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

Proceeding	92065406
Party	Plaintiff Plaza Izalco, Inc.
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the matter of Registration No. 4,581,604
For the mark “KOFAL”

PLAZA IZALCO, INC.,)	
)	
Petitioner,)	
)	
vs.)	Cancellation No. 92065406
)	
PHARMADEL, LLC)	
)	
Registrant.)	
)	

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

Petitioner Plaza Izalco, Inc. (“Petitioner”), by and through its undersigned counsel, hereby replies to Registrant’s Response in Opposition to Petitioner’s Motion to Strike Registrant’s Affirmative Defenses, and states as follows:

I. INTRODUCTION

Petitioner moved the Board to strike the Registrant’s affirmative defenses. In its response, Registrant makes several incorrect statements and asserts unsupported arguments to suggest that its defenses are proper. For the reasons set forth in the Petitioner’s Motion, and in this Reply, the Board should grant Petitioner’s Motion to Strike Registrant’s Affirmative Defenses.

II. ARGUMENT

A. Registrant’s First and Second Affirmative Defense (Failure to State a Claim and Lack of Standing) Should be Stricken

Registrant claims that these “defenses” are “amplification[s] of the Fourth Affirmative Defense,” thereby acknowledging that these “defenses” are redundant and impertinent. *See*

Registrant Response TTABVUE #12, pp. 1, 3-5. Further, as to the First Affirmative Defense (failure to state a claim), Registrant did not rebut the precedential case citations for decisions that have stricken this “defense” with prejudice because it is not a proper affirmative defense. *See Blackhorse v. Pro Football, Inc.*, 98 U.S.P.Q.2D 1633, 1637 (TTAB 2011)]; *Hornblower & Weeks Inc. v. Hornblower & Weeks Inc.*, 60 U.S.P.Q.2d 1733, 1738 n.7 (TTAB 2001). Accordingly, the Board should do the same here, and strike the alleged defense.

As to the Second Affirmative Defense (lack of standing), Registrant asks the Board to not consider the “defense” by itself, but rather in conjunction with another defense. Besides being an admission that the defense is insufficient, the argument is unsupported as to both fact and law. Here, the Petitioner pled facts to show it has a real interest and reasonable basis for being damaged, including that the challenged “KOFAL” registration was cited in a refusal to register the Petitioner’s mark. This “defense” should be therefore be stricken.

B. Registrant’s Third Affirmative Defense (Registrant’s Marks “KOFAL” and “KOFAL-T” Began Use Prior to Petitioner Applying For Registration) Should be Stricken

The Registrant did not disagree with the Applicant’s argument that the third affirmative “defense” is not a recognized affirmative defense. Based on that alone, it should be stricken. Beyond that, the Registrant’s “defense” appears to raise a concurrent use situation improperly, while the Registrant’s response in opposition argues priority (which is factually inaccurate, because the Petitioner’s date of first use in commerce predates the Registrant’s claimed dates of first use). Putting aside the Registrant’s attempt to conflate these concepts, the defense should be stricken because it is a conclusory statement without any supporting facts. *See Southwest Specialty Food Inc. v. Crazy Uncle Jester’s Inferno World, LLC*, 2016 TTAB LEXIS 284, *8 (TTAB June 24, 2016) (quoting *Ashcroft v. Iqbal*, 556 U.S. 662, 663 (2009) and *Bell Atl. Corp. v. Twombly*,

550 U.S. 544, 570 (2007)) (“A party must allege sufficient facts beyond a tender of ‘naked assertion[s]’ devoid of ‘further factual enhancement,’ to support its claims or defenses.”).

C. Registrant’s Fourth Affirmative Defense (*Morehouse* Defense) Should be Stricken With Prejudice

Registrant’s allegation (that it owns a similar mark on similar goods) does not set forth the proper elements of the *Morehouse* defense, and the defense is thereby legally insufficient. *See Morehouse Manufacturing Corp. v. J. Strickland and Co.*, 160 U.S.P.Q. 715, 717 (C.C.P.A. 1969) and TBMP § 311.02(b). Nor is the inquiry one of “relatedness,” as the Registrant claims. Because the Registrant cannot plausibly allege a *Morehouse* defense, it should be stricken with prejudice.

