

I.

INTRODUCTION

For more than 15 years, EARTHLITE has been a manufacturer of massage equipment such as massage tables and chairs. Since at least 1987, EARTHLITE has been using the symbol of a stylized earth on its products. Over the years, the artistic style of the earth symbol has evolved. EARTHLITE has obtained trademark registrations for marks that include various stylized earths, including, but not limited to Registration Nos. 2,238,613 and 2,508,704 (hereinafter the "EARTHLITE Marks").

Additionally, EARTHLITE has brought an action which was originally filed on April 1, 2005, in Federal district court against, *inter alia*, the Registrant, Lifegear, Inc. d/b/a Earthgear (hereinafter "LIFEGEAR") to enforce the EARTHLITE marks, including the marks embodied in Registration Nos. 2,238,613 and 2,508,704, which EARTHLITE believes to be confusingly similar to the Subject Mark. This litigation is known as *Earthlite Massage Tables, Inc. v. Lifegear, Inc. d/b/a Earthgear*, United States District Court for the Southern District of California, Case No. 05 CV 0667 DMS (AJB) (hereinafter the "Civil Action"). Currently, trial in the Civil Action is scheduled to occur on December 18, 2006. A true and accurate conformed copy of the operative First Amended Complaint in the Civil Action, filed on or about May 18, 2005, is attached hereto as Exhibit "A" (hereinafter "Complaint"). In short, the issues in the Civil Action necessarily encompass the issue to be determined by the Board herein.

Subsequent to the aforementioned registrations obtained by EARTHLITE, LIFEGEAR has obtained a registration for a mark having Registration No. 2,693,944 (hereinafter the "Subject Mark"), which is the subject of these cancellation proceedings.

EARTHLITE believes that the Subject Mark is confusingly similar to the EARTHLITE marks.

II.

**SUSPENSION OF THE CANCELLATION PROCEEDINGS IS WARRANTED WHEN
THE PARTIES ARE INVOLVED IN A RELATED COPENDING CIVIL ACTION IN
FEDERAL DISTRICT COURT.**

37 CFR §2.117 provides that “[w]henver it shall come to the attention of the Trademark Trial and Appeal Board that parties to a pending case are engaged in a civil action which may be dispositive of the case, proceedings before the Board may be suspended until termination of the civil action.” 37 CFR §2.117(a). Further, “[p]roceedings may also be suspended, for good cause, upon motion or a stipulation of the parties approved by the Board.” 37 CFR §2.117(c).

As set forth in case law and in the TTAB Manual of Procedure, the Board is empowered to stay proceedings in the instant case. “Flowing from the Board’s inherent power to schedule disposition of the cases on its docket is the power to stay proceedings, which may be exercised by the Board on its own initiative, upon motion, or upon stipulation of the parties approved by the Board.” *Opticians Ass’n of America v. Independent Opticians of America, Inc.*, 734 F. Supp. 1171, 14 USPQ2d 2021 (D.N.J. 1990), *rev’d on other grounds*, 920 F.2d 187, 17 USPQ2d 1117 (3d Cir. 1990); TTAB Manual of Procedure § 510.01.

Further, the case before the Trademark Trial and Appeal Board may be suspended until final determination of the civil action. TTAB Manual of Procedure

§510.02(a). “Most commonly, a request to suspend pending the outcome of another proceeding seeks suspension because of a civil action pending between the parties in a Federal district court. To 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.” *See, for example, Goya Foods, Inc. v. Tropicana Products, Inc.*, 846 F.2d 848, 6 USPQ2d 1950 (2d Cir. 1988); TTAB Manual of Procedure §510.02(a). [Emphasis added]. “Ordinarily, the Board will suspend proceedings in the case before it if the final determination of the other proceeding will have a bearing on the issues before the Board.” *See, for example, Other Telephone Co. v. Connecticut National Telephone Co.*, 181USPQ 125 (TTAB 1974), *petition denied*, 181 USPQ 779 (Comm’r 1974); TTAB Manual of Procedure §510.02(a). [Emphasis added].

III.

THE PARTIES ARE INVOLVED IN A CIVIL ACTION WHICH WILL HAVE A BEARING ON THE ISSUES CURRENTLY BEFORE THE TTAB.

As provided above, Petitioner EARTHLITE and Registrant LIFEGEAR are currently involved in litigation in a Civil Action in Federal District Court for the Southern District of California. The issues being litigated in the Civil Action include trademark infringement relating to various marks, including the particular mark which EARTHLITE is seeking to cancel in the instant Cancellation Proceedings (hereinafter the “subject mark”). The Complaint in the Civil Action includes specific references to the

aforementioned registered marks owned by EARTHLITE, as well as general references to "EARTHLITE Marks", which include all of the marks owned by EARTHLITE.

As an express admission that the issues involved in the Civil Action overlap with the issue presently before the Board, counsel for LIFE GEAR has recently filed a motion to stay the Civil Action proceedings pending the outcome of the instant Petition for Cancellation.¹ A true and accurate copy of the Notice of Motion and Motion for Stay, as well as the Memorandum of Points and Authorities in support of its motion are attached hereto as Exhibit "B".

More specifically, LIFE GEAR served its motion on counsel for EARTHLITE on February 3, 2006. In so doing, LIFE GEAR is, in effect, expressly acknowledging and admitting that the issues in the Civil Action and the instant cancellation proceedings will have a bearing on one another. Counsel for LIFE GEAR argues that the Civil Action should be stayed pending outcome of the instant cancellation proceedings because "any determinations by the TTAB will have a bearing on [the Civil] action." (Memorandum of Points and Authorities, page 6). In summary, it is wholly uncontested that the actions are intimately related and bear on each other. Any attempt by LIFE GEAR to assert otherwise would be disingenuous and inconsistent with its motion pending in the Civil Action. Because there is no dispute that the issues in the Civil Action are similar to those herein, and will bear on the issue to be decided by the TTAB, the decision of the Federal district court is binding upon the Board, and will likely dispose of the instant cancellation proceeding in its entirety.

¹ LIFE GEAR's motion also references and relies on factually related cancellation proceedings relative to Trademark Registration 2,822,462 owned by LIFE GEAR.

Additionally, the allegations in the Complaint encompass the issues to be decided herein. For example, the Complaint alleges that LIFEGEAR is “designing, manufacturing, licensing, distributing, importing and/or selling massage tables and/or other massage-related goods” using a mark “in a manner which is confusingly similar to ‘EARTHLITE’ and its registered marks.” (Complaint ¶ 16). Further, the First Cause of Action alleges that LIFEGEAR’s activities “have caused, and are likely to cause, consumer confusion, consumer mistake, and/or deception as to the source or association of the products.” (Complaint, ¶ 23). In addition, the Complaint states that the activities of LIFEGEAR “are intended to, and are likely to, lead the public to incorrectly conclude that the products offered, marketed, distributed and/or sold ... originate, are sponsored by, or associated with, or are authorized to be offered, marketed, distributed and/or sold by EARTHLITE, to the damage and harm of EARTHLITE” (Complaint, ¶ 24).

In addition, the Second Cause of Action alleges that “EARTHLITE has advertised and promoted its products under the EARTHLITE Marks, and as a result of this advertising and promotion, these products and the EARTHLITE Marks have come to mean and are understood to mean the products of EARTHLITE, and are the means by which those products are distinguished from the products of others in the same and in related fields.” (Complaint, ¶ 30). Moreover, because of the “long, continuous and exclusive use of the EARTHLITE Marks described in this complaint, the EARTHLITE Marks has acquired a secondary meaning associated by purchasers and the public with EARTHLITE’s products.” (Complaint, ¶ 31).

The Second Cause of Action also alleges that LIFEGEAR’s “unauthorized

manufacturing and/or use and/or distribution and/or selling in California and in interstate commerce of goods bearing a reproduction, counterfeit, copy and/or colorable imitation of the EARTHLITE Marks or confusingly similar marks. Such activities have caused, and are likely to cause confusion, mistake, or deception as to the source or association of the products.” (Complaint, ¶ 32). “Further, the activities of Defendants, and each of them, are intended to, and are likely to, lead the public to conclude, incorrectly, that the products offered, marketed, distributed and/or sold by Defendants originate, are sponsored by, or associated with or are authorized to be offered, marketed, distributed and/or sold by EARTHLITE, to the damage and harm of EARTHLITE, its licensees and the public. Defendants’ activities constitute willful and deliberate infringement of EARTHLITE and its federally registered trademarks.” (Complaint, ¶ 33).

Moreover, EARTHLITE alleges in the Second Cause of Action that the conduct of LIFEGEAR will cause a likelihood of confusion, as stated in ¶ 45 as follows: “The activities of Defendants, and each of them, as alleged in this complaint have caused and will cause irreparable harm to EARTHLITE for which EARTHLITE has no adequate remedy at law in that (i) if Defendants’ wrongful conduct continues, consumers are likely to become further confused as to the source, association or approval of Defendants, and each of their products manufactured, marketed, distributed and/or sold by Defendants, and each of them; (ii) EARTHLITE’s products are unique and valuable property which have no readily determinable market value; (iii) the infringement by Defendants, and each of them, constitutes an interference with EARTHLITE’s goodwill and customer relationships; and (iv) Defendants’ wrongful conduct, and the damages resulting to EARTHLITE is continuing.” (Complaint ¶ 35).

EARTHLITE also alleges in the Second Cause of Action "that Defendants, and each of them, have committed the acts alleged above with previous knowledge of EARTHLITE's prior use and superior rights in the EARTHLITE Marks, and with previous knowledge of the reputation of the EARTHLITE Marks in interstate commerce. Further, Defendants' actions were for the willful and calculated purpose of trading upon EARTHLITE's goodwill and for the willful and calculated purpose of selling their infringing products based upon the goodwill of the EARTHLITE Marks and business reputation, so as to mislead and deceive purchasers and the public. Defendants' actions are likely to cause confusion and mistake among purchasers and the public as to the origin, association, approval or sponsorship of their infringing products, all to the Defendants' gain and EARTHLITE's damage." (Complaint, ¶ 36).

