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

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

AQUA-AEROBIC SYSTEMS, INC. Petitioner, v. MICHAEL J. McKELVEY, d/b/a AQUAROBIC INTERNATIONAL, Registrant.	Cancellation No. 92/054,468 Registration No. 3,858,155
MICHAEL J. McKELVEY, d/b/a AQUAROBIC INTERNATIONAL, Counterclaim-Petitioner, v. AQUA-AEROBIC SYSTEMS, INC., Counterclaim-Registrant.	Registration No. 2,056,978

**PETITIONER'S MOTION AND MEMORANDUM IN SUPPORT OF ITS MOTION
TO DISMISS REGISTRANT'S COUNTERCLAIM FOR FAILURE TO STATE A
CLAIM AND TO STRIKE REGISTRANT'S AFFIRMATIVE DEFENSES**

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MOTION

Petitioner Aqua-Aerobic Systems, Inc. ("Petitioner"), as senior user of, among other things, its Aqua-Aerobic® trademark seeks cancellation of the AQUAROBIC INTERNATIONAL® mark of Registrant, Michael J. McKelvey d/b/a Aquarobic International ("Registrant"). In apparent retaliation to Petitioner, Registrant has filed a counterclaim seeking the cancellation of Petitioner's underlying Aqua-Aerobic® mark, which Registrant admits is incontestable. Pursuant to Fed. R. Civ. Proc. 12, Petitioner hereby moves to dismiss the counterclaim filed by Registrant asserting fraudulent procurement of the Aqua-Aerobic® mark, and to strike the three affirmative defenses filed by Registrant.

MEMORANDUM

I. STATEMENT OF FACTS

Petitioner filed its AQUA-AEROBIC mark on January 22, 1996 in International Class 007 for "mechanical mixers used in industrial and municipal waste water treatment" with a first use date of March 1981, and International Class 011 for "waste water treatment systems comprised of aerators, mixers, diffusers, filters, and water cooling units; granular and cloth media filters used in industrial and municipal waste water treatment; contained flow floating mechanical aerators used in industrial and municipal waste water treatment" with a first use date of March 1970. (Ex. 1, Counterclaim, ¶15, p. 9; Ex. 2, Petition ¶11, p. 3). Petitioner's AQUA-AEROBIC mark issued on April 29, 1997 as Registration No. 2,056,978.¹ (Ex. 2, Petition ¶11, p. 3). Petitioner renewed its registration for the AQUA-AEROBIC mark on March 22, 2007 and filed for incontestability under 15 U.S.C. §1065. (Ex. 1, Counterclaim, ¶18, p. 9).

¹ Registrant erred in pleading the date of Petitioner's registration in its Counterclaim. While Registrant admitted in its Answer that Petitioner's registration issued on April 29, 1997 (Ex. 1, Answer, ¶11, p. 3), it plead an issuance date in its Counterclaim of February 4, 1997. (Ex. 1, Counterclaim ¶17, p. 9).

Registrant, through its President, Michael McKelvey, applied for registration of the AQUAROBIC INTERNATIONAL mark on October 20, 2009. (Ex. 2, Petition, ¶5, p. 2). The mark issued on October 5, 2010 as Registration No. 3,858,155. (Id.). In procuring its mark, Registrant alleged a first use date of January 1, 1970. (Ex. 2, Petition, ¶6, p. 2).

Petitioner filed for Cancellation of the AQUAROBIC INTERNATIONAL mark on September 7, 2011. In its Answer, Registrant acknowledges numerous errors the application leading to the mark subject to these proceedings:

Registrant[’s trademark application and Statement of Use] contain inadvertent and innocent errors. The owner of the mark AQUAROBIC INTERNATIONAL is Aquarobic International, Inc., and not Michael J. McKelvey d/b/a/ Aquarobic International. The mark is used in connection with a self-contained wastewater treatment system in International Class 011 and not treatment of waste water in Class 040. And the dates of first use – both anywhere and in commerce under §1(a) of the Trademark Act, 15 U.S.C. §1051(a)—are at least as early as 1992. The term AQUAROBIC was used both anywhere and in commerce under §1051(a)—at least as early as October 13, 1978.

(Ex. 1, Answer, ¶5, p. 2).

In apparent recognition of the incontestability of Petitioner’s AQUA-AEROBIC mark, Registrant was forced to allege in its cancellation counterclaim that Petitioner committed fraud in procuring its AQUA-AEROBIC trademark:

As required by Section 1(a)(3) of the Lanham Act when filing and renewing a trademark application with the U.S. Patent and Trademark Office, Petitioner, by and through its agent, signed a declaration stating that: "to the best of the verifier’s knowledge and belief, no other person has the right to use such mark in commerce either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods of such other person, to cause confusion, or to cause mistake, or to deceive."

(Ex. 1, Counterclaim ¶19, p. 9) (emphasis added).

The basis of Registrant’s fraud claim is that Petitioner submitted its statement knowing that another person (Aquarobic) allegedly had the **right** to use the same or a similar mark:

Petitioner falsely asserted in its application for registration that to the best of its knowledge and belief no other person, firm, corporation, or association had the right to use its mark in commerce, either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods/services of such other person, to cause confusion, or to cause mistake, or to deceive. Petitioner's false assertion was made with an intention to deceive the U.S. Patent and Trademark Office in order that it might obtain a federal registration of its mark.

(Ex. 1, Counterclaim, ¶25, p. 10).

Registrant has set forth no facts in its counterclaim to support such an allegation.

Specifically, Registrant pleads that:

- (1) Petitioner legally adopted the name Aqua-Aerobic Systems, Inc. in 1976. (Ex. 1, Counterclaim, ¶16, p. 9)².
- (2) Registrant's predecessor's first use in commerce of the term AQUAROBIC in the United States occurred on October 13, 1978. (Ex. 1, Counterclaim, ¶6, p. 7).
- (3) Registrant's first use in commerce of the AQUAROBIC INTERNATIONAL mark in the United States occurred in 1992. (Ex. 1, Answer, ¶5, p.2).
- (4) Between 1990 and 1992, Petitioner contacted Registrant regarding Registrant's use of AQUAROBIC in the United States, and alleged infringement of its common law rights in the mark AQUA-AEROBIC. (Ex. 1, Counterclaim, ¶¶11, 12, p. 8).
- (5) Registrant denied the infringement allegations and believed its rights were superior to Petitioner's. (Ex. 1, Counterclaim, ¶13, p. 8).

