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

Proceeding	91190169
Party	Plaintiff SUSINO UMBRELLA CO., LTD.
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the Matter of App. Ser. No. 77/355,544	)	
	)	
Susino Umbrella Co., Ltd.,	)	
	)	Opposition No. 91190169
Opposer,	)	
	)	
v.	)	
	)	
Susino USA, LLC	)	
	)	
Applicant.	)	

OPPOSER'S REPLY IN SUPPORT OF
MOTION TO WITHDRAW ADMISSIONS

Opposer Susino Umbrella Co., Ltd. ("Opposer") hereby replies to Applicant Susino USA, LLC's ("Applicant's") Response to Opposer's Motion to Withdraw Admissions ("Applicant's Response").[1]

INTRODUCTION

The issue at hand is whether, pursuant to Fed. R. Civ. P. 36(b) ("Rule 36(b)"), the Board should grant Opposer's motion to withdraw admissions that were deemed admitted due to Opposer's inability to timely respond to Applicant's Request for Admissions. This is a threshold issue that will help determine whether the Board should deny or grant Applicant's Motion for Summary Judgment, because that motion relies *solely* on Opposer's default admissions.

The Board should grant Opposer's Motion to Withdraw because Applicant has failed to rebut any of Opposer's grounds for withdrawal, as discussed below. If the default admissions are not withdrawn, the Board will effectively give Applicant rights to Opposer's mark by default,

[1] Applicant filed a consolidated Response to Opposer's Motion to Withdraw Admissions and Reply to Response for Summary Judgment. Opposer submits this Reply with respect to Applicant's Response to the Motion to Withdraw Admissions, and not as a sur-reply to Applicant's Reply to Opposer's Response to the Motion for Summary Judgment.

without any consideration of the merits of this Opposition proceeding. Indeed, summary judgment by default would be particularly inappropriate in this case because Applicant concedes the existence of a genuine issue of material fact – priority in the SUSINO mark. (*See* Applicant's Response at 3 ("A primary issue of material fact is whether Opposer has priority rights over Applicant.").)

I. APPLICANT DOES NOT REFUTE THAT FAILURE TO WITHDRAW THE ADMISSIONS WOULD PRECLUDE THE BOARD FROM CONSIDERING THE MERITS OF THIS OPPOSITION PROCEEDING

Rule 36(b)(1) explicitly permits a party to withdraw or amend an admission where withdrawal will aid in presenting the merits of the case. *See, e.g., Hobie Designs Inc. v. Fred Hayman Beverly Hills Inc.*, 41 USPQ2d 2064, 2065 (TTAB 1990) ("[Rule 36(b)] provides that the court may permit withdrawal or amendment when the presentation of the merits of the action will be subserved thereby."); *BankAmerica Corp. v. Int'l Travelers Cheque Co.*, 205 USPQ 1233, 1235 (TTAB 1979). Applicant's Response offers no reason why withdrawal of the default admissions would not aid in presenting the merits in this case, nor does any such reason exist.

The default admissions are the sole basis for the Motion for Summary Judgment. Thus, if the Board denies Opposer's request to withdraw the default admissions, it would effectively result in grant of the Motion for Summary Judgment by default, thereby depriving the Board of any opportunity to consider the merits in this case. Such an outcome would be directly contrary to the Board's strong desire to resolve cases on their merits. (*See, e.g.,* Order Granting Relief from Judgment at 11 (citing TBMP § 544).) To deny Opposer's request would be particularly improper and unjust here, where Applicant has misappropriated Opposer's mark, used Opposer's materials as its own specimen of use, attempted to extort $1 million from Opposer to "pay for the

trademark back" (in Applicant's words)[2], and has never denied any of this egregious fraud committed on the PTO.

Applicant has not rebutted the fact that withdrawal of the default admissions would aid in presentation of the merits. Accordingly, the Board should rule in Opposer's favor as to the first prong of the Rule 36(b) test.

II. APPLICANT HAS FAILED TO DEMONSTRATE ANY COGNIZABLE PREJUDICE UNDER RULE 36(B)

Applicant's Response also fails to satisfy its burden under the second prong of the Rule 36(b) test, which requires Applicant to demonstrate that it would be prejudiced upon withdrawal of the admissions. *See Sonoda v. Cabrera*, 255 F.3d 1035 (9th Cir. 2001) (where a party has sought to withdraw admissions pursuant to Rule 36(b), the burden is on the nonmoving party to show prejudice). Rather, Applicant merely complains of perceived inconveniences that courts have squarely rejected under the Rule 36(b) analysis.

