ESTTA Tracking number: **ESTTA448655**
Filing date: **12/28/2011**

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

Proceeding	92054629
Party	Plaintiff Sheltered Wings, Inc.
Correspondence Address	JENNIFER L GREGOR GODFREY & KAHN SC ONE EAST MAIN STREET SUITE 500 MADISON, WI 53703 UNITED STATES jgregor@gklaw.com, jpeterson@gklaw.com, apeterson@gklaw.com, docketing@gklaw.com
Submission	Opposition/Response to Motion
Filer's Name	Jennifer L. Gregor
Filer's e-mail	jgregor@gklaw.com, jpeterson@gklaw.com, docketing@gklaw.com, apeterson@gklaw.com
Signature	/Jennifer L. Gregor/
Date	12/28/2011
Attachments	SW response to Wohali's response to Notice of Default and Motion for Leave to File Answer.pdf (7 pages)(25484 bytes) Declaration of Jennifer L. Gregor with exhibits.pdf (52 pages)(920665 bytes)

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

In re Registration No. 3,904,929 SHELTERED WINGS, INC. Petitioner, v. WOHALI OUTDOORS, LLC Respondent.	Cancellation No. 92054629

SHELTERED WINGS, INC.'S RESPONSE TO
WOHALI OUTDOORS, LLC'S RESPONSE TO NOTICE OF DEFAULT
AND MOTION FOR LEAVE TO FILE ANSWER

Wohali Outdoors, LLC's counsel admits that it had actual knowledge of the Petition for Cancellation the day it was filed, yet it failed to timely file an answer. Wohali has no good cause for its failure to timely answer, and it has not demonstrated good cause for setting aside the Board's notice of default. The Board should deny Wohali's motion for leave to file an answer and enter judgment against Wohali.

Argument

To set aside a notice of default, Wohali must demonstrate "good cause" under Federal Rule of Civil Procedure 55. S*ee DeLorme Publishing Co. v. Eartha's Inc*., 60 U.S.P.Q.2d 1222, 1224 (T.T.A.B. 2000); TBMP § 312.02. To show good cause, Wohali must show three things: 1) its failure to timely answer was not the result of willful conduct or gross neglect; 2) the delay will not result in substantial prejudice to Sheltered Wings; and 3) Wohali has a meritorious defense. *DeLorme*, 60 U.S.P.Q.2d at 1223. The first element is critical in this analysis, as

explained in *DeLorme*. *Id.* Even if there is no substantial prejudice to Sheltered Wings and Wohali has a meritorious defense, Wohali cannot demonstrate good cause and default judgment is appropriate because Wohali's failure to timely answer was the result of willful conduct or gross neglect. *See id.* at 1224.

1. Wohali's counsel had actual notice of the Petition and was involved in litigating a prior civil action regarding the infringement.

Wohali's counsel had actual notice of the Petition for Cancellation on the day that it was filed. The Petition was filed on October 10, 2011. The same day, counsel for Sheltered Wings emailed a copy of the Petition to Steven Harris at the law firm of Doyle Harris Davis & Haughey. *See* Declaration of Jennifer L. Gregor ("Gregor Decl.") at ¶ 2, Exhibit A. Wohali admits that it received this email. *See* Wohali's Combined Response to Notice of Default and Motion for Leave to File Answer ("Wohali's Motion") at ¶ 11. As demonstrated by the signature block on Wohali's motion, Steven Harris and his firm are currently representing Wohali in this proceeding.

Steven Harris and his firm also represented Wohali in a prior civil action concerning the mark and registration at issue in this proceeding. Gregor Decl. ¶¶ 4-6. Because of this representation, Harris and his firm knew that Sheltered Wings intended to file a Petition for Cancellation of the subject registration. In the civil action, after learning the scope of sales involved in Wohali's infringement, Sheltered Wings sought voluntary dismissal of the case without prejudice and informed the court and Wohali that it did so in order to preserve its ability to file a cancellation proceeding in the USPTO, a less expensive forum. *Id.*; *see also* Exhibit H to Wohali's Motion at p.2. Indeed, in its motion, Wohali admits that it knew that Sheltered Wings "intended to file this cancellation proceeding rather than pursue the Federal lawsuit." *See*

Wohali's Motion at ¶ 2. Wohali's counsel was well aware that this Petition was likely, and they knew about it the day it was filed.

2. Once it learned of the Petition, Wohali failed to competently investigate the status of the proceeding.

If, upon learning of the Petition, Wohali had performed a competent inquiry into the status of the case, it would have easily determined when its answer was due. Wohali's counsel claims that it took two actions to ensure that it would receive the Board's notice setting an answer deadline. But both of these actions were taken **after** Wohali's answer deadline was set by the Board.

First, on October 20, 2011, Wohali's counsel updated the correspondence address for U.S. Registration No. 3,904,929 for the mark at issue to identify his firm as the correspondent, rather than Wohali's presumably prior counsel. *See* Exhibit F to Wohali's Motion, Declaration of S. Max Harris at ¶ 3. Attorney Harris explains that this "was to hopefully ensure I received a copy of everything issued/filed concerning the Petition, including the "notice" setting the answer deadline." *Id.* Although Harris knew of the filed Petition, he elected not to file an appearance in the TTAB proceeding. Indeed, had Harris even looked at the TTAB record in TTABUE, he would have seen that the answer deadline had been set.

Second, Wohali's counsel had an assistant, Ms. James, contact the Board on October 31, 2011 "to determine when Wohali's answer was due." *See* Exhibit G to Wohali's Motion, Declaration of Lesley D. James ("James Decl."). Ms. James does not explain who she contacted at the Board, but she claims that she was informed by the Board that: an answer could not be filed until a proceeding number was assigned; no answer could be filed until the Board's notice was sent; and that "due to a backlog of cases, the 'notice' might not issue for six month to one year from the filing date of the Petition for Cancellation." *See id.*, James Decl. ¶ 5. But by the

time she allegedly called, the proceeding number had been assigned, and the answer deadline had clearly been set. Gregor Decl. ¶ 8. Further, Ms. James explains that on December 8, she checked TTABVUE, but does not explain why she did not check TTABVUE in October. James Decl. ¶¶ 6-7.

Neglect by Wohali's counsel is the same as neglect by Wohali itself. There is no distinction between neglect of counsel and neglect of a party. *See CTRL Systems Inc v. Ultraphonics of North America Inc*., 52 U.S.P.Q.2d 1300, 1302 (T.T.A.B. 1999). The actions by Wohali's law firm purportedly taken to ensure that Wohali learned of its answer deadline occurred **after** the Board set the deadline, and a competent inquiry would have readily revealed Wohali's deadline. Only two days after the Petition was filed, on October 12, the Board assigned a proceeding number and set the deadline for Wohali's answer. Gregor Decl. ¶ 8, Exhibit D. The Board's notice setting the answer deadline was available on TTABVUE on October 12 as well. *Id*. Thus, by the time that Mr. Harris changed the correspondent contact information for the registration at issue on October 20, and by the time that Ms. James supposedly contacted the Board on October 31, the Board had already issued its notice. A simple look at TTABVUE on either occasion would have revealed that the answer deadline had already been set. Neglect by Wohali's chosen law firm does not excuse the failure to file an answer in this case. *See CTRL Systems*, 52 U.S.P.Q.2d at 1302 (citing *Williams v. The Five Platters, Inc*. 510 F.2d 963, 184 U.S.P.Q. 744 (C.C.P.A. 1975).

3. Wohali argues that it has no obligation to answer until it received the Board's notification, but its only evidence of non-receipt is Wohali's conclusory declaration.

Notwithstanding its clear knowledge of the Petition, Wohali vigorously argues that it had no obligation to file an answer until it received the Board's notification setting a time for filing an answer. For support for this argument, Wohali quotes the TBMP's discussion of the Board's

obligation to notify respondents in opposition or cancellation proceedings stating, in part, that: "[a] defendant is under no obligation to file an answer to the complaint in an opposition or cancellation proceeding until it receives the Board's notification setting the time for filing an answer." TBMP § 310.03(a) (citing *Nabisco Brands Inc. v. Keebler Co*., 28 U.S.P.Q.2d 1237 n.1 (T.T.A.B. 1993)). The context of this statement is the Board's obligation, thus, its not clear that this is a bright-line "rule" that would excuse an untimely answer, particularly where a respondent has clear actual knowledge of a Petition.

