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

Proceeding	92074713
Party	Defendant Asmodee North America, Inc.
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Attachments	Asmodee Response to Renewed Motion to Strike.pdf(117941 bytes) REDACTED Exhibit A - Renewed Response to Motion to Strike.pdf(918768 bytes)

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

ORDA USA, INC.)	
)	
Petitioner,)	
v.)	
)	Cancellation No. 92074713
)	U.S. Registration No. 5,464,697
ASMODEE NORTH AMERICA, INC.)	
)	
Respondent)	

**RESPONDENT’S RESPONSE TO PETITIONER’S RENEWED MOTION TO STRIKE
OR FOR PARTIAL JUDGEMENT ON THE PLEADINGS AND MOTION TO SUSPEND**

Pursuant to 37 CFR § 2.127(a), **ASMODEE NORTH AMERICA, INC.** (“Respondent”) hereby responds to Petitioner’s Renewed Motion to Strike Registrant’s Affirmative Defenses and/or Motion for Partial Judgment on the Pleadings, and Motion to Suspend, filed on October 2, 2020 (“Petitioner’s Motion”) by **ORDA USA, INC.** (“Petitioner”).

I. PETITIONER’S MOTION SHOULD BE DENIED

A. Petitioner’s Motion to Strike Affirmative Defenses and, in the Alternative, for Partial Judgment on the Pleadings

Petitioner has not opposed Respondent’s motion to amend, but has renewed its motion to strike. The affirmative defenses in the original pleading were amended to the following four affirmative defenses to provide Petitioner with “enough detail to give the plaintiff fair notice of the basis for [each] defense” (TBMP § 311.02(b)):

1. Petitioner cannot be damaged by U.S. Registration No. 5,464,697 (“SMALL WORLD” for games (i.e. “equipment sold as a unit for playing board games; equipment sold as a unit for playing card games; board games; card games; parlor games; tabletop games”)) because Respondent is the owner of a prior incontestable U.S. Registration No. 3,823,113 for the identical mark for games (i.e. “computer game software for personal computers and home video game consoles”).

2. On information and belief, Petitioner and/or predecessors-in-interest abandoned rights in its alleged “SMALL WORLD TOYS” marks with an intent not to resume use. On information and belief, Respondent has rights in its “SMALL WORLD” mark for games which are prior to any current rights which can be claimed by Petitioner.

3. On information and belief, Petitioner delayed unreasonably in taking action in that it took no action with respect to Respondent’s application for registration of “SMALL WORLD” for computer games, which was published on February 2, 2010, and which issued as U.S. Registration No. 3,823,113 on July 20, 2010, and still took no action in connection with Respondent’s second application for “SMALL WORLD” for games, which was published on February 20, 2018 and which issued as U.S. Registration No. 5,464,697 on May 8, 2018, until it finally filed the Petition for Cancellation of the second registration on July 15, 2020. Respondent has been prejudiced in that it has continued to use and register its “SMALL WORLD” mark for games and built up a valuable business around the “SMALL WORLD” games in the United States, relying to its detriment on Petitioner’s inaction in asserting rights which it now claims. Petitioner’s cancellation claim is therefore barred by the doctrine of laches.

4. On information and belief, Petitioner is guilty of unclean hands in that it has stated in its Petition for Cancellation that it “inadvertently allowed registrations for its SMALL WORLD TOYS marks to lapse in the United States” while, on information and belief, allowing the two “SMALL WORLD TOYS” registrations to lapse was intentional and was the result of abandonment of the mark in that the two registrations were allowed to lapse over a period of years together with other registrations containing the component “SMALL WORLD” (“SMALL WORLD”, “SMALL WORLD KIDS”, and “SMALL WORLD LIVING”) and many other registrations of marks which Petitioner had acquired from Small World Toys Enterprises LLC in June, 2013. Petitioner did not take action to maintain any of the acquired registrations following the acquisition of the registrations. On information and belief, Petitioner is aware that it intentionally abandoned the “SMALL WORLD” marks and that it has claimed prior rights without a good faith basis for belief that it has prior rights. Therefore, on information and belief, Petitioner’s claim is barred by the doctrine of unclean hands.

