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

Proceeding	91197754
Party	Plaintiff Wolf-Peter Graeser
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IN THE UNITED STATES PATENT & TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the matter of Trademark Application No. 76701998 for the mark: LAVATEC  
Published on November 2, 2010

_____	)	
Wolf-Peter Graeser,	)	
	)	
Opposer	)	
	)	Opposition No. 91197754
v.	)	
	)	
Lavatec, Inc. (fka Laundry Acquisition Inc.)	)	
	)	
Applicant	)	
_____	)	

**OPPOSER’S REPLY IN SUPPORT OF ITS MOTION FOR LEAVE TO AMEND**

Opposer replies to Applicant Lavatec, Inc.’s Objection to Opposer’s Motion To Amend, stating the following:

1. Opposer’s Motion is adequately supported. All proposed amendments to the Notice of Opposition are clearly marked in the redline version of the First Amended Notice of Opposition attached to the Motion for Leave to Amend for the reader’s ease of reference. No assumption is required as to the reason why a redline version is attached to the Motion – it is simply a professional courtesy.

2. The specific reasons for requesting an amendment of the Notice of Opposition are spelled out on Page 1 (the “Reasons”). The amendments set forth in the First Amendment to the Notice of Opposition are self-explanatory and the way they are presented is standard procedure in opposition proceedings before the

Board. The changes are so logical and self-explanatory that it should not be necessary to reconcile each amendment with the Reason for the amendment. That being said, in an attempt to help Applicant overcome its apparent confusion, the following is an “index” of the proposed amendments as they relate to each of the Reasons :

(1) to clarify Opposer’s claim under Section 2(d) – see changes to Pars. 14 and 32;

(2) to clarify Opposer’s claim under Section 43(c) – see changes to Par. 38;

(3) to clarify claims that the Opposed Application is defective and/or fraudulent in its claim of use of the opposed mark in connection with goods and services in International Classes 7 and 11 – see changes to Par 16;

(4) to clarify certain factual allegations – see changes to Pars. 1, 2, 3, 4, 5, 6, 9, 13, 20, 21, 22, 23, 25, 26 and 27;

(5) to address the assignment of the application-in-opposition – see changes to Pars.11, 12, 14, 15, 16, 18, 23 and 24;

(6) to withdraw Opposer’s claim under Section 2(a) of the Trademark Act – see Page 1 of the Motion; and

(7) to withdraw Opposer’s claim under Section 2(e)(1) – see Page 1 of the Motion.

3. Applicant appears to be maintaining that Opposer is not permitted to present any additional arguments or authority based upon the Board’s order in *Johnston Pump/General Valve, Inc. v. Chromalloy American Corp.*, 13USPQ2d

1719, 1720 n.3 (TTAB 1989). Opposer would like to point out that in the case in question, the Board did not state that a party is barred from presenting additional arguments/authority in a reply brief, but merely that, in a case where multiple reply briefs had been filed by both parties, “*Consideration of the parties' reply briefs is discretionary on the part of the Board...*”. This case is not on point.

4. Applicant is arguing that Opposer will be prejudiced by the amendment since new facts have been added for which no discovery has been conducted. Applicant's contention is without merit. Specifically:

a. Applicant states that Opposer asserts that ownership of Opposer's company Lavatec Laundry Technology GmbH has changed. It should be noted that the original Notice of Opposition did not mention the composition of the ownership of Lavatec Laundry Technology GmbH in the first place, therefore, no prejudice has been suffered. Furthermore, the ownership of Lavatec Laundry Technology GmbH has been the subject of Applicant's First and Fourth Round of Discovery Requests. No further discovery is required or warranted.

b. Applicant states that Opposer asserts that people associate LAVATEC products with products made in Germany. It should be noted that the original Notice of Opposition mentions this in Pars. 2, 4, 5, 15 and 25. Applicant cannot claim that this is a new fact requiring further discovery.

c. Applicant states that Opposer asserts that the Mark became famous in the 1980's and Applicant is foreclosed from relying upon a priority date prior to 2011. It should be noted that the original Notice of Opposition

deals with these issues in Pars. 5, 14 and 38. There has been plenty of time to conduct discovery on this issue.

