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

Proceeding	92053066
Party	Defendant Yulong Computer Telecommunication; Scientific (Shenzhen) Co., Ltd
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Attachments	92053066 R's Motion for Leave to File Amended Answer and Counterclaim.pdf (17 pages)(44809 bytes)

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

<p>ROAD TOOLS INC.,</p> <p style="text-align: center;">Petitioner</p> <p style="text-align: center;">v.</p> <p>YULONG COMPUTER TELECOMMUNICATION SCIENTIFIC (SHENZHEN) CO., LTD.</p> <p style="text-align: center;">Registrant</p>	<p>Cancellation No.: 92053066</p> <p>Mark: COOLPAD (and Design) Reg. No. 3527661</p>
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**REGISTRANT’S MOTION FOR LEAVE TO FILE AMENDED
ANSWER AND COUNTERCLAIM**

Pursuant to Rule 15 of the Federal Rules of Civil Procedure and 37 C.F.R. §§ 2.106(b)(2)(i) and 2.114(b)(2)(i), Registrant Yulong Computer Telecommunication Scientific (Shenzhen) Co. Ltd. (“Yulong”) moves for leave to amend its answer to assert an additional counterclaim for cancellation of Petitioner Road Tools Inc. (“Road Tools”)’s pleaded Registration No. 2563728 for the mark COOLPAD, on the ground that “cool pad” is generic and is thus incapable of functioning as a trademark. Yulong’s Second Amended Answer and Counterclaim is attached hereto as Exhibit A.

I. RELEVANT BACKGROUND FACTS

On September 27, 2010, Road Tools filed a Petition to Cancel Registration for Yulong’s COOLPAD trademark, Registration No. 3527661.

On November 4, 2010, through former counsel, Yulong filed an Answer denying the salient allegations of the Petition to Cancel Registration, and asserting a number of

affirmative defenses. Through its former counsel, Yulong also asserted a counterclaim for cancellation of Road Tools's asserted COOLPAD trademark, Registration No. 2563728, on grounds of abandonment and trademark misuse.

On December 4, 2010, Road Tools filed a Motion to Strike Yulong's affirmative defenses and a Motion to Dismiss Count Two of Yulong's counterclaim alleging trademark misuse.

On January 11, 2011, Yulong filed its Response to Road Tools' Motion to Strike its affirmative defenses and Motion to Dismiss Count Two of its counterclaim.

On January 24, 2011, Yulong filed its Initial Disclosures under Federal Rule of Civil Procedure 26 and TTAB Rule 2.120(a).

On January 28, 2011, Road Tools filed its Reply to Yulong's Response to its Motion to Dismiss and Motion to Strike.

On January 31, 2011, Road Tools filed its Initial Disclosures under Federal Rule of Civil Procedure 26 and TTAB Rule 2.120(a).

On June 1, 2011, the Trademark Trial and Appeal Board issued an order dismissing Yulong's counterclaim and striking its affirmative defenses. The Board suspended proceedings until June 25, 2011.

On June 24, 2011, Yulong filed its First Amended Answer to Road Tools's Petition to Cancel Registration.

On July 1, 2011, the Board issued an order resuming proceedings and resetting all deadlines.

On November 28, 2011, Yulong retained new counsel who filed a power of attorney appointment before the Board.

On December 1, 2011, the Board issued an order extending dates in this proceeding, in accordance with the proposed dates set forth in a stipulation reached by the parties on November 23, 2011.

On November 23, 2011, the parties, through counsel, conferred about the status of this matter. Counsel for Road Tools, Jeffrey H. Greger, indicated that his client had requested an extension of time to oppose Yulong's Application No. 85334451, and would likely file an additional cancellation actions, with respect to Application No. 85212421.

On January 7, 2012, Greger sent Yulong's new counsel a letter again reiterating his client's intention to petition to cancel any Yulong registration arising from Application No. 85334451 should the parties not settle this matter.

Any oppositions or cancellations involving Application Nos. 85334451 and 85212421 would involve the same marks and the same parties involved in Cancellation No. 92053066.

Neither party has served any discovery until January 7, 2012 when Road Tools served its First Set of Interrogatories and First Set Of Requests for Documents and Things on Yulong. There is still ample time before the close of the discovery period for the parties to complete any necessary discovery.