Registrant tries to assert there are distinctions as to the legal standard of the *Morehouse* defense, by stating that “this Board has articulated the verbiage of the *Morehouse* standard in different forms.” *See* Registrant Response TTABVUE #12, pp. 7. While Petitioner acknowledges this different verbiage may include “the same mark” or “substantially similar” or “substantially identical,” the case law is clear that merely being “similar” on “similar” goods, as Registrant attempts to plead in its affirmative defense, does not afford the ability to maintain a *Morehouse* Defense¹. Registrant’s arguments are littered with claims that the marks and goods are “similar” or “related”, which, just as its affirmative defense, do not sufficiently state the elements of its defense and should be stricken.

¹ *See O-M Bread, Inc. v. U.S. Olympic Comm.*, 36 U.S.P.Q.2d 1041, 1045-46 (Fed. Cir. 1995) (“[B]oth the *Morehouse* defense and § 110(a) require that the prior and proposed marks be essentially the same.”); *Mag Instrument Inc. v. Brinkmann Corp.*, 96 U.S.P.Q.2d 1701, 1711 (TTAB 2010) (“For purposes of the *Morehouse* defense, the two marks must be ‘substantially identical,’ meaning that they are either literally identical or legally equivalent.”); *Tea Board of India v. Republic of Tea Inc.*, 80 U.S.P.Q.2d 1881, 1884 n.6 (TTAB 2006) (*Morehouse* defense does not apply where marks in the two registrations being compared are not the same); *Teledyne Technologies Inc. v. Western Skyways Inc.*, 78 U.S.P.Q.2d 1203, 1209 (TTAB 2006) (*Morehouse* defense fails where goods in the involved registration are clearly different from those in prior registrations).

Despite Registrant's bald and baseless assertions, neither the prior registration nor the goods identified in it can plausibly be characterized as the "same" or "substantially the same" when compared to the registration at issue in this proceeding. *See Citadel Federal Credit Union v. KCG IP Holdings LLC*, 2013 TTAB LEXIS 380, *5-8 (TTAB July 10, 2013) (the Board was "not persuaded by respondent's arguments that the design element of the earlier mark [did] not change the appearance or commercial impression of the later standard character mark." *Id.* at *7. The Board further stated that the *Morehouse* standard requires "the marks in their entireties [be] essentially the same." *Id.* (citing *O-M Bread*, 36 U.S.P.Q.2d at 1045).

Further, there are no "red herrings," as Registrant argues. In reply, Petitioner states the obvious - that the registration that is the subject of this cancellation proceeding has multiple different goods in two separate classes, whereas the prior registration it seeks to rely upon contains just one product ("analgesic balm"). Yet, the Registrant claims this is a "red herring," arguing that Petitioner's "COFAL" application does not include goods in Class 10. *See Registrant Response TTABVUE #12*, pp. 12. This argument fails for two reasons. First, goods in both classes are at issue in this proceeding. Second, the Class 5 goods in the registration sought to be canceled go well beyond the one product that is identified in the prior registration. *See Haggar Co. v. Hugger Corp.*, 172 U.S.P.Q. 253, 254 (TTAB 1971). As noted in *Haggar*:

The rationale for refusing to apply this doctrine in situations where the goods in particular may be different is that the owner of a trademark registration, usually a subsequent user, should not be permitted by normal expansion of its operations to extend the use or registration of its mark to goods not covered by its registration where the result could be a conflict with the prior use and/or registration by another of the same or similar mark for the same or similar goods.

Id. For the reasons noted in *Haggar*, the Respondent should not be able to rely on its prior registration for "KOFAL-T" for use in connection with "analgesic balm," as part of a *Morehouse* defense to extend it to the multitude of different goods that are shown in the chart below:

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