In addition to the allegations included in the Complaint which relate directly to the subject mark, LIFEGEAR (as EARTHGEAR in the Civil Action) has filed an Answer including Counterclaims against EARTHLITE in the Civil Action that not only denies the above-referenced allegations, but asserts that the District Court should instruct this Board to cancel the EARTHLITE marks. A true and accurate copy of the Answer (with Counterclaims) filed in the Civil Action is attached hereto as Exhibit "C" (hereinafter "Answer"). For example, in ¶¶ 16, 23, 24 and 30-36 in the Answer, LIFEGEAR denies the above-referenced allegations included in the Complaint in ¶¶ 16, 23, 24 and 30-36.

Additionally, LIFEGEAR has asserted in its Counterclaims that the District Court in the Civil Action should issue a declaratory order "stating that [LIFEGEAR] does not infringe any trademark rights of EARTHLITE." (Answer, ¶ 12 of Counterclaims; emphasis added). The result of the above-referenced allegations made by EARTHLITE

in the Civil Action, and the corresponding denials alleged by LIFEGEAR, will have a direct bearing on the issues to be decided in the Cancellation Proceedings currently before the Board. It logically follows that resolution of this issue in the Civil Action will, in all likelihood, dispose of all of the issues now before the TTAB herein.

Consequently, the instant cancellation proceedings should be suspended pending the outcome of the Civil Action. By staying these cancellation proceedings, the administrative burden on the Board will be reduced because the Board will have the benefit of any adjudication by the Federal district court, thereby avoiding litigating the same issues twice. Moreover, due to the nature of the allegations in the Civil Action, a strong likelihood exists that resolution of the Civil Action will induce a prompt resolution of these cancellation proceedings in their entirety.

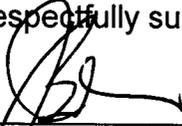
IV.

CONCLUSION

Based on the foregoing, Petitioner, Earthlite Massage Tables, Inc. hereby respectfully requests that the instant Motion to Suspend Proceedings be granted, and that the Cancellation Proceedings herein be suspended pending the outcome of the related civil action, *Earthlite Massage Tables, Inc. v. Lifegear, Inc. d/b/a Earthgear, et al.*, United States District Court Case No. 05 CV 0667 DMS (AJB).

Dated: February 13, 2006

Respectfully submitted,

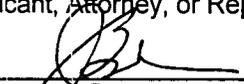


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CERTIFICATE OF MAILING

I hereby certify that this paper is being deposited with the United States Postal Service with sufficient postage as First Class mail in an envelope addressed to United States Patent And Trademark Office, Trademark Trial and Appeal Board, P.O. Box 1451, Alexandria, VA 22313-1451, on this 13th day of February, 2006.

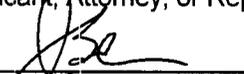
Name of Applicant, Attorney, or Representative certifying mailing: JAMES P. BRODER

Signature: 

Date of Signing: 2/13/06

I also hereby certify that this paper is being deposited with the United States Postal Service as First Class Mail, postage prepaid, in an envelope addressed to: Daniel Ciso, Esq., CISLO & THOMAS, LLP, 233 Wilshire Blvd., Ste. 900, Santa Monica, CA 90401, on this 13th day of February, 2006.

Name of Applicant, Attorney, or Representative certifying mailing: JAMES P. BRODER

Signature: 

Date of Signing: 2/13/06

FILED

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CLERK, U.S. DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

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 7

8 **IN THE UNITED STATES DISTRICT COURT**
 9 **FOR THE SOUTHERN DISTRICT OF CALIFORNIA**

10
 11 EARTHLITE MASSAGE TABLES, INC.,)
 a California corporation,)
 12)
 Plaintiff,)
 13)
 vs.)
 14)
 LIFEGEAR, INC., a New Jersey)
 15 corporation, d/b/a EARTHGEAR; DOES 1)
 through 100, inclusive,)
 16)
 Defendants.)
 17

Case No.: 05 CV 0667 DMS (AJB)

FIRST AMENDED COMPLAINT

1. FEDERAL TRADEMARK INFRINGEMENT
2. COMMON LAW TRADEMARK INFRINGEMENT
3. FALSE DESIGNATION OF ORIGIN
4. UNFAIR COMPETITION

DEMAND FOR JURY TRIAL

18
 19
 20 Plaintiff, EARTHLITE MASSAGE TABLES, INC. ("EARTHLITE") brings this
 21 action against the above-named Defendants for injunctive relief and damages under the
 22 laws of the United States and the State of California, as follows:

JURISDICTION AND VENUE

23
 24 1. This court has subject matter jurisdiction over the claims in this action which
 25 relate to the trademark infringement pursuant to the provisions of 28 U.S.C. §§ 1331,
 26 1332 and/or 1338, and 15 U.S.C. §§ 1114(1), 1121 and/or 1125(a). The common law
 27 trademark infringement, and state of California statutory and common law claims of
 28 unfair competition join with a substantial and related claim under the federal trademark

EXHIBIT "A"

1 laws. Further, regarding the common law, and statutory state of California claims, this
2 court has jurisdiction under the doctrines of Pendent and Ancillary Jurisdiction.

3 2. Venue is proper in this Honorable Court pursuant to 28 U.S.C. §§ 1391(b)
4 and/or (c). The infringing products which are the subject of this litigation were
5 advertised, distributed, sold, and/or offered for distribution and sale in the Southern
6 District of California; the claims alleged in this action arose in the Southern District of
7 California; and/or the defendants, and each of them, may be found in the Southern
8 District of California.

9 PARTIES AND PERSONAL JURISDICTION

10 3. EARTHLITE is a California corporation with its principal place of business in
11 Vista, California, is, and at all relevant times was, a corporation organized and existing
12 under the laws of the State of California.

13 4. Upon information and belief, Defendant LIFEGEAR, INC., d/b/a
14 EARTHGEAR ("EARTHGEAR") is an entity of unknown status having an office at 9858
15 Baldwin Place, El Monte, CA 91731. Upon information and belief, EARTHGEAR
16 resides and/or transacts business in the Southern District of California, including, but not
17 limited to importation, distribution, advertisement, sale and/or offer for sale of goods, and
18 the acts of infringement and other wrongful acts alleged in this complaint occurred in the
19 Southern District of California.

20 5. EARTHLITE is ignorant of the true names and capacities of defendants DOES
21 1 through 100, inclusive, and by reason thereof sues said Defendants by their fictitious
22 names; EARTHLITE will obtain leave of court, if necessary, to amend this complaint to
23 allege the true names and capacities of these fictitiously-named Defendants when their
24 identities are fully and finally ascertained.

25 NATURE OF THE DISPUTE

26 6. EARTHLITE designs, distributes, markets and sells goods throughout the
27 United States under various trademarks. One such trademark includes (i) a stylized logo
28 of the earth, and (ii) the distinctive term "EARTHLITE." This distinctive mark is

1 federally registered under United States Trademark Registration Number 2,238,613 (and
2 2508704), in International Class 10. A true and correct copy of United States Trademark
3 Registration Number 2,238,613 is attached hereto as Exhibit "A."

4 7. Another such trademark is the word-phrase "EARTHLITE." True and
5 correct copies of United States Trademark Serial Numbers 78523287 and 78523286 are
6 attached hereto as Exhibit "B."

7 8. EARTHLITE is the owner of all rights, title and interest in its Marks
8 attached hereto as Exhibits "A," and "B." Further, EARTHLITE is the owner of all
9 common law rights, title and interest in one or more stylized logos of the earth
10 (hereinafter the "EARTHLITE Marks"). The Registered Marks and the EARTHLITE
11 Marks are collectively referred to herein as the "EARTHLITE Trademarks."

12 9. EARTHLITE, since at least as early as October 1987, has been in the business
13 of designing, manufacturing, distributing and selling a wide variety of goods bearing the
14 EARTHLITE Trademarks, or similar variations thereof. The goods designed,
15 manufactured, advertised, distributed and sold by EARTHLITE include, but are not
16 limited to, portable massage tables.

17 10. The designs included in the EARTHLITE Trademarks are distinctive and
18 arbitrary, and goods bearing the EARTHLITE Trademarks are identified by the
19 purchasing public and the massage trade as merchandise emanating from EARTHLITE.
20 EARTHLITE's use of the EARTHLITE Trademarks on goods, including, but not limited
21 to, portable massage tables, has been open, notorious, continuous and widespread.

22 11. EARTHLITE's products utilizing the EARTHLITE Trademarks have been
23 extremely popular and EARTHLITE has had an exceptional sales record and demand for
24 products bearing the EARTHLITE Trademarks. EARTHLITE massage tables have
25 appeared in various motion pictures and popular prime-time major television network
26 shows. The sale of products bearing the Earthlite Trademarks has resulted in both a large
27 gross income and net profit to EARTHLITE.

28 ///

1 12. EARTHLITE has expended an enormous sum of money in promoting and
2 advertising its products under the Earthlite Trademark, including trade publications,
3 brochures, pamphlets, flyers and other advertising materials.

4 13. As a result of EARTHLITE's extensive advertising and promotion of the
5 EARTHLITE Trademarks, the targeted purchasing public identifies products – including
6 portable massage tables – bearing the EARTHLITE Trademarks as goods emanating
7 from EARTHLITE and expects such goods to have its source of origin with
8 EARTHLITE and to be made with the same high quality standards and ruggedness
9 expected of EARTHLITE products and to withstand personal (end-user) and professional
10 (massage therapist) use intended for EARTHLITE's products.

11 14. The Registered Marks are valid and subsisting. Registration of the
12 EARTHLITE Registered Marks – before any registration by EARTHGEAR – constitutes
13 prima facie evidence of EARTHLITE's exclusive ownership of the EARTHLITE
14 Registered Marks.

15 15. Defendants, and each of them, without the consent of EARTHLITE, are
16 designing, manufacturing, licensing, distributing, importing and/or selling massage tables
17 and/or other massage-related goods utilizing a stylized logo of the earth together with the
18 phrase "EARTHGEAR" in a manner which is confusingly similar to "EARTHLITE" and
19 its registered marks. A true and correct copy of the type of mark utilized by
20 EARTHGEAR is attached hereto as Exhibit "C."

