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

Proceeding	92074735
Party	Defendant Mohammad B. Chowdhury and Noya Distributors Inc.
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Attachments	Opposition to the Motion to Strike.pdf(201558 bytes)

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

Eastasia Food And Trading Inc,
Plaintiff,

v.

Mohammad B. Chowdhury;
Noya Distributors Inc.,
Defendants.

Cancellation: 92074735

Mark: PADMA BRAND CLASSIC

Serial No. 88263911

DEFENDANTS' OPPOSITION TO PLAINTIFF'S MOTION TO STRIKE

On August 28, 2020, Eastasia Food And Trading Inc. (“Plaintiff”, “Petitioner”) filed a Motion to Strike Registrant’s First To Sixth Affirmative Defenses (“Motion”). This opposition is submitted by Mohammad B. Chowdhury and Noya Distributors Inc. (“Defendants”) pursuant to 37 C.F.R. § 2.127(a). As set forth herein, Plaintiff’s Motion should be denied.

The Board may strike from a pleading an “insufficient defense or any redundant, immaterial, impertinent or scandalous matter.” Fed. R. Civ. P. 12(f). However, motions to strike are not favored, and matter will not be stricken unless such matter clearly has no bearing upon the issues in the case. TBMP § 506.01. The primary purpose of the pleadings, under the Federal Rules of Civil Procedure, is to give fair notice of the claims or defenses asserted. *Id.* 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 of a claim or defense.” *Top Tobacco L.P.*, No. 91199459, 2011 WL 13054775, at *1 (Nov. 25, 2011) (citation omitted).

1. Defendants have successfully pleaded the defenses of laches, acquiescence and estoppel.

“The key to determining the sufficiency of pleading an affirmative defense is whether it gives plaintiff fair notice of the defense.” *Wyshak v. City Nat'l Bank*, 607 F.2d 824, 827 (9th Cir.1979) (citations omitted). “[T]he function of a pleading in federal practice is to inform the opposing party and the court of the nature of the claims and defenses being asserted by the pleader.” *Searle v. RGS Fin., Inc.*, No. CIV. 13-11916-FDS, 2014 WL 585456 at *1, fn.1 (D. Mass. Feb. 13, 2014) (citations omitted). “Because affirmative defenses need not be pled in great detail, ‘motions to strike affirmative defenses are largely a waste of time unless prejudice can be shown.’” *Schumacher v. Georgia-Pac. Corrugated LLC*, No. CV198632DMGAFMX, 2019 WL 8013092, at *2 (C.D. Cal. Dec. 12, 2019) (citation omitted).

An affirmative defense may be considered if the defense is “based on undisputed facts or if the basis for the argument appears on the face of the complaint and any materials the court takes judicial notice of.” *Ellsworth v. U.S. Bank, N.A.*, 908 F. Supp. 2d 1063, 1083 (N.D. Cal. 2012) (citations omitted). *See also Shepherd v. Am. Numismatic Ass'n, Inc.*, 2014 WL 4548724, at *1 (D. Colo. Aug. 27, 2014) (finding that the affirmative defense of statute of limitations could be determined by facts asserted on the face of the complaint).

In this case, Defendants have successfully pleaded the defense of laches, acquiescence and estoppel. It is an undisputed fact that Defendants’ mark was registered on August 27, 2019 based on the first use in commerce as of December 15, 2014. This fact appears on the face of the complaint. *See* Petition for Cancellation (“Petition”) at 1. It is also an undisputed fact that Plaintiff waited until July 15, 2020 to file the instant Petition—a fact also appears on the face of the complaint. *See* Petition at 8. This delay is unreasonable and has caused prejudice on Defendants. Thus, the affirmative defenses of laches, acquiescence and estoppel have been

established based on undisputed facts and facts that appear on the face of the complaint. Plaintiff has been given fair notice as to the defenses asserted. Therefore, these defenses should not be stricken.

2. Defendants have successfully pleaded the defense of unclean hands.

Unclean hands is an “equitable doctrine giving a court broad discretion to refuse aid to a litigant that comes to the court ‘tainted with inequitableness or bad faith relative to the matter in which he seeks relief, however improper may have been the behavior of the defendant.’” *Rosario v. 12425, Inc.*, No. 1:13-CV-23429-UU, 2014 WL 11910631, at *5 (S.D. Fla. July 21, 2014) (citation omitted). Unclean hands defense has two elements: “First, the defendant must demonstrate that the plaintiff’s wrongdoing is directly related to the claim against which it is asserted.... Second, even if directly related, the plaintiff’s wrongdoing does not bar relief unless the defendant can show that it was personally injured by her conduct.” *Id.*

Defendants have plausibly pleaded facts to establish both elements of the unclean hands defense in their Answer. First, in Paragraph 8 of the Answer, Defendants aver that,

8. Defendants DENY the allegations set forth in Paragraph 8 of the Petition. Defendants further DENY the allegations on the basis that the Petitioner was incorporated in the state of New York on November 22, 2004, therefore any assertions by the Petitioner that it has first used the mark PADMA BRAND CLASSIC in commerce prior to that date, e.g., April 2004, are fraudulent misrepresentations to the USPTO. *See* U.S. Trademark Application Serial No. 90046096.

