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

Proceeding	92076315
Party	Plaintiff Canpack S.A.
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

Canpack, S.A.

Petitioner,

vs.

Champion Container Corporation

Registrant

Cancellation No. 92076315

**PETITIONER’S REPLY BRIEF IN SUPPORT OF
ITS MOTION TO STRIKE REGISTRANT’S AFFIRMATIVE DEFENSES**

I. INTRODUCTION

Petitioner Canpack S.A. (“Petitioner”) hereby submits this reply brief in support of Petitioner’s Motion to Strike Registrant Champion Container Corporation’s (“Registrant”) Affirmative Defenses, and in reply to Registrant’s Memorandum of Law in Opposition to Petitioner’s Motion (“Registrant’s Brief”).

II. REGISTRANT HAS FAILED TO SHOW WHY ITS AFFIRMATIVE DEFENSES SHOULD NOT BE STRICKEN

Petitioner established in its Motion that all of Registrant’s defenses must be stricken from the Answer because they are insufficient, immaterial, and/or inadequately pled. Registrant has failed to explain in its Brief why any of these defenses should be allowed to remain in the Answer.

A. Registrant’s First Affirmative Defense

As explained in Petitioner’s Motion to Strike, the Board has recognized that failure to state a claim is not a valid affirmative defense. Petitioner’s Motion, at 2-3. Registrant complains that Petitioner is relying upon a mere “footnote” in *Hornblower & Weeks, Inc. v. Hornblower & Weeks, Inc.*, 60 U.S.P.Q.2d 1733, 1738 (TTAB 2001), and that this case did not involve a motion

to strike. However, the Board has consistently relied upon *Hornblower* in striking purported “affirmative defenses” based upon an alleged failure to state a claim. *See, e.g., Raising Cane’s USA, LLC v. Minton*, Cancellation No. 92076766 (TTAB Aug. 10, 2021), at 4 (“This is not a true affirmative defense because it asserts a purported insufficiency in Petitioner’s pleading rather than a statement of a defense to a properly pleaded claim”) (*citing Hornblower*); *Palantir Technologies, Inc v. Hangzhou Xiaomui Software Technology Co. Ltd.*, Opposition No. 91252072 (TTAB June 4, 202) (“Applicant’s first affirmative defense of failure to state a claim upon which relief can be granted is not a true affirmative defense”).

Furthermore, even if “failure to state a claim” were recognized as a valid affirmative defense, Registrant would be barred from raising any such defense on the grounds of *res judicata*. The Board has already fully considered and denied a Motion to Dismiss by Registrant, which is based upon the same legal theory as Registrant’s First Affirmative Defense, i.e., failure to state a claim. In denying Registrant’s Motion to Dismiss, the Board found that Petitioner had “adequately alleged its entitlement to a statutory cause of action” (10 TTABVUE 10); that Petitioner’s allegations “that [Registrant] never used its marks are sufficient to plead a nonuse claim” (10 TTABVUE 14); that Petitioner’s allegations “are sufficient to plead an abandonment claim” (10 TTABVUE 15); and that Petitioner had alleged the requisite elements for its Section 2(d) claim (10 TTABVUE 18). Registrant is thus barred from raising any of these arguments again under *res judicata* and the law of the case doctrine.

Registrant suggests that the results of a “failure to state a claim” allegation might be different after discovery; however, this type of claim is based solely upon the allegations in the complaint (in this case, the Petition for Cancellation), and the nature of the discovery taken and the evidence introduced at trial is irrelevant to whether the complaint adequately sets forth a claim for relief.

Therefore, Petitioner’s First Affirmative Defenses must be struck from the Answer.

B. Registrants' Second through Seventh Affirmative Defenses are Insufficiently Pled and Must be Dismissed

Registrant attempts to justify the bare-bones nature of its Second through Seventh Affirmative Defenses, which do not include any factual allegations sufficient to give Petitioner fair notice of the bases of the defenses, by arguing that discovery might be able to “uncover more about the validity of the defenses.” Registrant’s Brief, at 5. In making this argument, Registrant is blatantly and openly admitting that it currently is not aware of any facts supporting any of these defenses, but that it is merely hoping that some such facts might come to light during trial. However, the Federal Rules of Civil Procedure and the Board’s rules clearly do not allow a party to load up its Answer with affirmative defenses that have no factual basis merely in the hope that some facts supporting the defenses may come to light during discovery. Any affirmative defense must include enough factual detail to provide Opposer fair notice of the defense. Fed. R. Civ. P. 8(b)(1); *IdeasOne Inc. v. Nationwide Better Health Inc.*, 89 USPQ2d 1952, 1953 (TTAB 2009).

