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

Proceeding	92077133
Party	Plaintiff Beereaders Inc.
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Date	08/27/2021
Attachments	Motion.pdf(729577 bytes)

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

In re the Matter of:

Beereaders, Inc., Petitioner, v. Learning Circle Kids, LLC Registrant.	Cancellation No. 92077133 Trademark Registration No. 4,642,327

PETITIONER'S MOTION TO STRIKE PURPORTED REIGSTRANT LEARNING CIRCLE KIDS, LLC'S INSUFFICIENTLY-PLED AFFIRMATIVE DEFENSES 1-3[1]

LEGAL STANDARD

a. Motion to strike under Rule 12(f)

Federal Rule of Civil Procedure 12(f) permits a court to "strike from a pleading an insufficient defense or any redundant, immaterial, impertinent, or scandalous matter." Fed. R. Civ. P. 12(f). "The function of a Rule 12(f) motion to strike is to avoid the expenditure of time and money that will arise from litigating spurious issues by dispensing with those issues prior to trial." *Solis v. Zenith Capital, LLC*, No. 08-cv-4854-PJH, 2009 U.S. Dist. LEXIS 43350, 2009 WL 1324051, at *3 (N.D. Cal. May 8, 2009) (citing *Sidney-Vinstein v. A.H. Robins Co.*, 697 F.2d 880, 885 (9th Cir. 1983)).

[1] This motion is relevant to the Board order dated July 7, 20221 (in that this motion related to Learning Circle Kids's purported answer filed on June 22, 2021) and is thus permitted.

b. Plausibility Standard to Plead Affirmative Defenses

Affirmative defenses must contain sufficient facts to state a defense "that is plausible on its face." *Ashcroft v. Iqbal*, 556 U.S. 662 at 678 (2009) (citing *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544 at 570 (2007)).

Court around the country "continue to require affirmative defenses to meet the *Twombly/Iqbal* standard." *Goobich v. Excelligence Learning Corp.*, No. 5:19-CV-06771-EJD, 2020 U.S. Dist. LEXIS 55114, 2020 WL 1503685, at *2 (N.D. Cal. Mar. 30, 2020) (collecting cases); *see also J & K IP Assets, LLC v. Armaspec, Inc.*, No. 17-cv-07308-WHO, 2018 U.S. Dist. LEXIS 118467, 2018 WL 3428757, at *3 (N.D. Cal. July 16, 2018); *Illumina, Inc. v. BGI Genomics Co.*, No. 19-cv-03770-WHO, 2020 U.S. Dist. LEXIS 19216, 2020 WL 571030, at *5 (N.D. Cal. Feb. 5, 2020) ("I apply the Twombly/Iqbal pleading standard to affirmative defenses."); *Pertz v. Heartland Realty Inv'rs, Inc.*, No. 19-cv-06330-CRB, 2020 U.S. Dist. LEXIS 3116, 2020 WL 95636, at *1 (N.D. Cal. Jan. 8, 2020) ("[T]his Court and the majority of courts in this district have held that the heightened pleading standard of Twombly and Iqbal, which followed *Wyshak*, is now the correct standard to apply to affirmative defenses."); *Fishman v. Tiger Natural Gas Inc.*, No. 17-cv-05351-WHA, 2018 U.S. Dist. LEXIS 159425, 2018 WL 4468680, at *3 (N.D. Cal. Sept. 18, 2018) ("This order finds persuasive the reasoning of the district courts of this circuit and those across the country that apply the Twombly/Iqbal standard to affirmative defenses").

Thus, "[w]hile a defense need not include extensive factual allegations in order to give fair notice, bare statements reciting mere legal conclusions may not be sufficient." *Perez v. Gordon & Wong Law Group, P.C.*, No. 11-CV-03323-LHK, 2012 U.S. Dist. LEXIS 41080, 2012 WL 1029425, at *8 (N.D. Cal. Mar. 26, 2012) (internal quotation and citation omitted); *see also Prods. & Ventures Int'l v. Axus Stationary (Shanghai) Ltd.*, 2017 U.S. Dist. LEXIS 55487; *Powertech Tech., Inc. v. Tessera, Inc*., 2012 U.S. Dist. LEXIS 68711, 2012 WL 1746848; *United States v. Acad. Mortg. Corp*., 2020 U.S. Dist. LEXIS 226154, 2020 WL 7056017 ("The case management benefits of the *Twombly* and *Iqbal* pleading standard counsel in favor of …. applying it to affirmative defenses.").

In order to satisfy the pleading requirements of Rule 8, "a defendant's pleading of affirmative defenses must put a plaintiff on notice of the underlying factual bases of the defense." *Id*. (citing *Dion v. Fulton Friedman & Gullace LLP*, No. 11-2727 SC, 2012 WL 160221, at *2 (N.D. Cal. Jan. 17, 2012)).

"It is unacceptable for a party's attorney simply to mouth [affirmative defenses] in formula-like fashion (laches, estoppel, statute of limitations, or what have you), for that does not do the job of apprising opposing counsel and this Court of the predicate for the claimed defense—which after all is the goal of the pleading." *Reis Robotics USA, Inc. v. Concept Industries, Inc.*, 462 F. Supp. 2d 897 (N.D.Ill.2006) (internal citations and quotations omitted).