5. Even though Opposer is of the opinion that Applicant had ample time to conduct discovery since none of the three issues raised by Applicant as being “new” are in fact new, Opposer is amenable to extending the discovery period to allow Applicant to conduct additional discovery. Opposer initially suggested a period of one month from the date of filing of the motion in the hope that Applicant would consent to the granting of the motion, however, since Applicant has opposed the motion and the Board may not review the motion for some time, Opposer is amenable to whatever additional period of time the Board may consider appropriate, if the Board considers any extension is required.

6. Applicant raises the issue that surveys are required to establish people’s perception of the mark and the fame of the mark. Opposer restates that these issues were both raised in the original Notice of Opposition, therefore, there has already been ample time for Applicant to conduct such surveys. Opposer states that although surveys are one way to establish such facts, they are not the only way. Given that the industry in question is a narrow niche industry, there are other ways of establishing these issues. If necessary, the Board can grant an extension of the discovery period to accommodate Applicant’s concerns.

7. Applicant claims that Opposer’s chances of proving “fame” are extremely remote since Opposer’s predecessor in interest (“Lavatec GmbH”) was formed only months before Applicant’s predecessor in interest (“Original Applicant”). Applicant appears to be ignoring a fundamental tenet of trademark law. As stated in

the pleadings, any use of the mark made by Original Applicant whilst it was a wholly owned subsidiary of Lavatec GmbH (and, therefore, a “controlled party”), inures to the benefit of Lavatec GmbH and Opposer. Justice Brennan, speaking for the majority of the Supreme Court on this point observed that “*the parent corporation-not the subsidiary whose every decision it controls-better fits the bill as the true owner of any [trademark] property that the subsidiary nominally possesses.*” *K Mart Corp. v. Cartier, Inc.*, 486 U.S. 281, 283, 100 L. Ed. 2d 313, 108 S. Ct. 1811, 1814, 6 U.S.P.Q.2d 1897 (1988). Therefore, Applicant’s counsel’s argument that Lavatec GmbH’s prior use of the mark lasted only 3 months is erroneous since, as explained above, Lavatec GmbH’s use of the mark before Original Applicant in fact spans the period from 1986 to 2011. Consequently, Opposer’s claim is far from being “extremely remote” and Applicant’s objection is without merit and unsupported by either facts or legal authority.

8. Furthermore, contrary to Applicant’s counsel’s interpretation, Opposer’s Notice of Opposition and First Amended Notice of Opposition both state that “Opposer’s inherently distinctive Mark became famous prior to the filing date of Applicant’s application-in-opposition” (Par. 38), i.e., between 1986 and 2010, not between October 1986 and February 1987. Although Applicant’s counsel may wish the period to be from October 1986 to February 1987, this is clearly not what Opposer’s Notice of Opposition and First Amended Notice of Opposition state. The bottom line is that Lavatec GmbH commenced using the mark in October 1986 and all subsequent use by Original Applicant inures to the benefit of Lavatec GmbH and Opposer.

9. Applicant is claiming that Opposer has not acted promptly in filing its

Motion and that such alleged delay renders the amendment untimely. Applicant also claims that since some of the factual amendments were discovered by Opposer himself, then the amendment should not be permitted, although Applicant fails to plead with any specificity which amendments it is objecting to. As previously explained to the Board, Opposer is not present in the United States and communications with his counsel occurs only via telephone. Additionally, Opposer, through his company Lavatec Laundry Technology GmbH, purchased the assets of Opposer's predecessor in interest, including a large volume of documents and records spanning over two decades, which Opposer had never seen before. Several witnesses had to be identified, located, interviewed and re-interviewed by Opposer and the entire production facility and office building had to be searched to locate records relevant to this case. Opposer even found abandoned boxes of records in long forgotten closets in floors of the building that had been unused for years. The Board will understand that although Opposer had been given a good enough understanding of the prior history to allow him to have a good faith basis for the claims in his Notice of Opposition, Opposer was not readily familiar with every intricate detail of the case when the Notice of Opposition was filed. It was only towards the end of discovery that certain details relevant to this case became clear. Given the circumstances, Opposer promptly and timely clarified the record as soon as the details became clear.

