term “SPAN” on their Internet websites, until Plaintiff



filed this instant lawsuit against Defendants. Except as so admitted, Defendants deny the allegations set forth in Paragraph 42 of the Complaint.

43. The first sentence of Paragraph 43 of the Complaint contains legal conclusions to which no response by Defendants is required. To the extent a response is required, Defendants deny the allegations and legal conclusions set forth in the first sentence of Paragraph 43 of the Complaint. Defendants admit that, as of the date of the Complaint, the term “SPAN” appeared on ICE US’s Internet website, but aver that such use of the term “SPAN” was both lawful and previously approved by CME. (*See Answer to Paragraphs 41-42 of the Complaint, supra.*) Defendants further admit that Paragraph 43 of the Complaint purports to include a “screenshot” of ICE US’s Internet website as of the date of the Complaint, and that Exhibit C to the Complaint purports to be a “printout” of ICE US’s Internet website as of the date of the Complaint. Except as so admitted, Defendants deny the allegations set forth in Paragraph 43 of the Complaint.

44. Defendants admit that, as of the date of the Complaint, the term “SPAN” appeared on ICE US’s Internet website, but aver that such use of the term “SPAN” was both lawful and previously approved by CME. (*See Answer to Paragraphs 41-42 of the Complaint, supra.*) Except as so admitted, Defendants deny the allegations set forth in Paragraph 44 of the Complaint.

45. Defendants admit that, as of the date of the Complaint, ICE US’s Internet website included a disclaimer in connection with ICE US’s use of the “SPAN” term. Defendants further admit that Paragraph 45 of the Complaint purports to include a “screenshot” of the disclaimer on ICE US’s Internet website as of the date of the Complaint. Defendants further aver that Mr. Kelly approved this exact disclaimer language by e-mail dated September 20, 2017. Except as so admitted, Defendants deny the allegations set forth in Paragraph 45 of the Complaint.

46. The first sentence of Paragraph 46 of the Complaint contains legal conclusions to which no response by Defendants is required. Defendants admit that, as of the date of the Complaint, the term “SPAN” appeared on ICE Europe’s Internet website, but aver that such use of the term “SPAN” was both lawful and previously approved by CME. (*See Answer to Paragraphs 41-42 of the Complaint, supra.*) Defendants further admit that Paragraph 46 of the Complaint purports to include a “screenshot” of ICE Europe’s Internet website as of the date of the Complaint, and that Exhibit D to the Complaint purports to be a “printout” of ICE Europe’s Internet website as of the date of the Complaint. Except as so admitted, Defendants deny the allegations set forth in Paragraph 46 of the Complaint.

47. Defendants admit that, as of the date of the Complaint, the term “SPAN” appeared on ICE Europe’s Internet website, but aver that such use of the term “SPAN” was both lawful and previously approved by CME. (*See Answer to Paragraphs 41-42 of the Complaint, supra.*) Except as so admitted, Defendants deny the allegations set forth in Paragraph 47 of the Complaint.

48. Defendants admit that, as of the date of the Complaint, ICE Europe’s Internet website included a disclaimer in connection with ICE Europe’s use of the “SPAN” term. Defendants further admit that Paragraph 48 of the Complaint purports to include a “screenshot” of the disclaimer on ICE Europe’s Internet website as of the date of the Complaint. Defendants further aver that Mr. Kelly approved this exact disclaimer language by e-mail dated September 20, 2017. Except as so admitted, Defendants deny the allegations set forth in Paragraph 48 of the Complaint.

49. The first sentence of Paragraph 49 of the Complaint contains legal conclusions to which no response by Defendants is required. To the extent a response is required, Defendants

deny the allegations and legal conclusions set forth in the first sentence of Paragraph 49 of the Complaint. Defendants admit that, as of the date of the Complaint, the term “SPAN” appeared on Defendants’ Internet websites, but aver that such use of the term “SPAN” was both lawful and previously approved by CME. (*See Answer to Paragraphs 41-42 of the Complaint, supra.*) Defendants further admit that Paragraph 49 of the Complaint purports to include “screenshots” of Defendants’ Internet websites as of the date of the Complaint, and that Exhibit E to the Complaint purports to be “printouts” of Defendants’ Internet websites as of the date of the Complaint. Except as so admitted, Defendants deny the allegations set forth in Paragraph 49 of the Complaint.

50. Defendants admit that, as of the date of the Complaint, the term “SPAN” appeared on Defendants’ Internet websites, but aver that such use of the term “SPAN” was both lawful and previously approved by CME. (*See Answer to Paragraphs 41-42 of the Complaint, supra.*) Except as so admitted, Defendants deny the allegations set forth in Paragraph 50 of the Complaint.

51. Defendants admit that, as of the date of the Complaint, Defendants’ Internet websites each included a disclaimer in connection with the use of the “SPAN” term. Defendants further aver that Mr. Kelly approved this exact disclaimer language by e-mail dated September 20, 2017. Defendants further admit that Paragraph 51 of the Complaint purports to include “screenshots” of the disclaimers on Defendants’ Internet websites as of the date of the Complaint. Except as so admitted, Defendants deny the allegations set forth in Paragraph 51 of the Complaint.

52. Defendants admit that, as of the date of the Complaint, Defendants offered a software margin calculation tool that was last updated in November 2017, after the SPAN®

License Agreements expired. Except as so admitted, Defendants deny the allegations set forth in Paragraph 52 of the Complaint.

53. Paragraph 53 of the Complaint contains a legal conclusion to which no response by Defendants is required. To the extent a response is required, Defendants deny the allegations set forth in Paragraph 53 of the Complaint.

54. Defendants admit that the ICE US Agreement's ten (10) year term expired on July 6, 2017. Defendants admit that the ICE Europe Agreement's ten (10) year term expired on June 26, 2017. Except as so admitted, Defendants deny the allegations set forth in Paragraph 54 of the Complaint.

55. Defendants deny the allegations set forth in Paragraph 55 of the Complaint.

**Defendants' Intentional Actions Have Caused Extensive Harm and Damage to CME**

56. Defendants deny the allegations and legal conclusions set forth in Paragraph 56 of the Complaint.

57. Defendants deny the allegations and legal conclusions set forth in Paragraph 57 of the Complaint.

58. Defendants deny the allegations and legal conclusions set forth in Paragraph 58 of the Complaint.

**Count I:**

**Federal Trademark Counterfeiting**  
**(Registered Marks)**  
**15 U.S.C. § 1114**

59. The first sentence of Paragraph 59 asserts a legal conclusion to which no response of the Defendants is required. As to the remainder of Paragraph 59, Defendants repeat and

reallege the admissions, denials, and averments set forth in their responses to Paragraphs 1-58 of the Complaint, as though fully incorporated herein.

60. Defendants admit that CME purports to own the federal trademark registration for the SPAN mark as alleged in Paragraph 60 of the Complaint. Except as so admitted, Defendants deny the allegations and legal conclusions set forth in Paragraph 60 of the Complaint.

61. Defendants admit that CME purports to own the federal trademark registration for the SPAN mark as alleged in Paragraph 61 of the Complaint. Except as so admitted, Defendants deny the allegations and legal conclusions set forth in Paragraph 61 of the Complaint.

62. Defendants admit that CME purports to own the federal trademark registrations for the SPAN mark as alleged in Paragraphs 61 and 62 of the Complaint. Except as so admitted, Defendants deny the allegations and legal conclusions set forth in Paragraph 62 of the Complaint.

63. Defendants admit that, as of the date of the Complaint, the term “SPAN” appeared on Defendants’ Internet websites, but aver that such use of the term “SPAN” was both lawful and previously approved by CME. (*See Answer to Paragraphs 41-42 of the Complaint, supra.*) Defendants further admit that they “offer and advertise risk margining services for their futures and options exchanges and clearing organizations,” but aver that such services were and continue to be lawful. Except as so admitted, Defendants deny the allegations and legal conclusions set forth in Paragraph 63 of the Complaint.