21 16. In view of the Registration of the EARTHLITE Registered Marks, and the
22 continuous, open, and notorious use of the EARTHLITE Marks, the Defendants, and each
23 of them, had notice of EARTHLITE's rights in the Earthlite Trademarks. Indeed,
24 EARTHLITE issued several cease and desist letters to EARTHGEAR, all of which were
25 ignored and rejected.

26 17. On information and belief, Defendants, and each of them, adopted the use of
27 the EARTHLITE Trademarks and/or portions of the EARTHLITE Trademarks with
28 actual knowledge of EARTHLITE's prior adoption and use of the EARTHLITE

1 Trademarks, with the intent to mislead and deceive consumers, to the irreparable damage
2 of EARTHLITE, and to the unjust enrichment of Defendants, and each of them, and the
3 expense of the public and EARTHLITE. Defendants use of said marks continued even
4 after EARTHGEAR received EARTHLITE's cease and desist letters and/or requests.

5 18. The products provided by Defendants, and each of them, which include,
6 massage tables bearing a stylized earth-like logo together with the phrase
7 "EARTHGEAR" are of the same general type and are intended for the exact same
8 purpose and same class of purchasers as the products provided by EARTHLITE which
9 bear EARTHLITE Trademarks.

10 19. Sales of the Defendants' goods utilizing a stylized earth-like logo together
11 with the phrase "EARTHGEAR" constitutes a false designation or origin of the
12 Defendants' products and constitutes deceptive trade practices and unfair competition,
13 irreparably damaging EARTHLITE and its rights in the EARTHLITE Trademarks.

14 20. At least as early as October 1987, EARTHLITE had created for it an original
15 artistic design of a stylized logo of the earth together with the world symbol
16 "EARTHLITE." Since October 1987, derivative works of the stylized logo of the earth
17 and EARTHLITE name have been created, many of which have ultimately been
18 incorporated into the EARTHLITE Trademarks.

19 **FIRST CLAIM FOR RELIEF**

20 (Trademark Infringement in Violation of the Lanham Act §43(a),
21 15 U.S.C. §1114(1) against all Defendants.)

22 21. EARTHLITE realleges, and incorporates herein by this reference, each and
23 every allegation set forth in paragraphs 1 through 20, inclusive.

24 22. EARTHLITE has advertised and promoted its products under the Registered
25 Marks, and as a result of this advertising and promotion, these products and the
26 Registered Marks have come to mean and are understood to mean the products of
27 EARTHLITE, and are the means by which those products are distinguished from the
28 products of others in the same and in related fields.

1 23. Defendants activities complained of in this Complaint constitute unauthorized
2 manufacturing and/or use and/or distribution and/or selling in California and in interstate
3 commerce of goods bearing a reproduction, counterfeit, copy and/or colorable imitation
4 of the Registered Marks or a confusingly similar mark. Such activities have caused, and
5 are likely to cause, consumer confusion, consumer mistake, and/or deception as to the
6 source or association of the products.

7 24. Further, the activities of Defendants, and each of them, are intended to, and
8 are likely to, lead the public to incorrectly conclude that the products offered, marketed,
9 distributed and/or sold by Defendants originate, are sponsored by, or associated with, or
10 are authorized to be offered, marketed, distributed and/or sold by EARTHLITE, to the
11 damage and harm of EARTHLITE, its licensees, distributors and the public. Defendants'
12 activities constitute willful and deliberate infringement of EARTHLITE's Registered
13 Marks in violation of the Lanham Trademark Act.

14 25. As a result of the foregoing, EARTHLITE has been damaged in an amount
15 which is not precisely ascertainable, but which is greatly in excess of the jurisdictional
16 minimum of this court, and which will be alleged by amendment at such time when it is
17 precisely ascertained. In addition, EARTHLITE is entitled to treble damages pursuant to
18 15 U.S.C. §1117(b).

19 26. The activities of Defendants, and each of them, as alleged in this complaint
20 have caused and will cause irreparable harm to EARTHLITE for which EARTHLITE has
21 no adequate remedy at law in that: 1) if Defendants' wrongful conduct continues,
22 consumers are likely to become further confused as to the source, association or approval
23 of Defendants and their confusingly similar products; 2) EARTHLITE's products and
24 goodwill are unique and valuable property which have no readily determinable market
25 value; 3) the infringement by Defendants, and each of them, constitutes an interference
26 with EARTHLITE's goodwill and customer relationships; and 4) Defendants' wrongful
27 conduct, and the damages resulting to EARTHLITE is continuing. Accordingly,
28 EARTHLITE is entitled to permanent injunctive relief.

1 27. EARTHLITE is informed and believes, and on that basis alleges, that
2 Defendants, and each of them, have committed the acts alleged above with previous
3 knowledge of EARTHLITE's prior use and superior rights to the Registered Marks, and
4 with previous knowledge of the reputation of the Registered Marks in interstate
5 commerce. Further, Defendants' actions were for the willful and calculated purpose of
6 trading upon EARTHLITE's goodwill and for the willful and calculated purpose of
7 selling their infringing products based upon the goodwill of the Registered Marks and
8 business reputation, so as to mislead and deceive purchasers and the public. Defendants'
9 actions are likely to cause confusion and mistake among purchasers and the public as to
10 the origin, association, approval or sponsorship of their infringing products, all to the
11 Defendants' gain and EARTHLITE's damage.

12 28. EARTHLITE is also entitled to recover its attorneys fees and costs of suit
13 pursuant to 15 U.S.C. §1117.

14 **SECOND CLAIM FOR RELIEF**

15 (Common Law Trademark Infringement Against All Defendants)

16 29. EARTHLITE realleges, and incorporates herein by this reference, each and
17 every allegation set forth in paragraphs 1 through 28, inclusive.

18 30. EARTHLITE has advertised and promoted its products under the
19 EARTHLITE Marks, and as a result of this advertising and promotion, these products and
20 the EARTHLITE Marks have come to mean and are understood to mean the products of
21 EARTHLITE, and are the means by which those products are distinguished from the
22 products of others in the same and in related fields.

23 31. Because of the long, continuous and exclusive use of the EARTHLITE Marks
24 described in this complaint, the EARTHLITE Marks have acquired a secondary meaning
25 associated by purchasers and the public with EARTHLITE's products.

26 32. Defendants' activities complained of in this complaint constitute unauthorized
27 manufacturing and/or use and/or distribution and/or selling in California and in interstate
28 commerce of goods bearing a reproduction, counterfeit, copy and/or colorable imitation

1 of the EARTHLITE Marks or confusingly similar marks. Such activities have caused,
2 and are likely to cause confusion, mistake, or deception as to the source or association of
3 the products.

4 33. Further, the activities of Defendants, and each of them, are intended to, and
5 are likely to, lead the public to conclude, incorrectly, that the products offered, marketed,
6 distributed and/or sold by Defendants originate, are sponsored by, or associated with or
7 are authorized to be offered, marketed, distributed and/or sold by EARTHLITE, to the
8 damage and harm of EARTHLITE, its licensees and the public. Defendants' activities
9 constitute willful and deliberate infringement of EARTHLITE and its federally registered
10 trademarks.

11 34. As a result of the foregoing, EARTHLITE has been damaged in an amount
12 which is not precisely ascertainable, but which is in excess of the jurisdictional minimum
13 of this Honorable Court.

14 35. The activities of Defendants, and each of them, as alleged in this Complaint
15 have caused and will cause irreparable harm to EARTHLITE for which EARTHLITE has
16 no adequate remedy at law in that: 1) if Defendants' wrongful conduct continues,
17 consumers are likely to become further confused as to the source, association or approval
18 of Defendants and their confusingly similar products; 2) EARTHLITE's products and
19 goodwill are unique and valuable property which have no readily determinable market
20 value; 3) the infringement by Defendants, and each of them, constitutes an interference
21 with EARTHLITE's goodwill and customer relationships; and 4) Defendants' wrongful
22 conduct, and the damages resulting to EARTHLITE is continuing. Accordingly,
23 EARTHLITE is entitled to permanent injunctive relief.

24 36. EARTHLITE is informed and believes, and on that basis alleges, that
25 Defendants, and each of them, have committed the acts alleged above with previous
26 knowledge of EARTHLITE's prior use and superior rights in the EARTHLITE Marks,
27 and with previous knowledge of the reputation of the EARTHLITE Marks in interstate
28 commerce. Further, Defendants' actions were for the willful and calculated purpose of

1 trading upon EARTHLITE's goodwill and for the willful and calculated purpose of
2 selling their infringing products based upon the goodwill of the EARTHLITE Marks and
3 business reputation, so as to mislead and deceive purchasers and the public. Defendants'
4 actions are likely to cause confusion and mistake among purchasers and the public as to
5 the origin, association, approval or sponsorship of their infringing products, all to the
6 Defendants' gain and EARTHLITE's damage.

7 **THIRD CLAIM FOR RELIEF**

8 (False Designation of Origin and False Description in Violation of the
9 Lanham Act §43(a), 15 U.S.C. §§ 1114(1) and 1125(a) Against All Defendants)

10 37. EARTHLITE realleges, and incorporates by this reference, each and every
11 allegation set forth in paragraphs 1 through 36, inclusive.

12 38. Defendants' use of an earth logo on Defendants' products is causing and is
13 likely to continue to cause confusion as to the source thereof and, therefore, constitutes a
14 false designation or origin and a false description of Defendants' goods are made or
15 sponsored by, or associated with, or affiliated with, or authorized by EARTHLITE.
16 EARTHLITE has been or likely will be damaged by Defendants' use of the substantially
17 similar and confusing mark. The importing, manufacturing, licensing, distribution,
18 marketing, sale and/or offer for sale by Defendants, and each of them, of the infringing
19 goods constitutes a violation of the Lanham Trademark Act, including, but not limited to,
20 15 U.S.C. §1125(a).

21 39. Unless permanently restrained and enjoined, Defendants, and each of them,
22 will continue to import, manufacture, license, distribute, market, sell and/or offer to sell
23 their products, or the products of other Defendants, in violation of EARTHLITE's rights,
24 thereby causing EARTHLITE substantial and irreparable damage to its business,
25 reputation, and goodwill. Because the amount of these damages cannot be readily
26 ascertained at law, Plaintiff is without an adequate remedy at law.

