



04-25-2002

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UNITED STATES PATENT AND TRADEMARK OFFICE  
TRADEMARK TRIAL AND APPEAL BOARD

In the matter of Cancellation No. 32,705

**EXHIBIT**

I.C.E. Marketing Corp.,	)
	)
Petitioner,	)
	)
vs.	)
	)
Xavier Pierre Tancogne,	)
	)
Registrant.	)

Cancellation No. 32,705

**REGISTRANT'S MOTION TO SET ASIDE DEFAULT**

Registrant, Xavier Pierre Tancogne, ("Registrant") by and through his undersigned counsel, hereby moves to set aside the default entered in the above-referenced matter, [Exhibit A], and to suspend these proceedings on the grounds set forth below.

**I. DEFAULT SHOULD BE SET ASIDE.**

The Board's order entering a notice of default under Fed.R.Civ.P. 55(c) allows a Registrant an opportunity to show cause why judgment by default should not be entered. The determination of whether default judgment should be entered against a party is within the sound discretion of the Board. TBMP § 317.02. However, the Board has recognized that "it is the policy of the law to decide cases on their merits." *Id.* Accordingly, the Board is

02 MAY -2 2002  
TRADEMARK TRIAL AND APPEAL BOARD

"very reluctant to enter a default judgment for failure to file a timely answer, and tends to resolve any doubt on the matter in favor of the [Registrant]." Id.; Paolo's Assocs. Ltd. v. Bodo, 21 U.S.P.Q.2d 1899, 1902 (Comm'r 1990) ("The courts and the Board are reluctant to grant judgments by default and tend to resolve doubt in favor of setting aside default."); Fort Howard Paper Co. v. Kimberly-Clark Corp., 216 U.S.P.Q. 617, 618 (TTAB 1982) ("[J]udgment by default is viewed with disfavor by the Board unless a party has shown little or no interest in advancing its position."). Thus, if "a [Registrant] which has failed to file a timely answer to the [Petition to Cancel] responds to a notice of default by filing a satisfactory showing of good cause why default judgment should not be entered against it, the Board will set aside the notice of default." TBMP § 317.02; Fed.R.Civ.P. § 55(c).

A party can generally establish good cause to set aside a notice of default upon a showing that: (1) the delay in filing the answer was not the result of willful conduct or gross neglect on the part of the defendant, (2) the plaintiff will not be substantially prejudiced by the delay, and (3) the defendant has a meritorious defense to the action." TBMP § 317.02; Paolo's Assoc. Ltd., 21 U.S.P.Q.2d at 1902.

In the instant case, all three factors favor setting aside the notice of default. First, the delay in filing a response was not the result of willful conduct or gross neglect. Rather, Registrant

5

simply did not receive the Petition to Cancel. Instead, the first and only communication from the Board received by the Registrant (a citizen of France) was the attached notice of default, received at Registrant's French address on or about April 12, 2002. [Exhibit B - Declaration of Xavier Pierre Tancogne]. To date, Registrant has not received the Petition to Cancel, but presumes the cancellation action pertains to his Registration No. 2,497,918 "PARIS FAIR & WHITE & Design" for use in connection with beauty and skin care products, namely soaps, lotions, milks, creams and gel for the face and body. When and if the Petition to Cancel is forwarded to the undersigned, Registrant will most certainly deny the material claims. See, TBMP §317.01 (answer need not be filed with response to notice of default if Registrant has not received copy of Petition to Cancel and notification letter from Board).