Here, Plaintiff’s wrongdoing (misrepresenting to the USPTO the first date of use in commerce as April 2004 when Plaintiff has not yet been incorporated) is directly related to the claim against which it is asserted, i.e., claiming that Plaintiff has the priority of use over Defendants, as below:

Petitioner has priority of use of Petitioner’s Pending Mark on or in relation to Petitioner’s Registered Goods over any date that may legally be claimed by the Registrant for use of Registrant’s Goods in association with Registrant’s Mark.

See Petition ¶ 8. Additionally, Defendants further pleaded that Plaintiff's wrongdoing "by asserting [to the USPTO] that its legal entity type is limited liability company instead of corporation." See Answer at 5 ("Sixth Affirmative Defense").

Moreover, as to the second element, it is an undisputed fact that Defendants were injured by Plaintiff's misconduct—because of Plaintiff's wrongdoing, Defendants are now subject to this cancellation proceeding, facing the risk that their mark could be cancelled and having to defend Plaintiff's baseless claims.

Therefore, Plaintiff has been given full and fair notice as to the unclean hands defense. Accordingly, the unclean hands defense should not be stricken.

3. Defendants have successfully pleaded the defense of fraud.

Plaintiff failed to challenge the defense of fraud because it mischaracterized the precedent and failed to recognize the specific information pleaded in Defendants' Answer and Affirmative Defenses.

First, Plaintiff erroneously relied on *In re Bose Corporation* and argued that "the *Bose* court held that facts plead on 'information and belief' were insufficient as a matter of law." Motion at 8. This conclusion is misplaced. The *Bose* court analyzed the fraud claim after a final decision of the Board, not at the pleading stage. See *In re Bose Corp.*, 580 F.3d 1240, 1242 (Fed. Cir. 2009) ("Bose appeals the Board's order cancelling the registration in its *entirety*. Because there is no substantial evidence that Bose intended to deceive the PTO in the renewal process, we reverse and remand.") (emphasis added). Tellingly, the phrase "information and belief" does not appear in the *Bose* decision, *id.*, foreclosing the possibility that the court would hold that "facts plead on 'information and belief' were insufficient as a matter of law" as the Plaintiff asserted.

Moreover, Plaintiff cited the *Bose* court's holdings regarding evidentiary requirements, which are irrelevant when analyzing the sufficiency of pleadings. See TBMP 311.02(b)(1)

(“Evidentiary matters (such as, for example, lists of third-party registrations on which defendant intends to rely) should not be pleaded in an answer. They are matters for proof, not for pleading.”)

Next, Plaintiff proceeded to list a series of cases including *Societe Coop. Vigneronne Des Grandes Caves Richon-Le-Zion & Zicron-Jacob Ltd.*, No. 91190040, 2009 WL 10194584 (Sept. 20, 2009). Plaintiff argued that the case concluded with the Board “denying motion to amend notice of opposition to assert insufficiently-pled fraud claim.” Motion to Strike at 9. However, the Board in *Societe* did not dismiss the defendant’s fraud claim as the Plaintiff asserted, but instead allowed the defendant 30 days to amend the claim. *Societe* at 2.. The court instructed the petitioner there to include “a separate indication that the pleader has actual knowledge of the facts supporting a claim of fraud” along with the defendant’s allegations that were stated on “information and belief.” *Id.*

The *Societe* case supports the sufficiency of Defendants’ answer. Defendants followed the same guidelines established by the court in *Societe*: Defendants alleged facts amounting to fraud by information and belief and then included a separate indication that the Defendants had actual knowledge of the facts supporting a claim of fraud in Paragraph 8 of the Answer, where the Defendants explained that the Plaintiff was not incorporated in the state of New York until after the Plaintiff’s asserted date of first use, and in Paragraph 6 of the Affirmative Defenses, where the Defendants noted that the Plaintiff told the USPTO it was a limited liability company when it was a corporation.