27 40. Plaintiff has been damaged in an amount as yet unascertained by the acts of
28 Defendants, and each of them, but which is in excess of the jurisdictional minimum of

1 this court. Further, Defendants, and each of them, have profited, in an amount as yet
2 unascertained, from the unlawful actions of Defendants, and each of them, but in any
3 event in an amount in excess of the jurisdictional minimum of this court. In addition,
4 EARTHLITE is entitled to attorneys fees and treble damages pursuant to the Lanham
5 Trademark Act, including, but not limited to 15 U.S.C. §§1117(a) and (b).

6 **FOURTH CLAIM FOR RELIEF**

7 (Unfair Competition Against All Defendants)

8 41. EARTHLITE realleges, and incorporates by this reference, each and every
9 allegation set forth in paragraphs 1 through 40, inclusive.

10 42. The acts and conduct of Defendants, and each of them, alleged in this
11 complaint (i) constitute an unfair competition at common law; (ii) violate the Uniform
12 Deceptive Trade Practices Act, California Business & Professions Code § 17200 et seq.;
13 and/or (iii) constitute an infringement of EARTHLITE's statutory and common law rights
14 in its trademarks and improper and unfair competition with EARTHLITE.

15 43. Defendants' conduct as alleged above has damaged and will continue to
16 damage EARTHLITE's goodwill and reputation and has resulted in a loss of profits to
17 EARTHLITE in an amount which is unknown at the present time, but which is in excess
18 of the jurisdictional minimum of this Honorable Court. Further, Defendants, and each of
19 them, have made profits from the infringing use and from the acts of unfair competition,
20 the extent of such profits being currently unknown to EARTHLITE, but in excess of the
21 jurisdictional minimum of this court.

22 44. Unless permanently restrained and enjoined, Defendants, and each of them,
23 will continue to offer goods using a mark which infringes EARTHLITE's registered and
24 common law trademarks thereby causing customer confusion as well as causing
25 EARTHLITE substantial damage to its business, reputation and goodwill. Because the
26 amount of these damages cannot be readily ascertained, Plaintiff is without an adequate
27 remedy at law.

28 ///

PRAYER FOR RELIEF

WHEREFORE, EARTHLITE respectfully requests judgment as follows:

1. That the court enter a judgment against Defendants, and each of them, that they

have:

(a) infringed the rights of EARTHLITE in its federally-registered trademarks under 15 U.S.C. § 1114;

(b) infringed the common law rights of EARTHLITE in its trademarks;

(c) committed and are committing acts of false designation or origin, false or misleading description and false or misleading representation against EARTHLITE (see Lanham Act § 43(a) and 15 U.S.C. 1125(a));

(d) competed unfairly with EARTHLITE at common law and in violation of California Business & Professions Code § 17200 *et. seq.*; and

(e) otherwise injured the business reputation and business of EARTHLITE by their acts and conduct set forth in this complaint.

2. That the court issue a permanent injunction against Defendants, and each of them, and that Defendants, their officers, directors, principals, agents, representatives, servants, employees, successors and assigns, and all others in active concert or participation with Defendants be enjoined and restrained from

(a) imitating, copying or making unauthorized use of EARTHLITE's Registered Trademarks and any other works protected by EARTHLITE irrespective of the origin of such products;

(b) manufacturing, producing, distributing, circulating, selling, offering for sale, advertising, importing, exporting, promoting or displaying any product or thing bearing any simulation, reproduction, counterfeit, copy or confusingly similar likeness of EARTHLITE's Registered Trademarks and/or any portion thereof, and/or the products protected by EARTHLITE's trademarks and any other works protected by any of EARTHLITE's trademarks;

1 (c) engaging in any other activity constituting an infringement of the
2 Earthlite Trademarks, or of EARTHLITE's rights in, or to use or to exploit,
3 said trademarks, name, reputation or goodwill;

4 (d) using any false designation of origin or false description which can or is
5 likely to lead the massage industry (trade), or public, or individual members
6 thereof, erroneously to believe that any product or thing has been
7 manufactured, distributed, offered for sale, sold, licensed, sponsored,
8 approved, or authorized by or for EARTHLITE, when such is not true in
9 fact true;

10 (e) engaging in any unauthorized or unlicensed standalone sales or
11 distribution of any product bearing any of or any likeness of EARTHLITE's
12 Trademarks or any portion thereof, or any other works protected by
13 EARTHLITE's trademarks irrespective of the origin of such products; and

14 (f) assisting, aiding or abetting any other person or business entity in
15 engaging in or performing any of the activities referred to in subparagraphs
16 (a) through (e) above;

17 3. That the court enter an order declaring that Defendants, and each of them, hold
18 illegal profits from their sale and/or distribution of products which include an infringing
19 or confusing similar mark to that of EARTHLITE;

20 4. That the court order Defendants, in equity, to account for, and pay to
21 EARTHLITE, all profits which they have realized and which are attributable to the acts
22 and conduct of trademark infringement, false designation of origin and unfair competition
23 and to pay to EARTHLITE all profits which EARTHLITE has lost as a result of the
24 conduct of Defendants, and each of them, and that these amounts be trebled pursuant to
25 15 U.S.C. §1117(b);

26 5. That this Honorable Court enter an order requiring Defendants, and each of
27 them, to account for and pay to EARTHLITE all ill gotten profits from their sale and/or
28 distribution of intentionally infringing products;

1 6. That this Honorable Court order Defendants, and each of them, to pay
2 EARTHLITE's general, special, and actual damages and/or statutory damages, and that
3 these amounts be trebled pursuant to 15 U.S.C. §1117(b);

4 7. That all infringing goods and all labels, signs, prints, packages, wrappers,
5 receptacles, placards, endplates, and advertisements in the possession of Defendants, and
6 each of them, which include a design of a stylized earth, or any confusingly similar mark
7 to the EARTHLITE's Trademarks and all plates, molds, matrices, and any other means of
8 making such mark or design, shall be delivered to EARTHLITE for destruction.

9 8. That EARTHLITE have and recover punitive damages in any amount to be
10 determined at the time of trial;

11 9. That EARTHLITE have and recover pre-judgment interest;

12 10. That the court order Defendants, and each of them, to pay to EARTHLITE
13 both the cost of this action and the reasonable attorneys fees incurred by it in prosecuting
14 this action; and

15 11. That the court grant to EARTHLITE such further and additional relief as it
16 deems just and proper.

17
18 Dated: May 17, 2005

MORRIS & SULLIVAN LLP

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28
By:

Shawn Morris, Esq.
Will Lemkul, Esq.
Attorneys for Plaintiff
EARTHLITE MASSAGE TABLES,
INC.

Exhibit "A"



United States Patent and Trademark Office

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Trademark Electronic Search System (TESS)

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List At: _____ to record: **Record 9 out of 15**

(TARR contains current status, correspondence address and attorney of record for this mark. Use the "Back" button of the Internet Browser to return to TESS)



Word Mark: EARTHLITE
Goods and Services: IC 010. US 020 030 044. © & S: Message tables. FIRST USE: 19870831. FIRST USE IN COMMERCE: 19871031
Mark Drawing Code: (3) DESIGN PLUS WORDS, LETTERS, AND/OR NUMBERS
Design Search Code: 010701
Serial Number: 75419402
Filing Date: January 15, 1988
Current Filing Basis: 1A
Original Filing Basis: 1A
Published for Opposition: January 10, 1989
Registration Number: 2238813
Registration Date: April 12, 1989
Owner: (REGISTRANT) Earthlite Message Tables, Inc. CORPORATION CALIFORNIA 3210 EXECUTIVE RIDGE DRIVE Vista CALIFORNIA 92083
Attorney of Record: STEVEN G. ROEDER
Description of Mark: The mark comprises "EARTH LITE" and a stylized globe design.
Type of Mark: TRADEMARK
Register: PRINCIPAL
Affidavit Text: SECT 15. SECT 8 (8-YR).
Live/Dead Indicator: LIVE

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Exhibit “B”



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Trademark Electronic Search System(Tess)

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EARTHLITE

Word Mark **EARTHLITE**
 Goods and Services IC 010. US 026 039 044. G & S: Massage tables, massage chairs, massage pads, massage sheets, pillows, bolsters, massage stools, carry cases. FIRST USE: 19871001. FIRST USE IN COMMERCE: 19871001
 Standard Characters Claimed
 Mark Drawing Code (4) STANDARD CHARACTER MARK
 Serial Number 78523287
 Filing Date November 27, 2004
 Current Filing Basis 1A
 Original Filing Basis 1A
 Owner (APPLICANT) Earthlite Massage Tables, Inc. CORPORATION CALIFORNIA 3210 Executive Ridge Drive Vista CALIFORNIA 92083
 Attorney of Record Steven G. Roeder
 Type of Mark TRADEMARK
 Register PRINCIPAL
 Live/Dead Indicator LIVE

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List At: _____ OR to record: _____ **Record 4 out of 15**

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EARTHLITE

Word Mark **EARTHLITE**
 Goods and Services IC 003. US 001 004 006 050 051 052. G & S: Massage oils and lotions. FIRST USE: 19990301. FIRST USE IN COMMERCE: 19990301
 Standard Characters Claimed
 Mark Drawing Code (4) STANDARD CHARACTER MARK
 Serial Number 78523286
 Filing Date November 27, 2004
 Current Filing Basis 1A
 Original Filing Basis 1A
 Owner (APPLICANT) Earthlite Massage Tables, Inc. CORPORATION CALIFORNIA 3210 Executive Ridge Dr. Vista CALIFORNIA 92083
 Attorney of Record Steven G. Roeder
 Type of Mark TRADEMARK
 Register PRINCIPAL
 Live/Dead Indicator LIVE

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Exhibit "C"



EarthGear
therapeutic innovations

TO: Mail Stop 9 Director of the U.S. Patent and Trademark Office P.O. Box 1460 Alexandria, VA 22313-1460	REPORT ON THE FILING OR DETERMINATION OF AN ACTION REGARDING A PATENT OR TRADEMARK
--	---

In Compliance with 35 U.S.C. § 290 and/or 15 U.S.C. § 1116 you are hereby advised
 that a court action has been filed in the U.S. District Court San Diego on the following Patents or Trademarks:

