

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

NICOLE LAMBERT

Opposer,

v.

CROMOSOMA, S.A.

Applicant.

Opposition No. 91162868

Commissioner for Trademarks
P.O. Box 1451
Alexandria, Virginia 22313-1451

**APPLICANT'S REPLY TO OPPOSER'S MEMORANDUM IN OPPOSITION
TO APPLICANT'S MOTION TO SUSPEND and CROSS-MOTION FOR
DEFAULT JUDGMENT FOR FAILURE TO ANSWER**

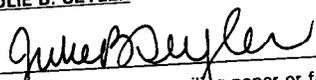
Opposer has moved for the Trademark Trial and Appeal Board to enter a default judgment against Applicant because Applicant, in good faith, sought to suspend the opposition proceedings pending resolution of Cancellation No. 92041371 rather than file an Answer. The facts and law dictated that a Motion to Suspend was appropriate. The outcome of the cancellation will have a direct impact on the nature and scope of the issues the parties will be litigating in the opposition.

CERTIFICATE OF MAILING

Date of Deposit : January 13, 2005

I hereby certify that this correspondence is being deposited with the United States Postal Service as First Class Mail in an envelope addressed to the Commissioner for Trademarks, P.O.Box 1451, Alexandria Virginia 22313-1451.

JULIE B. SEYLER


(signature of person mailing paper or fee)



01-19-2005

U.S. Patent & TMOc/TM Mail Rcpt Dt. #72

Opposer has repeatedly characterized Applicant's actions as being willful and being done with gross neglect. Applicant takes issue with Opposer's pejorative accusations. Applicant did not act haphazardly nor with an intent to delay proceedings nor with a reckless disregard of its duty to respond within a set time frame. Applicant reviewed the Notice of Opposition and took into account, among other things, that Opposer, voluntarily, referred to the pending cancellation action between the parties. Applicant's good faith is underscored by the fact that the Trademark Rules specifically provide that suspension may be warranted in a situation identical to the one herein. That suspension is discretionary does not convert the filing of the Motion to Suspend, rather than the Answer, into one of "willful evasion", Opposer's Memorandum, @4. For the reasons elaborated upon below, Applicant requests that the Motion to Suspend be granted, and the Cross-Motion for Default Judgment for Failure to Answer be denied.

OPPOSER HAS ACKNOWLEDGED THE RELEVANCY OF CANCELLATION NO. 92041371 ON THE OPPOSITION.

In Paragraph 5 of the Notice of Opposition, Opposer states:

On December 23, 2004, Applicant instituted with the United States Trademark Trial and Appeal Board proceeding number 92041371 seeking cancellation of Opposer's trademark Registration No. 2,251,561 for Opposer's Design Mark. That cancellation proceeding is still pending, with trial briefing completed by both parties on September 16, 2004.

Thus Opposer voluntarily noted the existence of the cancellation in the Notice of Opposition. If the cancellation had no bearing on the case, why devote an allegation to it in the Notice of Opposition.

In addition, Exhibit A of Opposer's Memorandum also reflects the intertwined interrelated nature of these proceedings. The Declaration refers to evidence made of record in the cancellation. To the extent that Opposer refers to the cancellation in the present Motion is

another example of how Opposer's own documents support Applicant's position that the one case has a bearing on the other.

On one hand, Opposer affirms that there are matters made of record in the cancellation that will affect the opposition. On the other hand Opposer argues that Applicant's behavior constitutes gross neglect because it filed the Motion to Suspend advising the Board of the exact cancellation proceeding. Opposer cannot have it both ways.

THE SUBSTANTIVE DETERMINATION OF THE BOARD IN CANCELLATION NO. 92041371 WILL AFFECT THE OPPOSITION.

Opposer, in Paragraph 4 of its Notice of Opposition asserted the following fact:

Opposer received a federal registration for Opposer's Design Mark, U.S. Registration No. 2,251,561, on June 8, 1999 for "stationery, notebooks, memorandum books, pen and pencil cases made of cardboard or paper, writing paper, folders made of paper, cardboard or plastic for filing, pencils and pens" in International Class 16 and "dolls" in International Class 28. Opposer's registration is valid, subsisting, and in full force and effect. As such, it constitutes *prima facie* evidence of the validity of the registered mark and of the registration thereof, of Opposer's ownership of the mark shown therein and of Opposer's exclusive right to use the mark in commerce in connection with the goods and services named therein, without condition or limitation; it also constitutes notice to Applicant of Opposer's claim of ownership of the mark shown therein; all as provided in Section 7(b), 22 and 33(a) of the Lanham Trademark Act of 1946 as amended (the "Lanham Act:").