Affirmative Defenses 1 and 2

In its renewed Motion to Strike, Petitioner has argued first that the amended affirmative defenses include two new affirmative defenses (i.e. the Morehouse defense and the affirmative defense of abandonment/Respondent’s prior rights in the first two affirmative defenses) and that pleading new affirmative defenses is prejudicial to Petitioner and should not be allowed by the Board. [Petitioner’s renewed Motion to Strike (hereinafter “Pet. Ren. Motion”) pp. 1-2.]

Neither affirmative defense is completely new. The Morehouse defense is closely related to the laches defense, which was raised as a fourth affirmative defense in the original answer. The laches defense is based not only Petitioner's inexcusable delay in taking action against the registration of "SMALL WORLD" for a game which it currently seeks to cancel but also in the failure of Petitioner or any of predecessors-in-interest to take any action in connection with Respondent's U.S. Registration No. 3,823,113 ("SMALL WORLD" for the same game in a different format), a registration which issued more than ten years ago on July 20, 2010, and is incontestable. Respondent relied on Petitioner's inaction not only as to its registrations of "SMALL WORLD", but also on the fact that Petitioner abandoned its own registrations of "SMALL WORLD TOYS".

Similarly, the abandonment/prior rights defense is an expansion of the alternative defense in the ninth affirmative defense in the original Answer i.e. that Respondent has senior rights. This expanded form of the defense, which now includes abandonment, explains why Respondent believes that it may well have prior rights in its mark even though Petitioner claims in its Cancellation Petition that though it abandoned its registrations the "SMALL WORLD TOYS" mark has been used in interstate commerce "since at least March 1974" (Cancellation Petition ¶1).

However, even if the first two affirmative defenses were completely new, it is contemplated by the Board that further investigation or discovery can result in amendment at any stage of the proceeding i.e. "the Board liberally grants leave to amend at any stage of a proceeding when justice so requires, unless entry of the proposed amendment would violate settled law or be prejudicial to the rights of the adverse party or parties. This is so even when a plaintiff seeks to amend its complaint to plead a claim other than those stated in the original complaint." TBMP §

507.02. Respondent's amendment cannot prejudice Petitioner, since the period for discovery just opened on September 23, and Petitioner has not yet served any discovery requests.

With respect to the first affirmative defense, the *Morehouse* defense, Petitioner's only other argument is that the identifications of goods in Respondent's two registrations are different. The *Morehouse* defense applies here, however, because Respondent's incontestable registration is in fact for the same mark and the same game as in the registration which is now challenged. As is evidenced by the invoice, report, and pages from the Internet which are submitted herewith as Exhibit A, the electronic form of the game which was first sold in April 2010 and which is identified in the incontestable registration is no more than a digital adaptation of the earlier board form of the game which is identified in the registration which Petitioner now seeks to cancel.

Respondent's best-selling and award-winning board form of the game has been sold continuously in the U.S. since April 9, 2009, and the very successful electronic form of this game has been sold continuously in the U.S. since April, 2010. Although the game is described differently in the two registrations based on the format in which the game appears, it is the same game, just as a book which can be accessed both in print and electronic formats remains the same book. A game and a book remain the same product regardless of whether they appear in print or electronic form.

The game that is the subject of the two registrations thus meets the requirement for the *Morehouse* defense i.e. that the product identified in prior registration is "identical, substantially the same, or so related so as to represent in law a distinction without a difference." *Mag Instrument, Inc. v. Brinkmann Corp.*, 96 USPQ2d 1711, 1712 (TTAB 2010); *Morehouse Manufacturing Corp. v. J. Strickland and Co.*, 160 USPQ 715 (CCPA 1969).