DOCKET NO.	DATE FILED	U.S. DISTRICT COURT
05CV0667 DMS (AIB)	APRIL 1, 2005	United States District Court, Southern District of California
PLAINTIFF		DEFENDANT
EARTHILITE MASSAGE TABLE, INC.		LIFEGEAR, INC.
PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK
1 2238613	April 13, 1999	Earthlite Massage Tables, Inc.
2 78308123	October 1, 2003	Common Law Partnership of Christian Durr & Dawn Spring Toglia Durr
3		
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In the above-entitled case, the following patent(s)/trademark(s) have been included:

DATE INCLUDED	INCLUDED BY	
	<input type="checkbox"/> Amendment <input type="checkbox"/> Answer <input type="checkbox"/> Cross Bill <input type="checkbox"/> Other Pleading	
PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK
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In the above-entitled case, the following decision has been rendered or judgment issued:

DECISION/JUDGMENT			
<table style="width:100%; border: none;"> <tr> <td style="width:25%; border: none;">CLERK</td> <td style="width:50%; border: none;">(BY) DEPUTY CLERK</td> <td style="width:25%; border: none;">DATE</td> </tr> </table>	CLERK	(BY) DEPUTY CLERK	DATE
CLERK	(BY) DEPUTY CLERK	DATE	

Copy 1 - Upon initiation of action, mail this copy to Director Copy 3 - Upon termination of action, mail this copy to Director
 Copy 2 - Upon filing document adding patent(s), mail this copy to Director Copy 4 - Case file copy

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B-034

1 Daniel M. Cislo, Esq., No. 125,378
2 Kelly W. Cunningham, Esq., No. 186,229
3 CISLO & THOMAS LLP
4 233 Wilshire Boulevard, Suite 900
5 Santa Monica, California 90401-1211
6 Telephone: (310) 451-0647
7 Telefax: (310) 394-4477
8 Email: dancislo@cislo.com
9 kcunningham@cislo.com

appeal 2/14 by mail
5/12
reply 2/21 by mail
2/24

6 Attorneys for Defendant
7 LIFEGEAR, INC. d/b/a/ EARTHGEAR

9 IN THE UNITED STATES DISTRICT COURT
10 FOR THE SOUTHERN DISTRICT OF CALIFORNIA

11 EARTHLITE MESSAGE TABLES,
12 INC.,

13 Plaintiff,

14 vs.

15 LIFEGEAR, INC.,

16 Defendants.
17

CASE NO. 05 CV 0667 DMS (AJB)

DEFENDANT LIFEGEAR, INC.'S
NOTICE OF MOTION AND
MOTION FOR STAY OF
PROCEEDINGS PENDING THE
CANCELLATION PROCEEDINGS
INITIATED BY PLAINTIFF IN
THE UNITED STATES
TRADEMARK TRIAL AND
APPEAL BOARD

[MEMORANDUM OF POINTS AND
AUTHORITIES; DECLARATION
OF KELLY W. CUNNINGHAM IN
SUPPORT HEREOF; AND
PROPOSED ORDER FILED
CONCURRENTLY HERewith]

Judge: Dana M. Sabraw
Courtroom 10, 2nd Fl.

Hearing Date: March 3, 2006
Hearing Time: 1:30 pm

24
25 AND RELATED COUNTERCLAIM

Trial Date: December 18, 2006

26
27
28
EXHIBIT "B"

CISLO & THOMAS LLP
Attorneys at Law
SUITE 900
233 WILSHIRE BOULEVARD
SANTA MONICA, CALIFORNIA 90401-1211
TELEPHONE: (310) 451-0647
FACSIMILE: (310) 394-4477

1 TO DEFENDANT AND TO ITS ATTORNEYS OF RECORD:
2

3 PLEASE TAKE NOTICE THAT on March 3, 2006, or as soon thereafter
4 as the matter may be heard in the above-entitled court located at 880 Front Street,
5 Suite 4290, San Diego, California 92101-8900, Defendant LIFEGEAR, INC.
6 ("LifeGear") will move, and hereby does move, this Court for an order staying
7 these proceedings pending the outcome of the two cancellation proceedings
8 recently initiated by Plaintiff EARTHLITE MESSAGE TABLES, INC.
9 ("Earthlite") in the United States Trademark Trial and Appeal Board against
10 LifeGear's federally registered trademarks, which are the subject of the present
11 action. The basis of the motion is that certain determinations will be made by the
12 Trademark Office concerning the very same issues presented in this case, namely
13 whether EARTHGEAR is confusingly similar to EARTHLITE. The Trademark
14 Office is a much less expensive forum for the parties and may precipitate
15 settlement or at least offer the Court guidance or assistance in the future if the
16 case still cannot settle.
17

18 On January 24, 2006, upon learning of the commencement of the
19 cancellation proceedings, LifeGear's counsel requested a meet and confer
20 regarding its intention to move this Court for a stay and proposed 3:00 p.m. on
21 January 26, 2006 for the meet and confer. On January 25, 2006, Earthlite's
22 counsel responded by letter that the lead counsel will be unavailable on January
23 26 and 27, 2006, and would schedule a teleconference upon his return. Later that
24 day, Earthlite's counsel sent a second message stating that his client did not want
25 the present action stayed.
26

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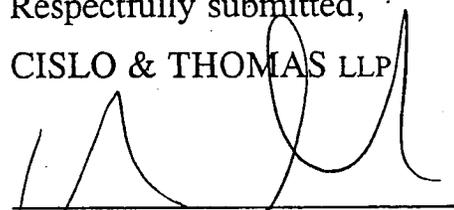
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CISLO & THOMAS LLP
Attorneys at Law
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TELEPHONE: (310) 451-0647
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1 On January 30, 2006, having not heard further from Earthlite, LifeGear
2 sent a letter to Earthlite requesting that the meet and confer take place no later
3 than 5:00 pm on January 31, 2006, and stating that if Earthlite did not respond,
4 LifeGear would interpret Earthlite's silence as its refusal to confer over the matter
5 any further or to consider any way the present motion could be avoided or
6 abbreviated.

7
8 This motion is based upon this Notice of Motion and Motion, the
9 accompanying Memorandum of Points and Authorities, the Declaration of Kelly
10 W. Cunningham submitted concurrently herewith, as well as all pleadings and
11 papers on file in this action, and upon such other evidence and argument as may
12 be presented by the parties as the Court may entertain at the time of the hearing.

13
14
15
16
17 Dated: February 3rd, 2006

Respectfully submitted,
CISLO & THOMAS LLP


Daniel M. Cislo, Esq.
Kelly W. Cunningham, Esq.

Attorneys for Defendant
LIFEGEAR, INC. d/b/a/ EARTHGEAR

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PROOF OF SERVICE

I am over the age of eighteen (18) years, employed in the County of Los Angeles, and not a party to the above-entitled action. My business address is 233 Wilshire Boulevard, Suite 900, Santa Monica, California 90401-1211.

On Friday, February 03, 2006, I served:

DEFENDANT LIFEGEAR, INC.'S NOTICE OF MOTION AND MOTION FOR STAY OF PROCEEDINGS PENDING THE CANCELLATION PROCEEDINGS INITIATED BY PLAINTIFF IN THE UNITED STATES TRADEMARK TRIAL AND APPEAL BOARD

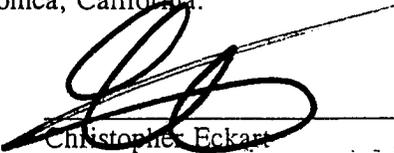
addressed as follows to:

Shawn D. Morris, Esq.
Will Lemkul, Esq.
MORRIS & SULLIVAN LLP
10680 Treena Street, Suite 100
San Diego, California 92131

- BY MAIL:** I am readily familiar with the Firm's practice of collecting and processing correspondence for mailing. Under that practice, it would be deposited with the United States Postal Service on the same day with a postage thereon fully prepaid at Santa Monica, California, in the ordinary course of business. I am aware that, on the motion of the party served, service is presumed invalid if the postal cancellation date or postage meter date is more than one (1) day after the date of deposit for mailing shown on this proof of service.
- BY FEDERAL EXPRESS/OVERNIGHT DELIVERY:** I caused a copy of such document to be sent via overnight delivery to the office(s) of the addressee(s) shown above.
- BY FACSIMILE:** I caused a copy of such document to be sent via facsimile machine to the office(s) of the addressee(s) at the phone number(s) shown above.
- BY PERSONAL SERVICE:** I caused such envelope to be delivered by hand to the person(s) identified above.

I declare, under penalty of perjury under the laws of the United States that the foregoing is true and that I am employed in the office of a member of the Bar of this Court at whose direction the service was made.

Executed on Friday, February 03, 2006, at Santa Monica, California.


Christopher Eckart

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B-0134

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8 Email: dancislo@cislo.com
9 kcunningham@cislo.com

10 Attorneys for Defendant
11 LIFEGEAR, INC. d/b/a/ EARTHGEAR

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IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF CALIFORNIA

EARTHLITE MASSAGE TABLES,
INC.,

Plaintiff,

vs.

LIFEGEAR, INC.,

Defendants.

CASE NO. 05 CV 0667 DMS (AJB)

MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
DEFENDANT LIFEGEAR, INC.'S
MOTION FOR STAY OF
PROCEEDINGS PENDING THE
CANCELLATION PROCEEDINGS
INITIATED BY PLAINTIFF IN
THE UNITED STATES
TRADEMARK TRIAL AND
APPEAL BOARD

Judge: Dana M. Sabraw
Courtroom 10, 2nd Fl.

