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

|                        |  |
|------------------------|--|
| Proceeding             | 92047819   |
| Party                  | Defendant<br>Powder  |
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| Submission             | Opposition/Response to Motion  |
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| Date                   | 05/27/2008   |
| Attachments            | Stuart v Wexler 92047819 TTAB Reply to Motion 052708.pdf ( 6 pages )(250217 bytes )  |

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

5 In the matter of trademark Cancellation No. 92/047,819  
6 For the mark POWDER + Design  
7 Registration No. 2,843,001

8 PAUL STUART INC.,  
9  
10 Petitioner,

11 vs.

12 GRACE WEXLER (by Assignment),  
13  
14 Registrant.

Cancellation No. 92047819

REPLY TO PETITIONER'S MOTION  
FOR LEAVE TO AMEND ITS PETITION  
TO CANCEL AND TO SUSPEND  
FURTHER PROCEEDINGS

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**Reply to Petitioner's Motion for Leave to Amend  
Its Petition to Cancel and to Suspend Further Proceedings**

In Petitioner's Motion for Leave to Amend Its Petition to Cancel and to Suspend Further Proceedings, Petitioner Paul Stuart Inc. ("Petitioner") argued that that it should be granted leave to amend its petition to cancel on two grounds: 1) Registrant Grace Wexler ("Registrant") obtained Registration No. 2,843,001 for the mark POWDER + Design fraudulently because Registrant was allegedly not using the mark for swimwear at the time the application for registration was filed and the registration was obtained, and 2) Registrant committed fraud on the U.S. Patent and Trademark Office ("PTO") in Registrant's Response to Order to Show Cause Why Default Should Not be Entered and Reply in Support of Response to Order to Show Cause Why Default Should Not be Entered.

With respect to Petitioner's first ground for seeking to amend its Petition to Cancel, Petitioner argues that Registrant "admitted that it was not using the subject mark in connection

REPLY TO PETITIONER'S MOTION FOR LEAVE TO  
AMEND ITS PETITION TO CANCEL AND TO  
SUSPEND FURTHER PROCEEDINGS - 1

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1 with ‘swimwear’” in Registrant’s Response to Order to Show Cause. Petitioner is wrong.  
2 Petitioner’s theory improperly construes Paragraph 8 of the Declaration of Grace Wexler in  
3 Support of Response to Order to Show Cause (“Wexler Declaration”), which states that “[t]he  
4 POWDER & Design mark is used on all of the clothing items listed in the registration, except  
5 swimwear. Our swimwear line will be launched in 2008.” This paragraph of the Wexler  
6 Declaration truthfully and properly states that the POWDER + Design mark was not being used  
7 by Registrant in connection with swimwear at the time of the Wexler Declaration, and that  
8 Registrant had plans to launch a fully scaled-up line of swimwear in 2008. Registrant was thus  
9 indicating a present plan to resume use of the mark on swimwear.  
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11 Further, Registrant was using the mark in connection with swimwear upon filing for  
12 registration of the POWDER + Design mark and through the date of registration of the mark,  
13 and the Wexler Declaration does not state otherwise. *See* Application Serial No. 78/200,085  
14 (POWDER + Design). The statement in Paragraph 8 the Wexler Declaration is merely an  
15 indication of use contemporaneous with the Declaration, and does not nullify Registrant’s prior  
16 uses of the mark in connection with swimwear. Thus, Petitioner’s first ground for amendment  
17 of its Petition to Cancel is baseless.  
18

19 Petitioner’s second ground for seeking to amend its Petition to Cancel is improper and  
20 meritless. The basis for Petitioner’s argument is an allegation that Registrant had notice of the  
21 Petition to Cancel, and an allegation that Registrant lied about not receiving notice in  
22 Registrant’s Response to Order to Show Cause Why Default Should Not be Entered and Reply  
23 in Support of Response to Order to Show Cause Why Default Should Not be Entered.  
24 Petitioner already presented similar arguments before the Trademark Trial & Appeal Board and  
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26

1 lost. Petitioner is now improperly attempting to revive these same allegations under a different  
2 theory.