With respect to the second affirmative defense, the abandonment/prior rights defense, Petitioner further argues that “relatedly, Registrant’s second amended and new affirmative defense abandonment is more akin to a counterclaim, which should have been asserted with Registrant’s first answer.” (Pet. Ren. Motion pp. 1-2). However, Petitioner has no registration which could be the subject of a counterclaim, and there is no question but that abandonment may be asserted as part of an affirmative defense. “Affirmative defenses may include unclean hands, laches, estoppel, acquiescence, fraud, mistake, prior registration (*Morehouse*) defense, prior judgment, or any other matter constituting an avoidance or affirmative defense”. TBMP § 311.02(b)(1). (emphasis added).

As stated, the abandonment defense is an amplification of Respondent’s affirmative defense of senior rights and is for the purpose of providing fair notice to Petitioner that Respondent has a defense that, on information and belief, Petitioner abandoned its rights in the alleged “SMALL WORLD TOYS” mark and Respondent has prior rights in its “SMALL WORLD” mark. In fact, not only did Petitioner show no interest in maintaining any rights it had in “SMALL WORLD TOYS” by not taking any action in connection with Respondent’s “SMALL WORLD” game or registration for over a decade, it has also taken no action over a period of more than seven years to maintain any of the numerous registrations which it acquired from Small World Toys Enterprises LLC in 2013, including the registrations of “SMALL WORLD” marks i.e. its registrations of “SMALL WORLD TOYS” plus design, “SMALL WORLD KIDS” and “SMALL WORLD”, which were cancelled in 2016, and its registrations of “SMALL WORLD TOYS” and “SMALL WORLD LIVING”, which were cancelled in 2017.

Now, in 2020, Petitioner has decided to file an application for registration of “SMALL WORLD TOYS” and, having ignored Respondent’s first registration of its mark for its game for

ten years (and use of the mark for the board game for eleven years and of the mark for the electronic game for ten years), it has now petitioned to cancel Respondent's second registration of its mark for its game more than two years after even this second registration issued. There is no basis for striking either of the first two affirmative defenses.

Affirmative Defenses 3 and 4

Petitioner's only argument that the third affirmative defense, laches, should be stricken is that laches cannot bar the cancellation petition since "confusion is inevitable". [Pet. Ren. Motion, pp. 5-6.] There is no conceivable basis for this claim, since Petitioner has done no more than allege that it has priority and that there is a likelihood of confusion between its alleged mark for "toys and retail store services". [Petition for Cancellation ¶1] It has not even alleged that there has been any actual confusion resulting from Respondent's sales of its best-selling game for eleven and half years. Thus, there is no basis for striking the third affirmative defense.

With respect to the fourth affirmative defense, unclean hands, Petitioner seeks to limit the defense to one particular form of "unclean hands", claiming that the defense only applies if "a false statement or fraud occurred in the application or registration of the mark" and arguing that Respondent did not make such a showing in its affirmative defense. Pet. Ren. Motion, p. 6. While, unclean hands based on fraud in obtaining or maintaining a relevant registration is often asserted in proceedings before the Board, unclean hands is broadly a defense based on misconduct directly relating to the claim being made. *McCarthy on Trademarks and Unfair Competition, J.T. McCarthy* Vol. 6, 5th Ed. §§31.44-31.58.

Just as an unclean hands defense applies to knowing falsehoods in connection with obtaining a registration on which a proceeding is based, it should apply if Petitioner knowingly made false or misleading statements in its Cancellation Petition about the continuing use of the

“SMALL WORLD TOYS” mark “since at least March 1974”, about “inadvertently” allowing the “SMALL WORLD TOYS” registrations to lapse (together with many other registrations acquired from Small World Toys Enterprises LLC), and about its stated belief that it has prior rights and that there is a likelihood of confusion generally. This fourth affirmative defense provides full and fair notice to Petitioner that discovery may show that it should be equitably estopped from cancellation of Respondent’s second registration of its “SMALL WORLD” mark for its game..

“Motions to strike are not favored, and matter usually will not be stricken unless it clearly has no bearing upon the issues of the case. The primary purpose of pleadings, under the Federal Rules of Civil Procedure, is to give fair notice of the claims or defenses asserted. Thus, the Board, in its discretion, may decline to strike even objectionable pleadings where their inclusion will not prejudice the adverse party, but rather will provide fuller notice of the basis for a claim or defense. A defense will not be stricken as insufficient if the insufficiency is not clearly apparent, or if it raises factual issues that should be determined on the merits.” TBMP §506.01.