Hearing Date: March 3, 2006
Hearing Time: 1:30 pm

Trial Date: December 18, 2006

AND RELATED COUNTERCLAIM

1 MEMORANDUM OF POINTS AND AUTHORITIES

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18 Present a Clear Tactical Disadvantage to Earthlite 6

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20 B. A Stay of the Instant Litigation Will Simplify the Issues and
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23 C. A Stay of the Instant Litigation is Appropriate as the Case Has
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CISLO & THOMAS LLP

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233 WILSHIRE BOULEVARD

SANTA MONICA, CALIFORNIA 90401-1211

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TABLE OF AUTHORITIES

CASES

1
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4 Aerotel, Ltd. v. IDT Corp. et al.,
5 2003 U.S. Dist. LEXIS 23340 (S.D. NY 2003) 6
6 ASCII Corporation v. STD Entertainment USA, Inc.,
7 844 F.Supp. 1378 (N.D. Cal. 1994) 6
8 Board of Education of the City School District of New York v. Harris,
9 622 F.2d 599 (2d Cir. 1979) 4
10 C-Cure Chemical Co., Inc. v. Secure Adhesives Corp.,
11 571 F. Supp. 808 (W.D.N.Y. 1983)..... 4
12 Citicasters Co. v. Country Club Communications,
13 44 U.S.P.Q. 2d 1223 (C.D. Cal. 1997) 4, 5
14 Driving Force, Inc. v. Manpower, Inc.,
15 498 F. Supp. 21 (E.D. Pa. 1980)..... 4
16 Lentek International, Inc. v. Sharper Image Corp.,
17 169 F.Supp.2d 1360 (M.D. Fla. 2001)..... 6
18 Leyva v. Certified Grocers of California, Ltd.,
19 593 F.2d 857 (9th Cir. 1979) 4
20 United States v. Western Pacific Railway Co.,
21 352 U.S. 59, 1 L.Ed. 2d 126, 77 S.Ct. 161 (1956) 4
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I. INTRODUCTION

Defendant LIFEGEAR, INC. ("LifeGear") owns the accused trademarks, and even obtained federal trademark registrations for these trademarks:

- U.S. Trademark Registration No. 2,693,944 for EARTHGEAR;
- U.S. Trademark Registration No. 2,822,462 for EARTHGEAR THERAPEUTIC INNOVATIONS and Hand Design (collectively, "the EARTHGEAR Trademarks;" Exhs.¹ 1, 2)

Plaintiff EARTHLITE MESSAGE TABLES, INC. ("Earthlite") alleges that the EARTHGEAR Trademarks infringe Earthlite's own federally registered trademarks:

- U.S. Trademark Registration No. 2,238,613 for EARTHLITE;
- U.S. Trademark Registration No. 2,508,704 for EARTHLITE WORLD'S #1 BRAND IN MASSAGE and Design (collectively, "the EARTHLITE Trademarks;" Exhs. 3, 4).

LifeGear first received a cease and desist letter from Earthlite concerning the EARTHGEAR Trademarks on August 4, 2003. (Exh. 5). LifeGear denied that its use of the EARTHGEAR Trademarks infringed any of Earthlite's

¹ All exhibit references in this memorandum refer to the exhibits attached to the Declaration of Kelly W. Cunningham ("Cunningham Declaration"), filed concurrently herewith.

1 trademark rights. (Exh. 6). Earthlite appeared to have conceded the point by
2 October 31, 2003 when it chose to drop its allegations for over a year and a half.
3 (Exh. 7).

4
5 Earthlite remained quiet until April 1, 2005 when it filed and served a
6 trademark infringement complaint initiating the present action. On November 3,
7 2005, however, Earthlite filed with the United States Trademark Trial and Appeal
8 Board ("TTAB") two petitions to cancel the EARTHGEAR Trademarks. (Exhs.
9 8, 9). The TTAB has now acted on Earthlite's petitions by commencing the
10 cancellation proceedings, setting all discovery and testimony periods. On
11 December 12, 2005, the TTAB mailed LifeGear the notice of the first of these
12 proceedings and deadlines, which is attached as Exh. 10 to the Cunningham
13 Declaration

14
15 Due to the holiday season, LifeGear's counsel did not learn of these
16 cancellation proceedings until January 20th and learned of the second of these
17 petitions (Exhs. 9 and 11) only through its own search of the TTAB records once
18 it learned of the first petition. LifeGear's counsel immediately filed LifeGear's
19 answers to both petitions to cancel, (Exhs. 12, 13), and the parties are presently
20 in the discovery phase in the first of the proceedings. The TTAB set a discovery
21 cutoff of June 30, 2006 for the first cancellation proceeding, and a first day of the
22 testimony period of September 26, 2006, if, of course, the parties themselves do
23 not resolve this matter beforehand.

24
25 On January 24, 2006, LifeGear's counsel requested a meet and confer
26 regarding its intention to move this Court for a stay (Exh. 14) and proposed
27 3:00 p.m. on January 26, 2006 for the meet and confer. (Exh. 15). On January
28 25, 2006, Earthlite's counsel responded by letter that the lead counsel will be

1 unavailable on January 26 and 27, 2006, and would schedule a teleconference
2 upon his return. (Exh. 16). Later that day, Earthlite's counsel sent a second
3 message stating that his client did not want the present action stayed. (Exh. 17).
4

5 On January 30, 2006, having not heard further from Earthlite, LifeGear
6 sent a letter to Earthlite requesting that the meet and confer take place no later
7 than 5:00 pm on January 31, 2006, and stating that if Earthlite did not respond,
8 LifeGear would interpret Earthlite's silence as its refusal to confer over the matter
9 any further or to consider any way the present motion could be avoided or
10 abbreviated. (Exh. 18). LifeGear again received no response from Earthlite.
11

12 LifeGear therefore prepared and filed the present motion requesting that the
13 present action be stayed pending the outcome of the cancellation proceedings. A
14 stay of the proceedings is warranted as the present action has just begun, neither
15 party has conducted any significant discovery or motion practice in this action,
16 and Earthlite will not be prejudiced by the delay, if any, caused by the stay.
17 More importantly, the TTAB's decision, whether in favor of canceling or
18 upholding the EARTHGEAR Trademarks, should greatly reduce the issues in this
19 action and may render some of these issues moot. Also, it is a less expensive
20 forum for the parties to address their dispute, may precipitate settlement, or
21 alternatively provide assistance to this Court after the TTAB proceedings.
22

23 **II. THE COURT HAS DISCRETION TO STAY AN ACTION**
24 **PENDING THE OUTCOME OF ANY PROCEEDING BEFORE THE**
25 **TRADEMARK TRIAL AND APPEAL BOARD**
26

27 Courts have long recognized as "axiomatic" that the TTAB has specialized
28 knowledge and experience in the determination of trademark registration and

1 infringement. C-Cure Chemical Co., Inc. v. Secure Adhesives Corp., 571 F.
2 Supp. 808, 823 (W.D.N.Y. 1983) (staying trademark infringement action pending
3 a final decision by the TTAB on Secure Adhesives' petition for cancellation of
4 C-Cure Chemical's trademark); Driving Force, Inc. v. Manpower, Inc., 498 F.
5 Supp. 21, 25 (E.D. Pa. 1980) (same, further noting that the TTAB "is better
6 equipped than are the courts to make an initial determination as to trademark
7 registration and infringement.").

8
9 Courts have therefore applied to TTAB decisions the doctrine of primary
10 jurisdiction. Primary jurisdiction comes into play whenever a claim requires "the
11 resolution of issues which, under a regulatory scheme, have been placed within
12 the special competence of an administrative body; in such a case the judicial
13 process is suspended pending referral of such issues to the administrative body for
14 its views." United States v. Western Pacific Railway Co., 352 U.S. 59, 64,
15 1 L.Ed. 2d 126, 77 S.Ct. 161 (1956). The district court in C-Cure Chemical, in
16 applying the primary jurisdiction doctrine to grant the motion to stay in favor of
17 the concurrent TTAB cancellation proceeding, stated that it was "guided in this
18 situation by a desire for uniformity of regulation and the need for initial
19 consideration by a body possessing special expertise in the issue presented."
20 C-Cure Chemical, 571 F. Supp. at 823 (citing, Board of Education of the City
21 School District of New York v. Harris, 622 F.2d 599, 607 (2d Cir. 1979)).

22
23 Additionally, the Ninth Circuit has long wide latitude to district courts to
24 order a stay of proceedings pursuant to its power to control its docket and
25 calendar and to provide for a just determination of the cases pending before it.
26 Leyva v. Certified Grocers of California, Ltd., 593 F.2d 857, 864 (9th Cir.
27 1979). A California district court in Citicasters Co. v. Country Club
28 Communications, 44 U.S.P.Q. 2d 1223, 1224 (C.D. Cal. 1997) cited Leyva in

1 exercising its discretion to similarly stay proceedings pending a concurrent
2 trademark cancellation proceeding before the TTAB. Id., at 1224.

3
4 The Citicasters decision is particularly instructive in that the district court in
5 that case surveyed a number of primary jurisdiction decisions and concluded that
6 they support the courts exercise of discretion to stay the action. The court also
7 acknowledged that the latitude afforded district courts to exercise their discretion
8 to stay the proceedings applies whether the separate proceedings are judicial,
9 administrative, or arbitral in character, id. at 1224, as well as whether or not the
10 administrative body's decision is binding or controlling on the court's decision or
11 even whether or not the parallel decision creates presumptions that affect the
12 court's decision. Id., at 1224.

13
14 Ultimately, the Citicasters court concluded that the TTAB determination
15 would exercise its specialized knowledge in effecting a likelihood of confusion
16 determination that will prove valuable to the court and based thereon granted the
17 defendant's motion to stay proceedings. Similarly, this Court should stay the
18 present action pending the final determination by TTAB on Earthlite's two
19 petitions to cancel LifeGear's trademarks as such determinations will effectively
20 resolve or render moot these decisions before this Court.

21
22 **III. THE COURT SHOULD STAY THE INSTANT**
23 **PROCEEDINGS PENDING THE OUTCOME OF THE**
24 **CANCELLATION PROCEEDING**

25
26 In determining whether to grant a stay, a court should consider: (1) whether
27 a stay would unduly prejudice or present a clear tactical disadvantage to the non-
28 moving party; (2) whether a stay will simplify the issues in question and trial of

1 the case; and (3) how far the litigation has already progressed. Aerotel, Ltd. v.
2 IDT Corp. et al., 2003 U.S. Dist. LEXIS 23340 at *2 (S.D. NY 2003); see also,
3 Lentek International, Inc. v. Sharper Image Corp., 169 F.Supp.2d 1360, 1362
4 (M.D. Fla. 2001); ASCII Corporation v. STD Entertainment USA, Inc., 844
5 F.Supp. 1378, 1380 (N.D. Cal. 1994).

