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ESTTA Tracking number: **ESTTA539645**

Filing date: **05/23/2013**

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

Proceeding	92053554
Party	Plaintiff Cabot Company Limited d/b/a Cabot Watch Company
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Attachments	Reply In Support of Summary Judgment Motion (F1232656).PDF(468930 bytes)

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

In re Registration No. 3,814,227
Trademark: CWC
Registered July 6, 2010

Our Ref.: CABW 1007083

Cabot Company Limited d/b/a Cabot Watch Company, Petitioner, - against - Combat Watch Company, LLC Respondent.	Cancellation No. 92053554

REPLY MEMORANDUM IN SUPPORT OF
PETITIONER'S MOTION FOR SUMMARY JUDGMENT

Rather than address the merits of Petitioner's Section 2(d) claim, in its Response and Opposition to Petitioner's Motion for Summary Judgment (the "Opposition"), Respondent makes a series of irrelevant and baseless procedural arguments in opposition to Petitioner's Motion for Summary Judgment (the "Motion"). Because Respondent utterly declines to address Petitioner's proof of ownership of prior rights in the CWC mark and almost altogether avoids discussion of the likelihood of confusion factors (except at the very end of its brief as addressed in Section E, *infra*),[1] Petitioner refers to its Motion for discussion of the merits except as otherwise specifically addressed herein. Petitioner provides this reply primarily to respond to Respondent's various misconceptions of governing trademark law and procedure.

[1] Perhaps most notable, Respondent does not dispute Petitioner's arguments with respect to Respondent's bad faith intent to counterfeit Petitioner's brand and to usurp Petitioner's longstanding business of selling military-grade wristwatches under the CWC mark in the United States. Nor does Petitioner address the the evidence of actual consumer confusion.

A. Petitioner Served Its Initial Disclosures, Twice

Respondent claims that Petitioner did not serve its Initial Disclosures. As Respondent's own Exhibits J-K clearly show, Petitioner served timely Initial Disclosures on September 19, 2011, and then Amended Initial Disclosures on December 21, 2012 to correct the identity of Petitioner after the Amended Petition to Cancel was accepted by the Board in this case. As it has done so many times in this case, Respondent is trying to take advantage of what it readily concedes is a "drafting error" in Petitioner's disclosures – an error that, as it happens, is completely inconsequential. (Opposition, p. 2.)

Fulfilling its legal obligation and the intended function of initial disclosures, Petitioner identified in its Amended Initial Disclosures the one fact witness with discoverable information that Petitioner ultimately would use to support of its case (its Director Richard Bliss, the declarant in support of Petitioner's Motion),[2] and Petitioner described the categories and location of all documents in its possession that it would use to support its case. Also, to account for the *potential* need to rely on Respondent for testimony, Petitioner identified Respondent as an entity that may have discoverable information (referred to as "Registrant" in the disclosures). But in doing so, Petitioner inadvertently referred to Respondent as Cabot Watch Company instead of Combat Watch Company.

This "drafting error" is completely innocuous for numerous reasons, including but not limited to the following:

First, there is no question that Respondent understood Petitioner's meaning given its claim that it asked Petitioner to rectify the "drafting error." Also, the repeated references to "Registrant" (the identity of Respondent in the caption of the Initial Disclosures) and the topics of discoverable information (e.g., "the relatedness of Registrant's goods under the CWC mark to

[2] Petitioner did not identify Opposer's counsel Michael Chiappetta in its Initial Disclosures as he was not an anticipated witness at the time of the Initial Disclosures. Mr. Chiappetta is a witness solely for the purpose of introduction of Respondent's discovery responses and certain printed and online publications that were obtained by Mr. Chiappetta and that were not in Petitioner's possession, custody or control.

the goods and services of Petitioner") made plain that Petitioner was referring to Respondent.

Second, even if Respondent could claim it did not know what Petitioner meant by "Registrant," it was deprived of no relevant information and thus, suffered no prejudice. The purpose of initial disclosures is to apprise the opponent of potential sources for discovery. *See Luster Products, Inc. v. Van Zandt*, 104 U.S.P.Q.2d 1877, 1880 n.5 (T.T.A.B. 2012 ("Initial disclosures "promote more efficient discovery and trial, reduce incidents of unfair surprise, and increase the likelihood of fair disposition of the parties' claims and defenses.") (citation omitted). Petitioner properly identified its one witness, Petitioner's Richard Bliss, and obviously Respondent knows what discoverable information it has in its own possession, so identification of Respondent as someone believed to have discoverable information was superfluous in any event.

Third, Petitioner never sought Respondent's deposition and has not even sought to rely on testimony by Respondent such that the alleged misidentification of Respondent (or even failure to identify Respondent) could have any meaning or effect.

Fourth, if Respondent had truly believed that Petitioner had neglected its discovery obligations pursuant to Rule 26(a), the proper remedy would have been a motion to compel. Respondent never pursued such a motion. For that matter, Respondent never pursued any discovery in this case at all.