64. Defendants deny the allegations and legal conclusions set forth in Paragraph 64 of the Complaint.

65. Defendants deny the allegations and legal conclusions set forth in Paragraph 65 of the Complaint.

**Count II:**

**Federal Trademark Infringement**  
**(Registered Marks)**  
**15 U.S.C. § 1114(1)**

66. The first sentence of Paragraph 66 asserts a legal conclusion to which no response of the Defendants is required. As to the remainder of Paragraph 66, Defendants repeat and reallege the admissions, denials, and averments set forth in their responses to Paragraphs 1-65 of the Complaint, as though fully incorporated herein.

67. Defendants admit that CME purports to own the federal trademark registrations for the SPAN mark as alleged in Paragraphs 61 and 62 of the Complaint. Except as so admitted, Defendants deny the allegations and legal conclusions set forth in Paragraph 67 of the Complaint.

68. Defendants deny the allegations and legal conclusions set forth in Paragraph 68 of the Complaint.

69. Defendants deny the allegations and legal conclusions set forth in Paragraph 69 of the Complaint.

70. Defendants deny the allegations and legal conclusions set forth in Paragraph 70 of the Complaint.

**Count III:**

**Federal Unfair Competition**  
**15 U.S.C. § 1125(a)**

71. The first sentence of Paragraph 71 asserts a legal conclusion to which no response of the Defendants is required. As to the remainder of Paragraph 71, Defendants repeat and reallege the admissions, denials, and averments set forth in their responses to Paragraphs 1-70 of the Complaint, as though fully incorporated herein.

72. Defendants deny the allegations and legal conclusions set forth in Paragraph 72 of the Complaint.

73. Defendants deny the allegations and legal conclusions set forth in Paragraph 73 of the Complaint.

**Count IV:**

**Breach of Contract**

**(As to Defendants ICE Clear US, Inc. and ICE Clear Europe Limited)**

74. The first sentence of Paragraph 71 asserts a legal conclusion to which no response of the Defendants is required. As to the remainder of Paragraph 74, Defendants repeat and reallege the admissions, denials, and averments set forth in their responses to Paragraphs 1-73 of the Complaint, as though fully incorporated herein.

75. Defendants deny the allegations and legal conclusions set forth in Paragraph 75 of the Complaint.

76. Defendants deny the allegations and legal conclusions set forth in Paragraph 76 of the Complaint.

77. Paragraph 77 of the Complaint contains legal conclusions to which no response by Defendants is required. To the extent a response is required, the ICE US Agreement and the ICE Europe Agreement speak for themselves. To the extent this paragraph is construed to contain additional factual allegations requiring a response, they are denied. Except as so admitted, Defendants deny the allegations and legal conclusions set forth in Paragraph 77 of the Complaint.

78. Defendants admit that the ICE US Agreement's ten (10) year term expired on July 6, 2017. Defendants admit that the ICE Europe Agreement's ten (10) year term expired on June 26, 2017. Defendants further admit that, as of the date of the Complaint, the term "SPAN"

appeared on Defendants' Internet websites, but aver that such use of the term "SPAN" was both lawful and previously approved by CME. (*See* Answer to Paragraphs 41-42 of the Complaint, *supra*.) Defendants further admit that they use the term "SPAN" "in connection with their risk management services," but aver that such use was both lawful and previously approved by CME. (*See* Answer to Paragraphs 41-42 of the Complaint, *supra*.) Except as so admitted, Defendants deny the allegations set forth in Paragraph 78 of the Complaint.

79. Defendants admit that Matthew J. Kelly, Managing Director, Chief Intellectual Property Counsel, CME Group sent a letter dated August 9, 2017 to Johnathan Short, General Counsel, ICE, alleging that ICE US and ICE Europe were "in breach" of the ICE US Agreement and the ICE Europe Agreement, respectively, and were allegedly "misusing the SPAN® trademark." Defendants further aver that, following the August 9, 2017 letter from Mr. Kelly to Mr. Short, the parties discussed resolving Plaintiff's concerns and obtaining new licenses during August 16, 2017 telephone call between Mr. Kelly and Mr. Short. Defendants further aver that Mr. Kelly advised that CME was still considering the financial terms of a new license and would revert with a proposal once CME had determined such financial terms. Defendants further aver that, during the August 16, 2017 telephone call between Mr. Kelly and Mr. Short, ICE agreed to continue discussions regarding a new license, and to draft new disclaimers to include on its websites in connection with its use of the "SPAN" term. Defendants further aver that ICE drafted new disclaimer language for Plaintiff's review. Defendants further aver that Mr. Kelly approved the new disclaimer by e-mail dated September 20, 2017, and (in reliance on said approval) ICE implemented the new disclaimer on its websites in connection with its use of the "SPAN" term. Defendants further aver that it was ICE's understanding that the implementation of the new disclaimers resolved the dispute regarding use of the term "SPAN," pending receipt



of a new license proposal from CME. Defendants further aver that Plaintiff did not send ICE a new license proposal, despite Plaintiff's promise that it would send ICE a new license proposal. Defendants further aver that instead of sending a new proposal as promised, Plaintiff remained silent for six months, while Defendants (in reliance on the approval provided by CME as described *supra*) continued to use the term "SPAN" on their Internet websites, until Plaintiff filed this instant lawsuit against Defendants. Except as so admitted, Defendants deny the allegations set forth in Paragraph 79 of the Complaint.

80. Defendants deny the allegations and legal conclusions set forth in Paragraph 80 of the Complaint.

81. Paragraph 81 of the Complaint contains legal conclusions to which no response by Defendants is required. To the extent a response is required, Defendants lack sufficient knowledge or information to form a belief as to Plaintiff's allegations and legal conclusions set forth in Paragraph 81 of the Complaint, and therefore deny those allegations and legal conclusions.

82. Defendants deny the allegations and legal conclusions set forth in Paragraph 82 of the Complaint.

83. Defendants deny the allegations and legal conclusions set forth in Paragraph 83 of the Complaint.

**Count V:**

**Illinois Deceptive Trade Practices**  
**815 Ill. Comp. Stat. 510/1 et seq.**

84. The first sentence of Paragraph 84 asserts a legal conclusion to which no response of the Defendants is required. As to the remainder of Paragraph 84, Defendants repeat and

reallege the admissions, denials, and averments set forth in their responses to Paragraphs 1-83 of the Complaint, as though fully incorporated herein.

85. Defendants deny the allegations and legal conclusions set forth in Paragraph 85 of the Complaint.

86. Defendants deny the allegations and legal conclusions set forth in Paragraph 86 of the Complaint.

**Count VI:**

**Illinois Common Law Unfair Competition**

87. The first sentence of Paragraph 87 asserts a legal conclusion to which no response of the Defendants is required. As to the remainder of Paragraph 87, Defendants repeat and reallege the admissions, denials, and averments set forth in their responses to Paragraphs 1-86 of the Complaint, as though fully incorporated herein.

88. Defendants deny the allegations and legal conclusions set forth in Paragraph 88 of the Complaint.

89. Defendants deny the allegations and legal conclusions set forth in Paragraph 89 of the Complaint.

**Prayer for Relief**

Defendants deny that Plaintiff is entitled to any relief from Defendants and deny all allegations and legal conclusions set forth in Paragraphs 1-8 on pages 23-25 of the Complaint as against ICE US and ICE Europe, and deny all allegations set forth in Paragraphs 1-7 on pages 25-27 as against ICE.

**General Denial**

Defendants deny each and every allegation of Plaintiff's Complaint not specifically admitted herein.