6
7 **A. A Stay of these Proceedings Will Not Unduly Prejudice**
8 **or Present a Clear Tactical Disadvantage to Earthlite**

9
10 A stay of these proceedings will not unduly prejudice or present any tactical
11 disadvantage to Earthlite, as the cancellation proceedings get to the heart of much
12 of the issues and any determinations by the TTAB will have a bearing on this
13 action. Moreover, it was Earthlite who filed the petitions with the TTAB thereby
14 bringing upon itself these concurrent and largely redundant proceedings.
15 Therefore, any prejudice, if any, caused by a stay of the present action would not
16 be unduly prejudicial since it was brought on by Earthlite itself. Earthlite should
17 have no reason to complain of this Court staying the present action in favor of the
18 parallel proceedings Earthlite itself initiated in the TTAB.

19
20 Additionally, neither party has conducted any significant discovery or
21 motion practice reaching the merits of the claims. Therefore, Earthlite has not
22 incurred any significant expenditure of time and resources in this action.

23
24 In fact, a stay of the action will likely work to Earthlite's advantage, since
25 if this action is allowed to proceed in this Court concurrently with the cancellation
26 proceedings before the TTAB, Earthlite would undoubtedly incur substantial
27 duplication of efforts in discovery, motion practice, and trial. In addition, if this
28

1 action moves forward at the same time as the cancellation proceedings, there
2 would be a risk (however small) of inconsistent findings.

3
4 **B. A Stay of the Instant Litigation Will Simplify the Issues and Trial**

5
6 A stay of this action will simplify the issues for trial by allowing the TTAB
7 to first adjudicate the cancellation proceedings and resolve numerous issues before
8 any further proceedings in the present action. Should the TTAB find in favor of
9 Earthlite and cancel the EARTHGEAR Trademarks, such a finding would be
10 persuasive in rendering much of this case moot. Alternatively, if the TTAB finds
11 in favor of LifeGear and again upholds the EARTHGEAR Trademarks, such a
12 finding would likewise be persuasive in rendering much of this case moot. Thus,
13 in either case, this TTAB decision would likely resolve essentially all of the
14 present action and help avoid the need to pursue further litigation before this
15 Court.

16
17 **C. A Stay of the Instant Litigation is Appropriate**
18 **as the Case Has Just Begun**

19
20 As stated above, both parties are still in the early stages of litigation.
21 Neither party has conducted significant discovery or motion practice, and this
22 Court has not yet had to delve into the substantive issues involved in this action.
23 In other words, neither party has invested substantial expense or time in
24 prosecuting or defending this action. Thus, there are no factors present that
25 would militate against granting a stay.

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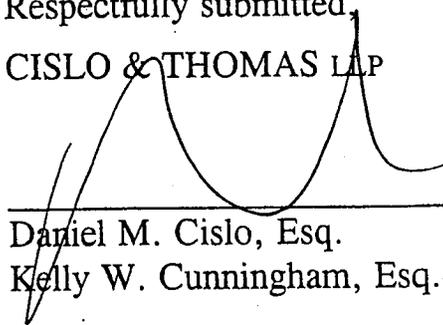
IV. CONCLUSION

LifeGear therefore requests that the instant litigation be stayed pending the outcome of the cancellation proceedings pending before the TTAB. A stay of the proceedings is warranted as this litigation has just begun, and the parties have not yet had to devote significant time and effort into discovery has taken place, no motion practice reaching the merits of the claims has yet been incurred by either party, and Earthlite will not be unduly prejudiced by the delay, especially in light of the fact that it was Earthlite itself that initiated the parallel cancellation proceedings before the TTAB and should not have reason to complain of a stay here. More importantly, the TTAB decision would likely resolve or render moot several issues for the Court in the present action, especially in light of strong potential of the parties settling this matter before having return to this Court.

Respectfully submitted,
CISLO & THOMAS LLP

Dated: February 3rd, 2006

By:



Daniel M. Cislo, Esq.
Kelly W. Cunningham, Esq.

Attorneys for Defendant
LIFEGEAR, INC. d/b/a/ EARTHGEAR

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PROOF OF SERVICE

I am over the age of eighteen (18) years, employed in the County of Los Angeles, and not a party to the above-entitled action. My business address is 233 Wilshire Boulevard, Suite 900, Santa Monica, California 90401-1211.

On Friday, February 03, 2006, I served:

**MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF
DEFENDANT LIFEGEAR, INC.'S MOTION FOR STAY OF PROCEEDINGS
PENDING THE CANCELLATION PROCEEDINGS INITIATED BY PLAINTIFF
IN THE UNITED STATES TRADEMARK TRIAL AND APPEAL BOARD**

addressed as follows to:

Shawn D. Morris, Esq.
Will Lemkul, Esq.
MORRIS & SULLIVAN LLP
10680 Treena Street, Suite 100
San Diego, California 92131

BY MAIL: I am readily familiar with the Firm's practice of collecting and processing correspondence for mailing. Under that practice, it would be deposited with the United States Postal Service on the same day with a postage thereon fully prepaid at Santa Monica, California, in the ordinary course of business. I am aware that, on the motion of the party served, service is presumed invalid if the postal cancellation date or postage meter date is more than one (1) day after the date of deposit for mailing shown on this proof of service.

BY FEDERAL EXPRESS/OVERNIGHT DELIVERY: I caused a copy of such document to be sent via overnight delivery to the office(s) of the addressee(s) shown above.

BY FACSIMILE: I caused a copy of such document to be sent via facsimile machine to the office(s) of the addressee(s) at the phone number(s) shown above.

BY PERSONAL SERVICE: I caused such envelope to be delivered by hand to the person(s) identified above.

I declare, under penalty of perjury under the laws of the United States that the foregoing is true and that I am employed in the office of a member of the Bar of this Court at whose direction the service was made.

Executed on Friday, February 03, 2006, at Santa Monica, California.



Christopher Eckart

B0134

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6 Attorneys for Defendant
 7 LIFEGEAR, INC.

8 **UNITED STATES DISTRICT COURT**
 9 **SOUTHERN DISTRICT OF CALIFORNIA**

10 EARTHLITE MESSAGE TABLES,
 11 INC., a California corporation,

12 Plaintiff,

13 vs.

14 LIFEGEAR, INC., a New Jersey
 15 corporation, d/b/a EARTHGEAR;
 DOES 1 through 100, inclusive,

16 Defendants.

17 _____
 18 LIFEGEAR, INC., a New Jersey
 19 corporation, d/b/a EARTHGEAR,

20 Counterclaimant,

21 vs.

22 EARTHLITE MESSAGE TABLES,
 23 INC., a California corporation; and
 DOES 1 through 9, inclusive,

24 Counter-Defendants.
 25 _____
 26
 27
 28

CASE NO. 05 CV 0667 DMS (AJB)

**DEFENDANT'S ANSWER TO THE
 FIRST AMENDED COMPLAINT;
 COUNTERCLAIMS; AND**

DEMAND FOR JURY TRIAL

1 For its Answer to the First Amended Complaint filed by Plaintiff/Counter-
2 defendant EARTHLITE MASSAGE TABLES, INC. ("Earthlite"), Defendant/
3 Counterclaimant LIFEGEAR, INC. d/b/a/ EARTHGEAR ("Earthgear") states as
4 follows:

5
6 **JURISDICTION AND VENUE**
7

8 1. Earthgear denies that 28 U.S.C. § 1332 or the common law doctrines
9 of pendent and ancillary jurisdiction provide subject matter jurisdiction over any
10 of the claims of this action. Earthgear admits the remaining allegations of
11 paragraph 1.

12
13 2. Earthgear is without sufficient knowledge or information to
14 form a belief as to the truth of the allegations therein and on that basis denies
15 paragraph 2.

16
17 **PARTIES AND PERSONAL JURISDICTION**
18

19 3. Earthgear lacks sufficient information to form a belief as to the truth
20 of the allegations in paragraph 3 and on this basis denies these allegations.

21
22 4. Earthgear denies that it has committed "importation, distribution,
23 advertisement, sale and/or offer for sale of goods, and the acts of infringement
24 and other wrongful acts alleged in this complaint." Earthgear admits the
25 remaining allegations in paragraph 4.

26
27 5. Earthgear lacks sufficient information to form a belief as to the truth
28 of the allegations in paragraph 5 and on this basis denies these allegations.

NATURE OF THE DISPUTE

1
2
3 6. Earthgear denies that the term "EARTHLITE" is distinctive, and
4 denies that a copy of a federal trademark registration was attached to the
5 complaint. Earthgear readily admits that EARTHLITE and Earth Design
6 trademark was federally registered under United States Trademark Registration
7 No. 2,238,613. Earthgear lacks sufficient information to form a belief as to the
8 truth of the remaining allegations in paragraph 6 and on this basis denies these
9 remaining allegations.

10
11 7. Earthgear denies that the term "EARTHLITE" is distinctive, and
12 denies that copies of United States Trademark Application Serial Nos. 78/523,287
13 and 78/523,286 were attached to the amended complaint. Earthgear lacks
14 sufficient information to form a belief as to the truth of the remaining allegations
15 in paragraph 7 and on this basis denies these remaining allegations.

16
17 8. Earthgear lacks sufficient information to form a belief as to the truth
18 of the allegations in paragraph 8 and on this basis denies these allegations.

19
20 9. Earthgear lacks sufficient information to form a belief as to the truth
21 of the allegations in paragraph 9 and on this basis denies these allegations.

22
23 10. Earthgear denies that the designs included in the EARTHLITE
24 Trademarks are distinctive and arbitrary. Earthgear lacks sufficient information
25 to form a belief as to the truth of the remaining allegations in paragraph 10 and on
26 this basis denies these remaining allegations.

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1 11. Earthgear lacks sufficient information to form a belief as to the truth
2 of the allegations in paragraph 11 and on this basis denies these allegations.

3
4 12. Earthgear lacks sufficient information to form a belief as to the truth
5 of the allegations in paragraph 12 and on this basis denies these allegations.

6
7 13. Earthgear lacks sufficient information to form a belief as to the truth
8 of the allegations in paragraph 13 and on this basis denies these allegations.