Moreover, the evidence that Wohali never received the notice is suspect. The TTAB records indicate that on October 12, 2011—two days after the Petition was filed—the Board mailed the notice of the proceeding, setting a November 21 deadline to answer, directly to Wohali at the address identified in the USPTO records for the registration at issue. There is a presumption that orders mailed by the Board reach the respondent at its address of record. *Jack Lenor Larsen Inc. v. Chas. O. Larson Co*., 44 U.S.P.Q.2d 1950, 1953 (T.T.A.B. 1997). In *Jack Lenor Larsen*, the Board held that the respondent's general denial of receipt of four Board orders was insufficient to rebut the presumption of receipt. Similarly, Wohali's general denial of receipt of the notice is no excuse for its failure to timely answer. The only evidence that Wohali did not receive the Board's notice is a conclusory declaration submitted by Wohali denying receipt of the Board's order. *See* Exhibit E to Wohali's Motion, Declaration of Jeremy T. Griffin. Mr. Griffin states that he is the primary contact for the Doyle Harris firm, Wohali's legal counsel, and states that he was not aware of the Board's notice setting the answer deadline until his counsel contacted him on December 8th upon receiving the notice of default. *Id.* at ¶¶ 1, 4. Mr. Griffin also states that he "confirmed with other Wohali representatives that Wohali did not receive the 'notice' and was unaware of the answer deadline." *Id.* at ¶ 4. Mr. Griffin, however,

does not explain how mail is handled at Wohali, what procedures are taken to ensure that mail is routed to the appropriate personnel, or with whom he talked to "confirm" with other "Wohali representatives" that Wohali did not receive the notice. Nor does Wohali dispute that the address to which the notice was mailed was the correct address, and TTABVUE contains no indication that the notice was returned to the Board. Wohali's argument that it had no obligation to answer should not excuse its failure to answer in this case, given the evidence of record and counsel's actual knowledge of the Petition.

Conclusion

Wohali has no excuse for its failure to timely answer, and has not demonstrated good cause for setting aside the Board's notice of default. Sheltered Wings respectfully requests that the Board deny Wohali's motion for leave to file an answer and enter judgment against Wohali.

Respectfully submitted,

SHELTERED WINGS, INC.

Date: December 28, 2011

By: /Jennifer L. Gregor/

James D. Peterson
Jennifer L. Gregor
GODFREY & KAHN, S.C.
One East Main Street, Suite 500
Madison, Wisconsin 53701-2719
Tel.: (608) 257-3911
Fax: (608) 257-0609
Email: jpeterson@gklaw.com,
jgregor@gklaw.com

CERTIFICATE OF SERVICE

I hereby certify that a true and complete copy of the foregoing document was served by First Class Mail, postage prepaid, and email this 28th day of December 2011 upon the following:

Steven M. Harris (steve.harris@1926blaw.com)
S. Max Harris (max.harris@1926blaw.com)
DOYLE HARRIS DAVIS & HAUGHEY
1350 South Boulder, Suite 700
Tulsa, OK 74119

/Jennifer L. Gregor/
Jennifer L. Gregor

7259287_2

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

In re Registration No. 3,904,929 SHELTERED WINGS, INC. Petitioner, v. WOHALI OUTDOORS, LLC Respondent.	Cancellation No. 92054629

DECLARATION OF JENNIFER L. GREGOR

I, Jennifer L. Gregor, declare as follows:

1. I am an attorney with the law firm of Godfrey & Kahn, S.C., the law firm of record for the petitioner in this proceeding. The facts stated herein are within my personal knowledge and, if called upon, I could and would testify thereto.

2. Attached as **Exhibit A** is a true and correct copy of an email that I sent to Attorney Steven Harris at the law firm of Doyle Harris Davis & Haughey on October 10, 2011.

3. Steven Harris and his firm are representing the respondent, Wohali Outdoors, LLC, in the above-captioned proceeding as indicated by the signature blocks on papers filed by Wohali in this proceeding.

4. Steven Harris and his firm also represented Wohali in connection with a prior civil action captioned, *Sheltered Wings, Inc. v. Wohali Outdoors, LLC*, No. 3:11-cv-300-bbc, in the United States District Court for the Western District of Wisconsin, regarding Wohali's infringement of the same registrations owned by Sheltered Wing that are involved in this

proceeding. Attached as **Exhibit B** is a true and correct copy of a Declaration of Brett L. Foster, filed in the Western District of Wisconsin, explaining that Mr. Harris represented Wohali in connection with settlement negotiations in the case.

5. As explained in the attached declaration, Wohali and Sheltered Wings nearly reached a settlement of the civil action shortly after the case was filed. However, as explained in the declaration, Wohali's insurance company took over defense of the case for Wohali and indicated that they would no longer be settling the case. Because of Wohali's relatively small amount of inventory at issue, Sheltered Wings moved to voluntarily dismiss the civil action without prejudice. Sheltered Wings informed the court and Wohali that it was doing so in order to preserve its ability to file a cancellation proceeding in the USPTO, a less expensive forum. Attached as **Exhibit C** is a true and correct copy of Sheltered Wings' reply to Wohali's opposition to Sheltered Wing's motion to dismiss the civil action, in which Sheltered Wings explained that it wished to retain the option of resolving Wohali's improperly issued registration through a USPTO cancellation proceeding (see p. 8).

6. The Western District of Wisconsin granted Sheltered Wings' motion to voluntarily dismiss the civil action without prejudice. *See* Exhibit H to Wohali's Combined Response to Notice of Default and Motion for Leave to File Answer. After the civil action was dismissed, Sheltered Wings, through counsel, contacted Steven Harris to revisit the possibility of settlement, which Wohali rejected. Mr. Harris communicated this rejection to Sheltered Wings.

7. Accordingly, when Sheltered Wings filed its Petition for Cancellation, on October 10, 2011, I sent a courtesy copy of the Petition to Mr. Harris, as well as serving it upon Wohali at its address of record from the USPTO records.

8. Two days after filing the Petition, on October 12, 2011, I received an email notice that the Board issued its order instituting the cancellation proceeding and setting the case schedule, including the answer deadline. Attached as **Exhibit D** is a true and correct copy of the Board's October 12 email that I received and the and notice that I retrieved from TTABVUE by clicking on the link in the Board's email. This email, as well as the Board's notice, include the cancellation proceeding number assigned to the proceeding.

I declare under the penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on December 28, 2011 in Madison, Wisconsin.

/Jennifer L. Gregor/
Jennifer L. Gregor

CERTIFICATE OF SERVICE

I hereby certify that a true and complete copy of the foregoing document was served by First Class Mail, postage prepaid, and email this 28th day of December 2011 upon the following:

Steven M. Harris (steve.harris@1926blaw.com)
S. Max Harris (max.harris@1926blaw.com)
DOYLE HARRIS DAVIS & HAUGHEY
1350 South Boulder, Suite 700
Tulsa, OK 74119

/Jennifer L. Gregor/
Jennifer L. Gregor

7283358_1

EXHIBIT A

Gregor, Jennifer

From: Gregor, Jennifer
Sent: Monday, October 10, 2011 3:47 PM
To: 'steve.harris@1926blaw.com'
Cc: Peterson, James
Subject: Sheltered Wings, Inc. v. Wohali Outdoors, LLC -- In re Registration No. 3,904,929 -- Petition for Cancellation
Attachments: Petition to Cancel STEEL EAGLE.pdf

Dear Mr. Harris:

Attached please find a courtesy copy of the Petition for Cancellation regarding Registration No. 3,904,929 for the mark STEEL EAGLE, which was filed by Sheltered Wings this afternoon.

