

08/05/2003TTAB

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

In The Matter of Application Serial No. 76/314,502
for the mark KEHOT & Design filed September 19, 2001

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OTSAR SIFREI LUBAVITCH, INC.,

Opposer,

v.

KEHOT PUBLICATION SOCIETY, a division
of Merkos L'Inyonei Chinuch, Inc.,

Applicant.

Opposition No. 91,156,049



07-17-2003

U.S. Patent & TMO/tm Mail Rcpt Dt. #22

-----X
VAAD HANOCHOS HATMIMIM,

Opposer,

v.

KEHOT PUBLICATION SOCIETY, a division
of Merkos L'Inyonei Chinuch, Inc.,

Applicant.

Opposition No. 91,156,050

-----X
VAAD L'HAFOTZAS SICHOS, INC.,

Opposer,

v.

KEHOT PUBLICATION SOCIETY, a division
of Merkos L'Inyonei Chinuch, Inc.,

Applicant.

Opposition No. 91,156,051

BOX TTAB - NO FEE
Commissioner for Trademarks
2900 Crystal Drive
Arlington, Virginia 22202-3514

**REPLY MEMORANDUM OF LAW IN FURTHER SUPPORT OF
MOTION TO CONSOLIDATE AND SUSPEND**

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Tina Houlihan

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Tina Houlihan

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Applicant Kehot Publication Society, a division of Merkos L'Inyonei Chinuch, Inc. ("Applicant"), submits this Reply Memorandum of Law in further support of its motion, filed in each of the three above-captioned opposition proceedings, to consolidate and suspend the oppositions pending the outcome of federal litigation involving the applied-for mark.

Opposers Otsar Sifrei Lubavitch, Inc. ("Otsar") and Vaad L'hafotzas Sichos, Inc. ("Vaad L'hafotzas") admit in their opposition briefs that "ordinarily the three proceedings would clearly be logical candidates for consolidation." They offer no reason why the proceedings should not be consolidated, and expressly object to consolidation only because they oppose suspension. Because Opposers' arguments against suspension are factually and legally without merit and, in any event, do not outweigh the clear benefits of suspending the opposition proceedings pending the outcome of the federal district court action, Applicant's motion to consolidate and suspend should be granted.¹

Opposers' claim that the applied-for mark is only "incidentally" involved in the district court action is untrue. The Lanham Act § 43(a) claim pending in the district court is based upon the defendant's use of the same mark covered by Application Serial No. 76/314,502, herein opposed. See Exhibit B, ¶ 18. Thus, if the district court determines that Applicant's mark is "functional and generic," as alleged in Otsar's affirmative defense in the federal court, there will be no need for any of the opposition proceedings to go forward.

The fact that Opposer Vaad L'hafotzas is not a party to the district court action does not preclude the Board from suspending Opposition No. 91,156,051. Pursuant to 37 C.F.R. §

¹ Opposer Vaad Hanochos Hatmimim (Opposition No. 91,156,050) has not opposed Applicant's motion. The Board may therefore "treat the motion as conceded." 37 C.F.R. § 2.127(a). See also TBMP § 502.03.

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2.117, when "a party or parties to a pending case are engaged in a civil action . . . which may have a bearing on the case, proceedings before the Board may be suspended" (emphasis supplied). Even if the district court's decision concerning the validity and ownership of Applicant's mark is not binding on Vaad L'hafotzas, it will certainly "have a bearing on the case," and the Board can give it appropriate precedential value. Moreover, contrary to the implication in Opposers' papers, Merkos L'Inyonei Chinuch, Inc. is both the named plaintiff in the federal action and the applicant in the opposition proceedings. Kehot Publication Society is merely a non-incorporated division of Merkos L'Inyonei Chinuch, Inc. Thus, the plaintiff in the federal action and the applicant in the oppositions is exactly the same corporation.

Opposers' argument that the district court action has focused primarily on the copyright claim is unavailing. Although the preliminary injunction proceedings and Otsar's appeal of the preliminary injunction to the Second Circuit Court of Appeals dealt only with the copyright infringement claim, discovery and pretrial proceedings were not limited to the copyright issues. The issues relating to the applied-for mark are addressed in the Joint Pretrial Order being submitted by the parties on July 23, 2003 and will be tried at the same time as the copyright issues.