In addition to its counterclaim, Registrant has plead affirmative defenses of (1) fraud and unclean hands; (2) estoppel; and (3) partial modification of registration. For the reasons set forth below, Registrant's claim fails as a matter of fact and law. The same is true for its affirmative defenses.

² For purposes of this motion only, Petitioner Aqua-Aerobic accepts as true the allegations in Registrant Aquarobic's counterclaim. If necessary, Aqua-Aerobic will file an Answer setting forth its responses to Registrant's counterclaims.

II. LEGAL STANDARD

For purposes of determining a motion to dismiss for failure to state a claim upon which relief can be granted, all of the Registrant's well-pleaded allegations must be accepted as true, and the counterclaim must be construed in the light most favorable to Registrant. See Advanced Cardiovascular Sys. Inc. v. SciMed Life Sys. Inc., 988 F.2d 1157, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993). That is, Registrant must establish that a valid ground exists for cancelling Petitioner Aqua-Aerobic's registration. See Fair Indigo LLC v. Style Conscience, 85 U.S.P.Q.2d 1536, 1538 (TTAB 2007). Specifically, a pleading "must contain sufficient factual matter, accepted as true, to 'state a claim to relief that is plausible on its face.'" Ashcroft v. Iqbal, 566 U.S. 662 (2009), quoting Bell Atlantic Corp. v. Twombly, 550 U.S. 544, 570 (2007).

In the context of cancellation proceedings before the Board, a claim is plausible on its face when the petitioner (here, Registrant) pleads factual content that if proved, would allow the Board to conclude, or draw a reasonable inference that, the petitioner (Registrant) has standing and that a valid ground for cancellation exists. Cf. Twombly, 550 U.S. at 556.

The elements of fraud must be pleaded with particularity in accordance with Fed. R. Civ. P. 9(b). Asian and Western Classics B.V. v. Selkow, 92 U.S.P.Q.2d 1478, 1478 (TTAB 2009). To assert a viable claim of fraud here, Registrant must allege with particularity, rather than by implied expression, that Petitioner knowingly made a false, material representation in the procurement of or renewal of a registration with the intent to deceive the U.S. Patent and Trademark Office. In re Bose Corp., 580 F.3d 1240, 91 U.S.P.Q.2d 1938, 1942 (Fed. Cir. 2009); Enbridge Inc. v. Excelerate Energy LP, 92 U.S.P.Q.2d 1537 (TTAB 2009); Exergen Corp. v. Wal-Mart Stores Inc., 575 F.3d 1312, 91 U.S.P.Q.2d 1656, 1667 (Fed. Cir. 2009) ("our precedent ... requires that the pleadings allege sufficient underlying facts from which a court may reasonably infer that a party acted with the requisite state of mind").

With respect to Registrant's affirmative defenses, under Fed. R. Civ. P. 12(f), "[u]pon motion made by a party. . . the court may order stricken from any pleading any insufficient defense or any redundant, immaterial, impertinent, or scandalous matter." Here, Registrant's affirmative defenses are either redundant, immaterial, or not proper or legally recognized affirmative defenses.

III. ARGUMENT

To prevail on a fraud claim that the declaration or oath in Petitioner's application for registration was executed fraudulently, Registrant must allege particular facts, which, if proven, would establish that: (1) there was in fact another user (here, Registrant) of the same or a confusingly similar mark at the time the oath was signed; (2) the other user (Registrant) had legal rights superior to Petitioner's; (3) Petitioner knew that the other user had rights in the mark superior to Registrant's, and either believed that a likelihood of confusion would result from Petitioner's use of its mark or had no reasonable basis for believing otherwise; and that (4) Petitioner, in failing to disclose these facts to the Patent and Trademark Office, intended to procure a registration to which it was not entitled. Qualcomm Inc. v. FLO Corp., 93 U.S.P.Q.2d 1768 (TTAB 2010); Intellimedia Sports Inc. v. Intellimedia Corp., 43 U.S.P.Q.2d 1203 (TTAB 1997).

Registrant's counterclaim must fail for at least the following three separate and independent reasons:

1. Registrant fails to plead that any user has the "right" to use a similar mark in contravention of Petitioner's declaration submitted to the Patent and Trademark Office. In fact, through its pleadings, and as discussed below, Registrant concedes that Petitioner is the senior user of the mark relating to Registrant. Thus, accepting Registrant's pleading as true, there can be no fraud.

2. Registrant fails to plead that Petitioner knew or should have known that another (i.e., Registrant) had the "right" to use the mark, even assuming *arguendo* that there was an earlier user of a mark similar to Petitioner's. Paragraphs 22 and 23 of Registrant's counterclaim (Ex. 1), alleging that in 1992 Petitioner sent Registrant a cease and desist letter, are directly contrary to any allegation that Petitioner knew or should have known another (Registrant) had a *right* to use the mark. In fact, it shows Petitioner's belief that Registrant did not have the right to use its mark and that the representation was truthful.

3. Registrant has completely failed to properly plead that Petitioner intended to mislead the Trademark Office with any alleged misrepresentations.

**A. Registrant's Counterclaim Concedes That
Petitioner Is The Senior User Of The Mark**

Registrant fails to allege that it had legal rights superior to Petitioner's in 1996 when Petitioner filed its trademark application, or in March 2007 when Petitioner renewed its registration and submitted its declaration. In fact, Registrant's fraud counterclaim sets forth facts identifying Petitioner as the senior user of the mark. As a result, how could Petitioner believe that Registrant had a right to use a mark similar to Petitioner's?

According to Registrant's counterclaim, the earliest use date in commerce in the United States of the term AQUAROBIC is October 13, 1978. (Ex. 1, Counterclaim ¶6, p. 7). Although Registrant makes a passing reference to U.S. distributors in Paragraph 5 of its Counterclaim, it has provided no additional information as to when its alleged predecessor Waltec began using the term in commerce in the United States. Registrant has not pled any facts indicating a use date in the United States prior to 1978 of the term AQUAROBIC. Although, Registrant has used "at least as early as" language in Paragraph 6, fraud allegations must be plead with specificity. If Registrant is asserting that it is a senior user, it must allege facts that support such a conclusion.