Further, in light of *Iqbal*, in order to adequately "state . . . its defenses to each claim asserted against it" under Rule 8(b)(1), a party must allege "sufficient factual matter, accepted as true" (*Iqbal*, at 678), to demonstrate that plaintiff lacks a right of recovery. To hold otherwise would permit defendants to merely plead "labels and conclusions" or "a formulaic recitation of the elements of" an affirmative defense, (*Twombly*, at 555), and in so doing, undermine the rationale of *Twombly* and *Iqbal*. To the extent that the heightened pleading standard is based on the wording of Rule 8, a sufficient textual basis lies in Rule 8(b)(1) for extending their holdings to the pleading of affirmative defenses. *See Dodson v. Munirs Co.*, 2013 U.S. Dist. LEXIS 85768, 2013 WL 3146818.

ARGUMENT

Purported Registrant Learning Circle Kids, LLC's affirmative defenses 1-3 are insufficiently-pled and should thus be stricken under *Twombly* and *Iqbal*.

A. Learning Circle Kids, LLC's first affirmative defense should be stricken

In its first affirmative defense, Learning Circle Kids, LLC conclusorily asserts that "Petitioner's grounds for cancellation for likelihood of confusion should be denied because the Petition was filed more than five years after the registration date of the Registration." This conclusory statement states no relevant fact to this cancellation proceeding and various grounds for cancellation asserted for cancellation.

For at least these reasons, Learning Circle Kids, LLC's first affirmative defense should be stricken.

B. Learning Circle Kids, LLC's second affirmative defense should be stricken

In its second affirmative defense, ***Learning Circle Kids, LLC*** inexplicably repeats the bulk of its first affirmative defense and more inexplicably asserts without specifics that its "Registration has priority over the Petitioner's U.S. trademark application number 90709188." To prove this supposed priority, Learning Circle Kids, LLC claims that priority is established by way of "Respondent's Registration was registered more than six years before the filing date of the Petitioner's mark." Priority, however, is established by proof of prior use, not filing dates or registration dates. Kohler Co. v. Baldwin Hardware Corp., 82 USPQ2d 1100, 1108 (TTAB 2007).

Further, Learning Circle Kids, LLC concedes that it has established a licensor-licensee relationship with Reader Bee, LLC. Reader Bee, LLC is thus not entitled to any priority claim based on Reader Bee, LLC's supposed use of this mark, if any. See Moreno v. Pro Boxing Supplies, Inc., 124 USPQ2d 1028, 1036 (TTAB 2017) (licensee cannot rely on her licensor's use to prove priority).

For at least these reasons, Learning Circle Kids, LLC's second affirmative defense should be stricken.

C. Learning Circle Kids, LLC's third affirmative defense should be stricken

It is long established that affirmative defenses, including ***"[l]aches**, waiver, estoppel, and unclean hands* are equitable defenses that must be pled with the ***specific elements*** required to establish the defense" or else be stricken. *Software Publrs. Ass 'n v. Scott & Scott, LLP*, 2007 WL 2325585, *2 (N.D. Tex. 2007) (quoting *Reis Robotics USA, Inc. v. Concept Industries, Inc.*, 462 F. Supp. 2d 897 (N.D.Ill.2006) (internal quotations omitted)).

Further, a laches affirmative defense requires the following basic elements: (1) that Petitioner delayed filing suit an unreasonable and inexcusable length of time ***after the Petitioner knew or reasonably should have known of its claim*** against the Respondent; and (2) the delay resulted in ***material prejudice or injury*** to the Respondent. *See Advanced Cardiovascular Sys., Inc. v. SciMed Life Sys., Inc.,* [**6] 988 F.2d 1157, 1161, 26 U.S.P.Q.2D (BNA) 1038, 1041 (Fed. Cir. 1993); *A.C. Aukerman Co. v. R.L. Chaides Constr. Co.*, 960 F.2d 1020, 1039, 22 U.S.P.Q.2D (BNA) 1321, 1333 (Fed. Cir. 1992); *Meyers v. Brooks Shoe Inc.*, 912 F.2d 1459,

1461, 16 U.S.P.Q.2D (BNA) 1055, 1057 (Fed. Cir. 1990), overruled on other grounds by *Aukerman*, 960 F.2d at 1038-39, 22 U.S.P.Q.2D (BNA) at 1333.

Here, Learning Circle Kids, LLC's third affirmative defense—presented by way of a throw-way sentence—did not even care to plea that ***the Petitioner knew or reasonably should have known of its claim*** against the Respondent. Nor did Learning Circle Kids, LLC even plead that it suffered ***material prejudice or injury*** due to this claimed delay.

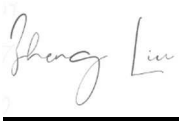
For at least these reasons, Learning Circle Kids, LLC's third affirmative defense should be stricken.

CONCLUSION

Petitioner respectfully request the Board strike Learning Circle Kids, LLC insufficiently-pled affirmative defenses 1-3.

Dated: August 27, 2021

Respectfully submitted,



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Attorneys for Petitioner

CERTIFICATE OF SERVICE

I hereby certify that a true and complete copy of the foregoing:

PETITIONER'S MOTION TO STRIKE

READER BEE, LLC'S

INSUFFICIENTLY-PLED AFFIRMATIVE DEFENSES 1-3

has been served on the opposing party's attorneys by forwarding said copy on August 27, 2021 via email to:

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Dated: August 27, 2021

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