II. ARGUMENT

Where a defendant seeks to assert a counterclaim to cancel a registration pleaded by the plaintiff, such counterclaim must be pleaded promptly after the grounds for such counterclaim are learned. See 37 C.F.R. §§ 2.106(b)(2)(i) and 2.114(b)(2)(i); TBMP § 313.04; see also *Marshall Field & Co. v. Mrs. Fields Cookies*, 11 USPQ2d

1355, 1359 (TTAB 1989) (counterclaim pleaded promptly after obtaining the information necessary to assert counterclaim during discovery and before discovery had closed). Amendment of a pleading “should be allowed with great liberality at any stage of the proceeding where necessary to bring about a furtherance of justice unless it is shown that entry of the amendment would violate settled law or be prejudicial to the rights of any opposing parties.” *Am. Optical Corp. v. Am. Olean Tile Co., Inc.*, 168 USPQ 471, 473 (TTAB 1971); see also Fed. R. Civ. P. 15; TBMP § 507.02 (“Leave must freely be given when justice so requires.”).

A. Yulong’s Amendment is Timely

Yulong has pleaded its counterclaim for cancellation on genericness grounds promptly after learning that grounds for such a counterclaim existed.

Yulong is a foreign entity whose first language is Chinese. Therefore, it did not immediately understand the generic meaning of “cool pad” as applied to Road Tools’ goods. After retaining new counsel in late November 2011, Yulong became aware of relevant evidence of consumer usage of “cool pad” in a generic sense. Yulong recently retained a linguistics expert to further evaluate the evidence to determine whether a genericness counterclaim was appropriate. Yulong’s linguistic expert has within the last few weeks gathered evidence to support a counterclaim for cancellation on genericness grounds. In short, Yulong has only recently become aware of evidence supporting a counterclaim for cancellation on the grounds that Road Tools’ asserted COOLPAD trademark is generic for Road Tools’ product.

B. Road Tools Will Not Be Prejudiced by the Amendment

Road Tools will not be prejudiced if the Board grants Yulong the requested leave to file its counterclaim for cancellation of Road Tools' asserted COOLPAD trademark. This proceeding is still in its early stages, and neither party has pursued discovery to date. As noted above, Mr. Greger, counsel for Road Tools, has indicated that his client intends to oppose other COOLPAD applications, and/or petition to cancel other COOLPAD registrations owned by Yulong should this matter not settle. The Board will undoubtedly consolidate those actions with this cancellation action, since all of the actions would involve the same parties, the same work marks, and similar goods. Once that occurs, Yulong will have another chance to provide an answer and a counterclaim, and all other deadlines will be reset. Judicial economy dictates that this motion should be granted. Accordingly, Road Tools will not be prejudiced by entry of the counterclaim for cancellation.

III. CONCLUSION

Based on the facts and authorities set forth above, Yulong respectfully requests that the Board give leave to file the attached Amended Counterclaim.

Respectfully submitted,

Date: January 10, 2012

By: /B. Brett Heavner/
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Attorney for Registrant
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Scientific (Shenzhen) Co. Ltd.

CERTIFICATE OF SERVICE

I certify that a true and accurate copy of the foregoing REGISTRANT'S MOTION FOR LEAVE TO FILE AMENDED ANSWER AND COUNTERCLAIM with EXHIBIT A was served by first class mail, postage prepaid, on this 10th day of January 2012, upon counsel for Petitioner at the following address:

Jeffrey H Greger
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1700 Diagonal Road
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/Susannah C. Kolstad/
Susannah C. Kolstad
Litigation Legal Assistant

ROAD TOOLS INC.
v.
YULONG COMPUTER TELECOMMUNICATION SCIENTIFIC (SHENZHEN) CO., LTD.
Cancellation No.: 92053066
Mark: COOLPAD (and Design)
Reg. No. 3527661

**REGISTRANT'S MOTION FOR LEAVE TO FILE AMENDED
ANSWER AND COUNTERCLAIM**

Exhibit A

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

<p>ROAD TOOLS INC.,</p> <p style="text-align: center;">Petitioner</p> <p style="text-align: center;">v.</p> <p>YULONG COMPUTER TELECOMMUNICATION SCIENTIFIC (SHENZHEN) CO., LTD.</p> <p style="text-align: center;">Registrant</p>	<p>Cancellation No.: 92053066</p> <p>Mark: COOLPAD (and Design) Reg. No. 3527661</p>
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**REGISTRANT’S SECOND AMENDED ANSWER AND COUNTERCLAIM FOR
CANCELLATION OF REGISTRATION NO. 2563728**

Yulong Computer Telecommunication Scientific (Shenzhen) Co. Ltd. (“Yulong”) Answers and responds to the Petition for Cancellation filed by Petitioner Road Tools, Inc. (“Road Tools”) against its pending Registration No. 3527661 as set forth below.