9
10 14. Earthgear lacks sufficient information to form a belief as to the truth
11 of the allegations in paragraph 14 and on this basis denies these allegations.

12
13 15. Earthgear readily admits that a poor facsimile copy of the type of
14 mark utilized by Earthgear is attached to the amended complaint. Earthgear
15 denies the remaining allegations of paragraph 15 of the amended complaint.

16
17 16. Earthgear readily admits that it received a single cease and desist
18 letter from Earthlite. Earthgear responded to the cease and desist letter, and
19 Earthlite elected not to further pursue its allegations. Earthgear denies the
20 remaining allegations of paragraph 16 of the amended complaint.

21
22 17. Earthgear readily admits that it continues to use its EARTHGEAR
23 trademark. Earthgear denies the remaining allegations of paragraph 17 of the
24 amended complaint.

25
26 18. Earthgear denies that its logo is an "earth-like" logo. Earthgear
27 readily admits the remaining allegations of paragraph 18 of the amended
28 complaint.

1 19. Earthgear denies the allegations of paragraph 19 of the amended
2 complaint.

3
4 20. Earthgear lacks sufficient information to form a belief as to the truth
5 of the allegations in paragraph 20 and on this basis denies these allegations.

6
7 **FIRST CLAIM FOR RELIEF**
8

9 21. In response to paragraph 21 of the amended complaint, Earthgear
10 incorporates its foregoing answers to paragraphs 1 through 20 of the amended
11 complaint.

12
13 22. Earthgear lacks sufficient information to form a belief as to the truth
14 of the allegations in paragraph 22 and on this basis denies these allegations.

15
16 23. Earthgear denies the allegations of paragraph 23 of the amended
17 complaint.

18
19 24. Earthgear denies the allegations of paragraph 24 of the amended
20 complaint.

21
22 25. Earthgear denies the allegations of paragraph 25 of the amended
23 complaint.

24
25 26. Earthgear denies the allegations of paragraph 26 of the amended
26 complaint.

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27. Earthgear denies the allegations of paragraph 27 of the amended complaint.

28. Earthgear denies the allegations of paragraph 28 of the amended complaint.

SECOND CLAIM FOR RELIEF

29. In response to paragraph 29 of the amended complaint, Earthgear incorporates its foregoing answers to paragraphs 1 through 28 of the amended complaint.

30. Earthgear lacks sufficient information to form a belief as to the truth of the allegations in paragraph 30 and on this basis denies these allegations.

31. Earthgear lacks sufficient information to form a belief as to the truth of the allegations in paragraph 31 and on this basis denies these allegations.

32. Earthgear denies the allegations of paragraph 32 of the amended complaint.

33. Earthgear denies the allegations of paragraph 33 of the amended complaint.

34. Earthgear denies the allegations of paragraph 34 of the amended complaint.

1 35. Earthgear denies the allegations of paragraph 35 of the amended
2 complaint.

3

4 36. Earthgear denies the allegations of paragraph 36 of the amended
5 complaint.

6

7

THIRD CLAIM FOR RELIEF

8

9 37. In response to paragraph 37 of the amended complaint, Earthgear
10 incorporates its foregoing answers to paragraphs 1 through 36 of the amended
11 complaint.

12

13 38. Earthgear denies the allegations of paragraph 38 of the amended
14 complaint.

15

16 39. Earthgear denies the allegations of paragraph 39 of the amended
17 complaint.

18

19 40. Earthgear denies the allegations of paragraph 40 of the amended
20 complaint.

21

22

FOURTH CLAIM FOR RELIEF

23

24 41. In response to paragraph 41 of the amended complaint, Earthgear
25 incorporates its foregoing answers to paragraphs 1 through 40 of the amended
26 complaint.

27

28

1 42. Earthgear denies the allegations of paragraph 42 of the amended
2 complaint.

3
4 43. Earthgear denies the allegations of paragraph 43 of the amended
5 complaint.

6
7 44. Earthgear denies the allegations of paragraph 44 of the amended
8 complaint.

9
10 **FIRST AFFIRMATIVE DEFENSE**

11
12 1. Earthlite's amended complaint, and each claim for relief therein, fails
13 to state a cause of action against Earthgear.

14
15 **SECOND AFFIRMATIVE DEFENSE**

16
17 2. Earthlite's claims are barred by the doctrine of laches.

18
19 **THIRD AFFIRMATIVE DEFENSE**

20
21 3. Earthlite's claims are barred by the doctrine of acquiescence.

22
23 **FOURTH AFFIRMATIVE DEFENSE**

24
25 4. Earthlite's claims are barred by the doctrine of waiver.
26
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FIFTH AFFIRMATIVE DEFENSE

5. Earthlite's claims are barred by the doctrine of estoppel.

SIXTH AFFIRMATIVE DEFENSE

6. Earthgear's use of its EARTHGEAR trademark has not caused, and is not likely to cause, confusion among the customers and potential customers as to the source of origin, endorsement, approval, or sponsorship of its products.

SEVENTH AFFIRMATIVE DEFENSE

7. Earthgear is protected by the privileges of free competition.

EIGHTH AFFIRMATIVE DEFENSE

8. Earthgear at all times acted in good faith.

NINTH AFFIRMATIVE DEFENSE

9. Earthlite failed to mitigate or minimize damages, if there were any, in that Earthlite failed to properly maintain, or otherwise conduct its activities, and otherwise failed to take adequate measures to minimize Earthlite's purported harm, if any.

///
///
///

PRAAYER FOR RELIEF

Earthgear hereby prays:

A. That the amended complaint be dismissed with prejudice in its entirety;

B. That judgment be entered in favor of Earthgear in the amended complaint;

C. That this Court issue an Order declaring that Earthgear does not infringe any trademark rights asserted by Earthlite;

D. That this Court order the Commissioner for Trademarks pursuant to 15 U.S.C. § 1119 to cancel Earthlite's United States Federal Trademark Registration Nos. 2,238,613 and 2,508,704;

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///

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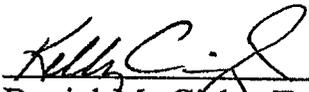
1 E. That Earthgear be awarded its attorneys' fees and costs incurred in
2 defending this action; and
3

4 F. That this Court order such other and further relief as the Court may
5 deem just and equitable under the circumstances.
6

7 Respectfully submitted,
8 CISLO & THOMAS LLP
9

10 Dated: June 8, 2005

11 By:


12 Daniel M. Cislo, Esq.
13 Kelly W. Cunningham, Esq.

14 Attorneys for Defendant/Counterclaimant
15 LIFEGEAR, INC.
16 d/b/a/ EARTHGEAR
17

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1 DEMAND FOR JURY TRIAL

2
3 Defendant/Counterclaimant LIFEGEAR, INC. d/b/a EARTHGEAR hereby
4 demands a trial by jury as provided by Rule 38(a) of the Federal Rules of Civil
5 Procedure and by the Local Rules of this Court.
6

7 Respectfully submitted,
8 CISLO & THOMAS LLP

9
10 Dated: June 8, 2005

By:


Daniel M. Cislø, Esq.
Kelly W. Cunningham, Esq.

11
12 Attorneys for Defendant/Counterclaimant
13 LIFEGEAR, INC.
14 d/b/a EARTHGEAR
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3 **VERIFICATION**
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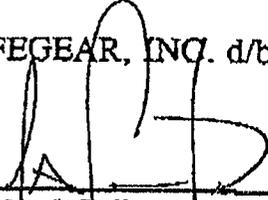
5 I have read the foregoing document, DEFENDANT EARTHGEAR'S
6 ANSWER TO FIRST AMENDED COMPLAINT; COUNTERCLAIMS; AND
7 DEMAND FOR JURY TRIAL, and know its contents.

8 I am President of LIFEGEAR, INC. d/b/a/ EARTHGEAR, the Defendant
9 in this action, and am authorized to make this verification for and on its behalf,
10 and I make this verification for that reason.

11 I hereby verify that the statements of fact in the foregoing document are
12 true of my own knowledge, except as to those statements made upon information
13 and belief, and as to those statements, I believe them to be true.

14
15 I declare under penalty of perjury that the foregoing is true and correct.
16 Executed this 07 day of June, 2005 at El Monte, California.

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18 LIFEGEAR, INC. d/b/a/ EARTHGEAR

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21 _____
22 Michael Callara, Managing Director

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PROOF OF SERVICE

I am over the age of eighteen (18) years, employed in the State of California, and not a party to the above-entitled action. My business address is 233 Wilshire Boulevard, Suite 900, Santa Monica, California 90401-1211.

On Wednesday, June 08, 2005, I served:

**DEFENDANT'S ANSWER TO THE FIRST AMENDED COMPLAINT;
COUNTERCLAIMS; AND DEMAND FOR JURY TRIAL**

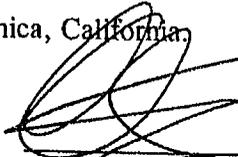
addressed as follows to:

Shawn D. Morris, Esq.
Will Lemkul, Esq.
MORRIS & SULLIVAN LLP
10680 Trenea Street, Suite 100
San Diego, California 92131

- BY MAIL:** I am readily familiar with the Firm's practice of collecting and processing correspondence for mailing. Under that practice, it would be deposited with the United States Postal Service on the same day with a postage thereon fully prepaid at Santa Monica, California, in the ordinary course of business. I am aware that, on the motion of the party served, service is presumed invalid if the postal cancellation date or postage meter date is more than one (1) day after the date of deposit for mailing shown on this proof of service.
- BY FEDERAL EXPRESS/OVERNIGHT DELIVERY:** I caused a copy of such document to be sent via overnight delivery to the office(s) of the addressee(s) shown above.
- BY FACSIMILE:** I caused a copy of such document to be sent via facsimile machine to the office(s) of the addressee(s) at the phone number(s) shown above.
- BY PERSONAL SERVICE:** I caused such envelope to be delivered by hand to the person(s) identified above.

I declare, under penalty of perjury under the laws of the United States that the foregoing is true and that I am employed in the office of a member of the Bar of this Court at whose direction the service was made.

Executed on Wednesday, June 08, 2005, at Santa Monica, California,



Christopher Eckart