Fifth, Respondent cites no authority whatsoever for its dramatic claim that a single misstatement of its name has the effect of invalidating the disclosures altogether, or for that matter, renders invalid a summary judgment motion filed months later after the close of discovery. Indeed, no such authority exists.

That Respondent seeks to avoid Petitioner's summary judgment motion based on a single juxtaposition of "Cabot" and "Combat" is demonstrative of its entire approach to this case.[3] It is

[3] Interestingly, counsel's drafting error at issue is due to the similarity of the names Cabot Watch Company and Combat Watch Company. Although these names are not in issue in this case, it would appear that Respondent selected this name (as well as the identical CWC brand for the very same military-style watches (*see* footnote 4, *infra*)) as part of its unlawful design to create a

also ironic considering Respondent's own flagrant breaches of its own discovery obligations. (*See* Motion, pp. 11-12 n. 2.) The Board should see Respondent's argument for what it is – just another attempt to elevate form over substance to delay cancellation of its Registration.

B. Petitioner's Parent-Distributor Is Not a Party and Need Not Be A Party

Respondent seems to suggest that Petitioner's parent company and distributor Silverman's Limited ("Silverman's") has injected itself as a party in these proceedings to create what Respondent terms a "Consortium," or that somehow Silverman's is indispensible to these proceedings. But Silverman's is *not* a party, does not seek to become a party and need not be a party – it is merely Petitioner's parent company, a well-known vendor of U.K. military equipment, clothing and supplies, that distributes Petitioner's CWC products. (Motion, pp. 8-10.) Respondent offers no evidence or argument to the contrary.

Moreover, even if Silverman's is construed as a "user" of the CWC mark, as set forth in the Declaration of Richard Bliss, "[a]s the parent company of [Petitioner], any and all use of the CWC trademark by Silverman's was with the express consent and authorization of [Petitioner], and any and all goodwill that developed as a result of Silverman's use of the CWC trademark, inured to the benefit of Cabot." (Bliss Decl., Exh. 5.) Thus, Silverman's would be an authorized licensee whose use inures to the benefit of Petitioner the trademark owner. *Quality Candy Shoppes / Buddy Squirrel of Wisconsin, Inc. v. Grande Foods*, 90 U.S.P.Q.2d 1389, 1392 (T.T.A.B. 2007) ("[Y]ears of precedent make it very clear that proper use of a mark by a trademark owner's licensee or related company constitutes 'use' of that mark attributable to the trademark owner."); *see also* 15 U.S.C. § 1055 ("Where… a mark sought to be registered is or may be used legitimately by related companies, such use shall inure to the benefit of the… applicant…")[4]

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counterfeit brand.

[4] Also, pursuant to the Trademark Manual of Examining Procedure, "[e]ither a parent corporation or a subsidiary corporation may be the proper applicant, depending on the facts concerning ownership of the mark. The Office will consider the filing of the application in the

Respondent has not challenged the adequacy of Petitioner's quality control over Silverman's alleged "use" of the CWC mark (to the extent it could be considered "use" as opposed to distribution / sale of Petitioner's branded product). However, to be sure, the record is clear that adequate control exists given, not only the close parent-subsidiary relationship of the companies and common control (Bliss Decl., ¶¶ 1, 3 and n.1), but also the uniform quality standards to which CWC watch products have adhered throughout the life of the brand, namely conformity with the established British Ministry of Defence watch standards. (Bliss Decl., ¶ 2; see also Opposition, Exh. D.) Indeed, as Respondent notes in its Opposition, "compliance with these standards is mandatory in order to supply the British Armed Forces." (Opposition, p. 12.)[5]

Finally, that Petitioner in its Motion defined "Petitioner" to include Silverman's for ease of discussion is nothing more than a common briefing practice. This definition does not render Silverman's an untimely party to the action as Respondent suggests – indeed, Respondent provides no legal support for this position.[6] (Opposition, p. 4.)

C. Petitioner Made No Expert Disclosures

Respondent argues that the Declaration of Richard Bliss should be disregarded because Petitioner did not identify Mr. Bliss in expert disclosures. As Petitioner has not relied on and

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name of either the parent or the subsidiary to be the expression of intention of the parties as to ownership in accord with the arrangements between them." T.M.E.P. § 1201.03(c) (5th ed. 2008).

[5] Respondent claims that it manufactures its watches "based on the British Defense Standards" (as opposed to "in conformity with" those standards), and claims these standards are the reason for the visual similarities between the parties' products. (Opposition, p. 12.) But Respondent nowhere claims that it has ever supplied the British Military with wristwatch products! Indeed it has not done so, and Respondent's decision not only to launch a CWC brand, but to launch it in precisely the same style and to precisely the same market as Petitioner's brand, is only further evidence of Respondent's surreptitious intent to supplant Petitioner as the source of the CWC brand in the United States.