Registrant argues that it needs to plead these affirmative defenses in its Answer to “preserve these defenses for future use,” because “failure to plead even a valid affirmative defense constitutes a waiver of that defense.” Registrant’s Brief, at 5. However, this is also inaccurate. If factual information comes to light during discovery that supports any affirmative defenses, Registrant will have an opportunity to file a Motion to Amend its Answer to include any such defenses. TBMP 507.

Furthermore, contrary to Registrant’s conclusory arguments, Petitioner will in fact be prejudiced if these baseless defenses are allowed to remain in the Petition for Cancellation, because both parties will need to take discovery regarding the defenses. For example, Petitioner would be forced to serve interrogatories and document requests on Registrant requesting that Registrant state the bases of these defenses. This would be prejudicial to Petitioner because the Board’s rules only allow for a limited number of written discovery requests, and forcing

Petitioner to take written discovery on these defenses may prevent Petitioner from taking discovery on other, more relevant issues. Petitioner would also have to ask each of Registrant's employees that it deposes if they are aware of any facts supporting these defenses, which would be a waste of time considering that Registrant has already admitted it is not currently aware of any such facts and that the defenses are baseless.

Therefore, as Registrant's Second through Seventh Affirmative Defenses do not give Petitioner adequate notice of the bases of these defenses, and as Registrant has admitted it is not currently aware of any facts supporting these defenses, these defenses must also be stricken from the Answer.

C. Registrant Has Waived any Argument that its Eighth Affirmative Defense is Valid

Registrant's Eighth Affirmative Defense alleged that Petitioner's claims were barred by an unidentified "statute of limitations." Registrant properly moved to dismiss this defense, and Petitioner did not respond to Registrant's arguments regarding this defense in Petitioner's Brief. Therefore, Petitioner has waived any argument that the Eighth Affirmative Defense is a valid defense, and this defense must now be stricken from the Answer.

D. Registrant's Ninth And Tenth Defenses Are Irrelevant

Finally, Registrant attempts to justify the inclusion of its Ninth and Tenth Affirmative Defenses by arguing that “to the extent it is Registrant’s burden to establish that Petitioner alleged priority of use in bad faith, such burden would constitute an affirmative defense.” Registrant’s Brief, at 6. However, this is not Registrant’s burden; Petitioner has the burden of showing priority of use.

More importantly, Registrant’s argument is irrelevant because these defenses do not argue that Petitioner does not have priority of use; instead, the defenses argue that Petitioner made false statements to the USPTO in connection with its pending trademark applications. 11 TTABVUE 5. However, Petitioner is not relying upon these pending applications to establish its prior rights in this case; instead, Petitioner is relying upon its prior common law use of the mark CANPACK. 1 TTABVUE 7. Therefore, even if Registrant’s baseless allegations in the Eighth and Ninth Defenses were true, and Petitioner had made false material statements to the USPTO in connection with its pending applications, any potential invalidation of Petitioner’s applications would not prevent Petitioner from prevailing in the cancellation proceeding if Petitioner is able to show prior common law rights.

These defenses are thus futile and insufficient pursuant to Fed. R. Civ. P. 8(b), because they would not prevent Petitioner from obtaining the relief that it seeks in this proceeding. These defenses must also be stricken from Registrant’s Answer.

CERTIFICATE OF SERVICE

I hereby certify that a true and complete copy of the foregoing PETITIONER'S REPLY BRIEF IN SUPPORT OF ITS MOTION TO STRIKE REGISTRANT'S AFFIRMATIVE DEFENSES has been served on Jordan D. Weinreich, Esq., counsel for Registrant Champion Container Corporation via email on October 5, 2021 to jweinreich@shermanatlas.com and hatlas@shermanatlas.com.

/Florence Goodman/

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