Trademark Trial and Appeal Board Electronic Filing System. http://estta.uspto.gov

ESTTA Tracking number: **ESTTA1024608**

Filing date: **12/20/2019**

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

Proceeding	92070792
Party	Plaintiff GaryChristopher
Correspondence Address	BRIAN P KINDER THE KINDER LAW GROUP APC 19200 VON KARMAN AVENUE, FOURTH FLOOR IRVINE, CA 92612 UNITED STATES bkinder@tklglaw.com 949-216-3070
Submission	Motion to Strike
Filer's Name	Brian P. Kinder
Filer's email	bkinder@tklglaw.com
Signature	/BPK/
Date	12/20/2019
Attachments	2019.12.20 - Motion to Strike Affirmative Defenses - COOLEST - FI-NAL.pdf(69416 bytes)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the Matters of:

Trademark Registration No. 4875276
For the Mark: COOLEST (STANDARD CHARACTER)
Date Registered: December 22, 2015
Trademark Registration No. 4924199
For the Mark: COOLEST (STYLIZED)
Date Registered: March 22, 2016
Trademark Registration No. 4956541
For the Mark: COOLEST (STYLIZED)
Date Registered: May 10, 2016

GARY CHRISTOPHER, Petitioner, v. RYAN GREPPER, Respondent.	Cancellation No. 92070792

PETITIONER'S MOTION TO STRIKE AFFIRMATIVE DEFENSES

Gary Christopher ("Petitioner") hereby moves to strike Ryan Grepper's ("Respondent") first (laches), second (abandonment) and third (acquiescence) affirmative defenses as pleaded in Respondent's December 6, 2019 First Amended Answer (*Dkt. No. 19*). This Motion is based on the Points and Authorities set forth below, the complete records and files of this proceeding, and oral or documentary evidence that may be relevant.

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Pursuant to Fed. R. Civ. P. 12(f), the Board may order stricken from a pleading any insufficient or impermissible defense, or any redundant, immaterial, impertinent or scandalous matter. *See also Trademark Rule 2.116(a), 37 C.F.R. § 2.116(a); and TBMP § 506*. Here,

Respondent has not adequately plead the first, second and third affirmative defenses. As explained in further detail below, the first defense (laches) fails to allege any prejudice, reliance or changed circumstances. Further, the second affirmative defense (abandonment) is problematic for several reasons, including, acknowledging on the one hand that Respondent has received evidence of use from Petitioner (though disputing that such use establishes priority) while simultaneously speculating that discovery may establish facts to support the defense and also failing to allege non-use for three consecutive years. Further, the third defense (acquiescence) fails to allege any knowledge or reliance on the part of the Respondent. Finally, equitable defenses are disfavored in general and inapplicable where, as here, Respondent has alleged likelihood of confusion is actual and inevitable. As a result, the Board should strike these affirmative defenses.

II. LEGAL STANDARDS

"An affirmative defense is defined as `[a] defendant's assertion raising new facts and arguments that, if true, will defeat the plaintiffs or prosecution's claim, even if all allegations in the complaint are true.'" *Saks v. Franklin Covey Co.,* 316 F.3d 337, 350 (2d Cir. 2003) (citing Black's Law Dictionary 430 (7th ed. 1999)). "The . . . test for whether a given defense falls within the Rule 8(c) 'residuary' clause [i.e., whether it qualifies as an affirmative defenses[1]] is whether the defense 'shares the common characteristic of a bar to the right of recovery even if the general complaint were more or less admitted to.'" *Wolf v. Reliance Std. Life Ins. Co.,* 71 F.3d 444, 449 (1st Cir. 1995) (quoting *Jakobsen v. Mass. Port Auth.,* 520 F.2d 810, 813 (1st Cir. 1975), *cited with approval in Taylor v. United States,* 485 U.S. 992, 992 (1988)); *see also* Fed. R. Civ. P. 8(c). Thus, for each of Respondent's defenses to constitute a valid affirmative defense, the defense should operate to bar Petitioner's relief even if all of the allegations in the Petitioner to Cancel were admitted.

Affirmative defenses, like claims in a notice of opposition or petition for cancellation, must be supported by enough factual background and detail to fairly place the claimant on notice of the basis for the defenses. *See* Fed. R. Civ. P. 8(b)(1) and 12(f); *see also IdeasOne Inc. v.*

[1] Rule 8(c) positively lists a number of common affirmative defenses but concludes with a "residuary" clause that includes "any other matter constituting an avoidance or affirmative defense" in the rule.