Applicant complains that it will be prejudiced because "Opposer will continue to present unpersuasive and inaccurate statements to support their position" and thus "Applicant will be required to take massive amounts of discovery of foreign entities and individuals...." (Applicant's Response at 2-3.) Aside from Applicant's scurrilous accusations, and the fact that no party is ever "required to take massive amounts of discovery," having to engage in discovery is not cognizable prejudice under Rule 36(b). *See Conlon v. U.S.*, 474 F.3d 616, 624 (9th Cir. 2007). Moreover, Applicant will have approximately two months (or more, if the Board grants

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[2] The precise words used by Applicant were as follows: "Susino is on stock market is [sic] worth over 1.5 billion yuan, is this correct? To ask for $7.5 million yuan [approximately $1 million USD] is small price to pay for the trademark back to Susino public company." *See* Opposer's Motion for Relief from Judgment, Ex. 10.

Opposer's request to extend discovery) to test the veracity of Opposer's declarations.[3] Upon withdrawal of the admissions and denial of the Motion for Summary Judgment, this proceeding will simply be returned to the status quo ante (only now with Opposer's having responded to the Request for Admissions) before the Motion for Summary Judgment was filed.[4]

Applicant also fails to demonstrate how Opposer's use of the SUSINO mark represents prejudice under Rule 36(b). Such use has no bearing on whether Applicant will be prejudiced by withdrawal of the admissions. Essentially, Applicant complains that by withdrawing the default admissions, the Board will require Applicant to argue the merits of its case.[5] This does not constitute prejudice under any Rule 36(b) analysis. *See, e.g., Craft v. Flagg*, 2009 WL 762461, at *2 (N.D. Ill. Mar. 20, 2009).

Finally, Applicant disparagingly suggests that the Motion to Withdraw was filed to deliberately delay these proceedings. (Applicant's Response at 2.) Since the Board granted Applicant's Motion for Summary Judgment in June 2010, Opposer has diligently retained legal counsel and has strictly complied with all relevant deadlines, including the timely filing of its Motion for Relief from Judgment and its responses to Applicant's response to the Motion for

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[3] As explained in its Motion to Withdraw, when the Board suspended this proceeding to consider Applicant's Motion for Summary Judgment, two months still remained before the close of the discovery period. (*See* Motion to Withdraw at 9; Order Granting Relief from Judgment at 2.)

[4] As part of its Response to the Motion for Summary Judgment and Motion to Withdraw, Opposer provided Applicant with its responses to the Request for Admissions. Because the Board duly recognized that Applicant's Request for Production of Documents and Interrogatories were improperly served, there is no other discovery pending. Consequently, upon recommencing this proceeding, Applicant, with Opposer's admission responses in hand, will otherwise be returned to the same position that it would have been had it not filed its Motion for Summary Judgment.

[5] Indeed, Opposer's common law right to use its mark would not be diminished, even if Applicant were to succeed in obtaining this registration. *See* McCarthy on Trademarks and Unfair Competition §16:18:50 (2011) ("The nonregistered rights of a senior user continue and are not erased by the later federal registration of a junior user.").

Relief and its Motion for Summary Judgment. Opposer has also provided its responses to Applicant's request for admissions (which were provided with Opposer's response to the Motion for Summary Judgment).

More to the point, Opposer's Motion to Withdraw does not reflect any pattern of delay – it is based on a federal rule designed to allow parties, and the Board, to restore the record and allow the proceeding to proceed on the merits. *See Hobie Designs*, at 2065 ("Rule 36(b) emphasizes the importance of having the action resolved on the merits...."); TBMP § 544 ("[D]efault judgments for failure to timely answer the complaint are not favored by the law....").

Applicant has failed to satisfy its burden to demonstrate that withdrawal of the default admissions will prejudice Applicant in any cognizable manner under Rule 36(b). Accordingly, the Board should rule in Opposer's favor as to the second prong of the Rule 36(b) test, and, in turn, grant Opposer's Motion to Withdraw the admissions deemed admitted by default.

