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

Proceeding	92074735
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Attachments	MOTION TO STRIKE AFFIRMATIVE DEFENSES 8.28.2020.pdf(201778 bytes )

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

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Eastasia Food And Trading Inc.

Cancellation No.: 92074735

Petitioner,  
v.

Mark: PADMA BRAND CLASSIC  
Reg. No. 5843315

Mohammad B. Chowdhury, and  
Noya Distributors Inc.

Issued: August 27, 2019

Registrant.

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**MOTION TO STRIKE REGISTRANT’S FIRST TO SIXTH AFFIRMATIVE DEFENSES**

Petitioner, Eastasia Food And Trading Inc., (“Petitioner”) hereby moves to strike Registrant’s First to Sixth Affirmative Defenses as pled in Registrant’s Answer to the Petition to Cancel (TTABVUE 7).

This motion is timely made within the time prescribed in Fed. R. Civ. P. 12(c). Insofar as the motion falls under Fed. R. Civ. P. 12(f), the Board has discretion to hear same at this time. And, to the extent the motion requires the Board to look beyond the pleadings, the motion may be considered a motion for partial summary judgment pursuant to Fed. R. Civ. P. 56(c).

Granting this motion will be helpful in narrowing, limiting, and clarifying issues in this proceeding, thereby also serving as a guide in conducting discovery. As stated in 2A Moore’s Federal Practice paragraph 12.21[3]:

Although courts are reluctant to grant motions to strike, where a defense is legally insufficient, the motion should be granted in order to save the parties unnecessary expenditure in time and money in preparing for trial.

**REGISTRANT'S FIRST TO SIXTH AFFIRMATIVE DEFENSES SHOULD BE STRICKEN**

**FIRST AFFIRMATIVE DEFENSE**

First Affirmative Defense: The Petition for Cancellation fails to state a claim upon which relief can be granted.

**SECOND AFFIRMATIVE DEFENSE**

Defendants are informed and believe, and on this basis assert that the Petition for Cancellation is barred by the equitable doctrine of laches due to Petitioner's unreasonable delay in bringing this action.

**THIRD AFFIRMATIVE DEFENSE**

Defendants are informed and believe, and on this basis assert that the Petition for Cancellation is barred by the equitable doctrine of unclean hands because Petitioner, by its own conduct, has acted in such a way as to preclude any recovery against Defendants.

**FOURTH AFFIRMATIVE DEFENSE**

Defendants are informed and believe, and on this basis assert that the Petition for Cancellation is barred by the equitable doctrine of acquiescence because Petitioner, by its own conduct, has affirmatively acted in a manner consistent with its acquiescence to Defendants' use and registration of their mark.

**FIFTH AFFIRMATIVE DEFENSE**

Defendants are informed and believe, and on this basis assert that the Petition for Cancellation is barred by the equitable doctrine of estoppel.

**SIXTH AFFIRMATIVE DEFENSE**

Defendants are informed and believe, and on this basis assert that Petitioner has committed fraud on the USPTO by asserting that its first date of use of the mark PADMA BRAND CLASSIC in commerce was April 2004 in the U.S. Trademark Application Serial No. 90046096 and by asserting that its legal entity type is limited liability company instead of corporation.

As is clear on its face, Registrant has propounded the mere allegation of these defenses and does not include any detail that would give Petitioner fair notice of the basis therefor. Further,

TBMP § 311.02(b) (2015) ("The elements of a defense should be stated simply, concisely, and directly. However, the pleading should include enough detail to give the plaintiff fair notice of the basis for the defense."). Cf. *McDonnell Douglas Corp. v. National Data Corp.*, 228 USPQ 45, 47 (TTAB 1985),

**As to the First Affirmative Defense: The Petition for Cancellation fails to state a claim upon which relief can be granted must be stricken as Petitioner has clearly established standing.**

At the pleading stage, Petitioner must allege facts in its Petition to Cancel demonstrating its real interest in the proceeding. Those facts must thereafter be proved by Petitioner as part of its case. *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999).

To plead a real interest a plaintiff must allege a "direct and personal stake" in the outcome of the proceeding. *Id.* at 1026. The allegations in support of the plaintiff's belief of damage must have a reasonable basis "in fact." *Id.* at 1927 (citing *Universal Oil Products. v. Rexall Drug & Chemical Co.*, 463 F.2d 1122, 174 USPQ 458-459-60 (CCPA 1972) and stating that the belief of damage alleged by plaintiff must be more than a subjective belief).