Nationwide Better Health Inc., 89 USPQ2d 1952, 1953 (TTAB 2009); *Ohio State Univ. v. Ohio Univ.*, 51 USPQ2d 1289, 1292 (TTAB 1999) (noting that the primary purpose of pleadings "is to give fair notice of the claims or defenses asserted"). The elements of an affirmative defense must be stated simply, concisely, and directly. *See* TBMP § 311.02(b). However, a party must allege sufficient facts beyond a tender of "naked assertion[s]" devoid of "further factual enhancement," to support its claims or defenses. *Ashcroft v. Iqbal*, 556 U.S. 662, 663 (2009).

III. ARGUMENT

Petitioner moves to strike each of Respondent's First, Second and Third affirmative defenses as follows:

A. First Affirmative Defense – Laches.

Respondent's affirmative defense of laches should be stricken on grounds that it is merely conclusory and fails to state facts sufficient to give adequate notice of the basis for such defense. *See e.g., Veles Int'l Inc. v. Ringing Cedars Press LLC, Consolidated Opp*. Nos. 91182303 and 91182304 (T.T.A.B. June 2, 2008) (Board struck, sua sponte, applicant's affirmative defenses of waiver, estoppel, and unclean hands, finding affirmative defenses legally insufficient where applicant provided no specific allegations of conduct in support of its affirmative defenses that would, if proven, prevent opposer from prevailing on its claims), *citing Lincoln Logs Ltd. v. Lincoln Precut Log Homes, Inc.*, 971 F.2d 732, 23 U.S.P.Q.2d 1701 (Fed. Cir. 1992); see also e.g., *Midwest Plastic Fabricators Inc. v. Underwriters Labs. Inc.*, 5 U.S.P.Q.2d 1067, 1069 (TTAB 1987) (striking unclean hands defense because there were "no specific allegations of conduct by petitioner that, if proved, would prevent petitioner from prevailing on its claim").

Mere delay in asserting a trademark-related right does not result in changed conditions sufficient to support the defense of laches. Instead, the defense of laches requires (1) undue or unreasonable delay; and (2) material prejudice attributable to the delay. *Ava Ruha Corp. v. Mother's Nutritional Ctr., Inc.*, 113 USPQ 2d 1575, 1580 (TTAB 2015) (quoting *Bridgestone/Firestone Research Inc. v. Automobile Club de l'Ouest de la France*, 245 F.3d

1359, 58 USPQ2d 1460, 1462 (Fed. Cir. 2001)). Thus, there must have been some alleged detriment suffered due to the delay. *See Bridgestone/Firestone*, 58 USPQ2d at 1463 (Citing *Advanced Cardiovascular Sys. v. Scimed Life Sys*., 988 F.2d 1157, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993)). Accordingly, the pleadings must establish a nexus between the delay and the material prejudice – i.e., the alleged infringer must allege a change his position because of and as a result of the delay and the change in position must have been during the period of delay. *State Contr. & Eng'g Corp. v. Condotte Am., Inc.*, 346 F.3d 1057, 68 USPQ2d 1481, 1487 (Fed. Cir. 2003). Stated plainly, "the defense of laches requires more by way of showing prejudice than the simple fact that the business continued during the period of delay." *Cuban Cigar Brands v. Upmann Int'l, Inc.*, 457 F. Supp. 1090, 1098, 199 U.S.P.Q. 193 (S.D.N.Y. 1978), aff'd without opinion, 607 F.2d 995 (2d Cir. 1979); *see also Ralston Purina Co. v. Midwest Cottage Co.*, 373 F.2d 1015, 153 USPQ 73, 76 (CCPA 1967) (respondent "bears the burden of showing the injustice"); *see also Charette Corp. v. Bowater Comm'n Papers Inc.*, 13 USPQ2d 2040, 2043 (TTAB 1989) ("There can be no question that mere delay in asserting one's trademark rights is insufficient to give rise to an estoppel. More is needed.").

Here, Respondent only alleges a delay and fails to allege that Respondent changed his position as a result of the delay. Although Respondent makes naked allegations of building up the business, the First Amended Answer does nothing more than allege that the business continued during the purported period of delay. *See Cuban Cigar Brands,* 199 U.S.P.Q. at 193. Courts need not accept factual allegations disguised as mere legal conclusions as true, and "[t]hreadbare recitals of the elements of a cause of action supported by mere conclusory statements, do not suffice." *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009). Accordingly, to survive a motion to dismiss, the claimant must show that they are entitled to relief by alleging actual facts that "nudge" their claims "across the line" from possible to plausible. *Twombly*, 550 U.S. at 555, 570. *Ashcroft v. Iqbal*, 556 U.S. 662, 681 (2009) ("[T]he conclusory nature of respondent's allegations . . . disentitles them to the presumption of truth."). Accordingly, the defense must be stricken.