Best regards,

Jennifer Gregor
Attorney
GODFREY & KAHN S.C.
ATTORNEYS AT LAW
One East Main Street, Suite 500
Madison, WI 53703
Phone: 608-257-3911
Direct: 608-284-2629
Fax: 608-257-0609
Email: JGregor@gklaw.com
http://www.gklaw.com

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

In re Registration No. 3,904,929	)	
SHELTERED WINGS, INC.	)	
Petitioner,	)	Cancellation No. _____
v.	)	
WOHALI OUTDOORS, LLC	)	
Respondent.	)	

PETITION FOR CANCELLATION

Petitioner, Sheltered Wings, Inc., ("Sheltered Wings"), a Wisconsin corporation, located and doing business at 2120 W. Greenview Drive, Suite 4, Middleton, Wisconsin 53562, believes that it is being damaged and will continue to be damaged by Registration No. 3,904,929 for the mark STEEL EAGLE (the "STEEL EAGLE Registration") and accordingly petitions to cancel this registration.

As grounds for cancellation, Sheltered Wings alleges:

1. For years, Sheltered Wings has been engaged in the business of providing optics products, including binoculars, spotting scopes, monoculars, and related equipment, among other things.

2. Since at least as early as 1987, Sheltered Wings has continuously used the term EAGLE in its trademarks for its optics products.

3. Sheltered Wings is the owner of the following United States trademark registrations for its trademarks including the term EAGLE:

Mark/Reg. No.	Application and Registration Dates	Goods and Services	First Use in Commerce in Registration
GOLDEN EAGLE Reg. No. 3,787,739	App: Dec. 8, 2006 Reg: May 11, 2010	Class 9: Binoculars	February 2010
STRIKE EAGLE Reg. No. 3,726,431	App: Sept. 16, 2008 Reg: Dec. 15, 2009	Class 9: Binoculars; Rifle scopes	February 1, 2009
EAGLE OPTICS Reg. No. 3,794,245	App: Dec. 30, 2008 Reg: May 25, 2010	Class 9: Riflescopes	March 1, 2010
EAGLE OPTICS Reg. No. 2,886,199	App: Oct. 5, 2000 Reg: Sept. 21, 2004	Class 9: Binoculars, spotting scopes, and telescopes, all for use in bird watching, and storage cases therefore	April 1, 1996
EAGLE OPTICS Reg. No. 3,192,083	App: Aug. 24, 2005 Reg: Jan. 2, 2007	Class 9: Binoculars, spotting scopes, telescopes, and storage cases therefore, all for use in birdwatching Class 35: Retail store, mail order and online retail store services featuring binoculars, spotting scopes, telescopes, and storage cases therefore, all for use in birdwatching	December 2001 1987

The registrations for the marks listed above (the "EAGLE Marks") are valid and subsisting. Additionally, Registration No. 2,886,199 is incontestable in accordance with the provisions of Sections 8 and 15 of the United States Trademark Act. (15 U.S.C. §§ 1058 and 1065).

4. Sheltered Wings long has owned valuable goodwill represented by its EAGLE Marks.

5. By virtue of Sheltered Wings' extensive use, advertising, and promotion of its EAGLE Marks, and long before the filing date of the STEEL EAGLE Registration, the EAGLE Marks became extremely well known and acquired a strong secondary meaning signifying Sheltered Wings.

6. Upon information and belief, respondent, Wohali Outdoors, LLC ("Wohali"), an Oklahoma limited liability company located at 1300 N. Industrial Blvd., Claremore, Oklahoma, 74017 is engaged in the business of providing outdoor gear including rain wear, fishing rods, binoculars, and spotting scopes.

7. Wohali owns Registration No. 3, 904,929 for the trademark STEEL EAGLE for "Magnifying optical equipment, namely, rifle scopes and binoculars," in Class 9 (the "STEEL EAGLE Registration"), which registration was granted on January 11, 2011, based on an intent-to-use application filed on March 12, 2009.

8. Wohali did not use the trademark STEEL EAGLE in the United States for any goods or services prior to October 21, 2009, the date of first use identified in the STEEL EAGLE Registration.

9. Use by Wohali of the trademark STEEL EAGLE for the goods identified in its registration is likely to confuse the purchasing public as to the source of Wohali's goods or to cause mistake or to deceive as to an affiliation, connection, or association with Sheltered Wings in violation of Section 2(d) of the United States Trademark Act (15 U.S.C. § 1052(d)).

10. Sheltered Wings is also being damaged by Wohali's STEEL EAGLE Registration because the United States Trademark Office has refused registration of Sheltered Wings' pending application Serial No. 85/095,903 for the mark EAGLE for binoculars, riflescopes, spotting scopes, and telescopes in Class 9 in view of the STEEL EAGLE Registration.

WHEREFORE, Sheltered Wings believes that it is being damaged and will continue to be damaged by the STEEL EAGLE Registration and petitions to cancel that registration.

Please deduct the requisite filing fee and any other fees associated with this proceeding from the deposit account of Godfrey & Kahn, S.C., Account No. 07-1509.

Respectfully submitted,

SHELTERED WINGS, INC.

Date: October 10, 2011

By: /Jennifer L. Gregor/

James D. Peterson
Jennifer L. Gregor
GODFREY & KAHN, S.C.
One East Main Street, Suite 500
Madison, Wisconsin 53701-2719
Tel.: (608) 257-3911
Fax: (608) 257-0609
Email: jpeterson@gklaw.com,
jgregor@gklaw.com

CERTIFICATE OF SERVICE

I hereby certify that a true and complete copy of the foregoing Petition for Cancellation was served by First Class Mail, postage prepaid, this 10th day of October 2011 upon the following:

Wohali Outdoors, LLC
1300 N. Industrial Blvd.
Claremore, OK 74017

/Jennifer L. Gregor/
Jennifer L. Gregor

6909426_1

Electronic System for Trademark Trials and Appeals

Receipt

Your submission has been received by the USPTO.
The content of your submission is listed below.
You may print a copy of this receipt for your records.

ESTTA Tracking number: **ESTTA434743**
Filing date: **10/10/2011**

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

Petition for Cancellation

Notice is hereby given that the following party requests to cancel indicated registration.

Petitioner Information

Name	Sheltered Wings, Inc.		
Entity	Corporation	**Citizenship**	Wisconsin
Address	2120 W. Greenview Drive, Suite 4 Middleton, WI 53562 UNITED STATES		

Attorney information	Jennifer L. Gregor Godfrey & Kahn, S.C. One East Main Street, Suite 500 Madison, WI 53703 UNITED STATES jgregor@gklaw.com, jpeterson@gklaw.com, apeterson@gklaw.com, docketing@gklaw.com Phone:608-257-3911

Registration Subject to Cancellation

Registration No	3904929	**Registration date**	01/11/2011
Registrant	Wohali Outdoors, LLC 1300 N. Industrial Blvd.		

	Claremore, OK 74017 UNITED STATES

Goods/Services Subject to Cancellation

Class 009. First Use: 2009/10/21 First Use In Commerce: 2009/10/21 All goods and services in the class are cancelled, namely: Magnifying optical equipment, namely, rifle scopes and binoculars

Grounds for Cancellation

Priority and likelihood of confusion	Trademark Act section 2(d)

Marks Cited by Petitioner as Basis for Cancellation

U.S. Registration No.	3787739	**Application Date**	12/08/2006
Registration Date	05/11/2010	**Foreign Priority Date**	NONE
Word Mark	GOLDEN EAGLE		
Design Mark	77060299#TMSN.jpeg		
Description of Mark	NONE		
Goods/Services	Class 009. First use: First Use: 2010/02/00 First Use In Commerce: 2010/02/00 Binoculars		

U.S. Registration No.	3726431	**Application Date**	09/16/2008
Registration Date	12/15/2009	**Foreign Priority Date**	NONE
Word Mark	STRIKE EAGLE		
Design Mark	77571568#TMSN.jpeg		
Description of Mark	NONE		

Goods/Services	Class 009. First use: First Use: 2009/02/01 First Use In Commerce: 2009/02/01 Binoculars; Rifle scopes

U.S. Registration No.	3794245	**Application Date**	12/30/2008
Registration Date	05/25/2010	**Foreign Priority Date**	NONE
Word Mark	EAGLE OPTICS		
Design Mark	77641594#TMSN.jpeg		
Description of Mark	NONE		
Goods/Services	Class 009. First use: First Use: 2010/03/01 First Use In Commerce: 2010/03/01 Riflescopes		