**Affirmative Defenses**

For its additional defenses and without admitting that Defendants bear the burden of proof as to any defenses in this action, Defendants state the following:

**First Affirmative Defense (by ICE)**

Plaintiff's alleged trademark registrations (including but not limited to U.S. Reg. No. 1,689,863 for "SPAN"; U.S. Reg. No. 2,386,878 for "SPAN"; U.S. Reg. No. 1,689,882 for "PC-SPAN"; and U.S. Reg. No. 2,828, 376 for "SPAN RISK MANAGER"), as set forth in the Complaint, are invalid because Plaintiff's marks are generic. Upon information and belief, the alleged trademarks are not associated by the relevant public for financial-related goods and services with any particular source, much less with CME. Plaintiff has engaged in naked licensing. ICE is aware of Plaintiff's license of CME's purported trademarks to ICE US, ICE Europe, and, on information and belief, to third-party licensees, without the exercise of adequate control over the nature and quality of the licensed goods or services. Further, Plaintiff has alleged in its Complaint that ICE, and ICE's affiliates and subsidiaries, have had unlicensed use of the alleged trademarks. Upon information and belief, CME was aware of this alleged unlicensed use and did not notify ICE. Further, on information and belief, Plaintiff has knowingly allowed unlicensed use of the alleged trademarks to unlicensed third-parties without adequate policing and enforcement. On information and belief, Plaintiff's failure to exercise adequate control over the nature and quality of its licensees' licensed goods or services and its failure to adequately police unlicensed third-party use of its marks in the industry has led to

widespread, generic use of the alleged trademarks in the industry. Such inconsistent use of the alleged trademarks throughout the industry has destroyed the alleged trademarks' source-identifying function. For instance, the Bolsas y Mercados Espanoles Stock Exchange ("BME Stock Exchange") references the SPAN mark without attribution to Plaintiff on its website located at <http://www.bmeclearing.es/ing/Risk/MarginingProcess/InitialMargin.aspx>. In addition to the unattributed use on the BME Stock Exchange, upon information and belief, Plaintiff has failed to exercise adequate quality control over its licensee NASDAQ OMX Clearing AB's ("NASDAQ Clearing") use of a SPAN-derivative margin calculation tool. Also, upon information and belief, Plaintiff has failed to prevent unauthorized and unattributed use of the alleged trademarks by various third party vendors, including but not limited to Open Gamma, Advent, TradePlus, and Pehla Trade. Also, Investopedia has a definition for "SPAN Margin" that does not reference Plaintiff on its website located at <https://www.investopedia.com/terms/s/spanmargin.asp> defining "SPAN Margin" as "calculated by standardized portfolio analysis of risk (SPAN), a leading system that has been adopted by most options and futures exchanges around the world. SPAN is based on a sophisticated set of algorithms that determine margin requirements according to a global (total portfolio) assessment of the one-day risk for a trader's account." Accordingly, the definition is directed to the type of method used to calculate risk, rather than Plaintiff as the source of any trademark. Plaintiff has engaged in trademark misuse by attempting to monopolize the market beyond the boundaries of any purported trademark rights it may have, if any. As a result, the alleged trademarks are generic and Plaintiff is not recognized as the source of such marks.

**Second Affirmative Defense (by ICE)**

Plaintiff's alleged trademark registrations (including but not limited to U.S. Reg. No. 1,689,863 for "SPAN"; U.S. Reg. No. 2,386,878 for "SPAN"; U.S. Reg. No. 1,689,882 for "PC-SPAN"; and U.S. Reg. No. 2,828, 376 for "SPAN RISK MANAGER"), as set forth in the Complaint, are invalid because Plaintiff has abandoned its marks by engaging in naked licensing. ICE incorporates by reference the factual allegations asserted in the First Affirmative Defense.

ICE is aware that Plaintiff has licensed the alleged trademarks to ICE US, ICE Europe, and, on information and belief, to third-party licensees, with insufficient quality control contractual provisions and without the exercise of adequate control over the nature and quality of the licensed goods or services. Upon information and belief, Plaintiff has engaged in widespread licensing of its marks to third-party licensees without exercising adequate control over the nature and quality of the licensed goods or services. Further, Plaintiff has alleged in its Complaint that it permitted unlicensed use of the Purported Marks by ICE, and ICE's affiliates and subsidiaries. (*E.g.*, ECF No. 1 at 11, 49, 50.) Plaintiff now seeks to end that use through its Complaint, but has knowingly allowed such use for many years -- and in some instances, by written agreement. For example, ICE Clear Netherlands B.V. was given permission to use the Purported Marks on the same terms as ICE Europe as outlined in a consent letter dated June 7, 2016, from Dhiraj Bawadhankar, CME Executive Director, Cleaning Solutions (the "ICE Netherlands Consent Letter"). The ICE Netherlands Consent Letter includes a stamp approving this consent from CME Group Legal dated June 7, 2016. Plaintiff's apparent lack of knowledge of the ICE Netherlands Consent Letter entered into by Plaintiff's affiliate further evidences a lack of quality control by Plaintiff. Additionally, CME has, and continues to, publish array files from the Winnipeg Commodity Exchange (now ICE Futures Canada), Intercontinental Exchange, and ICE Futures Singapore on its website <ftp://ftp.cmegroup.com/pub/span/data/>. *See*

[http://www.cmegroup.com/clearing/files/Span\\_FTP\\_Listed\\_Exchanges.pdf](http://www.cmegroup.com/clearing/files/Span_FTP_Listed_Exchanges.pdf). As such, Plaintiff has been, and continues to, publish data from alleged unlicensed entities.

Further, upon information and belief, Plaintiff permitted unlicensed use of the Purported Marks by unlicensed third-parties without adequate policing and enforcement. For example, the Bolsas y Mercados Espanoles Stock Exchange (“BME Stock Exchange”) references the SPAN mark without attribution to Plaintiff on its website located at <http://www.bme clearing.es/ing/Risk/MarginingProcess/InitialMargin.aspx>. On information and belief, Plaintiff’s failure to exercise adequate control over the nature and quality of its licensees’ licensed goods or services and its failure to adequately police unlicensed widespread third-party use of its marks in the industry has led to widespread, generic use of the Purported Marks in the industry. As a result, upon information and belief, Plaintiff’s Purported Marks have lost their significance as a symbol of equal and consistent quality.

### **Third Affirmative Defense (by all Defendants)**

Plaintiff’s claims are barred in whole or in part by the doctrine of classic fair use. Defendants incorporate by reference the factual allegations asserted in their Second Affirmative Defense. On information and belief, Defendants, third-party exchanges, vendors, and the risk margin financial services market generally use the term “SPAN” to describe derivative uses unique to the particular consumers of each third party financial services entity. On information and belief, third parties that offer risk margin calculation tools do not use the term “SPAN” to describe Plaintiff’s alleged marks when, for example, product names include the word “SPAN.” Rather, the term “SPAN” has historically been used by Defendants and other third parties with additional descriptors to identify a “SPAN”-type risk calculation method. For example, upon information and belief, “London SPAN,” an adaptation of Plaintiff’s “SPAN” methodology, has

been available since at least 1999 through London Clearing House Ltd. (“LCH”) and denotes a third party risk tool suited for London markets related to LCH’s business. Upon further information and belief, Plaintiff has knowledge of “London SPAN” and third party use of this term, and has published array files from “London SPAN.” Defendants’ risk management tools that included “SPAN” in its name similarly denoted a “SPAN”-type risk calculation method. These types of uses are not trademark uses, are descriptive of the goods and services, and were used in good faith. Defendants used the term “SPAN” to describe its risk calculation model, unique to Defendants and the needs of Defendants’ consumers.

**Fourth Affirmative Defense (by all Defendants)**

Defendants’ use of the term “SPAN” alleged in the Complaint to be infringing was permitted under express or implied licenses granted by Plaintiff. Defendants incorporate by reference the factual allegations asserted in their Third Affirmative Defense.

The effective date of the ICE Europe Agreement was June 26, 2007, and the effective date of the ICE US Agreement was July 6, 2007. Upon information and belief, Plaintiffs knew how Defendants were using the SPAN Marks at least since the effective dates of these agreements. Upon further information and belief, Plaintiffs provided no notice, whether formally or informally, that Defendants were improperly using the SPAN Marks in any way until an August 9, 2017 letter from Matthew J. Kelly, Managing Director, Chief Intellectual Property Counsel, CME Group, to Johnathan Short, General Counsel, ICE. Similarly, upon information and belief, Plaintiffs provided no notice, whether formally or informally, that Plaintiff would not grant a new license permitting Defendants to use the SPAN Marks. During this period, Plaintiff implicitly permitted Defendants and their related entities to use of the term “SPAN.”