Thus Opposer is relying on its registration rights as a basis to establish confusion under Section 2(d). However, Applicant has petitioned to cancel this registration on the ground that Opposer has failed to use the mark for said goods. In the event the cancellation is granted, the facts set forth in Paragraph 4 will be irrelevant. Neither the parties nor the Board should have to spend time debating an issue that may well be determined to be moot. Section 510.02 of the Trademark Trial and Appeal Board Manual of Procedure states:

"Ordinarily, the Board will suspend proceedings in the case before it if the final determination of the other proceeding will have a bearing on the issues before the Board. See *General Motors Corp. v. Cadillac Club Fashions, Inc.*, 22 USPQ 2d 1933 (TTAB 1992); *Other Telephone v. Connecticut National*

Telephone Co., 181 USPQ 125 (TTAB 1974); *Tokaido v. Honda Associates, Inc.*, 179 USPQ 861 (TTAB 1973); *Whopper-Burger, Inc. v. Burger King Corp.*, 171 USPQ 805 (TTAB 1971).

THE CASES RELIED ON BY OPPOSER TO SUPPORT THE DEFAULT JUDGMENT ARE FACTUALLY AND LEGALLY IRRELEVANT AND UNDULY INFLAMMATORY.

In support of the Default Motion, Opposer cites *Identicon Corporation v. Williams*, 195 USPQ 447, 448 (Com'r Patents 1977) for the proposition "A party who has not answered within the prescribed time is in default." The facts and outcome of that case are totally inapposite to the situation herein.

In *Identicon*, the Board had served the Notice of Opposition and a Notice of Default. Applicant erred in how it handled the matter procedurally. Nonetheless, the Board concluded:

The failure, to date, of applicant to show good cause does not mandate the entry of a default judgment... The Board, acting within its discretion, expressed a reluctance to enter a default judgment where it was obvious that the applicant desired to defend against the complaint. [Emphasis supplied].

Opposer cites *DeLorme Publishing Co. v. Eartha's Inc.*, 60 USPQ 2d 1222, 1223 (TTAB 2000) for the proposition that "If Applicant cannot demonstrate that its failure to answer was not the result of willful conduct or gross neglect, default judgment must be entered." Given the facts in that case and the facts in this case, it is somewhat comical that Opposer has chosen to rely on it. In *DeLorme*, the Applicant had waited six months to Answer, and the Board determined that "Applicant consciously chose to ignore the Notice of Opposition it received along with the Board's institution letter and trial order."

In this case, Cromosoma (a) timely responded to the Notice of Opposition and (b) set forth well-reasoned grounds as to why a Motion to Suspend, rather than the Answer was being filed. There was neither willful delay nor neglect on the part of Applicant. After due

consideration of the facts and law, Applicant believed that filing a Motion to Suspend pursuant to 37 CFR 117(c) was appropriate.

Relying on *Unicut Corporation v. Unicut, Inc.*, 222 USPQ 341, Opposer states, “The courts have held that although default judgment is a harsh remedy it is justified where no less drastic remedy would be effective and there is a strong showing of willful evasion.” Unlike *Unicut*, where Petitioner had been forced to file no less than three motions for sanctions because Respondent had failed to produce documents in response to a Discovery order, there has been no strong showing of willful evasion herein. Applicant filed a motion to Suspend well within the 40 day term to reply to the Notice of Opposition.

Opposer cites to *Gucci America Inc. v. Gold Center Jewelry*, 48 USPQ 2d 1371, 1374 (2d Cir 1998) for the proposition that “It is not necessary that the Board find that Applicant acted in bad faith, but only that the Applicant acted deliberately in failing to file its Answer.” This civil action concerned defendants who deliberately defaulted to avoid the payment of monetary damages. There is no analogy, symmetry, or similarity to the facts herein and it is preposterous for Opposer to rely on this case.

Opposer’s has failed to establish Applicant’s bad faith, or its willful disregard for this proceeding. Opposer has not cited one case that even comes close to the fact pattern in this matter. As repeatedly stated, Applicant did not deliberately fail to file an Answer. It reviewed the facts and law, and relied on Rule 2.117(c). The Motion for Default Judgment should be denied.

In the event, the Board determines that the opposition should move forward, Applicant respectfully requests that it be allowed sufficient time to file its Answer as it wishes to defend the case on the merits. In this regard it is noted, “the law strongly favors determination of cases on

their merit.” *CTRL Systems Inc. v. Ultraphonics of North America Inc.*, 52 USPQ 2d 1300, 1301 (TTAB, 1999).

Respectfully submitted,



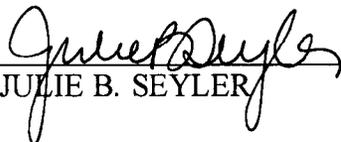
JULIE B. SEYLER

ABELMAN FRAYNE & SCHWAB
150 East 42nd Street
New York, New York 10017
212-949-9022

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing **APPLICANT'S REPLY TO OPPOSER'S MEMORANDUM IN OPPOSITION TO APPLICANT'S MOTION TO SUSPEND and CROSS-MOTION FOR DEFAULT JUDGMENT FOR FAILURE TO ANSWER** has been filed by first class mail, postage prepaid this 13th day of January, 2005 upon the following:

Patrick T. Perkins, Esq,
Fross Zelnick Lehrman & Zissu, P.C.
866 United Nations Plaza
New York, New York 10017



JULIE B. SEYLER