Judgement on the Pleadings

There is no longer any basis for moving to strike the affirmative defenses since Petitioner clearly now has stated sufficient detail in the defenses to understand the basis for the defenses. Nor is there any basis for a motion for partial judgement on the pleadings as requested by Petitioner in the alternative. Pet. Ren Motion, p. 2. “A judgment on the pleadings may be granted only where, on the facts as deemed admitted, there is no genuine issue of material fact to be resolved, and the moving party is entitled to judgment, on the substantive merits of the controversy, as a matter of law.” TBMP § 504.02; *Kraft Group LLC v. Harpole*, 90 USPQ2d 1837, 1840 (TTAB 2009), *dismissed in favor of a cancellation proceeding*, slip op. Opposition No. 91185033 (TTAB

September 5, 2011). Petitioner does not and cannot make an argument that there is no genuine issue of material fact to be resolved with respect to the affirmative defenses. Further, “[a] party may not obtain a judgment on the pleadings if the nonmoving party’s pleading raises issues of fact, which, if proved, would establish the nonmoving party’s entitlement to judgment.” TBMP § 504.02; *Baroid Drilling Fluids Inc. v. Sun Drilling Products*, 24 USPQ2d 1048, 1049 (TTAB 1992). The affirmative defenses raise material issues of fact which, if decided in Respondent’s favor, would entitle it to judgment. Accordingly, the alternative motion for partial judgment on the pleadings should be denied.

B. Petitioner’s Motion to Suspend

Petitioner also renews its motion to suspend the proceeding pending the Board’s ruling on the motion to strike the affirmative defenses or, in the alternative, for partial judgment on the pleadings. (Pet. Ren. Motion, p. 8) In support of its motion to suspend, Petitioner merely writes that determination of the motion to strike the affirmative defenses, or, in the alternative, for partial judgment on the pleadings should narrow the issues for discovery and trial, and that suspension would result in a more efficient and streamlined proceeding.

Even if the affirmative defenses were stricken, the issues for discovery would not be narrowed since, if Respondent learned of facts sufficient to support an affirmative defense, it could file a motion to amend its pleadings to assert such a defense. Fed. R. Civ. P 15.

II. CONCLUSION

For the foregoing reasons, Respondent respectfully requests that the Board deny Petitioner’s Renewed Motion to Strike Registrant’s Affirmative Defenses and/or Motion for Partial Judgment on the Pleadings, and Motion to Suspend.

Date: October 21, 2020

Respectfully Submitted,

STITES & HARBISON PLLC

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CERTIFICATE OF SERVICE

I hereby certify that true copies of the Response to Petitioner's Renewed Motion to Strike or for Partial Judgment on the Pleadings and Motion to Suspend and Exhibit A were duly served on Petitioner on October 21, 2020 by email to Petitioner's counsel by electronic mail at the following email addresses: bnatter@haugpartners.com and jblendorio@haugpartners.com.

/s/ Mari-Elise Paul

Mari-Elise Paul

EXHIBIT A

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App Store Preview

This app is available only on the App Store for iPhone and iPad.



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Take control of the dwarfs, wizards, amazons, giants, orcs or even humans. Then send out your troop [more](#)



About Small World

CONTROL FANTASY RACES, SET OFF TO CONQUER NEW LANDS, OVERTHROW YOUR ENEMIES AND CLAIM THE VICTORY!

In this digital adaptation of the legendary board game, dive into a world inhabited by whimsical fantasy races.