The ICE Europe Agreement expired on June 26, 2017. The ICE US Agreement expired on July 6, 2017. On information and belief, between June 26, 2017, and August 9, 2017, for ICE Europe and between July 6, 2017, and August 9, 2017, for ICE US, Plaintiff was aware of Defendants' use of the term "SPAN." During this period, Plaintiff implicitly permitted Defendants to continue to use of the term "SPAN." Further, Defendants and Plaintiff continued to perform as if a license agreement was ongoing. For instance, under Section 9 of the ICE Europe Agreement, ICE Europe continued to send its risk array files to Plaintiff and Plaintiff continued to publish those array files on its FTP site located at <ftp://ftp.cmegroup.com/pub/span/data/>. Similarly, under Section 9 of the ICE US Agreement, ICE US continued to send its risk array files to Plaintiff and Plaintiff continued to publish those array files on its FTP site located at <ftp://ftp.cmegroup.com/pub/span/data/>. Moreover, CME has published, and continues to publish, array files from the Winnipeg Commodity Exchange (now ICE Futures Canada), Defendant ICE, and ICE Futures Singapore. See [http://www.cmegroup.com/clearing/files/Span\\_FTP\\_Listed\\_Exchanges.pdf](http://www.cmegroup.com/clearing/files/Span_FTP_Listed_Exchanges.pdf).

Additionally, ICE Clear Netherlands B.V. was given permission to use the Purported Marks on the same terms as ICE Europe as outlined in the ICE Netherlands Consent Letter dated June 7, 2016, from Dhiraj Bawadhankar, CME Executive Director, Clearing Solutions. The ICE Netherlands Consent Letter included a stamp approving this consent from CME Group Legal dated June 7, 2016. Accordingly, ICE Clear Netherlands B.V. also had an express or implied license to continue to use the Purported Marks.

As noted above, on August 9, 2017, Mr. Kelly of CME Group, sent a letter to ICE's General Counsel Johnathan Short, alleging for the first time that ICE US and ICE Europe were "in breach" of the ICE US Agreement and the ICE Europe Agreement, respectively, and that all



Defendants were allegedly “misusing the SPAN® trademark.” But, following the August 9, 2017 letter from Mr. Kelly to Mr. Short, the parties discussed resolving Plaintiff’s concerns and obtaining new licenses during an August 16, 2017, telephone call between Mr. Kelly and Mr. Short. On information and belief, Mr. Kelly, given his position as CME’s Managing Director, Chief Intellectual Property Counsel, and Associate General Counsel, had and has authority to speak on behalf of, and bind, Plaintiff. On further information and belief, during this August 16, 2017 telephone call, Mr. Kelly advised that CME was still considering the financial terms of a new license and would revert with a proposal once CME had determined such financial terms. Also on the August 16, 2017 telephone call between Mr. Kelly and Mr. Short, ICE agreed to continue discussions regarding a new license, and to draft new disclaimers to include on its websites in connection with its use of the “SPAN” term. Defendants subsequently drafted new disclaimer language for Plaintiff’s review, and Mr. Kelly approved the new disclaimer by e-mail dated September 20, 2017. Relying on said approval, ICE implemented the new disclaimer on its websites in connection with its use of the “SPAN” term. Defendants continued to use the “SPAN” term on its websites for a subsequent six months with Plaintiff’s actual knowledge. Then Plaintiff filed its Complaint in the current Action. Thus, until Plaintiff filed its Complaint in this Action, Defendants believed their continued use of the “SPAN” term was either implicitly or expressly authorized by Plaintiff.

**Fifth Affirmative Defense (by ICE)**

Plaintiff’s claims are barred against ICE in whole or in part under principles of equity, including without limitation, laches, estoppel, consent, and acquiescence. ICE incorporates by reference the factual allegations asserted in the Fourth Affirmative Defense.

Plaintiff had constructive or actual knowledge of ICE's and/or its subsidiaries use of the Purported Marks for over a decade. For example, upon information and belief, during the ten-year terms of the ICE US Agreement and the ICE Europe Agreement, Plaintiff provided no notice, whether formally or informally, that Defendants were improperly using the SPAN Marks in any way, or that a new trademark license was not forthcoming. Upon further information and belief, third parties were also using the SPAN Marks in a similar manner with Plaintiff's knowledge. For example, upon information and belief, Plaintiffs have knowledge that "London SPAN," an adaptation of Plaintiff's "SPAN" methodology, has been available since at least 1999 through LCH and denotes a third party risk tool suited for the London markets.

Additionally, ICE Clear Netherlands B.V. was given permission to use the Purported Marks on the same terms as ICE Europe as outlined in the ICE Netherlands Consent Letter dated June 7, 2016, from Dhiraj Bawadhankar CME Executive Director, Clearing Solutions. The ICE Netherlands Consent Letter includes a stamp approving this consent from CME Group Legal dated June 7, 2016. Despite Plaintiff's actual or constructive knowledge of ICE's use of the term "SPAN," Plaintiff never notified ICE that it considered ICE's use of the term "SPAN" unauthorized until the Complaint filed in this Action. ICE reasonably relied on Plaintiff's implicit authorization of its use of the term "SPAN" to its detriment. Now, Plaintiff seeks damages in an amount that is many orders of magnitude above the past license amount based, in part, on ICE's use. As such, Plaintiff's claims against ICE should be barred by equitable principles.

**Sixth Affirmative Defense (by all Defendants)**

Plaintiff's claims are barred against Defendants in whole or in part under principles of equity, including without limitation, laches, waiver, estoppel, and/or acquiescence. Defendants incorporate by reference the factual allegations asserted in their Fifth Affirmative Defense.

In particular, following the August 9, 2017, letter from Mr. Kelly to Mr. Short, the parties discussed resolving Plaintiff's concerns and obtaining new licenses during an August 16, 2017 telephone call between Mr. Kelly and Mr. Short. During the August 16, 2017 telephone call between Mr. Kelly and Mr. Short, ICE agreed to continue discussions regarding a new license, and to draft new disclaimers to include on its websites in connection with its use of the "SPAN" term. ICE drafted new disclaimer language for Plaintiff's review. Mr. Kelly approved the new disclaimer by e-mail dated September 20, 2017, and (in reliance on said approval) ICE implemented the new disclaimer on its websites in connection with its use of the "SPAN" term. It was ICE's understanding, reasonably based on the foregoing, that the implementation of the new disclaimers resolved the dispute regarding use of the term "SPAN," pending receipt of a new license proposal from Plaintiff. Plaintiff did not send ICE a new license proposal, despite Plaintiff's promise that it would send ICE a new license proposal. Instead, Plaintiff remained silent for six months, while Defendants (in reliance on the approval provided by CME as described *supra*) continued to use the term "SPAN" on their Internet websites, until Plaintiff filed this instant lawsuit against Defendants. Defendants relied upon Plaintiff's conduct to their detriment.

**Seventh Affirmative Defense (by ICE)**

Plaintiff's claims under Counts V (Illinois Deceptive Trade Practices 815 Ill. Comp. Stat. 510/1 *et seq.*) and VI (Illinois Common Law Unfair Competition) are barred in whole or in part by the applicable statutes of limitations as against ICE. Counts V and VII are both governed by

a three-year statute of limitations period under Illinois law. ICE incorporates by reference the factual allegations asserted in the Sixth Affirmative Defense.

In particular, upon information and belief, “London SPAN,” an adaptation of Plaintiff’s “SPAN” methodology, has been available since at least 1999 through LCH Ltd. and denotes a third party risk tool suited for the London markets. Upon further information and belief, Plaintiff has knowledge of “London SPAN,” and has published array files from “London SPAN.” Moreover, Plaintiff has known of Defendants’ uses of the SPAN marks for many years and did not give Defendants any notice of misuse. For example, Plaintiff has published, and continues to publish, array files from the Winnipeg Commodity Exchange (now ICE Futures Canada), Defendant ICE, and ICE Futures Singapore. See [http://www.cmegroup.com/clearing/files/Span\\_FTP\\_Listed\\_Exchanges.pdf](http://www.cmegroup.com/clearing/files/Span_FTP_Listed_Exchanges.pdf). Additionally, ICE Clear Netherlands B.V. was given permission to use the Purported Marks on the same terms as ICE Europe as outlined in the ICE Netherlands Consent Letter dated June 7, 2016, from Dhiraj Bawadhankar, CME Executive Director, Clearing Solutions. The ICE Netherlands Consent Letter includes a stamp approving this consent from CME Group Legal dated June 7, 2016. Plaintiff had constructive or actual knowledge of ICE’s use of the term “SPAN” for at least a decade, and knowledge of similar third party use for even longer. As such, Plaintiff’s claims under Counts V and VI are barred by the applicable statute of limitations period as to ICE.