U.S. Registration No.	2886199	**Application Date**	10/05/2000
Registration Date	09/21/2004	**Foreign Priority Date**	NONE
Word Mark	EAGLE OPTICS		
Design Mark			
Description of Mark	NONE		
Goods/Services	Class 009. First use: First Use: 1996/01/01 First Use In Commerce: 1996/04/01 Binoculars, spotting scopes, and telescopes, all for use in bird watching, and storage cases therefore		

U.S. Registration No.	3192083	**Application Date**	08/24/2005
Registration Date	01/02/2007	**Foreign Priority Date**	NONE
Word Mark	EAGLE OPTICS		
Design Mark	78699411#TMSN.jpeg		

Description of Mark	NONE
Goods/Services	Class 009. First use: First Use: 2001/05/00 First Use In Commerce: 2001/12/00 Binoculars, spotting scopes, telescopes, and storage cases therefor, all for use in birdwatching Class 035. First use: First Use: 1987/00/00 First Use In Commerce: 1987/00/00 Retail store, mail order and online retail store services featuring binoculars, spotting scopes, telescopes, and storage cases therefor, all for use in birdwatching

Attachments	77060299#TMSN.jpeg (1 page)(bytes) 77571568#TMSN.jpeg (1 page)(bytes) 77641594#TMSN.jpeg (1 page)(bytes) 78699411#TMSN.jpeg (1 page)(bytes) Petition to Cancel STEEL EAGLE.pdf (5 pages)(25591 bytes)

Certificate of Service

The undersigned hereby certifies that a copy of this paper has been served upon all parties, at their address record by First Class Mail on this date.

Signature	/Jennifer L. Gregor/
Name	Jennifer L. Gregor
Date	10/10/2011

Return to ESTTA home page **Start another ESTTA filing**

EXHIBIT B

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WISCONSIN

SHELTERED WINGS, INC., a Wisconsin corporation, Plaintiff, vs. **WOHALI OUTDOORS, LLC**, an Oklahoma limited liability company, Defendant.	Civil Case No. 11-CV-300

DECLARATION OF BRETT L. FOSTER

I, Brett L. Foster, testify under oath and penalty of perjury as follows:

1. Holland & Hart LLP serves as counsel for the Plaintiff, Sheltered Wings, Inc. ("Sheltered Wings"), in connection with a number of their intellectual property matters.

2. I have personal knowledge of the matters set forth in this Declaration or believe the matters presented below to be true based upon the knowledge and information I have received and reviewed as intellectual property counsel for Sheltered Wings in connection with this matter.

3. In its opposition papers, Wohali Outdoors, LLC ("Wohali") questions the veracity of Sheltered Wings' statement in its motion that it seeks dismissal of this lawsuit without prejudice for economic reasons. *See* Opposition at 4 (Dkt. 6). I respond to that issue in this Declaration.

4. Sheltered Wings' trademark prosecution counsel sent a cease and desist letter to Wohali in an effort to amicably resolve this dispute before filing a complaint. Wohali ignored that letter.

5. Sheltered Wings thereafter elected to prepare and file a complaint. It retained James Peterson, of the Godfrey & Kahn law firm, to serve as record counsel. Our law firm arranged for service of process.

6. After the lawsuit was served, I commenced settlement discussions with counsel for Wohali, Steve Harris. I spoke with Mr. Harris a number of times. We also discussed settlement via e-mail. Our e-mail exchanges relating to our settlement discussions are attached as Exhibit 1. Mr. Harris informed me that Wohali's primary business involved selling fishing related products under the STEEL EAGLE mark, and that Wohali had only a "miniscule" use of the STEEL EAGLE mark in connection with optics.

7. Mr. Harris informed me that Wohali had inventory of only $25,000. He indicated that Wohali would likely settle and simply discontinue using the mark given their *de minimus* market presence. He requested that the settlement agreement include a provision for Wohali to transition away from that mark by selling the remainder of its inventory over a year's time. As the e-mails attached as Exhibit 1 indicate, Mr. Harris was anxious to receive our settlement proposal. Once I provided him with a proposed agreement, he indicated that he would be back with me the next day. My telephonic discussions with him suggested that we were on the same page and that the terms would likely be agreeable, leaving only minor tweaks to the language of the proposed agreement remaining.

8. On the day I expected Mr. Harris' response to the proposed settlement agreement, he called me and indicated that Wohali's insurance company was going to cover the claim and that insurance counsel would be entering an appearance. I told Mr. Harris that he should have the new insurance counsel call me to discuss the status of our settlement discussions. Insurance counsel never called. Instead, the first notice I received from Wohali's new counsel was a notice from Sheltered Wings' record counsel indicating that an answer had been filed.

9. I thereafter immediately requested that insurance counsel for Wohali (Mark Leitner) contact me to discuss the parties' respective positions on the proposed settlement agreement. After several attempts to communicate via email, we were finally able to talk telephonically. At that time, insurance counsel for Wohali indicated that they would no longer be settling the case.

10. Notwithstanding this disappointing development, given what Sheltered Wings learned about the miniscule nature of Wohali's business and the insignificant amount of inventory, Sheltered Wings elected to dismiss the lawsuit. It viewed Wohali's infringement as *de minimus*. The cost to litigate a trademark infringement case can run several hundred thousand dollars, an expensive prospect simply not justified given the non-existent commercial impact created by Wohali's alleged infringement.

11. Insurance counsel for Wohali mistakenly believes that the Office Action on Sheltered Wings' trademark application, rather than Plaintiff's explanation that the litigation would not be cost-effective, is the real reason for the effort to seek dismissal. Nothing could be further from the truth. Simply put, the conclusions of the United States Patent and Trademark Office's trademark examining attorney ("Examiner") that the parties' respective uses of the

EAGLE and STEEL EAGLE marks in connection with the optics are likely to cause confusion – is precisely what Sheltered Wings pleaded in this case as a basis for relief. Therefore, it appears that Wohali now concedes and that the parties indeed stipulate that there is a likelihood of confusion concerning Wohali's use of the STEEL EAGLE mark and Sheltered Wings' use of the EAGLE mark in connection with optics.

12. The Examiner failed to note the salient fact that Sheltered Wings has approximately 20 years of priority of use of the EAGLE mark in connection with optics over Wohali. Sheltered Wings will prevail on the priority dispute in the Patent Office (likely in a cancellation proceeding), and would prevail on that question in this lawsuit if it is litigated. The only reason Wohali obtained its registration from the Patent Office is because the Examiner handling that application failed to discover Sheltered Wings' registrations. (A true and correct copy of the STEEL EAGLE file history is attached as Exhibit A to Sheltered Wings' reply.) Had the Examiner's search found Sheltered Wings' prior registrations, Wohali's attempt to register STEEL EAGLE for use in connection with optics would have been rejected. If the facts relating to Sheltered Wings' prior registrations are presented to the Patent and Trademark Office in a cancellation proceeding, Wohali's STEEL EAGLE registration will be cancelled.

13. The economics in this case do not justify litigation. The merits strongly favor Sheltered Wings, but no reasonable business could justify spending several hundred thousand dollars to stop the trademark infringement of a company that has had, by its own admission, a "miniscule" amount of sales and inventory of only $25,000 that will take a year to sell. Based upon the basic economics, the case should have settled. In my view, we reached a framework for settling the case. While I do not believe we had a true "meeting of the minds," absent insurance

coverage, I am absolutely certain that the settlement agreement I drafted would have been slightly modified and signed by both parties resolving this dispute. Given the emergence of insurance and insurance counsel, Sheltered Wings has simply elected to dismiss the case without prejudice and without costs or other relief to either party. If Wohali becomes a major factor that affects Sheltered Wings business in the distant future, then the litigation may be justified. Now it is not.

I further declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment or both under Section 1001 of Title 18 of the United States Code.

Dated this 7th day of July, 2011.

Brett L. Foster

EXHIBIT 1

Traci Hales

Subject: FW: Sheltered Wings v. Wohali

From: Steven M. Harris [mailto:steve.harris@1926blaw.com]
Sent: Tuesday, May 10, 2011 1:07 PM
To: Brett Foster
Cc: 'Max Harris'; Grant Foster; 'Phyllis Peck'; 'Lesley James'
Subject: RE: Sheltered Wings v. Wohali

Brett:

I will be in touch with the Wohali owners today regarding your draft of a settlement agreement. Please email me (or fax) a copy of the summons that was issued so I can see who you have specified for service. I am not authorized to accept service for Wohali, but I want to be sure that the correct person has been specified on the summons (and confirm whether the person or entity specified for service has or has not received the summons).