Opposers' claimed need to conduct discovery in the opposition proceedings has no bearing on whether they should be suspended. Once the district court action has been finally determined, the suspended opposition proceedings can, if necessary, be resumed pursuant to TBMP 510.02(b). At that time, all Opposers — whether or not they are parties to the district court action — will have a full opportunity to take discovery. In addition, given the fact that the parties are in the process of preparing a Joint Pretrial Order in anticipation of a trial, the

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delay in discovery is not likely to be lengthy or to affect Vaad L'hafotzas' ability to depose "elderly" witnesses. Although Vaad L'hafotzas does not specify the witnesses about which it is concerned, the testimony of important witnesses has already been preserved by depositions in the district court action.

Opposer Otsar had a full opportunity, over the course of eight months, to conduct discovery on the trademark issues in the district court action, and later sought but withdrew a request for additional time. Otsar's argument that discovery in the district court action was "very limited and prematurely terminated" is false. Depositions have been taken, interrogatories responded to, and hundreds of pages of documents produced by the plaintiff. Otsar's argument that it was hampered in discovery by limited financial resources is belied by the fact that it pursued an expensive, though unsuccessful, appeal to the Court of Appeals. Otsar should not be permitted to use its proceeding before the Board as a subterfuge for obtaining additional discovery for the district court action that it might not have obtained through ordinary procedures there.

The federal litigation and the opposition proceedings involve common questions of law and fact relating to the same mark. The federal case was commenced on November 5, 2001. A preliminary injunction was issued against Opposer Otsar on March 25, 2002, and the injunction was affirmed on appeal on November 26, 2002 (312 F.3d 94 (2d Cir. 2002)). That case is nearly ready for trial, while the opposition proceedings have just commenced. The interests of economy in administrative proceedings will be fostered by suspension of the three recently-filed opposition proceedings. Similarly, since the counsel for all three Opposers represents the defendant in the federal case, and since Applicant is represented by

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the same counsel in both venues, it makes no sense for these parties — who are not large corporations with unlimited financial wherewithal to litigate — to expend their resources fighting the same battle on two fronts. Accordingly, the Board should consolidate the three oppositions to Application Serial No. 76/314,502 and suspend them pending the outcome of the federal litigation involving the applied-for mark.

CONCLUSION

For the foregoing reasons, Applicant's Motion to Consolidate and Suspend Opposition Nos. 91,156,049, 91,156,050, and 91,156,051 should be granted.

Dated: New York, New York
July 17, 2003

Respectfully submitted,

COWAN, LIEBOWITZ & LATMAN, P.C.
Attorneys for Applicant

By:



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CERTIFICATE OF SERVICE

I hereby certify that I have this 17th day of July, 2003, caused the foregoing REPLY MEMORANDUM OF LAW IN FURTHER SUPPORT OF MOTIONS TO CONSOLIDATE AND SUSPEND to be served upon Opposers Otsar Sifrei Lubavitch, Inc., Vaad Hanochos Hatmimim, and Vaad L'hafotzas Sichos, Inc. by mailing three copies by first class mail, postage prepaid to Opposers' attorney, Jacob Laufer, Esq., Laufer & Associates, 1660 60th Street, Brooklyn, New York 11204.



Susan R. Schick

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Cowan, Liebowitz & Latman, P.C.

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July 17, 2003



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U.S. Patent & TMO/c/TM Mail Rcpt Dt. #22

By Express Mail

Commissioner for Trademarks
Box TTAB NO FEE
2900 Crystal Drive
Arlington, VA 22202-3514
Attn: Trademark Trial and Appeal Board

Re: Otsar Sifrei Lubavitch, Inc. v. Kehot Publication Society,
Opposition No. 91,156,049
Vaad Hanochos Hatmimim v. Kehot Publication Society,
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Vaad L'hafotzas Sichos, Inc. v. Kehot Publication Society,
Opposition No. 91,156,051

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COMM. FOR TRADEMARKS
JUL 21 2003

Dear Sir or Madam:

We enclose for filing in each of the above-referenced Opposition proceedings an original and two copies of Applicant's Reply Memorandum of Law in Further Support of Motion to Consolidate and Suspend.

Respectfully submitted,

COWAN, LIEBOWITZ & LATMAN, P.C.

By:
Susan R. Schick

Enclosures

cc: Jacob Laufer, Esq.
Ronald W. Meister, Esq.