**Eighth Affirmative Defense (by all Defendants)**

The relief sought by Plaintiff is barred by unclean hands. Defendants incorporate by reference the factual allegations asserted in their Sixth and Seventh Affirmative Defenses. In particular, as discussed above, the parties discussed resolving Plaintiff’s concerns and obtaining new licenses during an August 16, 2017 telephone call between Mr. Kelly and Mr. Short.

During the August 16, 2017 telephone call between Mr. Kelly and Mr. Short, ICE agreed to continue discussions regarding a new license, and to draft new disclaimers to include on its websites in connection with its use of the “SPAN” term. ICE drafted new disclaimer language for Plaintiff’s review, which Mr. Kelly approved, and ICE (relying on said approval) implemented the new disclaimer on its websites in connection with its use of the “SPAN” term. It was ICE’s understanding that the implementation of the new disclaimers resolved the dispute regarding use of the term “SPAN,” pending receipt of a new license proposal from CME; instead, CME stayed silent until it filed the instant lawsuit. (See Answer to Paragraphs 41-42 of the Complaint, *supra*.) Moreover, on information and belief, Plaintiff’s claims amount to an anticompetitive attempt to tie the use of the SPAN mark to offerings that are not protectable by trademark, patent, copyright, or any other intellectual property laws. As such, Plaintiff is engaged in trademark misuse in attempting to monopolize the market beyond the boundaries of any purported trademark rights it may have, if any.

**Ninth Affirmative Defense (by all Defendants)**

The relief sought by Plaintiff is barred because Plaintiff failed to make reasonable efforts to mitigate its damages. Defendants incorporate by reference the factual allegations asserted in their Eighth Affirmative Defense. Further, the ICE US Agreement and the ICE Europe Agreement each were subject to specific notice provisions. Upon information and belief, Plaintiff had constructive or actual knowledge that ICE US had its own management and legal teams. Consistent with this constructive or actual knowledge, under Section 19 of the ICE US Agreement CME was required to provide notice to ICE US of all communications by contacting the President of ICE US, in writing, addressed to ICE US headquarters. Plaintiff did not provide notice of ICE US’s purported contract breaches or alleged “misuse” of the SPAN Mark pursuant

to the ICE US Agreement's notice provision. Plaintiff did not attempt to contract the identified ICE US employee, or any other ICE US employee. Moreover, Plaintiff did not provide notice of ICE US's alleged "breach" or alleged "misuse" until August 9, 2017, when Mr. Kelly sent the letter to Mr. Short alleging that ICE US and ICE Europe were "in breach" of the ICE US Agreement and the ICE Europe Agreement, respectively, and were allegedly "misusing the SPAN® trademark." Even though Section 19 of the ICE US Agreement mandated that Plaintiff contact the contracting entity, ICE US, Plaintiff did not follow the ICE US Agreement, and contacted the non-party parent entity ICE. ICE US received no prior notice of alleged "breach" or alleged "misuse despite the fact that the ICE US Agreement expired on July 6, 2017.

Similarly, upon information and belief, Plaintiff had constructive or actual knowledge that ICE Europe had its own management and legal teams. Consistent with this constructive or actual knowledge, under Section 19 of the ICE Europe Agreement CME had to provide notice to ICE Europe of all communications by contacting the Head of Legal at ICE Europe, in writing, addressed to ICE Europe's headquarters. Plaintiff did not provide notice of ICE Europe's purported contract breaches or alleged "misuse" of the SPAN Mark pursuant to the ICE Europe's Agreement's notice provision. Plaintiff did not attempt to contract the identified ICE Europe employee, or any other ICE Europe employee. Moreover, Plaintiff did not provide notice of ICE Europe's alleged "breach" or alleged "misuse" until Mr. Kelly's August 9, 2017 letter to Mr. Short. Even though Section 19 of the ICE Europe Agreement mandated that Plaintiff contact the contracting entity, ICE Europe, Plaintiff did not follow the ICE Europe Agreement, and contacted the non-party parent entity ICE. ICE Europe received no prior notice of alleged "breach" or alleged "misuse despite the fact that the ICE Europe Agreement expired on June 26, 2017.

Even after Defendants received notice of the alleged “breach” and the alleged “misuse” of the SPAN mark, Plaintiff still failed to mitigate damages. In particular, Plaintiff permitted Defendants’ use of the “SPAN” term to continue. For example, during the August 16, 2017 telephone call between Mr. Kelly and Mr. Short, ICE agreed to continue discussions regarding a new license, and to draft new disclaimers to include on its websites in connection with its use of the “SPAN” term. ICE drafted new disclaimer language for Plaintiff’s review. Mr. Kelly approved the new disclaimer by e-mail dated September 20, 2017, and (in reliance on said approval) ICE implemented the new disclaimer on its websites in connection with its use of the “SPAN” term. It was ICE’s understanding, reasonably based on the foregoing, that the implementation of the new disclaimers resolved the dispute regarding use of the term “SPAN,” pending receipt of a new license proposal from Plaintiff. Plaintiff did not send ICE a new license proposal, despite Plaintiff’s promise that it would send ICE a new license proposal. Instead, Plaintiff remained silent for six months, while Defendants (in reliance on the approval provided by CME as described *supra*) continued to use the term “SPAN” on their Internet websites, until Plaintiff filed this instant lawsuit against Defendants.

### **ADDITIONAL DEFENSES**

Defendants reserve the right to assert additional defenses based on information learned or obtained during discovery.

### **Counterclaims**

Defendant-Counterclaim Plaintiffs ICE Clear US, Inc. (“ICE US”), ICE Clear Europe Limited (“ICE Europe”), and Intercontinental Exchange, Inc. (“ICE”) (collectively Counterclaim Plaintiffs) as and for their counterclaims against Plaintiff-Counterclaim Defendant Chicago Mercantile Exchange Inc. (“CME” or “Counterclaim Defendant”) allege as follows:

### **Nature of the Counterclaims**

1. Counterclaim Plaintiff ICE asserts trademark invalidity Counterclaims against Counterclaim Defendant for a declaration that the trademarks claimed by Counterclaim Defendant and asserted in this action are invalid and unenforceable and for an order directing cancellation of the following United States Trademark Registrations pursuant to 15 U.S.C. § 1119: (a) U.S. Reg. No. 1,689,863 of the purported mark “SPAN” in International Class 9; (b) U.S. Reg. No. 2,386,878 of the purported mark “SPAN” in International Class 36; (c) U.S. Reg. No. 1,689,882 of the purported mark in “PC-SPAN” in International Class 9; and (d) U.S. Reg. No. 2,828, 376 of the purported mark “SPAN RISK MANAGER” in International Class 9 (collectively the “Purported Marks”), and certifying such order to the Director of the USPTO.

2. Counterclaim Plaintiffs ICE US and ICE Europe assert Counterclaims for breach of contract against Counterclaim Defendant.

### **Jurisdiction and Venue**

3. On February 23, 2018, CME filed this lawsuit for federal trademark infringement, federal and state unfair competition, breach of contract, and state deceptive trade practices.

4. The Court has subject matter jurisdiction over ICE’s counterclaims because they arise under 15 U.S.C. § 1119 and 1121; 28 U.S.C. §§ 1331, 1332(a), and 1338(a) and (b); and pursuant to the principles of supplemental jurisdiction under 28 U.S.C. § 1367 because the counterclaims are so related to CME’s claims that they form part of the same case or controversy under Article III of the United States Constitution.

5. Venue is proper in the Northern District of Illinois pursuant to 28 U.S.C. § 1391, because CME resides in this district, is doing business in this District, alleges that its claims arose in this District, and alleges that a substantial part of the events giving rise to the claims



occurred in this District. Further, CME consented to personal jurisdiction and waived objections to venue in this district by filing this lawsuit in this District.

### **Parties**

6. Defendant-Counterclaim Plaintiff ICE is a Delaware corporation with a principal place of business at 5660 New Northside Drive NW, 3rd Floor, Atlanta, GA 30328.

7. Defendant-Counterclaim Plaintiff, ICE US is a New York corporation with a principal place of business at 55 East 52nd Street, 40th Floor, New York, New York 10055.