Taking the pleaded facts in the light most favorable to Registrant, Registrant's earliest use date of AQUAROBIC in the United States is **October 13, 1978**.

Registrant appears to baldly dispute Petitioner's March 1970 first use date of its AQUA-AEROBIC mark. (Ex. 1, Counterclaim ¶16, p. 9). However, Registrant alleges in Paragraph 16 that Petitioner "legally adopt[ed] the name 'Aqua-Aerobic Systems, Inc.' [in] **1976**." (emphasis added). **By Registrant's own pleading Petitioner is the superior user of the mark, two years prior to Registrant.** In the same paragraph, Registrant goes on to allege that there is "no indication that the AQUA-AEROBIC mark was used in interstate commerce in the United States since the alleged date of first use [March 1970], or that the AQUA-AEROBIC mark was in continuous use since that date." (Ex. 1, Counterclaim ¶16). Registrant has not plead any allegations that the AQUA-AEROBIC mark has not been in continuous use since 1976. Its allegations in paragraph 16 are limited to Petitioner's first use date of March 1970, which of course is supported by documents in the application file itself.

As a result, Registrant's fraudulent procurement claims fails:

Having failed to prove that it has superior rights in the mark vis-a-vis respondent, petitioner *ipso facto* has not and cannot prove that respondent filed its application with knowledge of petitioner's superior rights, and that it committed fraud when it failed to disclose such rights to the Office in filing its application. Stated differently, petitioner having failed to prove its superior rights, there were no such rights of which respondent could have had knowledge and which respondent could have knowingly failed to disclose to the Office.

Littel Concepts, LLC v. Striker Records, Inc., 2010 TTAB LEXIS 454 (Trademark Trial & App. Bd. Dec. 27, 2010); see also Bayer Consumer Care AG v. Belmora LLC, 2009 TTAB LEXIS 203 (Trademark Trial & App. Bd. Apr. 6, 2009) ("because petitioner has not alleged prior use of its mark in the United States, petitioner has also not sufficiently alleged that it has "legal rights superior to" respondent's, and its fraud claim is therefore untenable.")

In summary, Registrant has not pled facts which give rise to any duty by Petitioner to disclose Registrant or its mark to the Patent and Trademark Office. To the contrary, Registrant itself plead that Petitioner is the superior user. Registrant's counterclaim is thus insufficient to state a claim for relief for fraudulent procurement.

B. Even Assuming *Arguendo* That There Was An Earlier User Of The Mark, Registrant Fails To Plead That Petitioner Knew Or Should Have Known That Registrant Had The Superior Right To Use The Mark

Even assuming Registrant did have superior rights to the mark (which as discussed above, it has not sufficiently alleged and cannot allege in good faith), Registrant fails to plead that Petitioner knew that Registrant had rights in the mark superior to Petitioner's, and either believed that a likelihood of confusion would result from Petitioner's use of its mark or had no reasonable basis for believing otherwise.

In Intellimedia Sports, Inc. v. Intellimedia Corporation, this Court set forth the requirements for a sufficient pleading of the third element of a fraud claim:

[A] a sufficient pleading of the third element of a fraud claim must consist of more than a mere conclusory allegation that the defendant "knew" about a third party's superior rights in the mark. The plaintiff must plead particular facts which, if proven, would establish that, as of the application filing date, the defendant believed that the third party had superior or clearly established rights and that a likelihood of confusion would result from applicant's use of its mark.

Alternatively, the plaintiff must plead particular facts (e.g., substantial identity between the parties' marks and goods or services, or a prior court decree or agreement of the parties which clearly establishes the other person's rights in the mark), which, if proven, would establish that, at the time the application was filed, defendant had no reasonable basis for its averred belief that no other person had a right to use the same or a confusingly similar mark on or in connection with the goods or services identified in the application.

43 U.S.P.Q.2d 1203, 1207 (TTAB 1997) (emphasis added).

Registrant has not pled facts which show that Petitioner **believed** that Registrant had superior or clearly established rights to the mark, or in the alternative, that Petitioner had no

reasonable basis for its belief that Registrant had the right to use the mark. Paragraphs 22 and 23 of Registrant's counterclaim allege that in 1992 Petitioner sent Registrant a cease and desist letter. This is directly contrary to any allegation that Petitioner knew or believed that Registrant had a right to use the mark. In fact, it shows the exact opposite – that Petitioner believed Registrant **did not** have the right to use the mark.

Following receipt of Petitioner's cease and desist letter, Registrant alleges that it "denied the infringement allegations and confirmed its preexisting rights in its AQUAROBIC mark(s), which it believed were superior to Petitioner's rights in its mark AQUA-AEROBIC." (Ex. 1, Counterclaim, ¶13, p. 8). Such an allegation is "insufficient because it is devoid of any details regarding the substance of [Registrant's] alleged communication to [Petitioner]." *Id.* Registrant attempts to impute knowledge to Petitioner without alleging what it allegedly told Petitioner regarding its superior rights in the mark. Registrant's conclusory claim of "superior rights," even if proven, does not establish that Petitioner knew and *believed* that Registrant had superior rights to the mark, nor does it establish that Petitioner had no reasonable basis for holding a contrary belief. See *id.*

Moreover, Registrant's beliefs regarding superiority of the mark are insufficient to establish what Petitioner knew or believed. See *id.*; see also Space Base Inc. v. Stadis Corp., 17 U.S.P.Q.2d 1216, 1218 (TTAB 1990) ("[I]t is settled that there can be no fraud by reason of a party's failure to disclose the asserted rights of another person...unless that person is known to possess a superior or a clearly established right to use..."). Registrant has alleged no facts (i.e. an agreement by the parties or court order) that establish a superior or clearly established right to use the mark – only an assertion by Registrant. Without establishing what Registrant told Petitioner, it cannot allege that Petitioner had no reasonable basis for believing it was the superior user, or even that Petitioner believed Registrant to be the superior user.