Best regards

Steve Harris

Steven M. Harris
Doyle Harris Davis & Haughey
1350 S. Boulder
Suite 700
Tulsa, Oklahoma 74119
918-592-1276
918-592-4389 (fax)
www.1926bLaw.com

From: Brett Foster [mailto:BFoster@hollandhart.com]
Sent: Tuesday, May 10, 2011 1:15 PM
To: 'Steven M. Harris'
Cc: 'Max Harris'; Grant Foster
Subject: RE: Sheltered Wings v. Wohali

Hi Steve,

Attached is the proposed agreement. Wohali's desire to sell off inventory required use to add provisions that were not in our original draft. I don't know what the status is on service.

I look forward to your response, and hope that we can wrap this up quickly. Please call with any questions.

Regards,

Brett

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Brett L. Foster
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bfoster@hollandhart.com

Phone: 801.799.5836
Fax: 801.799.5700

Holland & Hart LLP
222 S. Main Street
Suite 2200
Salt Lake City, UT 84101

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From: Steven M. Harris [mailto:steve.harris@1926blaw.com]
Sent: Tuesday, May 10, 2011 11:52 AM
To: Brett Foster
Cc: 'Max Harris'
Subject: RE: Sheltered Wings v. Wohali

Brett:

Please advise regarding the status of your draft agreement. Also please advise if you have obtained service of process on the defendant. The client advises that no service has been made on Wohali.

Steve Harris

Steven M. Harris
Doyle Harris Davis & Haughey
1350 S. Boulder
Suite 700
Tulsa, Oklahoma 74119
918-592-1276
918-592-4389 (fax)
www.1926bLaw.com

From: Brett Foster [mailto:BFoster@hollandhart.com]
Sent: Friday, May 06, 2011 4:42 PM
To: 'Steven M. Harris'
Subject: Sheltered Wings v. Wohali

Hi Steve,

I have a draft agreement going to my client today as well as the transition issue (selling optics inventory) you raised yesterday. I won't hear back from them today. I will get you the draft Monday, I expect, after getting client input.

Have a nice weekend.

Brett

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Traci Hales

Subject: FW: Sheltered Wings v. Wohali
Attachments: SHELTERED WINGS_WOHALI - Settlement Agreement.DOC

From: Brett Foster
Sent: Tuesday, May 10, 2011 12:15 PM
To: 'Steven M. Harris'
Cc: 'Max Harris'; Grant Foster
Subject: RE: Sheltered Wings v. Wohali

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Steve Harris

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Brett

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Traci Hales

Subject: FW: Sheltered Wings v. Wohali
Attachments: SHELTERED WINGS_WOHALI - Settlement Agreement.doc

---

From: Brett Foster
Sent: Monday, May 23, 2011 3:09 PM
To: 'leitner@kravitlaw.com'
Cc: 'Peterson, James'
Subject: Sheltered Wings v. Wohali

Hello Mr. Leitner,

I see that you have filed an answer on behalf of Wohali. Welcome to the case.

Prior to insurance company's decision to provide a defense, we talked with prior counsel for Wohali (Steve Harris) about the possibility of a quick, amicable resolution. We outlined a possible framework for an agreement, and, based upon that framework, we drafted up a proposed agreement for Wohali's comment. (I attach a copy for your review.)

The day that Steve promised to get back to me, he received work of the insurance defense that would be provided, and discontinued all work on the case. The first communication I received from new counsel was indirect through the filing of the answer today.

Please give me a call to discuss this case when you have a moment.

Regards,

Brett

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Brett L. Foster
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Traci Hales

Subject: FW: Sheltered Wings v. Wohali

From: Mark M. Leitner [mailto:leitner@kravitlaw.com]
Sent: Monday, May 23, 2011 3:23 PM
To: Brett Foster
Cc: 'Peterson, James'
Subject: RE: Sheltered Wings v. Wohali

Brett,

Thanks for your email. I will look this over and give you a call, probably tomorrow.

Mark M. Leitner
ATTORNEY

KRAVIT ▪ HOVEL & KRAWCZYK, s.c.
825 N. Jefferson, Milwaukee, WI 53202-3737
414-271-7100 x125 | fax 414-271-8135
leitner@kravitlaw.com | www.kravitlaw.com

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From: Brett Foster [mailto:BFoster@hollandhart.com]
Sent: Monday, May 23, 2011 4:09 PM
To: Mark M. Leitner
Cc: 'Peterson, James'
Subject: Sheltered Wings v. Wohali

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EXHIBIT C

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WISCONSIN

SHELTERED WINGS, INC., a Wisconsin corporation, Plaintiff, vs. **WOHALI OUTDOORS, LLC**, an Oklahoma limited liability company, Defendant.	Civil Case No. 11-CV-300-BBC

SHELTERED WINGS, INC.'S REPLY TO WOHALI OUTDOORS, LLC'S OPPOSITION TO PLAINTIFF'S MOTION TO DISMISS

Sheltered Wings, Inc. ("Sheltered Wings") presents the following reply to Wohali Outdoors, LLC's ("Wohali") opposition to Sheltered Wings' Motion to Dismiss ("Motion").

In response to Sheltered Wings' Motion, Wohali offers arrogant boasts in place of legal support,[1] self-affirming statements in place of facts, and requests for unprecedented relief in place of logical and efficient resolutions of the parties' dispute. On those bases, Wohali opposes Sheltered Wings' motion to dismiss without prejudice and without fees or other relief to either party. In the alternative, Wohali requests attorneys' fees and unprecedented injunctive relief against Sheltered Wings. Wohali's insurance counsel's overconfidence in the merits of its positions, however, reflects its misunderstanding of trademark law and United States Patent and Trademark Office ("PTO") trademark prosecution. It is true this is not a close case, but

[1] Wohali arrogantly boasts that "the jig [is] up" on this "flimsy case," that the PTO "drove a dagger through the heart of Sheltered Wings' claims", and that it is "headed" for dismissal on the merits. None are accurate.

Sheltered Wings, not Wohali, is highly likely to prevail on the merits. Nevertheless, the business realities of Wohali's *de minimus* impact in the market (information learned in nearly-consummated settlement negotiations) counsels in favor of dismissal rather than incur considerable expense to litigate this case without prospect of meaningful monetary recovery or injunctive relief. But for Wohali's about-face thanks to insurance coverage, the case would have settled. Given the nascent litigation, there is no basis to award attorneys' fees, especially given the proposed settlement framework prematurely halted by insurance counsel's entry. The insurance company alone has incurred fees, all attributable to Wohali's about-face, and for which no reimbursement is due under these circumstances. Nor is there any legal or factual basis for Wohali, who brought no counterclaims, to enjoy extra-judicial and unprecedented injunctive relief against the Plaintiff.

The case should be dismissed without prejudice without costs or fees to either party or other relief. In the alternative, should the Court grant the Motion subject to the terms and conditions requested by Wohali, Sheltered Wings is ready and willing to proceed to trial on the merits now that Wohali concedes the issue of likelihood of confusion. Judicial estoppel should be applied to prevent Wohali from challenging the likelihood of confusion between the competing EAGLE marks based on its admission, thus leaving only the question of priority for litigation. Since Sheltered Wings' 20-year head start on using the EAGLE mark in connection with optics is so clear that there are no genuine issues of material fact, the Court should set summary judgment briefing deadlines on that issue to resolve the case.[2] A cost effective

[2] If the case is not resolved on summary judgment (an unlikely prospect given Sheltered Wings' undisputed use of the EAGLE mark in connection with optics for 20 years longer than Wohali), the Court could set a one-day trial to resolve the issue of priority.

resolution of the dispute in this manner would allay Sheltered Wings' concerns over the prospect of a year-long, expensive litigation without prospect of sufficient economic recovery to prove the factually complex element of likelihood of confusion as that issue is now freely admitted by Wohali. Sheltered Wings' Motion should be granted; the case should be dismissed without prejudice and without costs as requested. However, given Wohali's about-face to settlement, resolution of the sole remaining issue of priority would be efficiently and cost-effectively resolved through litigation.