ANSWER

Registrant Yulong Computer Telecommunication Scientific (Shenzhen) Co. Ltd., generally and specifically denies each and every allegation contained in the Petition for Cancellation of Registration No. 3527661 filed by Petitioner Road Tools LLC.

With respect to the numbered Paragraphs in the Notice of Opposition, Applicant Answers as follows:

1. Registrant is without knowledge or information sufficient to form a belief as to the allegations contained in paragraph 1 of the Petition and therefore denies same. Registrant does however acknowledge that according to the USPTO’s online electronic

Trademark Application and Registration Retrieval (TARR) system, the last “owner of record” of U.S. Trademark Registration No. 2563728 was listed as “Road Tools LLC” with an address of 15 Frontier Street, Rye, NM, (New Mexico) 038790, United States, whose legal entity status was listed as Limited Liability Company organized in “Massachusetts.” Registrant further acknowledges that U.S. Trademark Registration No. 2563728 was issued only in connection with the following goods: “computer stands specifically designed for holding a computer.”

2. Registrant admits only that according to TARR, the ‘728 registration appears to be a live registration subsisting on the Principal Register. Registrant is without knowledge or information sufficient to form a belief as to the remaining allegations contained in paragraph 2 of the Petition and therefore denies same. Further, to the extent that the records of the ;728 reflect incorrect statements, Registrant denies the validity thereof.

3. Registrant admits only that the according to the records of TARR, the USPTO “accepted and approved the combined Section 8 and 15 application.” Registrant is without information sufficient to form a belief as to the remaining allegations contained in paragraph 3 of the Petition and therefore denies same.

4. Registrant is without knowledge or information sufficient to form a belief as to the allegations contained in paragraph 4 of the Petition and therefore denies same.

5. Registrant is without knowledge or information sufficient to form a belief as to the allegations contained in paragraph 5 of the Petition and therefore denies same.

6. Registrant is without knowledge or information sufficient to form a belief as to the allegations contained in paragraph 6 of the Petition and therefore denies same.

7. Registrant is without knowledge or information sufficient to form a belief as to the allegations contained in paragraph 7 of the Petition and therefore denies same.

8. Registrant is without knowledge or information sufficient to form a belief as to the allegations contained in paragraph 8 of the Petition and therefore denies same.

9. Registrant is without knowledge or information sufficient to form a belief as to the allegations contained in paragraph 9 of the Petition and therefore denies same.

10. Registrant is without knowledge or information sufficient to form a belief as to the allegations contained in paragraph 10 of the Petition and therefore denies same.

11. Registrant is without knowledge or information sufficient to form a belief as to the allegations contained in paragraph 11 of the Petition and therefore denies same.

12. Registrant admits the allegations contained in paragraph 12 of the Petition.

13. Registrant admits the allegations contained on page 3, in paragraph 13 of the Petition with respect to its application which matured into the '661 Registration. Registrant is without information sufficient to form a belief as to the remaining allegations contained in paragraph 13 of the Petition and therefore denies same.

14. Registrant admits only that the Examining Trademark Attorney assigned to review the '536 application initially issued a provisional partial refusal Office Action which applied only to specified goods in the U.S. application.

15. Registrant admits only that on July 9, 2008, Eastern Standard Time, Deying Guo, General Manager for Registrant, filed a response with the USPTO amending the '536 application.

16. Registrant admits the allegations contained in paragraph 16 of the Petition.

17. Registrant denies the allegations contained in paragraph 17 of the Petition inasmuch as it has exhibited, shown and demonstrated its goods at trade shows and attended sales meetings in the United States since 2007, and has sought a distributor in connection with its goods in the USA.

18. Registrant admits the allegations contained in paragraph 18 of the Petition.

19. Registrant admits the allegations contained in paragraph 19 of the Petition.

20. Registrant denies the allegations contained in paragraph 20 of the Petition.

21. Registrant is without information sufficient to form a belief as to the allegations contained in paragraph 21 of the Petition and therefore denies same.

22. Registrant is without information sufficient to form a belief as to the allegations contained in paragraph 22 of the Petition and therefore denies same.

23. Registrant is without information sufficient to form a belief as to the allegations contained in paragraph 23 of the Petition and therefore denies same.

24. Registrant is without information sufficient to form a belief as to the allegations contained paragraph 24 of the Petition and therefore denies same.

25. Registrant is without information sufficient to form a belief as to the allegations contained in paragraph 25 of the Petition and therefore denies same.

26. Registrant is without information sufficient to form a belief as to the allegations contained in paragraph 26 of the Petition and therefore denies same.