Following these insufficient allegations, Registrant concludes by stating that "[t]his was presumably to the satisfaction of Petitioner because Petitioner sent no further correspondence to Registrant." (Ex. 1, Counterclaim, ¶14, p. 8). However, Petitioner's lack of response cannot be reasonably taken as a concession to Registrant's position.³ This allegation, too, is merely conclusory and does not establish what Petitioner knew or believed about Registrant's use of the mark. Registrant's counterclaim simply does not establish that Petitioner believed Registrant had any superior or clearly established right, and is thus insufficient.

C. Registrant Has Failed to Adequately Plead that Petitioner Intended to Mislead the Trademark Office

Registrant alleges in paragraph 26 that "Petitioner fraudulently procured and maintained its AQUA-AEROBIC Registration within the meaning of the term as used in Section 14(3) of the Lanham Act by willfully withholding material information from the U.S. Patent and Trademark Office with an intent to deceive the U.S. Patent and Trademark Office." Registrant's position again predicates on its alleged prior rights, as fully discussed above in Sections III.A and III.B.

Registrant has not established via its counterclaim that Petitioner intended to mislead the Patent and Trademark Office. To the contrary, Registrant merely pleaded that *it* believed it had superior rights to Petitioner, not that Petitioner believed so. That is not enough. See Colt Industries Operating Corp. v. Olivetti Controllo, 221 U.S.P.Q. 73, 76 (TTAB 1983) ("It is our view that opposer had no duty to notify the Office of applicant's bare unsubstantiated allegation and, *a fortiori*, it cannot be said that opposer's failure to notify the Office of the bare unsubstantiated allegation caused opposer's oath to become fraudulent.") Because Registrant has

³ It should be noted that many of the facts alleged by Registrant are simply not true, as will be established in this cancellation proceeding.

insufficiently alleged the second and third elements of its fraud claim, as set forth above in Sections III.A and III.B, this element must also fail.

D. Registrant's Affirmative Defenses Should Be Stricken

1. Registrant's First Affirmative Defense Is Identical To Its Fraud Counterclaim

Registrant's First Affirmative Defense (Ex. 1, Answer, p. 5) is Fraud and Unclean Hands. This Affirmative Defense is essentially a restatement of the allegations in Registrant's counterclaim for fraudulent procurement, as it relies upon alleged "false representation of material fact" to the Patent and Trademark Office.

As discussed above in Sections III.A, III.B, and III.C, and as pled by Registrant, there was no "false representation of material fact" as Petitioner either has superior rights to the mark, or had no reasonable basis to believe that Registrant was the superior user. Therefore, for the same reasons as set forth above, Petitioner requests that this affirmative defense be stricken as redundant and identical to its counterclaim. See Space Base Inc. v. Stadis Corp., 17 U.S.P.Q.2d 1216, 1218 (TTAB 1990) (affirmative defenses substantially similar to stricken counterclaim stricken as redundant and impertinent); Continental Gummi-Werke AG v. Continental Seal Corp., 222 USPQ 822, 825 (TTAB 1984) (affirmative defenses stricken because identical to counterclaim).

2. Registrant's Second Affirmative Defense Is Immaterial

Registrant's Second Affirmative Defense (Ex. 1, Answer, p. 6) is Estoppel:

Registrant anticipates that Petitioner may attempt to excuse the representations made in its application to register the AQUA-AEROBIC mark by saying that there was no likelihood of confusion, mistake, or deception between the marks. To the extent that Petitioner attempts to defend its prior actions in this manner, it should be estopped in the present proceeding from claiming any likelihood of confusion, mistake, or deception as between the marks.

(Ex. 1, Answer, ¶¶1, 2, p. 6).

Because Registrant cannot establish that Petitioner made any fraudulent representations in its application to register the AQUA-AEROBIC mark, as discussed in Sections III.A, III.B, and III.C above, Registrant's Second Affirmative Defense is immaterial. Petitioner thus requests that this affirmative defense be stricken.

3. Registrant's Third Affirmative Defense Is Improper

Registrant's Third Affirmative Defense seeks Partial Modification of the Registration. In fact, however, Registrant is seeking to completely and substantially re-write its original application in this cancellation proceeding. Registrant seeks to amend three things: (1) the alleged owner of the AQUAROBIC INTERNATIONAL mark, which was represented upon filing as Mark J. McKelvey d/b/a Aquarobic International; (2) the International Class associated with the mark, which was allegedly incorrectly stated as International Class 040 rather than International Class 011; and (3) the alleged date of first use of the mark, which was admittedly falsely stated as January 1, 1970. Registrant seeks to change the date of first use to 1992. Registrant describes these three amendments as "technical deficiencies." (Ex. 1, p. 6, Third Affirmative Defense, ¶2; see also Answer, ¶5). Of course, Registrant would have to submit a new and proper specimen as well. Registrant alleges that "Modification will avoid any likelihood of confusion with AQUA-AEROBIC." (Ex. 1, p. 6, Third Affirmative Defense, ¶3). That is not true.

Registrant's Third Affirmative Defense is improper. "[A]n application subject to an opposition may not be amended in substance nor may a registration subject to a cancellation be amended or disclaimed in part, except with the *consent* of the other party or parties, and the approval of the Trademark Trial and Appeal Board, or upon motion granted by the Board." 37 C.F.R. §2.133(a) (emphasis added). A proposed amendment to a registration which is the

subject of an *inter partes* proceeding must comply with 37 C.F.R. §2.173 and Trademark Act §7(e), 15 U.S.C. §1057(e). TBMP §514.01. If the registration is involved in an *inter partes* proceeding before the Trademark Trial and Appeal Board, the request must be filed by appropriate motion to the Board. 37 C.F.R. §2.173; 37 C.F.R. §2.133.