I. WOHALI NOW CONCEDES LIKELIHOOD OF CONFUSION AND THUS THE ONLY REMAINING DISPUTE IS PRIORITY, WHICH SHELTERED WINGS CAN ESTABLISH BY TWO DECADES AND THUS SHELTERED WINGS IS HIGHLY LIKELY TO PREVAIL ON THE MERITS

Wohali's incorrect view of the merits of its position derives from its mistaken interpretation of the recent Office Action Sheltered Wings received in response to a trademark application for the EAGLE mark. Accordingly, background concerning trademark prosecution at the PTO would be helpful to the Court. When a trademark application is filed, a trademark examining attorney ("Examiner") conducts a trademark search to determine whether the proposed registration would likely cause confusion with a preexisting registration mark. Although the PTO endeavors to provide consistency, the quality of an Examiner's search is fully dependent upon the diligence of the Examiner assigned, and can range from comprehensive to woefully inadequate. Following the search, the Examiner allows or rejects the application dependent in large part upon the results of the search. *See* Trademark Manual of Examining Procedure § 1207.01. If rejected, the applicant and Examiner typically engage in ongoing prosecution to develop issues and assess evidence known to the applicant to support the

prospective registration. *See* TMEP §§ 710-713. After additional prosecution, the matter is finally concluded. *See* TMEP § 714.

Turning to Wohali's argument, Sheltered Wings filed a trademark application for the EAGLE mark in July of 2010. On April 12, 2011, the Examiner mailed out an "Office Action" rejecting Sheltered Wings' application on the basis of a likelihood of confusion between Sheltered Wings' EAGLE mark and Wohali's STEEL EAGLE mark—registration that issued (unbeknownst to Sheltered Wings) on January 11, 2011. Specifically, the Examiner stated:

- "A comparison of the respective marks show that they are comprised either in full or in significant part of the term 'EAGLE.'"
- Sheltered Wings' EAGLE mark is "similar in sound, appearance, connotation and commercial impression with the STEEL EAGLE mark."
- "'Steel,' however is descriptive of the feature of the goods and is of less trademark significance than 'EAGLE.'"
- "Both marks are for goods including rifles, scopes and binoculars and, therefore, the competing use of EAGLE and STEEL EAGLE marks by the parties 'is likely to cause consumer confusion as to source.'"

Sheltered Wings agrees in all respects with both the ultimate conclusion of a likelihood of confusion and with all of the underlying analytical points reached by the Examiner. This is exactly what Sheltered Wings pleads in its lawsuit: that Wohali's use of the STEEL EAGLE mark is likely to cause consumer confusion with respect to the EAGLE family of marks Sheltered Wings began using more than two decades before Wohali entered the field. Rather than view the Examiner's conclusion as a declaration of victory, Wohali should have

recognized this as the death knell for its own mark. With the PTO's dispositive pronouncement, the only remaining issue is priority—an issue Sheltered Wings will win without factual dispute.[3]

The Examiner rejected Sheltered Wings' EAGLE trademark application because of Wohali's STEEL EAGLE mark, a mark that should never have issued. A true and correct copy of the prosecution history of the STEEL EAGLE mark is attached as Exhibit A. As sometimes happens, the Examiner's search in respect to Wohali's trademark application was woefully inadequate. The Examiner "found no conflicting marks that would bar registration" of the STEEL EAGLE mark. *See* Office Action dated June 5, 2009. Instead of finding the many pertinent EAGLE marks registered by Sheltered Wings for optics, the Examiner found only the following marks in its search:

- STEEL WARRIOR (for use in connection with cutlery);
- STEEL CORK (for use in connection with utensils);
- STEEL BLUE (for use in connection with safety boots and shoes);
- CHICAGO STEEL (for use in connection with electronic sound, pickup for guitars and bases);
- STEEL POWER (for use in connection with break parts for land vehicles);
- XTREME STEEL (for use in connection with metal swimming pools);
- PRO STEEL (for use in connection with golf club heads);
- TW STEEL (for use in connection with jewelry);
- STEEL BLUE (for use in connection with protective industrial footwear); and
- PAINLESS STEEL (for use in connection with medical instruments and their parts).

[3] The only reason Sheltered Wings' registration was refused is because a new registration will not issue for competing goods in a confusingly similar mark to an existing registration. *See* TMEP § 1207.01.

See Examiner's search results (Ex. A). In order to obtain registration for the STEEL EAGLE mark, Wohali was forced to disclaim the "STEEL" part of the mark, stating "**no claim is made to the exclusive right to use 'STEEL' apart from the mark as shown**." *See* Response to Office Action filed on December 10, 2009 at 2 (Ex. A) (emphasis original).[4]

What the Examiner's search failed to discover were the following Sheltered Wings EAGLE registrations for optics:

- EAGLE OPTICS, (U.S. TM Reg. No. 3,192,083) (for use in connection with optics, *i.e.*, binoculars, scopes, monoculars and related equipment);
- EAGLE OPTICS (U.S. TM Reg. No. 2,886,199) (for use in connection with optics, *i.e.*, binoculars, scopes, monoculars and related equipment);
- EAGLE OPTICS (U.S. TM Reg. No. 3,794,245) (for use in connection with optics, *i.e.*, binoculars, scopes, monoculars and related equipment);
- STRIKE EAGLE (U.S. TM Reg. No. 3,726,431) (for use in connection with optics, *i.e.*, binoculars, scopes, monoculars and related equipment); and
- GOLDEN EAGLE (U.S. TM Reg. No. 3,787,739) (for use in connection with optics, *i.e.*, binoculars, scopes, monoculars and related equipment).

Just as the "STEEL" portion of Wohali's mark is descriptive of the feature of the goods and was thus disclaimed, the "OPTICS" of the EAGLE OPTICS marks are descriptive of features of the goods and of less trademark significance than "EAGLE." These Sheltered Wings registrations issued many years before Wohali filed its STEEL EAGLE application and cover precisely the same goods: optics. Thus, there is a likelihood of confusion between these registered marks. Wohali's STEEL EAGLE mark never should have issued and should be

[4] Despite EAGLE being the dominant portion of the mark, the Examiner's trademark search improperly focused mostly on the STEEL portion, which was disclaimed, instead of the dominant EAGLE portion of the mark.

cancelled. Had the Examiner discovered Sheltered Wings' preexisting family of EAGLE registrations for use with optics, the STEEL EAGLE mark would have been rejected.

With that background, it is highly likely that Sheltered Wings would prevail on the merits if the case were litigated. Indeed, it is difficult to conceive of any way for Wohali to prevail now that likelihood of confusion has been established by the PTO, where Wohali admits and concedes the PTO's determination, and where Sheltered Wings can offer irrefutable proof of 20 years of priority by its family of EAGLE marks in connection with optics.

II. SHELTERED WINGS' MOTION TO DISMISS SHOULD BE GRANTED AND THE CASE DISMISSED WITHOUT PREJUDICE WITH NO COST TO EITHER PARTY

When Sheltered Wings' EAGLE registration was refused based upon Wohali's erroneously registered STEEL EAGLE mark, Sheltered Wings resolved to take appropriate action to police its trademarks. It sent a cease and desist letter, which was ignored. *See* Declaration of Brett L. Foster, attached as Ex. B. The Complaint was thereafter filed. Once filed, Sheltered Wings attempted to resolve the case amicably. Those settlement discussions revealed that Wohali primarily sells fishing-related products under the STEEL EAGLE mark, and has done only a "miniscule" amount of business using the STEEL EAGLE mark in connection with optics. Indeed, Wohali indicated that it had only $25,000 in inventory and requested a year to liquidate that inventory. Foster Decl. at ¶ 7. Accordingly, it became clear that Wohali's activities, while clearly constituting infringement, were nevertheless *de minimus*.

Wohali recognized this fact and offered to discontinue use of its infringing mark over a one (1) year period. *Id.* Wohali's counsel suggested such transition period to enable Wohali to liquidate its inventory. *Id*. The parties were literally on the verge of settling the dispute.

