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

| | |
|------------------------|--|
| Proceeding | 91169226 |
| Party | Plaintiff Arcadia Group Brands Ltd |
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| Submission | Answer to Counterclaim |
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| Signature | /s/ |
| Date | 11/17/2010 |
| Attachments | Arcadia's Reply To Counterclaims - Nov. 17, 2010.pdf (8 pages)(319990 bytes) |

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

| | | |
|----------------------------|---|-----------------------------|
| Arcadia Group Brands Ltd., |) | |
| |) | |
| Opposer/Petitioner, |) | Opposition No. 91-169,226 |
| |) | |
| v. |) | Cancellation No. 92-049,146 |
| |) | |
| Studio Moderna SA, |) | (as consolidated) |
| |) | |
| Applicant/Registrant. |) | |
| |) | |
| Studio Moderna SA., |) | |
| |) | |
| Counterclaimant, |) | |
| |) | |
| v. |) | |
| |) | |
| Arcadia Group Brands Ltd., |) | |
| |) | |
| Respondent. |) | |
| |) | |
| |) | |

REPLY TO COUNTERCLAIMS

Opposer/Petitioner-Respondent Arcadia Group Brands Ltd. ("Arcadia"), by and through its undersigned counsel, for its Reply to Applicant/Registrant-Counterclaimant Studio Moderna SA's ("Studio Moderna") counterclaims, states as follows:

Counterclaim No. 24

Applicant-Counterclaimant Studio Moderna SA ("Applicant"), a company organized and existing under the laws of Switzerland and having a place of business in Lugano, Switzerland, is a major retailer that does business in many countries throughout the world selling various consumer products in more than 100 physical stores, on television and on the Internet. Applicant owns trademark registrations covering its TOP SHOP and TOP SHOP TV trademarks in more than 44 countries, including, *inter alia*, the European Community, the United States, and Switzerland.

Answer No. 24

Arcadia admits that Studio Moderna is a retail company organized and existing under the laws of Switzerland. Arcadia denies that Studio Moderna is a "major retailer," denies that Studio Moderna owns trademark registrations for TOP SHOP in the United States, denies that Studio Moderna's trademark registration for TOP SHOP TV in the United States is valid, and lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations of Paragraph No. 24. To the extent that Studio Moderna incorporates Paragraphs Nos. 1 through 23 into its counterclaim, Arcadia denies those allegations as well.

Counterclaim No. 25

Applicant is the owner of U.S. Registration No. 3,389,652, the application for which was filed October 14, 2002 and issued February 26, 2008, for the mark TOP SHOP TV for "on-line retail services in the field of general consumer merchandise" in International Class 35. This registration is the subject of Cancellation No. 92049146, initiated by Arcadia Group Brands Ltd. ("Arcadia" or Registrant").

Answer No. 25

Admitted.

Counterclaim No. 26

Applicant is the owner of U.S. Application Serial No. 78/239,078, filed April 17, 2003, for the mark TOP SHOP TV (and design) for goods and services in Classes 10, 20, 24, 35 and 41. This application was published for opposition on August 23, 2005 and is the subject of Opposition No. 91169226, initiated by Arcadia.

Answer No. 26

Admitted.

Counterclaim No. 27

Applicant is the owner of U.S. Application Serial No. 79/054,176, filed November 2, 2007, for the mark TOP SHOP for services in Classes 38 and 39. This application was published for opposition on March 17, 2009 and is the subject of Opposition No. 91191087, initiated by Arcadia.

Answer No. 27

Admitted.

Counterclaim No. 28

Applicant is the owner of U.S. Application Serial No. 77/975,980, filed February 25, 2008, for the mark TOP SHOP TV for services in Classes 38 and 41. This application was published for opposition on March 3, 2009 and is the subject of Opposition No. 91190739, initiated by Arcadia.

Answer No. 28

Admitted.

Arcadia and Nevada Apparel's TOPSHOP Mark

Counterclaim No. 29

On December 2, 2002, a company called Nevada Apparel Corp. ("Nevada Apparel") filed Application Serial No. 78/190,311 under Section 1(b) of the Lanham Act to register the mark TOPSHOP in Class 25 ("Nevada Apparel ITU Application").

Answer No. 29

Admitted.

Counterclaim No. 30

On October 31, 2005, Arcadia filed a Notice of Opposition against the Nevada Apparel ITU Application. On May 24, 2006, Nevada Apparel filed a Complaint for unfair competition against Arcadia in the U.S. District Court for the Southern District of New York ("New York Lawsuit")

Answer No. 30

Arcadia admits that it filed a Notice of Opposition to Nevada Apparel's ITU Application on October 31, 2005 and that Nevada Apparel subsequently filed a complaint, the allegations of which speak for themselves, in the U.S. District Court for the Southern District of New York. Arcadia otherwise denies the allegations of Paragraph No. 30.

