

**THIS DISPOSITION
IS NOT CITABLE AS PRECEDENT
OF THE T.T.A.B.**

**UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
2900 Crystal Drive
Arlington, Virginia 22202-3513**

Lykos

Mailed: April 29, 2004

Cancellation No. 92040976

NY-Exotics, Inc.

v.

Exotics.com, Inc.

Before Hohein, Hairston and Bottorff Administrative
Trademark Judges.

By the Board:

NY-Exotics, Inc. ("petitioner") seeks to cancel the registration of Exotics.com ("respondent") for the mark NY-EXOTICS.COM for "providing a web site on a global computer network featuring consumer information on the subjects of luxury watercraft, catamarans, personal recreational watercraft, sports equipment, canoes, kayaks, luxury automobiles, motorcycles, home accessories, clothing, jewelry, watches, fashion accessories, lingerie, fine wine, liquor, cigars, electronics, flowers, toys, books, videos, DVDs, CDs, timeshares, travel, vacations, cruises, film, music, sports, gambling, adult entertainment, exotic dancers, parasailing, fishing, entertainment, fashion, art, antiques, masseuses, restaurants, resorts, homes, ranches,

Cancellation No. 92040976

condominiums, townhouses, interior design, lifestyle and other topics of general interest" in International Class 35.¹ As grounds for the petition to cancel, petitioner alleges that it is the owner of pending application Serial No. 76318359 for the mark NY-EXOTICS for "providing advertising services for businesses, namely online advertising by means of a global network" in International Class 35;² that respondent is not the owner of the mark NY-EXOTICS.COM, and that indeed, pursuant to the terms of a license agreement between petitioner and respondent's wholly-owned subsidiary, Exotics USA LLC, petitioner is the rightful owner of such mark.

In its answer, respondent has denied the salient allegations in the petition for cancellation and has asserted various affirmative defenses, including that the license agreement is "fraudulent or--alternatively--unauthorized by the Registrant."

This case now comes up for consideration of: (1) petitioner's motion for summary judgment; (2) respondent's motion to extend its time to file a brief in opposition to petitioner's motion for summary judgment; and (3) respondent's motion to take discovery pursuant to Fed. R.

¹ Registration No. 2576808, registered on June 4, 2002, alleging July 3, 1997 as the date of first use anywhere and in commerce.

² Intent to use application filed September 27, 2001.

Civ. P. 56(f). Each motion is contested, and, in addition, the motions for summary judgment and extension of time are fully briefed.³

The Board has carefully reviewed the parties' respective arguments and accompanying exhibits, although the Board has not repeated the parties' complete arguments in this order.

Stipulated Protective Agreement

Before turning to the motions before us, the Board hereby acknowledges the stipulated protective agreement filed on October 30, 2003. The parties are referred, as appropriate, to TBMP §§ 412.03 (Signature of Protective Order), 412.04 (Filing Confidential Materials With Board), 412.05 (Handling of Confidential Materials by Board).

The parties are advised that only confidential or trade secret information should be filed pursuant to a stipulated protective agreement. Such an agreement may not be used as a means of circumventing paragraphs (d) and (e) of 37 CFR § 2.27, which provide, in essence, that the file of a published application or issued registration, and all proceedings relating thereto, should otherwise be available for public inspection.

³ The Board has exercised its discretion to consider the parties' reply briefs. See Trademark Rule 2.127(a).

Respondent's Motion to Extend Time to Respond to
Petitioner's Motion for Summary Judgment

Considering first respondent's motion to extend its time to respond to petitioner's motion for summary judgment, we find that based on the record evidence before us, respondent has satisfied the "good cause" standard provided by Fed. R. Civ. P. 6(b) so as to warrant an extension of time. See also TBMP § 509 and the authorities cited therein. In view thereof, respondent's opposition brief has been given full consideration.

Respondent's Motion to Take Discovery Pursuant to Rule 56(f)

Turning next to respondent's motion to take discovery pursuant to Rule 56(f), when a party responds to a motion for summary judgment on the merits, it ordinarily will not be heard to argue in the alternative that it cannot effectively oppose the summary judgment motion without first taking discovery under Rule 56(f). See *Dyneer Corp. v. Automotive Products plc*, 37 USPQ2d 1251 (TTAB 1995). Inasmuch as respondent has submitted a substantive response to petitioner's motion for summary judgment, respondent's request for discovery pursuant to Fed. R. Civ. P. 56(f) is denied. See Quinn, TIPS FROM THE TTAB: Discovery Safeguards in Motions for Summary Judgment: No Fishing Allowed, 80 Trademark Rep. 413, 416 (1990).