The emergence of insurance coverage, however, thwarted settlement. Despite Wohali's about-face, Sheltered Wings determined that Wohali's *de minimus* infringement did not justify possibly spending hundreds of thousands of dollars to litigate the case. Accordingly, it sought dismissal, while retaining the option of resolving Wohali's improperly issued STEEL EAGLE registration with the PTO (through a cancellation proceeding). Sheltered Wings' Motion represents a thoughtful and considered business resolution of this case given the practical realities and directly rebuts Wohali's assertions of its implausibility.[5] PTO trademark cancellation proceedings are much less expensive than traditional litigation, and priority will be easily established and resolved in that forum by summary judgment. No depositions will likely be needed. No live trial takes place and no damages are awarded.

Dismissal without prejudice is appropriate under these circumstances. No significant attorneys' fees or costs were incurred before the insurance coverage scuttled settlement. Wohali itself has expended only minimal amounts entirely related to the nearly-consummated settlement of this matter. Under these circumstances, the case should be dismissed precisely on the terms that Sheltered Wings has requested.

Wohali's cases are inapposite. Of those cases in which the court actually dismissed with prejudice, it did so only after extensive and costly litigation. *See Ratkovich v. Smith Kline*, 951 F.2d 155, 157-58 (7th Cir. 1991) (dismissed with prejudice based on 2 years of costly discovery, defendant's "lack of diligence in pursuing this case and perhaps even bad faith"); *Pace v. S.*

[5] Wohali recites each of the *Pace* factors used by the 7th Circuit to determine whether the party resisting voluntary dismissal has suffered "plain legal prejudice," but cites unconvincingly to Sheltered Wings' proffered explanation of *de minimus* damages as the sole basis for its extreme request of *res judicata*. As Wohali's cited cases reveal, "[t]hat is explanation enough." *See Woodzicka v. Artifex Ltd.*, 25 F.Supp.2d 930, 935-36 (E.D. Wisc. 1998) (finding plaintiff's explanation that it did not believe it could satisfy its evidentiary burden "explanation enough").

Express. Co., 409 F.2d 331, 334 (7th Cir. 1969) (granting dismissal with prejudice only after extensive and costly discovery, and pending motions for summary judgment); *see also Tyco Labs. v. Koppers Co.*, 627 F.2d 54, 56 (7th Cir 1980) (dismissing without prejudice despite full discovery and briefing on class certification, because "the mere prospect of a second lawsuit would not be sufficient to meet this [*Pace*] standard"). Where a party is forced to litigate a matter for months or years and then the plaintiff seeks dismissal without prejudice, it is within the court's discretion to dismiss the case with prejudice. There has been no significant investment of costs or fees by either side here. A dismissal without prejudice is warranted.

Wohali asserts that "if economics really motivated its decision not to pursue the matter," then plaintiff would have dropped the suit "when it learned that Sheltered Wings' sales were 'very small.'" This argument is disingenuous. At the time insurance counsel made its appearance and answered on behalf of Wohali, the parties were well on their way to a complete settlement. Although the parties did not technically reach a "meeting of the minds," the fundamental framework for the settlement was discussed, disclosed, and the subject of a proposed written agreement—a proposal that would have resolved all future conflicts between the parties. Under these circumstances, within hours (literally) of a final amicable resolution of all legal issues, there was no need for Sheltered Wings to "drop the lawsuit." The misplaced hopes that Wohali would continue down, and consummate, the settlement course that Wohali itself initiated (before coverage) should not be held against Sheltered Wings.

As a final argument, Wohali requests that this Court be precluded from challenging Wohali's marks before the PTO. Wohali cites no cases in support for this overreaching conclusion; nor can it. From the history recited above, it is crystal clear that Wohali benefited

from a woefully inadequate search—Wohali's STEEL EAGLE mark should never have been registered and should be cancelled. The relief Wohali seeks would result in a gross miscarriage of justice. Wohali pulled off an inequitable coup in obtaining the registration in the first place. And while it may not have known it at the time, Wohali's unprecedented request represents one more step towards inequitable conduct. Not only does Wohali's opportunistic use of the Examiner's lack of diligence in searching and finding conflicting marks harm Sheltered Wings, it also injures the public. If Wohali were to expand its business and commence meaningful competition against Sheltered Wings in using the STEEL EAGLE mark in connection with optics, and the likelihood of confusion (determined by the PTO and admitted by Wohali) results in actual confusion, consumers would be harmed. There is no legal justification for this, and certainly it would be highly inequitable to impose upon Sheltered Wings the injunctive restraints that would prevent the PTO's clear error from being corrected in a forum that is economically feasible to pursue.

III. IN THE ALTERNATIVE, SHELTERED WINGS' MOTION SHOULD BE DENIED, WOHALI SHOULD BE JUDICIALLY ESTOPPED FROM CHALLENGING LIKELIHOOD OF CONFUSION BETWEEN THE COMPETING MARKS, AND THE COURT SHOULD SET A SCHEDULE IN THIS CASE FOR SUMMARY JUDGMENT BRIEFING ON THE SOLE REMAINING ISSUE OF PRIORITY

Wohali's surprising opposition to this motion may create an opportunity for an economically viable resolution after all. If the Court is not inclined to grant Sheltered Wings' Motion on the conditions it set forth (without prejudice and without costs or other relief to either party), then the Court should deny the motion. In such case, the doctrine of judicial estoppel would prevent Wohali from challenging the PTO's determination of a likelihood of confusion that Wohali celebrates in its opposition. *See In re Airadigm Commc'ns., Inc.*, 616 F.3d 642, 661

(7th Cir. 2010) ("Judicial estoppel is an equitable concept that prevents parties from playing 'fast and loose' with the courts by prevailing twice on opposing theories.") The only remaining issue thereafter would be priority of use—**an issue undisputed given Wohali's first use of the STEEL EAGLE mark in connection with optics commenced 20 years after Sheltered Wings began to use its EAGLE family of marks in connection with optics.** This undisputed issue can then be resolved on summary judgment. Accordingly, if the Court is disinclined to grant Sheltered Wings' Motion on the terms proposed, it would now be an efficient course for resolving this matter to deny the Motion, apply the doctrine of judicial estoppel, and set a briefing date for summary judgment on the sole remaining issue in this case—priority.[6]

Dated this 7th day of July, 2011.

s/ James D. Peterson
James D. Peterson

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[6] Of course, permanent injunctive relief would follow. Sheltered Wings would take discovery to verify the "miniscule" sales that Wohali's non-insurance counsel indicated have occurred under the infringing STEEL EAGLE mark. If what counsel reported in settlement discussions is true, that would result in a damages award of something around $12,000 or less, which would not justify the cost to pursue a trial on damages.

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EXHIBIT D

Gregor, Jennifer

From: ESTTA@uspto.gov
Sent: Wednesday, October 12, 2011 9:52 AM
To: Gregor, Jennifer; Peterson, James; Peterson, Angela; Mandella, Samantha
Subject: TTAB Order - Do Not Reply By E-mail. Mail Box Not Monitored - proceeding 92054629

UNITED STATES PATENT AND TRADEMARK OFFICE Trademark Trial and Appeal Board

Cancellation No. 92054629
Registration No. 3904929

10/12/2011

IMPORTANT NOTICE

A petition to cancel the registration listed above has been filed.

The Trademark Trial and Appeal Board (TTAB) has issued an order instituting the cancellation proceeding and setting trial dates. To see the order, click on the link below or paste the URL into the address box of your browser.

http://ttabvue.uspto.gov/ttabvue/v?pno=92054629&pty=CAN&eno=2

This order contains important information which you should review immediately. You must respond to the petition for cancellation within forty days of this date. This will be the only notification of this order you will receive. An e-mail copy of the order itself will not be sent.

If you are unable to view the order, call the TTAB for technical assistance at 571-272-8500. Do not use the reply button to respond to this message by e-mail.

_____

The entire public file of this proceeding may be viewed at http://ttabvue.uspto.gov.

Papers in Board proceedings may be filed electronically with ESTTA at http://estta.uspto.gov.

Further information is available at the TTAB□s web page at http://www.uspto.gov.

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

Mailed: October 12, 2011

Cancellation No. 92054629
Registration No. 3904929

WOHALI OUTDOORS LLC
1300 N INDUSTRIAL BLVD
CLAREMORE OK 74017
UNITED STATES

Sheltered Wings, Inc.

v.

