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

Proceeding	91195823
Party	Plaintiff OMS Investments, Inc.
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**  
**BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the matter of Application Serial No.: 77/853,842  
For the mark: CHAMPIONGRO  
Published: March 30, 2010

OMS Investments, Inc.,	)	
	)	
Opposer,	)	Opposition No. 91195823
	)	
v.	)	<b>OPPOSER’S REPLY BRIEF IN</b>
	)	<b>SUPPORT OF ITS MOTION FOR</b>
	)	<b>LEAVE TO FILE A FIRST AMENDED</b>
NCA Biotech, Inc.,	)	<b>NOTICE OF OPPOSITION</b>
	)	
Applicant.	)	
	)	

**OPPOSER’S REPLY BRIEF IN SUPPORT OF ITS MOTION FOR LEAVE TO FILE A  
FIRST AMENDED NOTICE OF OPPOSITION**

Opposer OMS Investments, Inc. (“OMS”) submits this reply brief in support of its Motion for Leave to File a First Amended Notice of Opposition. As OMS noted in its initial brief, the Board allows amendments like those OMS is requesting “with great liberality at any stage in the proceeding where necessary to bring about a furtherance of justice unless it is shown that entry of the amendment would violate settled law or be prejudicial to the rights of any opposing parties.” *Commodore Electronics Ltd. v. CBM Kabushiki Kaisha*, 26 U.S.P.Q.2d 1503, 1505 (T.T.A.B. 1993). The opposition brief filed by Applicant NCA Biotech, Inc. (“NCA”) only makes it clearer that the Board should grant OMS leave to amend because NCA presents no valid argument that the requested amendments would violate settled law or be prejudicial to its rights. Instead, OMS presents only misguided arguments about Rule 408 of the Federal Rules of Evidence and about the Board’s jurisdiction.

**I. RULE 408 DOES NOT BAR ADMISSION OF THE SETTLEMENT AGREEMENT FOR THE PURPOSES FOR WHICH OMS SEEKS TO USE IT**

NCA argues that Rule 408 of the Federal Rules of Evidence makes the January 14, 2011 Settlement and Release Agreement (“Settlement Agreement”) inadmissible for *any purpose*. NCA ignores both the plain language of Rule 408 and the Board decisions that OMS cited in its initial brief.

Rule 408(a) makes evidence of offering or accepting consideration in an attempt to compromise a claim, or conduct or statements made in compromise negotiations, inadmissible only in these specific and limited circumstances: “where offered to prove *liability for, invalidity of, or amount of a claim* that was disputed as to validity or amount, or to *impeach through a prior inconsistent statement* or contradiction.” Fed. R. Evid. 408(a) (emphasis added). On the other hand Rule 408 “does *not* require exclusion if the evidence is offered for *purposes not prohibited by subdivision (a)*.” *Id.* (emphasis added).

Clearly, OMS is not offering the Settlement Agreement to prove that NCA is liable for any claim, to prove the dollar amount of any claim, or to impeach NCA through any prior inconsistent statement. To the contrary, OMS is offering the Settlement Agreement only to show that OMS and NCA have reached a settlement and that this settlement obviates the need for any further opposition proceedings. Thus, there is no conflict with Rule 408.

The cases in OMS’s initial brief further show that Rule 408 does not prevent OMS from introducing the Settlement Agreement. To the contrary, the Board regularly considers settlement agreements in deciding whether to allow or refuse registration. *See, e.g., Bausch & Lomb Inc. v. Karl Storz GmbH & Co.*, 87 U.S.P.Q.2d 1526 (T.T.A.B. 2008) (Board considered settlement agreement in determining whether applicant was contractually barred from registering its mark); *Vaughn Russell Candy Co. v. Cookies in*

*Bloom Inc.*, 47 U.S.P.Q. 1635,1637 (T.T.A.B. 1998) (Board considered settlement agreement in determining registrability); *Toymax Inc. v. Cookies in Bloom, Inc.*, 47 U.S.P.Q.2d 1635 (T.T.A.B. 1998) (same); *see also Valentino Couture, Inc. v. Vantage Custom Classics, Inc.*, Opposition Nos. 117,294 and 118,064, 2003 TTAB LEXIS 413 (T.T.A.B. Aug. 25, 2003) (Board considered settlement agreement in determining whether applicant was contractually barred from registration). This is the only purpose for which OMS seeks to introduce the Settlement Agreement. Clearly, there is no Rule 408 issue here.

**II. THE BOARD HAS JURISDICTION TO CONSIDER THE SETTLEMENT AGREEMENT IN DETERMINING WHETHER TO REFUSE REGISTRATION OF NCA’S MARK**

NCA’s attack on the Board’s jurisdiction is equally misplaced. NCA asserts that the Board lacks jurisdiction to consider the Settlement Agreement, but, again, OMS’s initial brief, and the cases cited therein, make clear that the Board has jurisdiction to consider settlement agreements that may affect the registrability of the marks before it.

As OMS explained in its initial brief, it is not asking the Board to *enforce* the terms of the Settlement Agreement against NCA. To the contrary, OMS is simply and properly asserting the fact of that Settlement Agreement as additional grounds for refusing to register NCA’s CHAMPIONGRO mark. And the Board has held that “although other courts would be the proper tribunals in which to litigate a cause of action for enforcement or breach of [a settlement agreement], that is *not sufficient reason for the board to decline to consider the agreement*. . . . If the Agreement bars applicant’s use of the Applicant’s Mark, then applicant is not entitled to registration.” *Bausch & Lomb*, 87 U.S.P.Q.2d at 1530 (emphasis added). The Board has also held that “[t]he Board can give effect to a settlement agreement to the extent that the agreement is relevant to issues

properly before the Board...[t]he issue of whether applicant is contractually barred from obtaining registrations for these marks is within the jurisdiction of the Board.” *Valentino Couture*, Opposition Nos. 117,294 and 118,064, 2003 TTAB LEXIS 413, at \*4. Clearly, the Board has jurisdiction to consider the OMS-NCA Settlement Agreement.

Of course, inherent in the Board’s power to consider the potential effect of a settlement agreement on the registrability of a mark is the power to construe the terms of that agreement. Thus, in *Valentino*, the Board decided a summary judgment motion in an opposition proceeding by construing the terms of a settlement agreement: “[t]he question of whether opposer is entitled to summary judgment on the basis of the settlement agreement requires construction of the terms of the agreement.” *Valentino*, Opposition No. 117,294, Opposition No. 118,064, 2003 TTAB LEXIS 413, at \*4. And the Board found that the terms of that agreement required that the opposition be sustained and that the applicant be denied registration of the mark at issue: “applying the principles of contract construction to this agreement, we have no difficulty concluding that opposer is entitled to judgment as a matter of law.” *Id.* at \*5.

Similarly, it is within the Board’s jurisdiction to consider the Settlement Agreement at issue here, and to consider the impact that this Agreement has on the registrability of NCA’s mark.

### **III. CONCLUSION**

For the foregoing reasons, and for the reasons stated in its initial brief, OMS’s motion for leave to amend its Notice of Opposition should be granted.

Dated: May 10, 2011

Respectfully submitted,



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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing **OPPOSER'S REPLY BRIEF IN SUPPORT OF ITS MOTION FOR LEAVE TO FILE A FIRST AMENDED NOTICE OF OPPOSITION** has been properly served, via first class mail and e-mail, this 10th day of May, 2011, at the following addresses:

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