8. Defendant-Counterclaim Plaintiff, ICE Europe is a United Kingdom private limited company with a principal place of business at Milton Gate, 60 Chiswell Street, London, EC1Y 4SA, UK.

9. Plaintiff-Counterclaim Defendant, Chicago Mercantile Exchange Inc. is a Delaware corporation with its principal place of business at 20 South Wacker Drive, Chicago, Illinois 60606.

### **General Factual Allegations**

10. Formed in 2000, ICE serves its customers by operating the exchanges, clearing houses and information services they rely upon to invest, trade and manage risk across a variety of global financial and commodity markets. ICE's financial products and services include but are not limited to providing state-of-the art global exchange and clearing facilities that bring market access and transparency to participants in more than 50 countries, as well as information and connectivity products and services across virtually all asset classes.

11. Established in 1915 as the New York Cotton Exchange Clearing Association, ICE US provides secure, capital-efficient counterparty risk management and post-trade services across a wide range of asset classes. To help mitigate systemic risk and protect the interests of

its clearing members, ICE US holds margin and guaranty funds including ICE Clear US's contribution, and is a CFTC-registered Derivatives Clearing Organization (DCO).

12. Created in 2007, ICE Europe provides central counterparty clearing and risk management services for interest rate, equity index, agricultural and energy derivatives, as well as European credit default swaps (CDS), including for ICE Futures Europe, ICE Endex, and ICE Futures US. ICE Europe clears, inter alia, Brent and West Texas Intermediate (WTI) global crude benchmark contracts, Gasoil, US and European Natural Gas and Power contracts, coal, emissions instruments, short and medium term interest rate products, equity derivatives, and OTC CDS products, including European index, European Government Single Names, and Corporate Single Names. To help mitigate systemic risk and protect the interests of its clearing members and customers, ICE Europe holds over \$30 billion in its financial guarantee package (guarantee fund) and is regulated by the Bank of England in the U.K. and by the SEC and CFTC in the U.S. ICE Europe has also been recognized under the UK Financial Services and Markets Act 2000, and has also received the settlement finality designation by the FSA under the Financial Markets and Insolvency (Settlement Finality) Regulations 1999. ICE Europe is also recognized by the Bank of England as an inter-bank payment system under the Banking Act 2009, and by the CFTC as a Derivatives Clearing Organization.

13. CME has asserted that it is the owner of: (a) U.S. Reg. No. 1,689,863 of the mark "SPAN" registered on June 2, 1992; (b) U.S. Reg. No. 2,386,878 of the mark "SPAN" registered on September 19, 2000; (c) U.S. Reg. No. 1,689,882 of the mark in "PC-SPAN" registered on June 2, 1992; and (d) U.S. Reg. No. 2,828, 376 of the mark "SPAN RISK MANAGER" registered on March 30, 2004 and corrected on June 26, 2012. CME has asserted that it has continuously used the Purported Marks since at least 1989.

14. Upon information and belief, the “SPAN” margin system is a performance bond margining system for calculating requirements originally developed by CME in 1988. Upon further information and belief, the “SPAN” system has been adopted by most options and futures exchanges around the world and has become the industry standard for portfolio risk assessment. Upon further information and belief, at least some of the options and futures exchanges who adopted the “SPAN” system have customized their systems to meet their specific needs.

15. Indeed, some form of “SPAN” is used by more than 50 registered exchanges, clearing organizations, service bureaus, and regulatory agencies throughout the world. *See* <http://www.cmegroup.com/clearing/risk-management/span-overview.html>.

16. Upon information and belief, the term “SPAN” is a generic term used by the financial services industry to refer to a system for calculating margin requirements for futures and options on futures. Upon further information and belief, the Purported Marks are not associated by the relevant public for financial-related goods and services with any particular source, much less with CME. For example, the Internet website “Investopedia” contains a definition for “SPAN Margin” that does not even mention CME or identify CME as the source of the “SPAN Margin” system.

17. Similarly, upon information and belief, the Bolsas y Mercados Espanoles Stock Exchange (“BME Stock Exchange”) references the SPAN mark without attribution to Plaintiff on its website located at <http://www.bme clearing.es/ing/Risk/MarginingProcess/InitialMargin.aspx>. In addition to the unattributed use on the BME Stock Exchange, upon information and belief Plaintiff has failed to exercise adequate quality control over its licensee NASDAQ OMX Clearing AB’s (“NASDAQ Clearing”) use of a SPAN-derivative margin calculation tool. Also, upon information and belief,

Plaintiff has failed to prevent unauthorized and unattributed use of the alleged trademarks by various third party vendors, including but not limited to, Open Gamma, Advent, TradePlus, and Pehla Trade.

18. Moreover, upon information and belief, the Purported Marks have become generic through CME's failure to adequately police widespread unlicensed and unauthorized use of the Purported Marks.

19. As noted above, some form of "SPAN" is used by more than 50 registered exchanges, clearing organizations, service bureaus, and regulatory agencies throughout the world. See <http://www.cmegroup.com/clearing/risk-management/span-overview.html>. Upon information and belief, CME has not authorized or licensed the use of the Purported Marks to each and every one of the "50 registered Exchanges, clearing organizations, service bureaus, and regulatory agencies throughout the world." Upon further information and belief, CME has not authorized or licensed the use of the Purported Marks to each and every one of the "wide range of end-users" that utilize its SPAN software, "including futures commission merchants (FCMs), investment banks, hedge funds, research organizations, risk managers, brokerage firms, and individual investors worldwide." Upon further information and belief, CME does not police such unauthorized and unlicensed use of the Purported Marks.

20. Upon information and belief, over CME's alleged three decades of continuous use of the Purported Marks, Defendants are aware of only one prior lawsuit prior to the instant action where CME asserted claims of infringement of the Purported Marks against any alleged infringers or unauthorized users of the Purported Marks: *CME Group Inc. et al v. Jonhtham et al*, 1:16-CV-04541, (N.D. Ill.) (the "Prior Action"). Upon information and belief, in the Prior Action, Plaintiff asserted copyright and trademark infringement claims, a trademark

cybersquatting claim, a state anti-phishing claim, and state unfair competition claims against multiple defendants accused of running a “counterfeit” CME website. Upon information and belief, defendants in the Prior Action were accused of infringing forty-eight of Plaintiff’s pending or registered federal trademarks arising out of their operation of a counterfeit website. Upon information and belief, of the forty-eight pending or registered federal trademarks asserted in the Prior Action, only three overlap with the Purported Marks asserted in this Action. Upon information and belief, Defendants in the Prior Action were not, and had never been, licensees of Plaintiff.

21. Upon ICE’s information and belief, CME has engaged in trademark misuse by attempting to monopolize the market beyond the boundaries of any purported trademark rights it may have, if any. CME’s asserted claims in this lawsuit amount to an anticompetitive attempt to tie the use of the Purported Marks to offerings that, upon information and belief, are not protectable by trademark, patent, copyright, or any other intellectual property laws. Upon further information and belief, CME has demanded excessive and grossly inflated licensing fees for use of the Purported Marks relative to its prior practice of licensing the use of the Purported Marks for free or for a nominal or *de minimis* fee.

22. Upon information and belief, CME has engaged in naked licensing by licensing the Purported Marks without the exercise of adequate control over the nature and quality of the licensed goods or services.

23. Upon information and belief, CME’s licenses for use of the Purported Marks contain insufficient quality control provisions to allow CME to actually control the nature and quality of the goods and services that the Purported Marks identify. For example, the ICE US Agreement and the ICE Europe Agreement contain insufficient quality control provisions to

allow CME to actually control the nature and quality of the goods and services that the Purported Marks identify.

24. Regardless, upon information and belief, whatever quality control provisions CME retained over its licensees, CME failed to ever exercise any real and actual control over the nature and quality of goods and services provided by licensees under the Purported Marks.

25. Upon information and belief, CME does not track the manner in which its licensees use either the Purported Marks or offerings related to the Purported Marks.

26. Upon information and belief, CME does not retain control or ownership over any modifications undertaken by its licensees to either the Purported Marks or offerings related to the Purported Marks.