Wohali Outdoors, LLC

JENNIFER L GREGOR
GODFREY & KAHN SC
ONE EAST MAIN STREET SUITE 500
MADISON WI 53703
UNITED STATES

Tyrone Craven, Paralegal Specialist:

A petition to cancel the above-identified registration has been filed. A service copy of the petition for cancellation was forwarded to registrant (defendant) by the petitioner (plaintiff). An electronic version of the petition for cancellation is viewable in the electronic file for this proceeding via the Board's TTABVUE system: **http://ttabvue.uspto.gov/ttabvue/**.

Proceedings will be conducted in accordance with the Trademark Rules of Practice, set forth in Title 37, part 2, of the Code of Federal Regulations ("Trademark Rules"). These rules may be viewed at the USPTO's trademarks page: **http://www.uspto.gov/trademarks/index.jsp**. The Board's main webpage **(http://www.uspto.gov/trademarks/process/appeal/index.jsp)** includes information on amendments to the Trademark Rules applicable to Board proceedings, on Alternative Dispute Resolution (ADR), Frequently Asked Questions about Board proceedings, and a web link to the Board's manual of procedure (the TBMP).

Plaintiff must notify the Board when service has been ineffective, within 10 days of the date of receipt of a returned service copy or the date on which plaintiff learns that service has been ineffective. Plaintiff has no subsequent duty to investigate the defendant's whereabouts, but if plaintiff by its own voluntary investigation or

through any other means discovers a newer correspondence address for the defendant, then such address must be provided to the Board. Likewise, if by voluntary investigation or other means the plaintiff discovers information indicating that a different party may have an interest in defending the case, such information must be provided to the Board. The Board will then effect service, by publication in the Official Gazette if necessary. *See* Trademark Rule 2.118. In circumstances involving ineffective service or return of defendant's copy of the Board's institution order, the Board may issue an order noting the proper defendant and address to be used for serving that party.

Defendant's ANSWER IS DUE FORTY DAYS after the mailing date of this order. (*See* Patent and Trademark Rule 1.7 for expiration of this or any deadline falling on a Saturday, Sunday or federal holiday.) **Other deadlines the parties must docket or calendar are either set forth below (if you are reading a mailed paper copy of this order) or are included in the electronic copy of this institution order viewable in the Board's TTABVUE system at the following web address: http://ttabvue.uspto.gov/ttabvue/**.

Defendant's answer and any other filing made by any party must include proof of service. *See* Trademark Rule 2.119. **If they agree to, the parties may utilize electronic means, e.g., e-mail or fax, during the proceeding for forwarding of service copies.** *See* Trademark Rule 2.119(b)(6).

The parties also are referred in particular to Trademark Rule 2.126, which pertains to the form of submissions. **Paper submissions, including but not limited to exhibits and transcripts of depositions, not filed in accordance with Trademark Rule 2.126 may not be given consideration or entered into the case file.**

Time to Answer	11/21/2011
Deadline for Discovery Conference	12/21/2011
Discovery Opens	12/21/2011
Initial Disclosures Due	1/20/2012
Expert Disclosures Due	5/19/2012
Discovery Closes	6/18/2012
Plaintiff's Pretrial Disclosures	8/2/2012
Plaintiff's 30-day Trial Period Ends	9/16/2012
Defendant's Pretrial Disclosures	10/1/2012
Defendant's 30-day Trial Period Ends	11/15/2012
Plaintiff's Rebuttal Disclosures	11/30/2012
Plaintiff's 15-day Rebuttal Period Ends	12/30/2012

As noted in the schedule of dates for this case, the parties are required to have a conference to discuss: (1) the nature of and basis for their respective claims and defenses, (2) the possibility of settling the case or at least narrowing the scope of claims or defenses, and (3) arrangements relating to disclosures, discovery and introduction of evidence at trial, should the parties not agree to settle the case. *See* Trademark Rule 2.120(a)(2). Discussion of the first two of these three subjects should include a discussion of whether the parties wish

to seek mediation, arbitration or some other means for resolving their dispute. Discussion of the third subject should include a discussion of whether the Board's Accelerated Case Resolution (ACR) process may be a more efficient and economical means of trying the involved claims and defenses. Information on the ACR process is available at the Board's main webpage. Finally, if the parties choose to proceed with the disclosure, discovery and trial procedures that govern this case and which are set out in the Trademark Rules and Federal Rules of Civil Procedure, then they must discuss whether to alter or amend any such procedures, and whether to alter or amend the Standard Protective Order (further discussed below). Discussion of alterations or amendments of otherwise prescribed procedures can include discussion of limitations on disclosures or discovery, willingness to enter into stipulations of fact, and willingness to enter into stipulations regarding more efficient options for introducing at trial information or material obtained through disclosures or discovery.

The parties are required to conference in person, by telephone, or by any other means on which they may agree. A Board interlocutory attorney or administrative trademark judge will participate in the conference, upon request of any party, provided that such participation is requested no later than ten (10) days prior to the deadline for the conference. *See* Trademark Rule 2.120(a)(2). The request for Board participation must be made through the Electronic System for Trademark Trials and Appeals (ESTTA) or by telephone call to the interlocutory attorney assigned to the case, whose name can be found by referencing the TTABVUE record for this case at **http://ttabvue.uspto.gov/ttabvue/**. The parties should contact the assigned interlocutory attorney or file a request for Board participation through ESTTA only after the parties have agreed on possible dates and times for their conference. Subsequent participation of a Board attorney or judge in the conference will be by telephone and the parties shall place the call at the agreed date and time, in the absence of other arrangements made with the assigned interlocutory attorney.

The Board's Standard Protective Order is applicable to this case, but the parties may agree to supplement that standard order or substitute a protective agreement of their choosing, subject to approval by the Board. The standard order is available for viewing at: **http://www.uspto.gov/trademarks/process/appeal/guidelines/stndagmnt.jsp**. Any party without access to the web may request a hard copy of the standard order from the Board. The standard order does not automatically protect a party's confidential information and its provisions must be utilized as needed by the parties. *See* Trademark Rule 2.116(g).

Information about the discovery phase of the Board proceeding is available in chapter 400 of the TBMP. By virtue of amendments to the Trademark Rules effective November 1, 2007, the initial disclosures and expert disclosures scheduled during the discovery phase are required only in cases commenced on or after that date. The TBMP has not yet been amended to include information on these disclosures and the parties are referred to the August 1, 2007 Notice of Final Rulemaking (72 Fed. Reg. 42242) posted on the Board's webpage. The deadlines for pretrial disclosures included in the trial phase of the schedule for this case also resulted from the referenced amendments to the Trademark Rules, and also are discussed in the Notice of Final Rulemaking.

The parties must note that the Board allows them to utilize telephone conferences to discuss or resolve a wide range of interlocutory matters

that may arise during this case. In addition, the assigned interlocutory attorney has discretion to require the parties to participate in a telephone conference to resolve matters of concern to the Board. *See* TBMP § 502.06(a) (2d ed. rev. 2004).

The TBMP includes information on the introduction of evidence during the trial phase of the case, including by notice of reliance and by taking of testimony from witnesses. *See* TBMP §§ 703 and 704. Any notice of reliance must be filed during the filing party's assigned testimony period, with a copy served on all other parties. Any testimony of a witness must be both noticed and taken during the party's testimony period. A party that has taken testimony must serve on any adverse party a copy of the transcript of such testimony, together with copies of any exhibits introduced during the testimony, within thirty (30) days after the completion of the testimony deposition. *See* Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing after briefing is not required but will be scheduled upon request of any party, as provided by Trademark Rule 2.129.

If the parties to this proceeding are (or during the pendency of this proceeding become) parties in another Board proceeding or a civil action involving related marks or other issues of law or fact which overlap with this case, they shall notify the Board immediately, so that the Board can consider whether consolidation or suspension of proceedings is appropriate.

ESTTA NOTE: For faster handling of all papers the parties need to file with the Board, the Board strongly encourages use of electronic filing through the Electronic System for Trademark Trials and Appeals (ESTTA). Various electronic filing forms, some of which may be used as is, and others which may require attachments, are available at **http://estta.uspto.gov.**