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- **Number of players:** 1 to 5

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All Games > Strategy Games > Asmodee Digital Franchise > Small World

Small World

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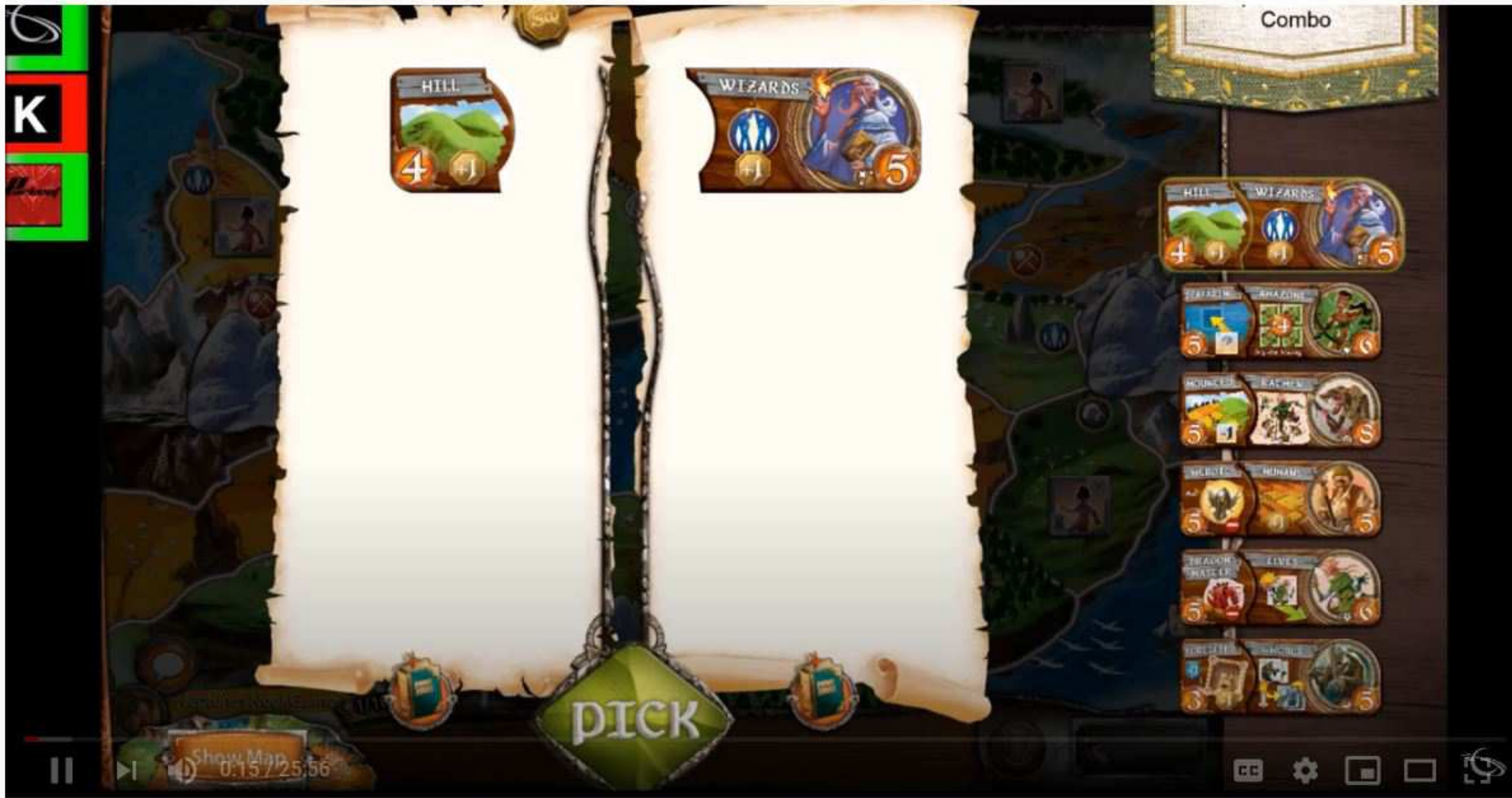
RECENT REVIEWS: Mixed (16)
ALL REVIEWS: Mostly Positive (618)
RELEASE DATE: Dec 11, 2013

DEVELOPER: Days of Wonder
PUBLISHER: Days of Wonder, Asmodee Digital

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