Only one type of registration amendment is mentioned as a proper affirmative defense. If a defendant whose registration is subject to a Board *inter partes* proceeding wishes to defend by asserting that it is at least entitled to a registration with a particular restriction as to identification of goods and services, that claim may be made by way of motion pursuant to 37 C.F.R. §2.133 or raised as an affirmative defense in the Answer. See TBMP §514.03; see also TBMP §311.02(b). However, that is not what Registrant is attempting to do here. In fact, Petitioner's AQUA-AEROBIC trademark is registered in International Class 11, the very class Registrant seeks to amend its registration to cover. (Ex. 2, Petition, ¶11). Registrant has offered no explanation as to how its proposed amendments will avoid likelihood of confusion with Petitioner, especially since they are related to ownership, a later first use date than Petitioner, and a change to the same class of goods as Petitioner. Instead, Registrant offers merely a conclusory statement. (Ex. 1, p. 6, Third Affirmative Defense, ¶3).

Petitioner maintains that such an amendment is improperly named as an Affirmative Defense. Registrant is free to file a motion to amend its registration to the Board pursuant to 37 C.F.R. §2.133 if it meets the above criteria – which it cannot. Therefore, Petitioner requests the Board strike Registrant's Third Affirmative Defense.

IV. CONCLUSION

For the reasons set forth above, Petitioner Aqua-Aerobic respectfully requests that the Court dismiss Registrant Aquarobic's counterclaim, and strike Registrant Aquarobic's First, Second, and Third Affirmative Defenses.

Dated: February 7, 2012

Respectfully submitted,

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EXHIBIT 1

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

AQUA-AEROBIC SYSTEMS, INC.)	
)	
Petitioner,)	
)	
v.)	Cancellation No. 92054468
)	Registration No. 3858155
MICHAEL J. McKELVEY d/b/a)	
AQUAROBIC INTERNATIONAL,)	
)	
Registrant.)	
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MICHAEL J. McKELVEY d/b/a)	
AQUAROBIC INTERNATIONAL)	
)	
Counter-Petitioner,)	
)	
v.)	Registration No. 2056978
)	
AQUA-AEROBIC SYSTEMS, INC.,)	
)	
Counter-Registrant.)	

ANSWER AND COUNTERCLAIM

Michael J. McKelvey d/b/a Aquarobic International (“Registrant”), by counsel, submits the following Answer and Counterclaim to the Petition for Cancellation filed by Aqua-Aerobic Systems, Inc. (“Petitioner”).

ANSWER

1. Registrant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph one and therefore denies the same.
2. Registrant admits the allegations contained in paragraph two.
3. Registrant admits the allegations contained in paragraph three.
4. Registrant admits the allegations contained in paragraph four.

5. Registrant admits the allegations in paragraph five. Registrant filed its trademark application and Statement of Use *pro se*. These documents contain inadvertent and innocent errors. The owner of the mark AQUAROBIC INTERNATIONAL is Aquarobic International, Inc., and not Michael J. McKelvey d/b/a Aquarobic International. The mark is used in connection with a self-contained wastewater treatment system in International Class 011 and not treatment of waste water in Class 040. And the dates of first use—both anywhere and in commerce under §1(a) of the Trademark Act, 15 U.S.C. §1051(a)—are at least as early as 1992. The term AQUAROBIC was used both anywhere and in commerce under §1(a) of the Trademark Act, 15 U.S.C. §1051(a)—at least as early as October 13, 1978.

6. In response to the allegations in paragraph six, Registrant avers that the documents speak for themselves. To the extent the allegations contained in paragraph six are inconsistent with the referenced documents, Registrant denies those allegations.

7. In response to the allegations in paragraph seven, Registrant avers that the documents speak for themselves. To the extent the allegations contained in paragraph seven are inconsistent with the referenced documents, Registrant denies those allegations.

8. In response to the allegations in paragraph eight, Registrant clarifies its dates of first use as set forth in paragraph five hereof. Registrant denies the remaining allegations in paragraph eight.

9. In response to the allegations in paragraph nine, on information and belief, Registrant avers that Petitioner commenced use of AQUA-AEROBIC after March 1970. Registrant is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in paragraph nine, and therefore denies the same.

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

11. In response to the allegations in paragraph eleven, Registrant admits that Petitioner is the listed owner of Registration No. 2,056,978, which issued on April 29, 1997, for “mechanical mixers used in industrial and municipal waste water treatment” in Class 7 and “waste water treatment systems comprised of aerators, mixers, diffusers, filters, and water cooling units, granular and cloth media filters used in industrial and municipal waste water treatment, contained flow floating mechanical aerators used in industrial and municipal waste water treatment” in Class 11. On information and belief, Registrant avers that Petitioner commenced use of AQUA-AEROBIC after March 1970. Registrant is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in paragraph eleven of the Petition for Cancellation, and therefore denies the same.

12. Registrant admits the allegations contained in paragraph twelve.

13. Registrant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph thirteen of the Petition for Cancellation, and therefore denies the same.

14. In response to the allegations in paragraph fourteen, Registrant avers that AQUAROBIC INTERNATIONAL was in use—both anywhere and in commerce under §1(a) of the Trademark Act, 15 U.S.C. §1051(a)—at least as early as 1992. Registrant further admits that Aquarobic International, Inc., was incorporated in Virginia in April 1992 and that Mr. McKelvey became listed as an officer of the company between March 30, 2009, and November 24, 2010. Registrant denies the remaining allegations in paragraph fourteen.

15. In response to the allegations in paragraph fifteen, AQUAROBIC INTERNATIONAL was in use—both anywhere and in commerce under §1(a) of the Trademark Act, 15 U.S.C. §1051(a)—at least as early as 1992, and AQUAROBIC was in use—both anywhere and in commerce under §1(a) of the Trademark Act, 15 U.S.C. §1051(a)—at least as early as October 13, 1978.

16. In response to the allegations in paragraph sixteen, Registrant avers that the documents speak for themselves. To the extent the allegations contained in paragraph sixteen are inconsistent with the referenced documents, Registrant denies those allegations.

17. In response to the allegations in paragraph seventeen, Registrant avers that the documents speak for themselves. To the extent the allegations contained in paragraph seventeen are inconsistent with the referenced documents, Registrant denies those allegations.

18. In response to the allegations in paragraph eighteen, Registrant admits that the Aquarobic Registration contain inadvertent and innocent errors. Registrant denies the remaining allegations in paragraph eighteen.

19. On information and belief, Registrant denies the allegation contained in paragraph nineteen of the Petition for Cancellation.