27. Moreover, upon information and belief, control over the nature and quality of the Purported Marks are monitored by CME's licensees, and not CME. Upon information and belief, CME licenses the SPAN Marks to regularly modified or updated third party software providers, which includes use of the Purported marks tied thereto. Upon information and belief, CME licensees would offer CME patches or technological support to apply licensee modifications to CME's software. Upon information and belief, CME would not always apply a licensee's modification onto its software. Upon information and belief, this led to inconsistent uses of the Purported Marks.

28. In fact, on at least one occasion, Defendants notified CME of modifications made to Defendants' risk management software related to the Purported Marks, and CME refused to adopt Defendants' modifications in CME's software. As a result of CME's failure to adopt ICE's modifications, upon information and belief, users of ICE's margin calculation tool would have access to different features and capabilities than users of CME's margin calculation tool.

29. As a further result of ICE's modifications, upon information and belief, users of ICE's margin calculation tool would garner different outputs than the outputs generated by users of CME's margin calculation tool (with both sets of users entering the same inputs).

30. During the ICE US Agreement's term, CME did not exercise any actual control over ICE US in connection with ICE US's use of the Purported Marks. For example, CME did not: exercise any conduct to control the nature or quality of ICE US's use of the Purported Marks; request to review or inspect ICE US's goods and services offered under the Purported Marks; exercise its right to compel ICE US to make modifications to the manner in which it used the Purported Marks; or request to review ICE US's marketing materials using the Purported Marks as was CME's right in the ICE US Agreement.

31. During the ICE Europe Agreement's term, CME did not exercise any actual control over ICE Europe in connection with ICE Europe's use of the Purported Marks. For example, CME did not: exercise any conduct to control the nature or quality of ICE Europe's use of the Purported Marks; request to review or inspect ICE Europe's goods and services offered under the Purported Marks; exercise its right to compel ICE Europe to make modifications to the manner in which it used the Purported Marks; or request to review ICE Europe's marketing materials using the Purported Marks as was CME's right in the ICE Europe's Agreement.

32. Based on the allegations in CME's Complaint, Defendants' subsidiaries (ICE Clear Canada, Inc., ICE Clear Netherlands, and Ice Clear Singapore Pte. Ltd.) have allegedly used the Purported Marks without authorization for many years, and Defendants have allegedly used the Purported Marks beyond the scope of the ICE US Agreement's license grant for many years. Yet, despite the fact that such uses were widely known within the industry, CME did not give Defendants notice of these alleged "misuses" of the Purported Marks during the ICE US

Agreement's term, nor did CME exercise its purported right to terminate the ICE US Agreement for material breach.

33. Moreover, CME's allegations that certain ICE subsidiaries used the Purported Marks without authorization are not accurate. For example, ICE Clear Netherlands was given permission to use the Purported Marks on the same terms as ICE Europe as outlined in a consent letter dated June 7, 2016, from Dhiraj Bawadhankar, CME Executive Director, Cleaning Solutions. The consent letter, on CME Group letterhead, and not CME letterhead, includes a stamp approving this consent from CME Group Legal dated June 7, 2016. Upon information and belief, CME is unaware that ICE Clear Netherlands used the Purported Marks with authorization under the ICE Europe Agreement or that consent for such use was provided by CME's affiliate.

34. The ICE US Agreement did not otherwise require ICE US to operate its business in a particular way and did not give Plaintiff power of supervision over how the business was conducted.

35. The ICE Europe Agreement did not otherwise require ICE Europe to operate its business in a particular way and did not give Plaintiff power of supervision over how the business was conducted.

36. CME's conduct concerning Defendants' use of the Purported Marks and offerings related to the Purported Marks was indifferent and/or careless with respect to exercising quality control sufficient to meet customer expectations.

37. Upon information and belief, CME's failure to actually exercise adequate control over the nature or quality of the goods and service provided by licensees under the Purported Marks has resulted in inconsistent uses of the Purported Marks and offerings related to the



Purported Marks with varying degrees of quality thereto. And, upon further information and belief, CME's Purported Marks have lost their significance as a symbol of equal and consistent quality originating from CME.

38. CME was contractually obligated to control the nature and quality of all of the goods and services under the Purported Marks throughout the industry.

39. Specifically, Section 1(c) of the ICE US Agreement concerning the grant of CME's license to ICE US required CME to control the nature and quality of all goods and services being offered by ICE US and any other third party licensee. Section 1(c) of the ICE US Agreement also required CME to police unauthorized third-party uses identified under the SPAN Mark.

40. Similarly, Section 1(c) of the ICE Europe Agreement concerning the grant of CME's license to ICE Europe required CME to control the nature and quality of all goods and services being offered by ICE Europe and any other third party licensee. Section 1(c) of the ICE Europe Agreement also required CME to police unauthorized third-party uses identified under the SPAN Mark.

**First Counterclaim (by Defendant-Counterclaim Plaintiff ICE)**

**(Cancellation – Invalidity of Purported Marks for Abandonment by Naked Licensing)**

41. ICE reincorporates and re-alleges Paragraphs 1-40, as if fully set forth herein.

42. CME has sued ICE in the present action, alleging trademark infringement and unfair competition relating to the Purported Marks. As a result of at least the allegations contained in the Complaint and ICE's denial of the same, an immediate, real and justiciable controversy exists between CME and ICE with respect to the alleged infringement of the Purported Marks.

43. CME has abandoned the Purported Marks by engaging in naked licensing pursuant to 15 U.S.C §§ 1064, 1127.

44. As far as ICE is aware, CME did not actually exercise any control over the nature and quality of either ICE US or ICE Europe's use of the Purported Marks.

45. Upon information and belief, CME has not actually exercised any control over the nature and quality of any of its licensees' use of the Purported Marks.

46. Upon ICE's information and belief, as a result of CME's failure to actually control Defendants' or its many licensees' use of the Purported Marks, the reputation and goodwill associated with the Purported Marks was not supervised by CME and CME could not ensure consistent quality in the use of the Purported Marks.

47. In fact, on at least one occasion, Defendants notified CME of modifications made to Defendants' risk management software related to the Purported Marks, and CME refused to adopt Defendants' modifications in CME's software. As a result of CME's failure to adopt ICE's modifications, upon information and belief, users of ICE's margin calculation tool would have access to different features and capabilities than users of CME's margin calculation tool.

48. As a further result of ICE's modifications, upon information and belief, users of ICE's margin calculation tool would garner different outputs than the outputs generated by users of CME's margin calculation tool (even when both sets of users would enter the same inputs).

49. Because CME has engaged in uncontrolled licensing and a failure to police its Purported Marks, the Purported Marks are used by a wide variety of users with varying descriptions and qualities, CME has eroded the Purported Marks capacity for accurate identification resulting in the relevant public's inability to identify the single source of the Purported Marks.

50. The Purported Marks are no longer associated with CME due to CME's unchecked naked licensing program.

51. ICE is entitled to use the term "SPAN" or variations thereof.

52. ICE has been and will continue to be damaged by the maintenance of the Purported Marks' Registrations on the Principal Register of the USPTO.

53. As a result, the Purported Marks' Registrations should be cancelled by this Court pursuant to 15 U.S.C. § 1119.

**Second Counterclaim (by Defendant-Counterclaim Plaintiff ICE)**

**(Cancellation – Invalidity of Purported Marks for Abandonment by Genericide)**

54. ICE reincorporates and re-alleges Paragraphs 1-53, as if fully set forth herein.

55. CME has sued ICE in the present action, alleging trademark infringement and unfair competition relating to the Purported Marks. As a result of at least the allegations contained in the Complaint and ICE's denial of the same, an immediate, real and justiciable controversy exists between CME and ICE with respect to the alleged infringement of the Purported Marks.

56. "SPAN" is an acronym for "Standard Portfolio Analysis of Risk." *See* <http://www.cmegroup.com/clearing/risk-management/span-overview.html>.

57. The term "SPAN" is a widely-used generic term used by the financial services industry to refer to a system for calculating margin requirements for futures and options on futures, and is therefore invalid. "SPAN" is a generic term and not an indicator of the source of the goods or services, based in part, on the generic use of the term. Thus, CME's Purported Marks do not function to identify CME's products or services nor are CME's Purported Marks distinguishable from products or services offered by others.