III. APPLICANT'S RESPONSE EXPRESSLY CONCEDES THAT THE EVIDENCE PRESENTED BY OPPOSER CONTRADICTS THE FACTS DEEMED ADMITTED BY DEFAULT

Applicant fails to refute that the evidence submitted by Opposer directly contradicts the default admissions, thus warranting withdrawal of the admissions under Rule 36(b). *See, e.g., Federal Deposit Ins. Corp. v. Prusia*, 18 F.3d 637 (8th Cir. 1994) ("Permitting the amendment of responses to a request for admissions is in the interests of justice if the record demonstrates that the 'admitted' facts are contrary to the actual facts.").

In particular, Applicant has failed to present any evidence establishing that it first used the SUSINO mark in 2007. Even now, Applicant alleges only that it is "currently marketing and advertising umbrellas using the SUSINO brand." (Applicant's Response at 8.) However, the

exhibit that Applicant submits with its Response in support of this allegation is of questionable validity, and at best, is some sort of marketing material that does not prove Applicant's use of the mark.

The only evidence of actual use on which Applicant continues to rely is the specimen of use it submitted with its application – a specimen that is actually from Opposer's own brochure that was used without Opposer's knowledge or authorization. (*See, e.g.*, Opposer's Brief in Support of Motion to Withdraw at 4; Opposer's Motion for Relief from Judgment (Declaration of Anbang Wang ("Wang Decl.") ¶ 24); Notice of Opposition ¶ 3). *Applicant has never refuted this serious allegation of its own fraud.*[6]

The interests of justice require withdrawal of admissions when the facts deemed admitted by default are contrary to the actual facts. *See, e.g., BankAmerica Corp. v. Int'l Travelers Cheque Co.*, 205 USPQ 1233, 1235 (TTAB 1979) (observing that "in the interests of justice," Rule 36(b) provides for withdrawal "where [the movant] has offered some evidence which has the effect of rebutting the facts admitted in response to [] requests for admissions"). The allegations set forth in Applicant's Response not only lack documentary or declaratory support, but more importantly, fail to show that the "actual" facts presented by Opposer do not contradict the facts deemed "admitted."

IV. THIS OPPOSITION PROCEEDING WAS AUTHORIZED BY OPPOSER

Applicant's remarkable claim that this Opposition is not a valid proceeding because Opposer "never authorized their agent or Scott Vidas, to file this Opposition" is patently false.

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[6] The fact that Applicant's specimen of use is mere advertising material raises an additional question concerning Applicant's claim of use under TMEP §904.04(b) (advertising material is unacceptable specimen of use for goods), an issue that can only be presented to the Board if the default admissions are withdrawn.

Opposer specifically authorized its agent (Jinxiang) not just to "handle" the opposition but also "to file a notice of opposition against the Application." (Wang Decl. ¶ 25.) That Jinxiang relied on a third party to make the actual filing, without Opposer's knowledge or authorization, does not negate the fact that Opposer authorized the opposition.

Applicant's argument merely distracts from the main point that, viewed in its most favorable light, Applicant's Response fails to rebut any ground for withdrawing the default admissions, but rather confirms the existence of genuine issues of material fact, which underscores the need for a trial on the merits in this proceeding.

V. CONCLUSION

Opposer has established more than sufficient grounds to withdraw the default admissions, including that failure to withdraw the admissions would preclude presentation of the merits in this case, that there will be no prejudice to Applicant upon withdrawal of the admissions, and that Opposer has presented actual evidence to the Board that directly contradicts the facts deemed to be admitted by default. Applicant, on the other hand, has presented no compelling argument or evidence that refutes any of Opposer's grounds for withdrawal but rather raises arguments confirming the existence of genuine issues of material fact. The Board should,

therefore, grant Opposer's Motion to Withdraw, and restore the status quo ante so as to permit a trial on the merits of this proceeding.

Respectfully submitted,

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May 13, 2011

CERTIFICATE OF SERVICE

I hereby certify that a complete and true copy of the foregoing **OPPOSER'S REPLY IN SUPPORT OF MOTION TO WITHDRAW ADMISSIONS**, was sent via email and first-class mail on May 13, 2011 to the following:

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