10. Opposer's amendment is made for the purposes of streamlining and clarifying the issues in the Opposition and does not raise any new claims or facts that have not already been plead or the subject of discovery. Opposer is

acting in accordance with its duty to update the record on the basis of newly discovered facts and/or evidence. Therefore, Opposer's amendments are not prejudicial to Applicant's case since Applicant knew about the issues and had the opportunity to prepare its case anyway. The amendments do not give rise to the need for further discovery.

11. Opposer's proposed amendments are not futile. Applicant has completely misinterpreted Opposer's dilution claim, as described above in Par. 7 and 8, and Applicant has no grounds to categorically allege that the claim will fail.

12. Opposer's claim for fraud is not deficient since: (i) Opposer's Notice of Opposition states with particularity that the facts that are the subject matter of Applicant's application were false, and (ii) Applicant's knowledge and intent to state such facts is presumed in this case since the presumption is that a voluntary application, made under penalty of perjury and filed with a governmental body, has been filed knowingly and willingly. As a matter of fact: (i) Opposer's Notice of Opposition explains with particularity that, at the time of Applicant's application, Original Applicant was not manufacturing/selling the majority of the goods for which Applicant is seeking registration, Original Applicant never manufactured the vast majority of the goods for which Applicant is seeking registration, and explains that basis for such claim. (Incidentally, the fact that Original Applicant did not manufacture the vast majority of such goods has always been undisputed and Applicant has confirmed same during discovery. At the time of the application, Original Applicant could not have been unaware that it didn't manufacture such goods. Mr. Thompson, who signed the declaration, worked for Original Applicant

since its incorporation.), and (ii) intent to deceive and knowledge to make a false of statement by Original Applicant is blatant in this case and need not be restated since an application filed with the USPTO is made voluntarily by the person signing the application and the declaration. Opposer's Notice of Opposition shows why Original Applicant could not have been unaware of the facts. The application-in-opposition shows that Original Applicant knowingly made the statements contained in Applicant's application. Therefore, the argument that Opposer did not expressly state that Applicant knowingly made a false statement is ludicrous since the application itself is prima facie evidence of Applicant's intent to certify facts that Opposer's claim shows were untrue. All elements of fraud are, therefore, pleaded.

13. Applicant is claiming that Opposer failed to prove that Applicant's listing of goods not manufactured or sold by Applicant in its application was anything more than a mistake or misunderstanding. Applicant further claims that Applicant can amend its Application. Both arguments fail.

14. Original Applicant was a small company, which sold a limited number of products. The likeliness of a "mistake" or "misunderstanding" is virtually zero. The fact that Applicant has not sought to amend its application since the Notice of Opposition was filed over a year ago, is proof in itself of Applicant's intention to deceive. Opposer raised the issue of fraud in the application in its Notice of Opposition and discovery has also been conducted on the issue. Had the fraudulent application just been a "mistake" or "misunderstanding", then Applicant would have corrected it by now. The truth is that if Applicant amended its application to reflect the truth, then it would not be eligible to register the mark.

## CONCLUSION

As shown above: (1) Applicant will suffer no prejudice; (2) Opposer's amendments are not futile; (3) the Motion is not untimely; and (4) the Motion is adequately supported, Opposer respectfully requests that its Motion be GRANTED.

Dated: New York, New York

May 8, 2012

Respectfully submitted.

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## CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Reply in Support of Motion for Leave to Amend was served on Applicant at the correspondence address of record by email addressed to:

lind@ip-lawyers.com

On May 8, 2011

By: /s/ Sarah E. Tallent