27. Registrant is without information sufficient to form a belief as to the allegations contained in paragraph 27 of the Petition and therefore denies same. Registrant denies that the attachments to the Petition have any evidentiary value or legal significance.

28. Registrant is without information sufficient to form a belief as to the allegations contained in paragraph 28 of the Petition and therefore denies same. Registrant denies that the attachments to the Petition have any evidentiary value, legal significance or precedential effect.

29. Registrant is without information sufficient to form a belief as to the allegations contained in paragraph 29 of the Petition and therefore denies same. Registrant denies that the attachments to the Petition have any evidentiary value or legal significance.

30. Registrant is without information sufficient to form a belief as to the allegations contained in paragraph 30 of the Petition and therefore denies same. Registrant denies that the attachments to the Petition have any evidentiary value or legal significance.

31. Registrant incorporates by reference all prior allegations as are set forth above.

32. Registrant denies the allegations contained in paragraph 32 of the Petition.

33. Registrant denies the allegations contained in paragraph 33 of the Petition.

34. Registrant denies the allegations contained in paragraph 34 of the Petition.

35. Registrant denies the allegations contained in paragraph 35 of the Petition.

36. Registrant denies the allegations contained in paragraph 36 of the Petition.

COUNTERCLAIM FOR CANCELLATION OF REGISTRATION NO. 2563728

Yulong Computer Telecommunication Scientific (Shenzhen) Co. Ltd. (“Yulong”) believes that it is being, and will continue to be, damaged by the registration of the term COOLPAD for the goods identified in Registration No. 2563728, owned by Road Tools Inc. (“Road Tools”) and hereby petitions to cancel same.

As grounds for its cancellation, Yulong alleges that, upon actual knowledge with respect to its own acts, and upon information and belief with respect to other matters:

37. Yulong Computer Telecommunication Scientific (Shenzhen) Co. Ltd. (“Registrant” or “Yulong”) is a corporation organized and existing under the laws of the People’s Republic of China, with an address of 8th Floor, B Building, Hi-Tech Plaza, Tian’an Cyber Park; Futian District, Shenzhen.

38. Yulong is a leading provider of smartphones, telephonic devices, and related goods in China and around the world.

39. Yulong owns Registration No. 3527661 for the mark COOLPAD (and Design) for “photography cameras; computer software use in database management; electronic pocket transistors; radiotelephony set comprise [sic] of transmitters and receivers; video telephones; acoustics, namely, apparatus for wireless transmission of acoustic information” in International Class 9 (“Yulong’s Registration”).

40. Road Tools is the owner of U.S. Registration No. 2563728 for the mark COOLPAD for “computer stands specifically designed for holding a computer” in International Class 9 (“Road Tools Registration”).

41. On September 27, 2010, Road Tools filed a Petition for Cancellation against Yulong’s Registration based on a likelihood of confusion under Section 2(d), 15 U.S.C. § 1052(d) between the marks in its Registration No. 2563728 and in Yulong’s Registration No. 3527661.

42. Road Tools’ product is a pad or stand designed to hold a computer in a manner that cools that device to prevent overheating.

43. Consumers in the relevant field use and understand “cool pad” and its grammatical equivalent “cooling pad” primarily to refer to the type of product listed in Registration No. 2563728.

44. The relevant purchasing public of computers understands “cool pad” or “cooling pad” as the common or class name of Road Tools’ products themselves.

45. The term “cool pad” is generic for Road Tools’ products, including the products listed in Registration No. 2563728, and is therefore incapable of functioning as a trademark.

46. If Road Tools is allowed to maintain its registration for the generic term “cool pad,” it will cause injury and damage to Yulong by improperly permitting Road Tools to continue without basis in its efforts to cancel Yulong’s Registration No. 3527661 for its telephony products.

47. Accordingly, Road Tools’ Registration No. 2563728 for the mark COOLPAD should be cancelled under 15 U.S.C. § 1064 on the grounds that the term “COOLPAD” is generic, and serves as a common descriptive name for the article itself.

Respectfully submitted,

Date: January 10, 2012

By: /B. Brett Heavner/

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CERTIFICATE OF SERVICE

I certify that a true and accurate copy of the foregoing REGISTRANT'S SECOND AMENDED ANSWER AND COUNTERCLAIM FOR CANCELLATION OF REGISTRATION NO. 2563728 was served by first class mail, postage prepaid, on this 10th day of January 2012, upon counsel for Petitioner at the following address:

Jeffrey H Greger
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/Susannah C. Kolstad/
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