58. ICE is entitled to use the generic term "SPAN" or variations thereof.

59. ICE has been and will continue to be damaged by the maintenance of the Purported Marks' Registrations on the Principal Register of the USPTO.

60. As a result, the Purported Marks' Registrations should be cancelled by this Court pursuant to 15 U.S.C. § 1119.

**Third Counterclaim (by Defendant-Counterclaim Plaintiff ICE US)**

**(Breach of Contract)**

61. ICE US reincorporates and re-alleges Paragraphs 1-60, as if fully set forth herein.

62. Pursuant to Section 2 of the ICE US Agreement, ICE US paid CME a fixed license fee for use of the SPAN Mark.

63. ICE US also agreed to provide CME valuable market information including, but not limited to a cross-license to the risk array files of ICE US, which ICE US agreed to provide to CME daily.

64. The grant of the Purported Marks from CME to ICE US was dependent on certain representations and affirmations by CME.

65. One such representation that CME covenanted and agreed to under Section 1(c) of the ICE US Agreement was that CME would control the nature and quality of all goods and services being offered by ICE US and any other third party licensee. Section 1(c) of the ICE US Agreement also required CME to police unauthorized third-party uses identified under the SPAN Mark.

66. ICE US performed all conditions, covenants, and promises required of it in accordance with the ICE US Agreement, including, but not limited to, the inclusion of a satisfactory disclaimer in its marketing, promotional and advertising relating, and identifying

“SPAN” as a registered trademark of CME and providing daily risk array files to CME over the course of the term.

67. CME did not control the nature and quality of all the goods and services identified under the Purported Marks for ICE US, and on information and belief, for Defendants, third party licensees, and other unauthorized users.

68. For instance, since 2015 ICE US has become aware of inconsistent uses of the Purported Mark by suspected licensees and unauthorized users of the Purported Marks, including by the Bolsas y Mercados Espanoles Stock Exchange (“BME Stock Exchange”), which references the SPAN mark without attribution to Plaintiff on its website located at <http://www.bme clearing.es/ing/Risk/MarginingProcess/InitialMargin.aspx>. In addition to the unattributed use on the BME Stock Exchange, upon information and belief Plaintiff has failed to exercise adequate quality control over its licensee NASDAQ OMX Clearing AB’s (“NASDAQ Clearing”) use of a SPAN-derivative margin calculation tool. Also, upon information and belief, Plaintiff has failed to prevent unauthorized and unattributed use of the alleged trademarks by various third party vendors, including but not limited to Open Gamma, Advent, TradePlus, and Pehla Trade.

69. CME’s breach was willful because had ICE US known CME would not control the nature and quality of the Purported Marks, ICE US would not have agreed to provide CME a license fee, cross license to CME for the risk array files, and other sensitive market data and advertising information.

70. The conduct of CME has damaged ICE US, and ICE US is entitled to compensatory and/or other equitable and punitive relief.

**Fourth Counterclaim (by Defendant-Counterclaim Plaintiff ICE Europe)**

**(Breach of Contract)**

71. ICE Europe reincorporates and re-alleges Paragraphs 1-70, as if fully set forth herein.

72. Pursuant to Section 2 of the ICE Europe Agreement, ICE Europe paid CME a fixed license fee for use of the SPAN Mark.

73. ICE Europe also agreed to provide CME valuable market information including, but not limited to a cross-license to the risk array files of ICE Europe, which ICE Europe agreed to provide to CME daily.

74. The grant of the Purported Marks from CME to ICE Europe was dependent on certain representations and affirmations by CME.

75. One such representation that CME covenanted and agreed to under Section 1(c) of the ICE Europe Agreement was that CME would control the nature and quality of all goods and services being offered by ICE Europe and any other third party licensee. Section 1(c) of the ICE Europe Agreement also required CME to police unauthorized third-party uses identified under the SPAN Mark.

76. ICE Europe performed all conditions, covenants, and promises required of it in accordance with the ICE Europe Agreement, including, but not limited to, the inclusion of a satisfactory disclaimer in its marketing, promotional and advertising, and identifying “SPAN” as a registered trademark of CME and providing daily risk array files to CME over the course of the term.

77. CME did not control the nature and quality of all the goods and services identified under the Purported Marks for ICE Europe, and on information and belief, for Defendants, third party licensees, and other unauthorized users.

78. For instance, since 2015 ICE Europe has become aware of inconsistent uses of the Purported Mark by suspected licensees and unauthorized users of the Purported Marks, including by the Bolsas y Mercados Espanoles Stock Exchange (“BME Stock Exchange”), which references the SPAN mark without attribution to Plaintiff on its website located at <http://www.bmeclearing.es/ing/Risk/MarginingProcess/InitialMargin.aspx>. In addition to the unattributed use on the BME Stock Exchange, upon information and belief Plaintiff has failed to exercise adequate quality control over its licensee NASDAQ OMX Clearing AB’s (“NASDAQ Clearing”) use of a SPAN-derivative margin calculation tool. Also, upon information and belief, Plaintiff has failed to prevent unauthorized and unattributed use of the alleged trademarks by various third party vendors, including but not limited to Open Gamma, Advent, TradePlus, and Pehla Trade.

79. Even though ICE Clear Netherlands was granted consent to use the Purported Marks on June 7, 2016, since that date CME never actually exercised control over the nature and quality of ICE Clear Netherlands use of the Purported Marks.

80. CME’s breach is willful because had ICE Europe known CME would not control the nature and quality of the Purported Marks, ICE Europe would not have agreed to provide CME a license fee, cross license to CME for the risk array files, and other sensitive market data and advertising information.

81. The conduct of CME has damaged ICE Europe, and ICE Europe is entitled to compensatory and/or other equitable and punitive relief.

**RESERVATION OF RIGHTS**

Counterclaim-Plaintiffs reserve the right to assert further defenses that may be appropriate based upon matters to which discovery has been or will be directed with respect to the claims set forth in the Complaint.

**JURY TRIAL DEMANDED**

Counterclaim-Plaintiffs demands a jury for all claims and defenses so triable.

**PRAYER FOR RELIEF**

WHEREFORE, Defendants pray for judgment in its favor and against CME, dismissing CME's Claims for Relief; declaring that Defendants have not infringed and do not infringe on any purported right of CME in the Purported Marks; awarding Defendants their costs and disbursements incurred herein; ordering that this is an exceptional case and awarding Defendants their attorneys' fees, pursuant to 15 U.S.C. § 1117(a), and/or such alternative applicable grounds; and granting such other and further relief as the Court deems just and proper. Defendant ICE further prays that CME's Purported Registrations are invalid; and for an ordering of the Director of the USPTO to cancel CME's Purported Registrations, pursuant to Section 37 of the Lanham Act, 15 U.S.C. § 1119. Defendants ICE US and ICE Europe additionally pray for a finding that CME willfully breached the ICE US Agreement and ICE Europe Agreement and for an award of compensatory and/or other equitable and punitive relief.



Dated: May 31, 2018

Respectfully submitted,

/s/ Gina L. Durham

Gina L. Durham (Reg. No. 629684)  
gina.durham@dlapiper.com  
Michael A. Geller (Reg. No. 6305999)  
michael.geller@dlapiper.com  
DLA PIPER LLP (US)  
444 West Lake Street  
Suite 900  
Chicago, Illinois 60606-0089  
Phone: (312) 368-4000  
Fax: (312) 236-7516

Paul A. Taufer (admitted *pro hac vice*)  
paul.taufer@dlapiper.com  
Michael Burns (admitted *pro hac vice*)  
michael.burns@dlaiper.com  
DLA PIPER LLP (US)  
One Liberty Place  
1650 Market Street, Suite 4900  
Philadelphia, Pennsylvania 19103-7300  
Phone: (215) 6560-3300  
Fax: (215) 656-3301

Marc E. Miller (admitted *pro hac vice*)  
marc.miller@dlapiper.com  
DLA PIPER LLP (US)  
1251 Avenue of the Americas, 27th Floor  
New York, New York 10020-1104  
Phone: (212) 335-4500  
Fax: (212) 335-4501

*Attorneys for Attorneys for Defendants ICE Clear  
US, Inc., ICE Clear Europe Limited, and  
Intercontinental Exchange, Inc.*