[6] The one case cited by Respondent, *SDT Inc. v. Patterson Dental Co.*, 30 U.S.P.Q.2d 1707 (T.T.A.B. 1994), is inapposite. In that case, the Opposer sought to join a related party as a co-opposer after the opposition window had closed. Petitioner does not seek to join Silverman's as a co-Petitioner in this case, and even if it did, the time for Silverman's to petition to cancel Respondent's registration at issue in this case (if it could even establish standing to do so) has not expired.

does not intend to rely on expert witness testimony in this case, it declined to serve Expert Witness Disclosures. Obviously, the mere fact that Richard Bliss was identified and has served as a *fact* witness does not render him an "expert" witness, as Respondent suggests. And Mr. Bliss was identified as a person with discoverable information in Petitioner's Amended Initial Disclosures. As such, Mr. Bliss' Declaration is admissible and should stand.

D. Petitioner Demonstrated Its Prior Rights in the CWC Mark and Respondent Conceded Such Rights As A Matter of Law

Disregarding the Board's July 20, 2011 order, Respondent baldly claims that it did not concede Petitioner's prior rights in the CWC mark, despite the Board's express finding that Respondent's failure to respond to Petitioner's allegation of prior rights set forth in its cancellation petition constitutes such an admission. (Dkt. No. 12, p. 3.) Similarly, without even addressing any of Petitioner's evidence of use of the CWC mark in the United States, Respondent haphazardly asserts that Petitioner has not demonstrated use or trademark rights (primarily based on its false arguments addressed above). Contrary to Respondent's wholly unsupported claim, in its Motion Petitioner more than adequately demonstrates its use of the CWC mark in the United States and its resulting trademark rights. (Motion, pp. 7-10.)

As if it is somehow relevant to this case, Respondent asserts that Petitioner is not a "current" supplier to the British Ministry of Defense. So the record is clear, Petitioner did not claim that it presently supplies the British Military. Rather, it has, during many periods in history, supplied the British Military with wristwatches (most recently from 2005-2007), and this in large part is the basis for the reputation and consumer demand for the CWC brand both within and outside the United States. (Bliss. Decl., ¶¶ 2-3.)

E. Respondent's One Argument Concerning Similarity of the CWC Marks is Meritless

Respondent makes a series of unsupported allegations towards the end of its Opposition, including its "understanding" that Petitioner was engaged in a trademark dispute with the Military Watch Company over its use of the mark MWC in an oval shape, and that Petitioner's objection in that case discounts Petitioner's claim in this case that the oval shape in Petitioner's

mark is inconsequential to distinguishing the parties' respective CWC marks. (Opposition, p. 13.) As an initial matter, Respondent provides no evidence of the alleged dispute with Military Watch Company or what was at issue in the dispute other than Respondent's own alleged "understanding." But even taking Respondent's argument at face value, Respondent does not explain how Petitioner's argument that an encircled CWC mark is confusingly similar to an encircled MWC mark is inconsistent with its claim here that an encircled CWC mark is confusingly similar to a CWC mark without a circle. Indeed, these positions are perfectly reconcilable. Moreover, Respondent completely ignores the myriad black-letter case law cited by Petitioner that such a minor design element for otherwise identical marks cannot avoid a finding of likelihood of confusion, nor does Respondent address the various cases cited by Petitioner for the proposition that much less similarity is needed for confusion to occur when the goods in issue are identical, as they are here.[7] (Motion, p. 19.)

F. Conclusion

The Board should not be distracted by Respondent's extraneous and misplaced arguments, as the merits are clear. As set forth in Petitioner's Motion, Respondent has admitted Petitioner's prior rights in the CWC mark and, in effect, that confusion is likely. Moreover, the undisputed evidence and law, including all of the *duPont* likelihood of confusion factors, clearly support with those admissions. Accordingly, Petitioner respectfully requests that the Board

[7] Nor does Respondent address any of the other likelihood of confusion factors, all of which favor Petitioner.

sustain this cancellation proceeding and cancel Registration No. 3814227 for the CWC mark.

Dated: New York, New York
May 23, 2013

Respectfully submitted,

FROSS ZELNICK LEHRMAN & ZISSU, P.C.

By: _____
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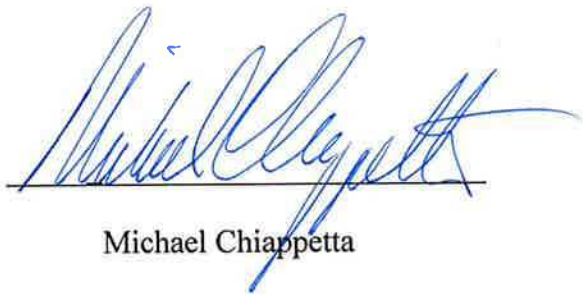
CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing REPLY MEMORANDUM IN SUPPORT OF PETITIONER'S MOTION FOR SUMMARY JUDGMENT to be served, per the express consent of the parties, by e-mail on May 23, 2013, on Registrant Combat Watch Company, LLC at the following e-mail addresses:

sales@combatwatch.com

markus.weber@combatwatchcompany.com



Michael Chiappetta