Petitioner's Motion for Summary Judgment

Considering now petitioner's motion for summary judgment, petitioner contends that pursuant to the terms of a license agreement and amendments made thereto between petitioner and respondent's wholly-owned subsidiary, Exotics USA LLC, petitioner is the rightful owner of the mark NY-EXOTICS.COM. More specifically, petitioner alleges that when the agreement was terminated due to a breach of contract by Exotics USA LLC, all trademarks, including the NY-EXOTICS.COM mark, became the property of petitioner.

In response thereto, respondent contends that contrary to petitioner's assertion, respondent is the true owner of the NY-EXOTICS.COM mark, and that in fact, the license agreement and amendments thereto upon which petitioner relies on for its ownership claim are based on fraud and a fiduciary duty violation on the part of one of respondent's former officers. Respondent further notes that these claims are the subject of a related civil suit pending in Los Angeles County Superior Court.

As has often been stated, summary judgment is an appropriate method of disposing of cases in which there are no genuine issues of material fact in dispute, thus leaving the case to be resolved as a matter of law. See Fed. R. Civ. P. 56(c). Petitioner, as the party moving for summary judgment, has the initial burden of demonstrating the

Cancellation No. 92040976

absence of any genuine issue of material fact and that it is entitled to judgment as a matter of law. See *Celotex Corp. v. Catrett*, 477 U.S. 317 (1986), and *Sweats Fashions Inc. v. Pannill Knitting Co.*, 833 F.2d 1560, 4 USPQ2d 1793 (Fed. Cir. 1987). The evidence must be viewed in a light most favorable to the non-movant, and all justifiable inferences are to be drawn in the non-movant's favor. See *Lloyd's Food Products Inc. v. Eli's Inc.*, 987 F.2d 766, 25 USPQ2d 2027 (Fed. Cir. 1993), and *Opryland USA Inc. v. Great American Music Show Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992). In considering the propriety of summary judgment, the Board may not resolve issues of material fact against the non-moving party; it may only ascertain whether such issues are present. See *Lloyd's Food Products Inc. v. Eli's Inc.*, 987 F.2d 766, 235 USPQ2d 2027, 2029 (Fed. Cir. 1993).

Upon careful consideration of the arguments and evidence presented by the parties, and drawing all inferences with respect to the motion in favor of the nonmoving party, we find that petitioner has failed to demonstrate the absence of a genuine issue of material fact for trial. In particular, genuine issues of material fact exist with respect to the ownership of the NY-EXOTICS.COM mark/registration, and the validity of the license agreement and amendments made thereto.

Cancellation No. 92040976

In view of the foregoing, petitioner's motion for summary judgment is denied.⁴

Suspension

The Board notes that the issues involved in determining ownership of the mark NY-EXOTICS.COM are the subject of a civil action pending in Los Angeles County Superior Court.⁵

Pursuant to Trademark Rule 2.117(a), the Board has discretion to suspend proceedings pending the final determination of a civil action in state court where only one of the parties involved. *See also Argo & Co. v. Carpetsheen Manufacturing, Inc.*, 187 USPQ 366 (TTAB 1975) (state court action to determine ownership of applicant's mark and authority of applicant to file application).

Under the circumstances, the Board concludes that the civil action may well have a bearing on the cancellation

⁴ Inasmuch as petitioner did not plead likelihood of confusion in its petition for cancellation, its motion for summary judgment on that ground is also denied. *See Fed. R. Civ. P. 56(a) and 56(b); Paramount Pictures Corp. v. White*, 31 USPQ2d 1768 (TTAB 1994).

The parties should note that all evidence submitted in support of and in opposition to petitioner's motion for summary judgment is of record only for consideration of that motion. Any such evidence to be considered in final hearing must be properly introduced in evidence during the appropriate trial periods. *See Levi Strauss & Co. v. Josephs Sportswear Inc.*, 28 USPQ2d 1464 (TTAB 1993); and *Pet Inc. v. Bassetti*, 219 USPQ 911 (TTAB 1983).

⁵ Case No. BC 290511 involving Gary Thomas aka Gary Vojtesak, individually, and as a member of LA Exotics, LLC v. LA Exotics, LLC; Andrew Maltin, individually and as a member of LA Exotics, LLC; Lea Hastings aka Lea Conkey, individually and as a member of LA Exotics, LLC; and DOES 1-100.

Cancellation No. 92040976

proceeding herein, specifically with respect to the issue of ownership of the NY-EXOTICS.COM mark.

Accordingly, proceedings herein are suspended pending disposition of the civil action.

Within twenty days after the final determination of the civil action, the interested party should notify the Board so that this case may be called up for appropriate action.⁶

⁶ During the suspension period the Board should be notified of any address changes for the parties or their attorneys.

A "final determination" refers to the expiration of an appeal period with no appeal being taken, or the exhaustion of the appeal process available. See TBMP § 510.02(b).