Counterclaim No. 31

Thereafter: (a) on August 28, 2006, Arcadia entered into an Assignment with Nevada Apparel purporting to assign the Nevada Apparel ITU Application and the goodwill associated therewith; (b) on August 29, 2006, Arcadia filed a Stipulation of Withdrawal of Arcadia's Opposition to Nevada Apparel ITU Application wherein Arcadia and Nevada Apparel stipulated to such withdrawal "with all right, title and interest in and to the subject application, and to the mark set forth in the application, and the goodwill associated therewith, being concurrently assigned by" Nevada Apparel to Arcadia; and (c) on August 31, 2006, Arcadia and Nevada Apparel filed a Consent Injunction Submitted and Stipulation of Dismissal (the "Consent Injunction") in the New York Lawsuit. True and correct copies of the Assignment, the Stipulation of Withdrawal, and the Consent Injunction are attached hereto as Exhibits 1, 2, and 3, respectively.

Answer No. 31

Arcadia denies that copies of the Assignment, Stipulation of Withdrawal, and Consent Injunction are attached to Studio Moderna's counterclaim. The Assignment, Stipulation of Withdrawal, and Consent Injunction speak for themselves and control over any inconsistent allegations contained in the counterclaim. Arcadia otherwise denies the allegations of Paragraph 31.

Counterclaim No. 32

The Assignment, the Stipulation of Withdrawal, and the Consent Injunction do not purport to transfer Nevada Apparel's ongoing and existing Topshop business to Arcadia. Based on Arcadia's discovery responses in pending Opposition No. 91169226, Studio Moderna is informed and believes, and based thereupon alleges, that Nevada Apparel did not transfer that business to Arcadia at the time it assigned the Nevada Apparel ITU Application to Arcadia.

Answer No. 32

The Assignment, Stipulation of Withdrawal, and Consent Injunction speak for themselves and control over any inconsistent allegations contained in the counterclaim. Arcadia otherwise denies the allegations of Paragraph 32.

Counterclaim No. 33

The Notice of Allowance issued on November 21, 2006. A Statement of Use was filed by Arcadia on November 30, 2006, approximately three months after the purported Assignment to Arcadia.

Answer No. 33

Admitted.

FIRST COUNTERCLAIM: CANCELLATION OF U.S. REGISTRATION NO. 3,237,860 FOR ASSIGNMENT IN VIOLATION OF 15 U.S.C. § 1060(a)

Counterclaim No. 34

The allegations of paragraphs 1-33 of Applicant's Answer and Counterclaims are re-alleged and incorporated by reference as if fully set forth here.

Answer No. 34

Arcadia realleges and incorporates by reference its answers to Paragraph Nos. 24-33 as though fully set forth herein.

Counterclaim No. 35

Studio Moderna is informed and believes, and based thereupon alleges, that Nevada Apparel did not transfer its ongoing and existing Topshop business in connection with the purported assignment of the Nevada Apparel ITU Application prior to the filing of the Statement of Use, and that the purported assignment of the Nevada Apparel ITU Application therefore violated 15 U.S.C. § 1060(a)(1) and invalidated the registration.

Answer No. 35

Denied.

Counterclaim No. 36

Studio Moderna will be damaged by continued registration of the mark shown in Registration No. 3,237,860 because that mark has been asserted against Studio Moderna in Arcadia's Opposition.

Answer No. 36

Arcadia admits that it has asserted Registration No. 3,237,860 and other marks against Studio Moderna in Arcadia's Opposition. Arcadia otherwise denies the allegations of Paragraph 36.

Counterclaim No. 37

Accordingly, Arcadia's Registration No. 3,237,860 should be canceled based upon the invalidity of the purported assignment of the Nevada Apparel ITU Application.

Answer No. 37

Denied.

AFFIRMATIVE DEFENSES

1. Studio Modern's counterclaim fails to state a claim upon which relief can be granted.
2. Studio Moderna's counterclaim is untimely.
3. Studio Moderna's counterclaim is barred by the doctrine of laches.
4. Studio Moderna's counterclaim is barred by the doctrine of unclean hands.
5. Studio Moderna's counterclaim is barred because regardless of whether Nevada Apparel assigned its ongoing and existing Topshop business to Arcadia, Arcadia has had continuous use in the United States of TOPSHOP and the mark reflected in Registration No. 3,237,860 since 1998.

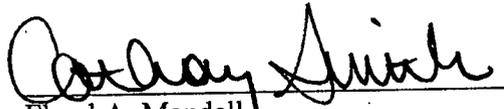
WHEREFORE, Arcadia Group Brands Ltd. respectfully requests that: Studio Moderna SA's counterclaim be dismissed; for the reasons set forth in Arcadia's Consolidated Notice of Opposition and Petition to Cancel, the mark shown in Trademark Application Serial No. 77/975,981 be refused registration and the mark shown in Trademark Registration No. 3,389,652 be cancelled and Arcadia's Consolidated Notice of Opposition and Petition to Cancel be

sustained; and Arcadia awarded such other and further relief as the Board deems just and appropriate.

Dated: November 17, 2010

Respectfully submitted,

Attorneys for Arcadia Group Brands Ltd.

A handwritten signature in black ink, appearing to read "Cathay Y. N. Smith", written over a horizontal line.

Floyd A. Mandell

William J. Dorsey

Cathay Y. N. Smith

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CERTIFICATE OF SERVICE

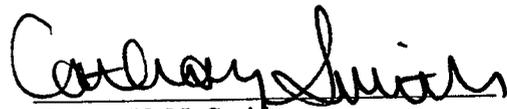
I hereby certify that on this 17th day of November, 2010, I caused a true and correct copy of the foregoing to be served upon:

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Cathay Y. N. Smith