3           Petitioner alleges that “Registrant had notice of the proceeding” because Registrant’s  
4 former attorney was communicating with Petitioner’s counsel and representing that he was in  
5 contact with Registrant. However, as explained in Registrant’s Reply in Support of Response to  
6 Order to Show Cause Why Default Should Not be Entered, Registrant did not have notice of the  
7 Petition to Cancel because her then-attorney failed to inform her of the petition until after the  
8 Trademark Trial & Appeal Board issued the Notice of Default. *See* Declaration of Grace  
9 Wexler in Support of Response to Order to Show Cause, ¶ 5. Registrant should not be harmed  
10 by her former attorney’s actions because she had no knowledge of the Petition to Cancel until  
11 after the Notice of Default was issued. Registrant’s former attorney’s statements and inaction  
12 with respect to the Petition to Cancel should not be imputed to Registrant when she neither  
13 authorized nor knew of the statements or inaction. This issue has already been decided. The  
14 Trademark Trial & Appeal Board has also already decided it was going to hear this case on the  
15 merits.  
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18           Further, this is an improperly-alleged basis for cancellation of Registrant’s mark.  
19 Registrations may be cancelled at any time when the registration “*was obtained fraudulently.*”  
20 15 U.S.C. § 1064 (emphasis added).  
21

22                           A registration can be cancelled at any time if the  
23 registration *was fraudulently obtained*. One who petitions to  
24 cancel a registration on the basis of fraud has a “heavy  
25 burden of proof” to prove *fraud in the procuring of a*  
26 *trademark registration*. It is clear that fraud made in the  
original application papers, and in an affidavit accompanying  
an application for renewal, relates to fraudulently “obtaining”  
a registration, and is grounds for cancellation at any time. It

1 is relatively clear that fraud made in affidavits under §§ 8 and  
2 9, to continue a registration, also constitutes fraud in  
3 “obtaining” a registration sufficient for cancellation. Fraud  
4 made in a § 15 affidavit to obtain incontestability status  
5 would seem not to go to the continuance of the registration  
6 itself and hence would not constitute a ground for  
7 cancellation of the registration. Some decisions have held,  
8 however, that it does justify cancellation.

9 3 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 20:58, 125 (4<sup>th</sup> ed.  
10 2008) (cases and other support cited) (emphasis added). As shown above, fraud before the PTO  
11 in the procurement of a trademark registration is grounds for cancelling a registration. Here,  
12 Petitioner alleges not that Registrant was fraudulent in procuring her registration, but that  
13 Registrant was fraudulent during these proceedings. This amounts to a bootstrapped argument -  
14 an attempt to explore the veracity of statements made during this Cancellation Proceeding as a  
15 new ground for pursuing the proceeding in the first place. Such arguments are misplaced, and  
16 have nothing to do with Registrant’s procurement of her registration. Because this allegation is  
17 meritless and because the issue has already been decided, Petitioner should not be granted leave  
18 to amend its Petition to Cancel on the ground that the Registrant committed fraud in avoiding  
19 the entry of default judgment. *See Hartz & Co., Inc. v. Oliver Twist Bernd Freier GmbH*, 1999  
20 TTAB LEXIS 551 (T.T.A.B. 1999) (citing *Klamoth-Lake Pharma. Assoc. v. Klamoth Med.*  
21 *Serv. Bureau*, 701 F.2d 1276 (9<sup>th</sup> Cir. 1983)) (“[I]f a proposed amendment seeks to add a claim  
22 or defense which is obviously insufficient under the law, the Board will deny the motion.”).

23 Petitioner’s Motion for Leave to Amend its Petition to Cancel and to Suspend Further  
24 Proceedings should be denied because its first ground for amendment (that Registrant  
25 committed fraud because she allegedly was not using her POWDER + Design mark at the time  
26 of filing her application and obtaining her registration) is baseless. Further, Petitioner’s second

1 ground for amendment (that Registrant committed fraud in responding to the Order to Show  
2 Cause Why Default Should Not be Entered) is meritless, has already been decided, and would  
3 be an improper ground for cancellation. For the foregoing reasons, Registrant would be  
4 prejudiced if Petitioner were granted leave to amend its Petition to Cancel on the purported  
5 grounds.  
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7  
8 Respectfully submitted this 27<sup>th</sup> day of May, 2008.

9 Respectfully submitted,

10 SCHWABE, WILLIAMSON & WYATT, P.C.

11  
12 /Yvonne E. Tingleaf/

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19 Attorneys for Registrant  
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1 **CERTIFICATE OF SERVICE**

2 On May 27, 2008, I caused a true copy of Registrant's REPLY TO  
3 PETITIONER'S MOTION FOR LEAVE TO AMEND ITS PETITION TO CANCEL  
4 AND TO SUSPEND FURTHER PROCEEDINGS to be served via U.S. First Class Mail,  
with postage thereon fully prepaid, to the following counsel of record:

5 Paul Fields  
6 Abigail Rubinstein  
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9 Attorneys for Petitioner,  
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