As to the second and third factors, substantial prejudice to Petitioner and meritorious defense of Registrant, Registrant sets forth that these factors again favor setting aside the notice of default. This is clearly demonstrated by the status of currently pending federal litigation in which Registrant has won a preliminary injunction against Petitioner on the issue of ownership of the pertinent mark. [Exhibit C, First Amended Complaint; Exhibit D, Registrant's Answer to First Amended Complaint; Exhibit E, Second Amended Counterclaim of Xavier Tancogne, Continental/Laboratoires Medica, SARL, and Gapardis Health &

Beauty, Inc.; Exhibit F, Order Re Preliminary Injunctions granting registrant's motion for preliminary injunction, and denying Petitioner's motion for preliminary injunction; Exhibit G, Order Granting Counterplaintiffs' Cross-motions for Preliminary Injunction Against ICE Marketing Corp., a/k/a and d/b/a/ International Cosmetics Exchange, Inc., Jacob "Jack" Aini, Gaby McHeileh and Ailatan Investments, Inc.].<sup>1</sup>

Because this matter should be suspended pending the final outcome of the federal litigation, TBMP §510.02(a), there is most certainly no prejudice in the slight delay which will be caused to allow Registrant to respond to the Petition to Cancel. Moreover, the fact that a federal court has preliminarily determined that Registrant is the owner of the mark in question demonstrates a meritorious defense.

Accordingly, the notice of default should be set aside.

## **II. SUSPENSION OF PROCEEDINGS.**

Petitioner requests that a copy of the Petition to Cancel be forwarded to his undersigned counsel. Upon receipt thereof by said undersigned counsel, Registrant Requests a reasonable opportunity to respond thereto. Concurrent with said response, Registrant

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<sup>1</sup> Reference is made in the pertinent pleadings and orders to both "FAIR & WHITE" and "PARIS FAIR & WHITE." The distinction is not material hereto, since Registrant's "FAIR & WHITE" products bear the registered mark "PARIS FAIR & WHITE & Design."

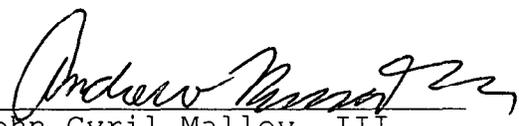
requests that this matter be suspended pending the outcome of the above referenced federal litigation, wherein ownership of Registrant's registered mark is in question.

While suspension of this proceeding is within the discretion of the Board, it is respectfully asserted that the pending federal litigation merits suspension. TBMP §510.02(a). As recognized by Board rules, "[t]o the extent that a civil action in a Federal district court involves issues in common with those in a proceeding before the Board, the decision of the Federal district court is binding upon the Board, while the decision of the Board is not binding upon the court." Id. Thus, continuation of this proceeding despite the federal litigation over ownership of the very mark challenged by Petitioner would be a fruitless and wasteful procedure. Ultimately, the federal court must decide the issue of ownership. Moreover, should the federal court ultimately find in favor of Registrant as to ownership of the mark, any inconsistent cancellation of the registration by the Board would be highly prejudicial to Registrant. Such a result would leave Registrant without its rightful registration in place for protection of its trademark rights under federal law.

WHEREFORE, Registrant respectfully requests that the notice of default be set aside, that the Petition to Cancel be forwarded to the undersigned counsel with a reasonable time thereafter for response, and that this matter thereafter be suspended pending the outcome of the federal litigation described in the attached Court documents.

Date: April 25, 2002

By:

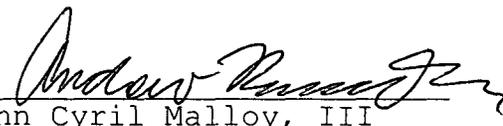
  
John Cyril Malloy, III  
Florida Bar No. 964,220  
Andrew W. Ransom  
Florida Bar No. 964,344  
Attorney for Registrant  
MALLOY & MALLOY, P.A.  
2800 S.W. Third Avenue  
Miami, Florida 33129  
Telephone (305) 858-8000  
Facsimile (305) 858-0008

**CERTIFICATE OF EXPRESS MAILING**

I HEREBY CERTIFY that an original and three copies of this correspondence is being deposited United States Express Mail, Label No. EL 920393235 US, in an envelope addressed to: Assistant Commissioner for Trademarks, Box TTAB No Fee, 2900 Crystal Drive, Arlington, Virginia 22202-3513, this 25<sup>th</sup> day of April, 2002.

Respectfully submitted,

By:

  
John Cyril Malloy, III  
Florida Bar No. 964,220  
Andrew W. Ransom  
Florida Bar No. 964,344