20. Registrant denies each and every allegation in paragraph twenty.

21. Registrant denies each and every allegation in paragraph twenty-one.

22. Registrant denies each and every allegation in paragraph twenty-two.

AFFIRMATIVE DEFENSES

The Petition for Cancellation is subject to the following Affirmative Defenses:

First Affirmative Defense—Fraud and Unclean Hands

1. Petitioner bases its Cancellation proceeding on Registration No. 2,056,978, which issued on April 29, 1997.

2. At the time Petitioner applied for that Registration, however, it was aware of the AQUAROBIC mark's existence and prior use. Indeed, Petitioner had previously issued a cease-and-desist letter to Registrant, asserting that AQUAROBIC and AQUA-AEROBIC so resemble one another when used in connection with wastewater treatment systems as to be likely to cause confusion, mistake or deception in the marketplace.

3. Notwithstanding this knowledge, Petitioner's application to register the AQUA-AEROBIC mark falsely stated that—to the best of Petitioner's knowledge and belief—no other person, firm, corporation, or association had the right to use its mark in commerce, either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods/services of such other person, to cause confusion, or to cause mistake, or to deceive.

4. This was a false representation of material fact. Petitioner knew of Registrant's prior and coexisting use and rights in its AQUAROBIC mark(s) at the time Petitioner signed the oath to its application for federal registration of AQUA-AEROBIC. But Petitioner intentionally failed to disclose this fact to the U.S. Patent and Trademark Office. It did this in order to obtain a federal registration of its mark.

5. Petition's fraud invalidates the AQUA-AEROBIC registration on which Petitioner bases its cancellation Petition, and also constitutes unclean hands.

Second Affirmative Defense—Estoppel

1. Registrant anticipates that Petitioner may attempt to excuse the representations in its application to register the AQUA-AEROBIC mark by saying that there was no likelihood of confusion, mistake, or deception as between the marks.

2. To the extent that Petitioner attempts to defend its prior actions in this manner, it should be estopped in the present proceeding from claiming any likelihood of confusion, mistake, or deception as between the marks.

Third Affirmative Defense—Partial Modification of Registration

1. As noted above, Registrant applied for the AQUAROBIC registration *pro se*.

2. Modification of the Registration is necessary to correct certain technical deficiencies. In particular, the owner of the mark AQUAROBIC INTERNATIONAL is Aquarobic International, Inc., not Michael J. McKelvey d/b/a Aquarobic International. The mark is used in connection with a self-contained wastewater treatment system in International Class 011 and not treatment of waste water in Class 040. And the dates of first use—both anywhere and in commerce under §1(a) of the Trademark Act, 15 U.S.C. §1051(a)—are at least as early as 1992.

3. Modification will avoid any likelihood of confusion with AQUA-AEROBIC. In the alternative, Registrant asks that any cancellation of its registration be declared to be without prejudice to the right of AQUAROBIC's owner, Aquarobic International, Inc., to file an application for registration of the AQUAROBIC INTERNATIONAL and related marks.

COUNTERCLAIM TO CANCEL PETITIONER'S REGISTRATION

Registrant Michael J. McKelvey d/b/a Aquarobic International (“Registrant”), by counsel, hereby petitions to cancel Registration No. 2,056,978—owned by Petitioner Aquarobic Systems, Inc. (“Petitioner”)—on the basis of fraudulent procurement. In support of its Counterclaim, Registrant states as follows:

1. Aquarobic International, Inc. (“Aquarobic International”) is a Virginia corporation having its principal place of business at 5800 Prilliman Switch Road, Ferrum, Virginia 24088.
2. Aquarobic International is the successor in interest to Aquarobic Limited.
3. Aquarobic Limited, in turn, is the successor to Waltec Industries Limited’s (“Waltec’s”) assets related to its Aquarobic wastewater-treatment-products business. These rights included all associated intellectual property rights.
4. Waltec filed a trademark application in Canada for AQUAROBIC on July 16, 1971. Waltec established a first use date in Canada on October 31, 1972, and a Canadian registration issued on November 24, 1972.
5. Waltec began selling under the AQUAROBIC mark in the United States through U.S. distributors, including James Steffey and his business Aquarobic USA, Ltd.
6. Waltec’s first use in commerce of AQUAROBIC in the United States occurred at least as early as October 13, 1978, as evidenced by a permit relating to a wastewater treatment system in Loudoun County, Virginia. A copy of this permit is attached hereto as Exhibit 1.
7. In 1980, Daniel Pavon formed the Ontario company, Aquarobic Limited, and purchased the assets—including intellectual property rights—of Waltec’s Aquarobic business for

both Canada and the United States. Aquarobic Limited continued to sell wastewater treatment systems under the AQUAROBIC mark in Canada and the United States.

8. On April 21, 1992, Pavon reorganized the Aquarobic Limited business under a corporation with the name Aquarobic International, Inc. (“Aquarobic International”), which was incorporated in Virginia. All of the assets, including intellectual property rights, transferred to Aquarobic International.

9. In 2009, Michael J. McKelvey acquired all of the shares of Aquarobic International from Pavon. McKelvey is the current President of Aquarobic International. Aquarobic International continues to sell wastewater treatment systems under the AQUAROBIC mark in the United States.

10. Aquarobic International is the successor in interest to common-law trademark rights in the United States in the mark AQUAROBIC in connection with wastewater treatment systems dating back to at least as early as October 13, 1978.

11. Between 1990 and 1992, Petitioner contacted Registrant, which at that time was owned and operated by Pavon in the United States and Canada.

12. Petitioner alleged infringement of its common-law rights in the mark AQUA-AEROBIC.

13. Registrant denied the infringement allegations and confirmed its preexisting rights in its AQUAROBIC mark(s), which it believed were superior to Petitioner’s rights in its mark AQUA-AEROBIC.

14. This was presumably to the satisfaction of Petitioner because Petitioner sent no further correspondence to Registrant.

15. On January 22, 1996, Petitioner filed an application for the mark AQUA-AEROBIC in International Class 007 for “mechanical mixers used in industrial and municipal waste water treatment” with an alleged first use date of March 1981, and International Class 011 for “waste water treatment systems comprised of aerators, mixers, diffusers, filters, and water cooling units; granular and cloth media filters used in industrial and municipal waste water treatment; contained flow floating mechanical aerators used in industrial and municipal waste water treatment” with an alleged first use date of March 1970, Serial No. 75046341.