Applicant's asserted defense therefore questions sufficiency of Petitioner's pleading, similarly to a motion to dismiss for failing to plead a cause of action under Rule 12(b). As such, Rule 12(b) permits an applicant to assert this defense and "it necessarily follows that a plaintiff may utilize this assertion to test the sufficiency of the defense in advance of trial by moving . . . to strike the 'defense' from the defendant's answer." *Order of Sons of Italy in America v. Profumi Fratelli Nostra AG*, 36 USPQ2d 1221, at 1222-1223 (TTAB 1995), citing *S.C. Johnson & Son Inc. v. GAF Corporation*, 177 USPQ 720 (TTAB 1973).

The following factors set forth in *Order of Sons of Italy* govern a motion to strike a defense of failure to state a claim upon which relief may be granted.

1. To withstand a motion to dismiss for failure to state a claim upon which relief can be granted, an Petitioner need only allege such facts as would, if proved, establish that (1) Petitioner has standing to maintain the proceeding, and (2) a valid ground exists for opposing registration.
2. For purposes of determining a motion to dismiss for failure to state a claim upon which relief can be granted, all of Petitioner's well-pleaded allegations must be accepted as true, and the Notice of Opposition must be construed in the light most favorable to Petitioner.
3. Dismissal for insufficiency is appropriate only if it appears certain that Petitioner is entitled to no relief under any set of facts which could be proved in support of its claim.
4. The standing question is an initial inquiry directed solely to establishing the personal interest of the plaintiff. An Petitioner need only show "a personal interest in the outcome of the case beyond that of the general public."

Petitioner, in its Petition to Cancel, established its standing, and thus the sufficiency of its pleading, and has alleged, *inter alia*, the following:

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. (Pet. Can. ¶8).

Since Petitioner owns Petitioner's Mark by virtue of prior use, confusion, mistake or deception as to the source of origin of the goods will arise and will injure and damage Petitioner and its goodwill, (Pet. Can. ¶18).

The continued registration of Registrant's Mark to Registrant will cause the relevant purchasing public to erroneously assume and thus be confused, misled, or deceived, that Registrant's Goods are made by, licensed by, controlled by, sponsored by, or in some way

connected, related or associated with Petitioner, in violation of Section 2(d) of the Lanham Act, 15 U.S.C. § 1052(d), all to Petitioner's irreparable damage. (Pet. Can. ¶19).

The forgoing allegations are specifically set forth in Petitioner's pleading and, if proved, Petitioner establishes standing and shows entitlement to relief. Registrant's first defense is insupportable as a matter of law, and thus should be stricken.

**As to the Second (Laches), Fourth (Acquiescence), and Fifth (Estoppel) Affirmative Defenses, the same were not pled with sufficient particular and must be stricken.**

As stated in TBMP § 311.02(b), the availability of laches and acquiescence is severely limited in opposition and cancellation proceedings. See, *Barbara's Bakery Inc. v. Landesman*, 82 USPQ2d 1283, 1292 n.14 (TTAB 2007). In Board cancellation proceedings, these defenses for a Principal Register registration start to run from the date of registration, in the absence of actual knowledge before the close of the opposition period. *Ava Ruha Corp. v. Mother's Nutritional Center, Inc.*, 113 USPQ2d 1575, 1580 (TTAB 2015); *Jansen Enterprises Inc. v. Rind*, 85 USPQ2d 1104, 1114 (TTAB 2007) (in the absence of actual notice prior to the close of the opposition period, the date of registration is the operative date for calculating laches).

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 *IdeasOne Inc. v. Nationwide Better Health Inc.*, 89 USPQ2d 1952, 1953 (TTAB 2009); *Ohio State Univ. v. Ohio Univ.*, 51 USPQ2d 1289, 1292 (TTAB 1999) (noting that the primary purpose of pleadings "is to give fair notice of the claims or defenses asserted"); see also TBMP § 311.02(b) and the cases cited in FN 15 therein. Here, Registrant's defenses of laches,

estoppel and/or acquiescence are bald, conclusory allegations that are not supported by any facts and should be stricken accordingly.

To succeed in a laches, or estoppel defense, the party alleging the same has the burden of establishing both unreasonable delay and prejudice from the delay. *See, Ralston Purina Co. v. Midwest Cordage Co., Inc.*, 153 USPQ 73, 75-76 (CCPA 1967).