Moreover, even if Registrant were to endeavor to amend the pleading to include the requisite specificity, equitable defenses such as laches are generally improper where, as here, confusion is inevitable. *See TPI Holdings, Inc. v. TrailerTrader.com, LLC,* 126 USPQ2d 1409,

1413 (TTAB 2018) (laches not a bar to cancellation if confusion inevitable); *see also Christian Broadcasting Network Inc. v. ABS-CBN International*, 84 USPQ2d 1560, 1572 (TTAB 2007) (equitable defenses such as laches and acquiescence would not preclude a judgment for plaintiff if confusion is inevitable). Here, given that Respondent asserts that confusion is inevitable, equitable defenses such as laches and acquiescence cannot preclude a finding for Petitioner.

B. <u>Second Affirmative Defense – Abandonment.</u>

Abandonment due to nonuse of a mark is defined as use that has been discontinued with an intent not to resume such use. Intent not to resume may be inferred from circumstances and nonuse for 3 consecutive years shall be prima facie evidence of abandonment. *See* 15 U.S.C. § 1127. According to the statutory language and legislative history, "nonuse" of a mark for abandonment purposes means "no bona fide use of the mark made in the ordinary course of trade," and this is to be interpreted with flexibility to encompass a variety of commercial uses. *Lewis Silkin LLP v. Firebrand LLC*, 129 USPQ2d 1015, 1018 (TTAB 2018).

Although a party may plead alternatively and inconsistently, Respondent cannot plead contradictorily or assert a defense that it knows to be inapplicable. *See* Fed. R. Civ. Proc. 11. Here, Respondent acknowledges that Petitioner informally provided to Respondent "evidence alleged to support Petitioner's claim of prior and continuous use of the COOLEST COOLERS mark", but then proceeds to argue that the evidence is "too discontinuous or too negligible" to establish priority. *See* Dkt. 19, at ¶ 18. Even if Respondent were correct in these allegations (which is not the case), the fact that Respondent is aware of Petitioner's ongoing use contradicts any notion of abandonment. It is precisely for this reason that Respondent intentionally fails to adequately plead that there was any relevant three year consecutive period of non-use that would result in abandonment and a complete defense in this action. Accordingly, the defense must be stricken.

C. <u>Third Affirmative Defense – Acquiescence.</u>

The Federal Circuit hold that acquiescence requires (1) a showing of misleading conduct that assures another party no trademark rights will be asserted against it, (2) reliance by the other party on those assurances, and (3) prejudice resulting from the reliance. *See* 3 Gilson on Trademarks § 13.12 (citing *Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes, Inc.*, 971 F.2d 732,

734, 23 U.S.P.Q.2d 1701 (Fed. Cir. 1992). Plainly stated, the difference between acquiescence and laches is that laches indicates passive consent or a long period of silence, while acquiescence requires an overt or explicit act of consent from the holder of the mark. *See SunAmerica Corp. v. Sun Life Assurance Co.*, 77 F.3d 1325, 1334 (11th Cir. 1996); *Coach House Restaurant, Inc. v. Coach & Six Restaurants, Inc.*, 934 F.2d 1551, 1558, 1563 (11th Cir. 1991). Here, Respondent alleges only silence or inaction on the part of Petitioner and fails to allege an overt act or misleading conduct on the part of Petitioner. Accordingly, the defense must be stricken.

IV. CONCLUSION

Respondent has failed to plead facts sufficient to allege the affirmative defenses set forth in the Answer. Petitioner therefore respectfully requests that the Board strike the affirmative defenses from Respondent's Answer.

Respectfully submitted,

Dated: December 20, 2019

THE KINDER LAW GROUP, APC

Brian P. Kinder, Esq.
19200 Von Karman Ave., Fourth Floor
Irvine, California 92612
T: (949) 216-3070
F: (949) 216-3074
E: bkinder@tklglaw.com
Attorneys for Petitioner

CERTIFICATE OF TRANSMISSION AND SERVICE

I certify that on December 20, 2019, the foregoing MOTION TO STRIKE AFFIRMATIVE DEFENSES is being electronically filed via the Trademark Trial and Appeal Board's Electronic System for Trademark Trials and Appeals ("ESTTA").

It is further certified that on December 20, 2019, the foregoing MOTION TO STRIKE AFFIRMATIVE DEFENSES is being served by emailing a copy thereof to:

Sean D. O'Brien
Miller Nash Graham & Dunn LLP
3400 U.S. Bancorp Tower
111 S.W. Fifth Ave.
Portland, Oregon 97204

sean.obrien@millernash.com

Executed this 20th day of December, 2019, in Irvine, California.

Brian P. Kinder, Esq.
The Kinder Law Group, APC
19200 Von Karman Ave., Fourth Floor
Irvine, California 92612
T: (949) 216-3070
F: (949) 216-3074
E: bkinder@tklglaw.com
Attorneys for Petitioner