16. There is no indication that the AQUA-AEROBIC mark was used in interstate commerce in the United States since the alleged date of first use, or that the AQUA-AEROBIC mark was in continuous use since that date. In fact, Petitioner’s website indicates that Petitioner’s predecessor in interest manufactured “AQUA-JET” beginning in 1969 and did not legally adopt the name “Aqua-Aerobic Systems, Inc.” until 1976.

17. Petitioner’s registration for the mark AQUA-AEROBIC issued on February 4, 1997, Registration No. 2056978 (“AQUA-AEROBIC Registration”).

18. Petitioner renewed its registration for the mark AQUA-AEROBIC on March 22, 2007 and filed for incontestability under 15 U.S.C. § 1065.

19. As required by Section 1(a)(3) of the Lanham Act when filing and renewing a trademark application with the U.S. Patent and Trademark Office, Petitioner, by and through its agent, signed a declaration stating that: “to the best of the verifier's knowledge and belief, no other person has the right to use such mark in commerce either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods of such other person, to cause confusion, or to cause mistake, or to deceive.”

20. The Lanham Act imposes a duty to not make knowingly inaccurate or knowingly misleading statements in a verified declaration forming part of an application.

21. Further, even an incontestable mark may be contested on the basis of fraud under 15 U.S.C. § 1115(b)(1).

22. Petitioner knew at least as early as 1992 that Registrant or its predecessor was using—and had prior and co-existing common-law rights to use—the mark AQUAROBIC in commerce in connection with the sale of wastewater treatment systems. This was four years before Petitioner filed its application for the mark AQUA-AEROBIC.

23. Petitioner had expressed its belief that the AQUAROBIC marks were confusingly similar to its AQUA-AEROBIC mark, having sent a cease and desist letter to Registrant.

24. It also knew that Registrant had rejected its infringement allegations and that Registrant had continued to use the AQUAROBIC mark(s).

25. Nevertheless, Petitioner falsely asserted in its application for registration of AQUA-AEROBIC that to the best of its knowledge and belief no other person, firm, corporation, or association had the right to use its mark in commerce, either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods/services of such other person, to cause confusion, or to cause mistake, or to deceive. Petitioner's false assertion was made with an intention to deceive the U.S. Patent and Trademark Office in order that it might obtain a federal registration of its mark.

26. Thus, Petitioner fraudulently procured and maintained its AQUA-AEROBIC Registration within the meaning of the term as used in Section 14(3) of the Lanham Act by

willfully withholding material information from the U.S. Patent and Trademark Office with an intent to deceive the U.S. Patent and Trademark Office.

27. If Petitioner is permitted to retain its AQUA-AEROBIC Registration, Registrant believes it will be damaged because it may prevent Registrant from registration of its marks.

28. If Petitioner is permitted to retain its AQUA-AEROBIC Registration, Registrant believes it will be damaged because it may subject Registrant to infringement allegations and an infringement suit.

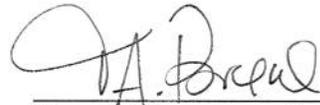
WHEREFORE, Registrant deems that it has been or will be damaged by the AQUA-AEROBIC Registration and petitions for cancellation thereof.

The Commissioner for Trademarks is hereby authorized to deduct the \$600 filing fee and any additional fees relating to the filing of this Counterclaim to Cancel Petitioner's Registration from Deposit Account No. 501563.

Respectfully submitted,

Dated: December 14, 2011

By:



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Counsel for Registrant

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing was served by electronic mail and regular mail, postage prepaid, on counsel for Petitioner Aqua-Aerobic Systems, Inc., this 14th day of December, 2011, addressed as follows:

Robert A. Vitale, Jr., Esq.
Niro Haller & Niro
181 West Madison, Suite 4600
Chicago, IL 60602
Phone: (312) 236-0733
vitale@nshn.com

Counsel for Petitioner



EXHIBIT 2

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

In the Matter of Registration No. 3,858,155
For the mark AQUAROBIC INTERNATIONAL
Registrant: Michael J. McKelvey, d/b/a Aquarobic International
Issued: October 5, 2010

AQUA-AEROBIC SYSTEMS, INC.

Petitioner,

v.

MICHAEL J. McKELVEY, d/b/a
AQUAROBIC INTERNATIONAL,

Registrant.

Cancellation No. _____

PETITION FOR CANCELLATION

Petitioner Aqua-Aerobic Systems, Inc. believes that it has been and/or will be damaged by Registration No. 3,858,155 and hereby petitions to cancel same on the grounds of priority and likelihood of confusion under 15 U.S.C. § 1052(d). In support, it is alleged that:

1. Petitioner Aqua-Aerobic Systems, Inc. is an Illinois corporation having its principal place of business at 6306 North Alpine Road, Loves Park, Illinois 61111.
2. To the best of Petitioner's knowledge, the name and address of the current owner of record of the registration sought to be cancelled is: Michael J. McKelvey, d/b/a Aquarobic International, P.O. Box 579, Ferrum, Virginia 24088.
3. Aquarobic International, Inc. is a Virginia corporation having its principal place of business at 5800 Prilliman Switch Road, Ferrum, Virginia 24088.
4. Mr. McKelvey is currently identified as the President of Aquarobic International, Inc.

5. Registration No. 3,858,155 for the mark AQUAROBIC INTERNATIONAL issued to Michael J. McKelvey d/b/a Aquarobic International on October 5, 2010 for "treatment of wastewater" in Class 40 (the "Aquarobic Registration"), from application Serial No. 77/853,294 filed on October 20, 2009. The Aquarobic Registration is based on alleged use in interstate commerce with an alleged first use date of January 1, 1970.

6. In the July 19, 2010 Statement of Use submitted with the application leading to the Aquarobic Registration, the following was alleged:

The mark was first used by the applicant, or the applicant's related company, licensee, or predecessor in interest at least as early as 01/01/1970, and first used in commerce at least as early as 01/01/1970, and is now in use in such commerce. The applicant is submitting one specimen for the class showing the mark as used in commerce on or in connection with any item in the class, consisting of a(n) Front page of Brochure.