With respect to the defenses, Respondent failed to provide any factual basis to assert the equitable defenses of estoppel, laches, or acquiescence. For example, *see Plus Products v. Medical Modalities Associates, Inc.*, 211 USPQ 1199, 1205 (TTAB 1981):

“The elements necessary to establish the equitable defense of laches normally involve knowledge, actual or constructive, of the subsequent party's use of the same or similar mark for like or related goods; an inordinate delay under the particular fact situation in taking some affirmative action to preclude such further use, and reliance on such inaction or silence by the junior user. The estoppel is based upon the ethical consideration of not allowing a party to preclude a course of conduct that he tolerated, where the result will be prejudicial to the person who relied on and acted on the belief that the activity was sanctioned by said party.” *Id.*

Respondent has not and cannot present any facts in support of such claims.

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

Acquiescence in particular requires three elements: (1) that petitioner actively represented that it would not assert a right or a claim; (2) that the delay between the active representation and

assertion of the right or claim was not excusable; and (3) that the delay caused registrant undue prejudice. *Coach House Restaurant Inc. v. Coach and Six Restaurants, Inc.*, 934 F.2d 1551, 1564, 19 USPQ2d 1401, 1409 (11th Cir. 1991).

Moreover, in order to prevail on an affirmative defense of estoppel, Respondent must plead (and later prove) not only the laches elements but also that Petitioner committed an affirmative act that induced Respondent to believe Petitioner abandoned its claim in the mark and that Respondent relied on that act to its own detriment. *See MCV Inc. v. King-Seeley Thermos Co.*, 10 USPQ2d 1287, 1290 (Fed. Cir. 1989); *National Cable Television Ass'n Inc. v. American Cinema Editors Inc.*, 19 USPQ2d 1424, 1432 (Fed. Cir. 1991). Respondent has not alleged any affirmative act by Petitioner on which Respondent relied to its disadvantage.

Respondent failed to plead essential elements of its defenses set forth in its Second, Fourth and Fifth Affirmative Defenses and failed to present facts sufficient to give Petitioner fair notice of the alleged basis for the defenses. Accordingly, the defenses of laches, acquiescence and estoppel are insupportable as a matter of law, and thus should be stricken.

**As to the Third (Unclean Hands) Affirmative Defense was not pled with sufficient particular and must be stricken.**

In this case, Registrant's third affirmative defense does not include allegations that state a defense of unclean hands. There are no specific allegations of conduct by Petitioner that, if proved, would prevent Petitioner from prevailing on its claim; instead, the allegations of the third affirmative defense are either unclear, non-specific, irrelevant to a pleading of unclean hands, or merely conclusory in nature. *See Midwest Plastic Fabricators Inc. v. Underwriters Labs. Inc.*, 5 USPQ2d 1067, 1069 (TTAB 1987).

Respondent failed to plead essential elements of its defenses set forth in its Third Affirmative Defense and failed to present facts sufficient to give Petitioner fair notice of the



alleged basis for the defense. Accordingly, the defense of unclean hands is insupportable as a matter of law, and thus should be stricken.

**As to the Sixth (Fraud) Affirmative Defense was not pled with sufficient particular and must be stricken.**

Rule 12(f) F.R.Civ. P. provides that “The court may strike from a pleading an insufficient defense or any redundant, immaterial, impertinent, or scandalous matter.”

On August 31, 2009, the Federal Circuit clarified the pleading standard for fraud claims making it both more difficult to prove and more difficult to plead, as the person asserting the fraud claim now must plead sufficient facts to show and applicant's or registrant's intent to deceive. 92074060., 91 U.S.P.Q.2d 1938 (Fed. Cir. 2009). The *Bose* court held that facts plead on “information and belief” were insufficient as a matter of law. *Id.* The *Bose* decision dramatically changed the landscape for pleading and proving trademark fraud, clearly rejecting the TTAB’s prior standard that pleadings could be based on the “knew or should have known” standard, and now requiring direct evidence of a subjective intent to deceive the USPTO in the pleading. While the *Bose* court acknowledged that intent to deceive the PTO in these situations can be “inferred from indirect and circumstantial evidence,” nonetheless it stated that “such evidence must still be clear and convincing, and inferences drawn from lesser evidence cannot satisfy the deceptive intent requirement.” *Id.* The Court found a factual requirement in a fraud pleading to first identify, with specificity, the who, what, when, where, and how the material misrepresentation or omission was committed then to show sufficient facts from which a court can reasonably infer knowledge of the withheld material and a specific intent to deceive the PTO. *Id.*

Indeed, "the very nature of the charge of fraud requires that it be proven 'to the hilt' with clear and convincing evidence. There is no room for speculation, inference or surmise and,

obviously, any doubt must be resolved against the charging party." *Smith Int'l, Inc. v. Olin Corp.*, 209 USPQ 1033, 1044 (T.T.A.B. 1981).