Plaintiff generally objected to Defendants’ affirmative defense of fraud because “no facts are supplied whatsoever, no specific allegation of intent to deceive is included, and no inference

of fraud can be sustained by law.” Motion at 10. However, Plaintiff failed to recognize that Defendants alleged the following facts:

- The Plaintiff falsely informed the USPTO that its first date of use of the mark PADMA BRAND CLASSIC in the U.S. Trademark Application Serial No. 90046096 was April 2004. (Paragraph 6 of the Affirmative Defenses).
- The Plaintiff was incorporated in the state of New York on November 22, 2004, which is later than April 2004. (Paragraph 8 of the Answer).
- The Plaintiff asserted that it was a limited liability company in its application to the USPTO, when the Plaintiff is a corporation. (Paragraph 6 of the Affirmative Defenses).

By asserting the date of first use and legal entity type, Plaintiff was acting with intent for the USPTO to believe the information the Plaintiff provided. Since the Plaintiff undisputedly knew when it incorporated and what type of legal entity it was, the Plaintiff’s intent was clearly to deceive.

Even if Defendants have not included these specific allegations, Defendants have met their burden in pleading fraud. The Board in *Asian & Western Classics B.V. v. Selkow*, 92 U.S.P.Q.2d 1478 (T.T.A.B. 2009) explained that “although Rule 9(b) allows that intent may be alleged generally, the pleadings must allege sufficient underlying facts from which a court may *reasonably infer* that a party acted with the requisite state of mind.” (emphasis added). Defendants have fulfilled these requirements.

In regards to Plaintiff’s fraud concerning the date of first use, Defendants alleged that Plaintiff gave the USPTO a date of first use earlier than Plaintiff’s incorporation date. From that underlying fact, the Board may reasonably infer that the Plaintiff, who undoubtedly knew its

incorporation date, intentionally chose a date of first use before the incorporation date to deceive the USPTO.

Likewise, in regards to Plaintiff's fraud concerning its legal entity type, Defendants alleged that Plaintiff informed the USPTO it was a limited liability company when it was actually a corporation. From that underlying fact, the court may reasonably infer that Plaintiff intentionally submitted the wrong legal entity type since the Plaintiff, who had to apply for incorporation, certainly knew it is a corporation and it is highly improbable that the inaccuracy was a mistake.

Plaintiff characterized the Defendants' fraud claim as lacking "specific allegations as to how any fraud was perpetuated on the USPTO," and asserted that the claim was not "supported by enough factual background and detail to fairly place the claimant on notice of the basis for the defenses." Motion at 10. On the contrary, as explained *supra*, Defendants have provided specific allegations which also serve as sufficient factual background and detail for the Plaintiff to be fairly placed on notice regarding the basis for the defenses.

Finally, Plaintiff conceded that it misinformed the USPTO that it was a limited liability company when it was actually a corporation, but argued that the discrepancy was "immaterial." Motion at 10. Although arguing for immateriality, Plaintiff amended its application to correct its legal entity type from a limited liability company to a corporation. This voluntary after-the-fact amendment, however, would not change the alleged fraudulent misrepresentation.

Plaintiff has been given full and fair notice as to the fraud defense. Plaintiff's arguments should be denied because they are based on misunderstanding of case law and failure to consider the answer and affirmative defenses as a whole. Accordingly, the fraud defense should not be stricken.

4. Request for leave to amend

“If the court grants a motion to strike affirmative defenses as insufficiently plead, the court must then decide whether to grant leave to amend.” *Roadhouse v. Patenaude & Felix, A.P.C.*, No. 2:13-CV-00560-GMN, 2014 WL 2863054, at *1 (D. Nev. June 23, 2014) (citation omitted). The court should “freely give” leave to amend when there is no “undue delay, bad faith[,] dilatory motive on the part of the movant ... undue prejudice to the opposing party by virtue of ... the amendment, [or] futility of the amendment....” *Id.* (citing Fed. R. Civ. P. 15(a); *Foman v. Davis*, 371 U.S. 178, 182 (1962)). Generally, a Court will deny leave to amend only when it is clear that the deficiencies cannot be cured by amendment. *See DeSoto v. Yellow Freight Sys., Inc.*, 957 F.2d 655, 658 (9th Cir.1992). Therefore, even if the Board rules that certain affirmative defenses in Defendants’ Answer may be stricken due to any deficiencies therein, the deficiencies can be cured by amendment and Defendants request the Board to grant the leave to amend.

Based on the foregoing, Defendants respectfully request the Board to deny Plaintiff’s Motion to Strike.

Respectfully submitted.

Date: September 17, 2020



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CERTIFICATE OF SERVICE

I hereby certify that a true and complete copy of the foregoing OPPOSITION TO MOTION TO STRIKE is being served by electronic mail to the opposing party below:

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Date: September 17, 2020



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