(Exhibit 1).

7. Notably, however, the specimen submitted does not support the alleged date of first use; the one-page "brochure" merely states that some unidentified "Advanced Wastewater Treatment Systems" were "N.S.F.I. Listed Systems Since 1971" (Id.).

8. In addition, there is no indication that the AQUAROBIC INTERNATIONAL mark was in use or continuous use since the alleged date of first use, or that Aquarobic International, Inc. is the legally recognized licensee or successor in interest to any use or continuous use of the alleged mark.

9. Since at least March 1970, Petitioner has offered high quality wastewater treatment solutions in interstate commerce and throughout the United States under the AQUA-AEROBIC mark. As a result of Petitioner's extensive sales, advertising and promotion of its water and wastewater treatment systems (and related products and services) using the AQUA-

AEROBIC trademark, that mark has become widely and favorably known and recognized in the trade as originating with Aqua-Aerobic Systems, Inc.

10. The AQUA-AEROBIC mark has achieved strong and favorable public recognition and goodwill, and is associated with Petitioner's reputation for quality goods and services in the water and wastewater treatment industry. The AQUA-AEROBIC trademark has acquired secondary meaning.

11. Consistent with its long use of the AQUA-AEROBIC mark, Petitioner obtained Registration No. 2,056,978, which issued on April 29, 1997, for "mechanical mixers used in industrial and municipal waste water treatment" in Class 7 and "waste water treatment systems comprised of aerators, mixers, diffusers, filters, and water cooling units, granular and cloth media filters used in industrial and municipal waste water treatment, contained flow floating mechanical aerators used in industrial and municipal waste water treatment" in Class 11 (the "Aqua-Aerobic Registration"). The Aqua-Aerobic Registration is based on use in interstate commerce with a first use date of March 4, 1981 in Class 7 and a first use date of March 1970 in Class 11.

12. The Aqua-Aerobic Registration was renewed in 2007 and is incontestable under 15 U.S.C. § 1065.

13. Petitioner has also over the years used the AQUA-AEROBIC mark on and in connection with other goods and services not recited in the Aqua-Aerobic Registration. Petitioner's use of the mark has resulted in numerous additional trademark registrations in the U.S. and around the world.

14. Registrant claims a date of first use of January 1, 1970 for the AQUAROBIC INTERNATIONAL mark. However, in addition to the defects noted above, according to the records of the Commonwealth of Virginia, Aquarobic International, Inc. was not formed until

April 1992 (Exhibit 2) and Mr. McKelvey was not an officer of the company until sometime between March 30, 2009 and November 24, 2010 (Exhibit 3).

15. Upon information and belief, Registrant appears to be basing its alleged date of first use upon a Canadian trademark registration which issued from an intent-to-use application filed with the Canadian Intellectual Property Office on February 16, 1971 (Exhibit 4). However, in that application, the statement of use is dated October 23, 1972 and was filed by a company called Waltec Industries Limited (Id., p. 19). No specimen was provided in that application or with the statement of use. Accordingly, the earliest alleged date of first use of the mark "Aquarobic" that can even be claimed (if at all), at least in Canada, by Registrant is no earlier than October 23, 1972.

16. Also upon information and belief, Registrant appears to be claiming title to this Canadian registration. However, the last recorded owner of the Canadian mark was Masco Canada Ltd., as of March 17, 1994 (Id., p. 1, 6).

17. The foregoing Canadian registration was automatically expunged for failure to renew on July 3, 2003 (Id., p. 2).

18. For these and other reasons, Petitioner believes that the Aquarobic Registration was improperly and/or fraudulently obtained. Notably, the alleged "specimen" submitted with the application leading to the Aquarobic Registration does not support a 1970 use date; in fact, it is not even a proper specimen.

19. Petitioner's use of the AQUA-AEROBIC mark predates any properly claimed date of first use by Registrant of the AQUAROBIC INTERNATIONAL mark.

20. Registrant's AQUAROBIC INTERNATIONAL mark so resembles Petitioner's AQUA-AEROBIC mark as to be likely, when used on or in connection with the services

identified in the Aquarobic Registration, to cause confusion, or to cause mistake, or to deceive and/or to lessen the ability of Petitioner to distinguish itself in the marketplace.

21. If Registrant is permitted to maintain the Aquarobic Registration, there is likely to be confusion in the marketplace, leading the public to falsely believe that Registrant's goods and services emanate or originate from Petitioner, or that Petitioner has approved, sponsored, or otherwise associated itself with Registrant.

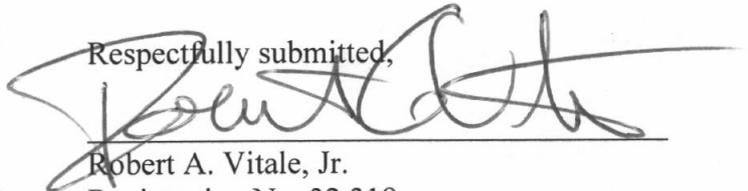
22. Registrant's use of the AQUAROBIC INTERNATIONAL mark deprives Petitioner of control over the quality of goods and services the public has come to associate with the AQUA-AEROBIC trademarks.

WHEREFORE, Petitioner deems that is has been or will be damaged by the Aquarobic Registration and petitions for cancellation thereof.

The Commissioner for Trademarks is hereby authorized to deduct the \$300 filing fee and any additional fees relating to the filing of this Petition for Cancellation from Deposit Account No. 14-1131.

Dated: September 7, 2011

Respectfully submitted,



Robert A. Vitale, Jr.
Registration No. 32,319
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(312) 236-0733

Attorney for Petitioner

PROOF OF SERVICE

I hereby certify that the foregoing **Petition for Cancellation** is being deposited with the United States Postal Service on **September 7, 2011** as "Express Mail Post Office to Addressee" service under 37 CFR § 2.119(b)(4) under **Express Mail No. EG 156728804** and is addressed to the current owner of the registration sought to be cancelled:

Michael J. McKelvey
d/b/a Aquarobic International
P.O. Box 579
Ferrum, Virginia 24088



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Attorney for Petitioner