Since the *Bose* decision, the TTAB has struck down several attempts to assert fraud claims on the ground that they were not pled with sufficient particularity (as required by FRCP 9(b)). These cases generally involved pleadings that were based on "information and belief" without containing sufficient facts upon which the belief was founded, and that failed to contain allegations that the applicant's/registrant's statements were made with an intent to deceive. See *Societe Cooperative Vigneronne des Grandes Caves Richon-Le-Zion and Zicron-Jacob Ltd. v. Albrecht-Piazza, LLC*, Opposition No. 91190040 (TTAB Sept. 20, 2009) (denying motion to amend notice of opposition to assert insufficiently-pled fraud claim); *Ayush Herbs, Inc. v. Hindustan Lever Ltd. Co.*, Opposition No. 91172885 (TTAB Nov. 19, 2009) (same); *E & J Gallo Winery v. Quala S.A.*, Opposition No. 91186763 (TTAB Dec. 7, 2009) (same). See also *Asian and Western Classics B.V. v. Selkow*, 92 U.S.P.Q.2d 1478 (TTAB 2009) (fraud claims not sufficiently pled).

In *DaimlerChrysler Corporation and Chrysler, LLC v. American Motors Corporation*, 94 USPQ2d 1086 (TTAB 2010), however, the TTAB found that DaimlerChrysler laid out its fraud claims in sufficient detail to satisfy the requirements of FRCP 9(b). There, DaimlerChrysler's pleadings included a recitation of the statements made by the registrant to the PTO that DaimlerChrysler contended were false, and discovery responses made by registrant in support of the allegation that the date those statements were made. DaimlerChrysler included specific data and allegations that the registrant "knew that the representations were false," that the misrepresentations were "material", and that they were "knowingly made" in order to procure a registration. The TTAB found that the combination of these statements was sufficient to plead a

cause of action for fraud but stated that intent to deceive should have been specifically pled as an indispensable element.

Here, Registrant's statement, made "upon information and belief" utterly fails to allege sufficient facts to support either a fraud claim or an affirmative defense based on fraud. No facts are supplied whatsoever, no specific allegation of intent to deceive is included, and no inference of fraud can be sustained by law.

The defense facially fails to provide Registrant notice of fraud, insofar as it lacks specific allegations as to how any fraud was perpetuated on the USPTO. *See Ohio State Univ. v. Ohio Univ.*, 51 USPQ2d 1289, 1292 (TTAB 1999) (noting that the primary purpose "is to give fair notice of the claims or defenses asserted"); see also, TBMP § 311.02(b). Mere conclusory allegations of fraud are insufficient. *Swartz v. KPMG LLP*, 476 F.3d 756, 764 (9th Cir 2007) *citing Bly-Magee v. California*, 236 F.3d 1014, 1019 (9th Cir. 2001) ("To comply with Rule 9(b), allegations of fraud must be specific enough to give defendants notice of the particular misconduct which is alleged to constitute the fraud charged so that they can defend against the charge and not just deny that they have done anything wrong.") Because affirmative defenses, like claims in a complaint, must be supported by enough factual background and detail to fairly place the claimant on notice of the basis for the defenses, the defense fails under TBMP § 311.02(b) and should be stricken accordingly.

Perhaps registrant should refer to the Petition for Cancellation for an example of a properly pled cause of action grounded in fraud.

As regards Registrant's assertion that Petitioner committed fraud when it misstated the nature of its legal entity (limited liability company instead of incorporation) and its claimed date of first use, the assertion is entirely immaterial, and Petitioner's dates given are entirely proper.

Perhaps registrant should refer to the Petition for Cancellation for an example of a properly pled cause of action grounded in fraud.

Although the misstated the nature of its legal entity (limited liability company instead of incorporation) is entirely immaterial, we nevertheless corrected the mistake by filing a Voluntary Amendment Not in Response to USPTO Office Action/Letter on August 28, 2020 to change the nature of the legal entity from limited liability company to corporation.

### **CONCLUSION**

For the aforesaid reasons, Registrant's First to Sixth Affirmative Defenses of its Answer should be stricken pursuant to Fed. R. Civ. P. 12(f).

WHEREFORE, Petitioner prays its motion is granted in all respects.

Respectfully submitted,  
Baker and Rannells, PA

Dated: August 28, 2020




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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served via e-mail upon WENSHENG MA, Attorney of Record for Registrant at lfdisputes@legalforcelaw.com, vincent@legalforcelaw.com, nick@legalforcelaw.com on this, the 28th day of August 2020.



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Stephen L. Baker