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

Proceeding	92055064
Party	Defendant Moroccanoil, Inc.
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Attachments	2012-4-13 MO's Reply ISO Motion to Suspend.pdf (5 pages)(273232 bytes)

In the United States Patent and Trademark Office
Before The Trademark Trial and Appeal Board

Y.P. GOLAN TRADE LTD. Petitioner, v. MOROCCANOIL, INC. Respondent.	Registration Nos. 3,478,807; 3,684,909; 3,684,910 Marks: MOROCCANOIL & M MOROCCANOIL Proceeding No. 92055064

REPLY IN SUPPORT OF MOTION TO SUSPEND

Respondent Moroccanoil, Inc. ("Moroccanoil") requests that the Trademark Trial and Appeal Board (the "TTAB" or the "Board") suspend this proceeding ("Instant Proceeding") until the final determination of Moroccanoil v. Yair Golan, et. al., Central District of California case number CV11-01974SJO (JEMx) ("Golan Action") and Moroccanoil v. Vogue International, Central District of California case number CV10-10048 DMG (AGRx) ("Vogue Action" collectively the "Civil Actions"), because the Civil Actions will have a direct bearing on the instant Petition.

Petitioner's opposition makes misstatements of the law and fact. Petitioner improperly argues that the Doctrine of Primary Jurisdiction requires the Instant Proceeding to continue, even though the Instant Proceeding cannot be dispositive of a case which is scheduled to go to trial more than 10 months before the Instant Proceeding is scheduled to conclude. Undeterred by the lack of support for its position in the law, Petitioner also asserts that the Instant Proceeding should continue because Petitioner failed to diligently conduct discovery in the underlying Golan Action. Neither of these arguments provide a compelling reason why this proceeding should continue in tandem with the Civil Actions. As such, the Motion to Suspend should be granted.

The Primary Jurisdiction Doctrine Does Not Apply to TTAB Proceedings

Petitioner attempts to mislead the Board when arguing that the Primary Jurisdiction Doctrine applies to this case. Circuit Courts have long held that the Primary Jurisdiction Doctrine does not apply to TTAB proceedings. *See Rhoades v. Avon Products, Inc.*, 504 F.3d 1151 (9th Cir. 2007); *PHC, Inc. v. Pioneer Healthcare, Inc.*, 75 F.3d 75 (1st Cir. 1996); *Goya Foods, Inc. v. Tropicana Products, Inc.*, 846 F.2d 848 (2d Cir. 1988). This is because "Congress has not installed the PTO as the exclusive expert in the [trademark] field." *Rhoades*, 504 F.3d, 1164. Indeed, even "where a contested Board proceeding has already addressed the validity of the mark, the Board's findings can be challenged in a civil action in district court through new evidence, and, at least to a large extent, the issues can be litigated afresh." *PHC, Inc.*, 75 F.3d, 80.

Most of the Primary Jurisdiction cases cited by Petitioner do not pertain to trademarks. The Primary Jurisdiction cases that do involve trademarks are easily distinguished or misquoted by Petitioner. First, Petitioner quotes *Goya Foods, Inc.*, 846 F.2d, 853 but fails to note that in the subsequent sentence the Court stated "[b]ut where, as in the pending case, a district court suit concerns **infringement**, the interest in prompt adjudication **far outweighs** the value of having the views of the PTO." *Goya Foods, Inc.*, 846 F.2d, 853-54(emphasis added). Here, the Golan Action concerns infringement and as such prompt adjudication must outweigh the costly delay of waiting for the views of the Board. Second, both the *Am. Bakeries Co. v. Pan-O-Gold Baking Co.*, 650 F. Supp. 563 (D. Minn. 1986) and the *E. & J. Gallo Winery v. F. & P. S.p.A.*, 899 F. Supp. 465 (E.D. Cal. 1994) courts refused to apply the Primary Jurisdiction Doctrine.

Petitioner incorrectly argues that a determination of the current proceeding would be dispositive of the Golan Action. As noted in the Motion, the First Amended

Complaint in the Golan Action contains claims for trademark infringement pursuant to 15 U.S.C. § 1114, and trademark infringement and unfair competition pursuant to 15 U.S.C. § 1125(a). (Exhibit 3 to Motion) The claims under 15 U.S.C. § 1125(a) include allegations based on unregistered marks (trade dress) which are not the subject of the Instant Proceeding and will not be resolved by the Instant Proceeding. Additionally, "the Board's findings can be challenged in a civil action in district court through new evidence, and, at least to a large extent, the issues can be litigated afresh." *PHC, Inc.*, 75 F.3d, 80. As such, a determination by the Board will be anything but dispositive of the Golan Action.

Finally, and perhaps most importantly, the Golan Action is set to go to trial on July 10, 2012, well before the trial in the Instant Proceeding which is not scheduled to conclude until May 2013. As such, Petitioner is incorrect when it argues that the Instant Proceeding will be dispositive of the Golan Action, as no decision will have been issued in the Instant Action by the time the Golan Action goes to trial.

Petitioner's Failure to Diligently Conduct Discovery is Not a Basis to Deny the Suspension

Petitioner cites no authority for its proposition that this proceeding should continue because it failed to conduct discovery in the Golan Action. The Golan Action was filed in March 2011 and the parties were able to conduct discovery over a six month time period. It would be inappropriate to permit this proceeding to continue simply to allow Petitioner to conduct discovery that it otherwise failed to do in the Golan Action.

Moreover, Petitioner does not and cannot dispute that the Golan Action is the only forum that will permit live testimony. Testimony about "[a]n issue of intent, by its very nature, is one which should generally be resolved by a fact finder that has had

the opportunity to see the demeanor of witnesses under direct and cross-examination, to observe firsthand the subtle shifts in tone and behavior that are often decisive in judging the credibility of testimony." *Look Magazine Enterprises S.A. v. Look, Inc.*, 596 F. Supp. 774, 779 (D. Del. 1984). As such, Petitioner's claims of fraud, which require proving intent, will be more appropriately determined in the Golan Action which permits live testimony.

Conclusion

Suspending the Instant Proceeding would cause little prejudice or harm and would prevent the unnecessary waste of resources that would result from litigating duplicative claims in disparate forums, particularly since the Instant Proceeding may become moot as a result of a decision in the Civil Actions. Based on the foregoing, Respondent respectfully requests that the Board suspend the Instant Proceeding pending the final determination of the Civil Actions.

Dated: April 13, 2012

Kevin R. Keegan, member of
CONKLE, KREMER & ENGEL
Professional Law Corporation

By: _____
Kevin R. Keegan
Attorneys for Respondent, Moroccanoil, Inc.

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

At the time of service, I was over 18 years of age and **not a party to this action**. I am employed in the County of Los Angeles, State of California. My business address is 3130 Wilshire Boulevard, Suite 500, Santa Monica, California 90403-2351.

On April 13, 2012, I served true copies of the following document(s) described as **REPLY IN SUPPORT OF MOTION TO SUSPEND** on the interested parties in this action as follows:

Michael N. Cohen, Esq.
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BY MAIL: I enclosed the document(s) in a sealed envelope or package addressed to the persons at the addresses listed in the Service List and placed the envelope for collection and mailing, following our ordinary business practices. I am readily familiar with Conkle, Kremer & Engel's practice for collecting and processing correspondence for mailing. On the same day that the correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct and that I am employed in the office of a member of the bar of this Court at whose direction the service was made.

Executed on April 13, 2012, at Santa Monica, California.

Sharon Soble