

ESTTA Tracking number: **ESTTA564858**

Filing date: **10/14/2013**

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

Proceeding	92057807
Party	Defendant American DJ Supply, Inc.
Correspondence Address	AMERICAN DJ SUPPLY INC 6122 S EASTERN AVENUE LOS ANGELES, CA 90040 UNITED STATES
Submission	Motion to Dismiss - Rule 12(b)
Filer's Name	Joshua A. Schaul
Filer's e-mail	trialteam@sziplaw.com, docketing@sziplaw.com
Signature	/s/ Joshua A. Schaul
Date	10/14/2013
Attachments	20131007 ADJ1-LIT.e16.D_Motion to Dismiss.pdf(364701 bytes)

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

In the matter of Trademark Registration

Reg. No.: 2,652,876
Registered: November 19, 2002
By: American DJ Supply, Inc.
For the Trademark: AMERICANDJ

AMERICAN PRO INTERNATIONAL
CORP.,

Petitioner,

vs.

AMERICAN DJ SUPPLY, INC.,

Respondent.

Cancellation No. 92057807

**MOTION TO DISMISS AND,
ALTERNATIVELY, MOTION TO
SUSPEND PROCEEDINGS**

INTRODUCTION

Respondent American DJ Supply, Inc. (“American DJ”) respectfully submits this motion to dismiss petitioner American Pro International Corp. (“American Pro”)’s petition to cancel American DJ’s AmericanDJ® trademark, registration no.: 2,652,876, for failing to state a claim upon which relief can be granted in violation of Trademark Trial and Appeal Board Manual of Procedure, section 101.02, 37 Code of Federal Regulations, section 2.116(a) and the Federal Rules of Civil Procedure, rules 8(a) and 9(b) . Alternatively, American DJ respectfully requests suspension of the instant proceedings pursuant to T.B.M.P. section 510 and 37 C.F.R 2.117.

STATEMENT OF FACTS

In its petition to cancel, American Pro alleges as follows: “[u]pon information and belief, [American DJ] has abandoned the AMERICANDJ mark.” See Petition, ¶3. “Upon information and belief, [American DJ] has not used the AMERICANDJ mark in commerce in connection with a ‘series of musical sound recordings’ since [American DJ] acquired the ‘876 Registration in February 2004.” Petition, ¶7. “Upon information and belief, the mark on the specimens submitted to the PTO in connection with [American DJ’s] Renewal Application disagrees with the mark on the drawing. Specifically, the specimens display the mark as AMERICAN DJ (two words); and the drawing shows the mark as AMERICANDJ (one word).” Petition, ¶9. “Upon information and belief, the specimens submitted to the PTO by [American DJ] show streaming services of music files by other artists other than [American DJ], as opposed to hard disc musical sound recordings.” Petition, ¶10. American DJ “has abandoned the mark AMERICANDJ, as applied to the ‘series of musical sound recordings’ set forth in the ‘876 Registration.” Upon information and belief, [American DJ’s] AMERICANDJ mark is abandoned.” Petition, ¶11-12.

American DJ “committed fraud in maintaining and renewing the ‘876 Registration for AMERICANDJ based on nonuse in commerce.” Petition, ¶13. “Upon information and belief, [American DJ] admittedly knew that its representations to the PTO were false. Upon information and belief, [American DJ] knowingly made material misrepresentations to the PTO to maintain the ‘876 Registration. As a result of [American DJ’s] fraudulent conduct, [American DJ’s] ‘876 Registration is invalid and unenforceable.” Petition, ¶16-19.

LEGAL STANDARD

Pursuant to the T.B.M.P. 101.02 and 37 C.F.R. 2.116(a), “[e]xcept as otherwise provided, and wherever applicable and appropriate, procedure and practice in inter

partes proceedings shall be governed by the Federal Rules of Civil Procedure.” 37 *C.F.R. 2.116(a)*. A Rule 12(b)(6) motion tests the legal sufficiency of a claim. A claim may be dismissed only ‘if, assuming the truth of the factual allegations of plaintiff’s complaint, there is a dispositive legal issue which precludes relief.” *FDIC v. Aultman*, 2013 U.S. Dist. LEXIS 93656, 7 (M.D. Fla. July 3, 2013). Dismissal pursuant to Rule 12(b)(6) is appropriate where there is no cognizable legal theory or there is an absence of sufficient facts alleged to support a cognizable legal theory. The issue is not whether a plaintiff is likely to succeed on the merits but rather whether the claimant is entitled to proceed beyond the threshold in attempting to establish his or her claims. *De La Cruz v. Tormey*, 582 F.2d 45, 48 (9th Cir. 1978).

Federal Rules of Civil Procedure, Rule 8(a) and *Iqbal* require a short-and-plain statement of facts supporting the elements of American Pro’s claims, sufficient to “nudge [their] claims ... across the line from conceivable to plausible.” *Ashcroft v. Iqbal*, 129 S. Ct. 1937, 1951 (2009) (quoting *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007)); see also *Moss v. U.S. Secret Serv.*, 572 F.3d 962, 969 (9th Cir. 2009) (“In sum, for a complaint to survive a motion to dismiss, the non-conclusory ‘factual content,’ and reasonable inferences from that content, must be plausibly suggestive of a claim entitling the plaintiff to relief.” [citing *Iqbal*, *supra*, at 1951]).

Post-*Twombly*, “the Court must accept all of the plaintiff’s allegations as true in determining whether a plaintiff has stated a claim for which relief could be granted.” *Prams Water Shipping Co. v. Salvador Group, Ltd.*, 2013 U.S. Dist. LEXIS 97630, 5 (S.D. Fla. July 11, 2013). “A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged.” *R&R Games, Inc. v. Fundex Games, Ltd.*, 2013 U.S. Dist. LEXIS 97621, 24 (M.D. Fla. July 12, 2013)(quoting *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009)(citing *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 556 (2007))). But claims which consist only of “threadbare recitals of a cause of action’s elements, supported by mere conclusory statements” (*ibid*), or “allegations that are merely conclusory, unwarranted deductions of fact, or unreasonable inferences” are insufficient and should be dismissed. *Spewell v. Golden State Warriors*, 266 F.3d 979, 988 (9th Cir. 2001).

Dismissal without leave to amend is appropriate if the Court is satisfied that the deficiencies of the complaint could not possibly be cured by amendment. *Jackson v. Carey*, 353 F.3d 750, 758 (9th Cir. 2003).

Moreover, “[i]n alleging fraud ... a party must state with particularity the circumstances constituting fraud.” *Fed. R. Civ. Pro. 9(b)*. Rule 9(b) requires heightened pleading for allegations of fraud, including the “who, what, when, where, and how of the misconduct charged.” *Vess v. Ciba-Geigy Corp. USA*, 317 F.3d 1097, 1106 (9th Cir. 2003). “A pleading of fraud on the PTO made on ‘information and belief’ is not sufficient where there is no allegation of specific facts on which the belief is based.” J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* §31:84 (4th Ed. 2010); see also *Asian and Western Classics B.V. v. Lynne Selkow*, 92 U.S.P.Q.2D 1478, 3 (T.T.A.B. 2009)(“Allegations based solely on information and belief raise only the mere possibility that such evidence may be uncovered and do not constitute pleading of fraud with particularity”).

**AMERICAN PRO’S “FACTS” ARE CONCLUSORY AND ITS PETITION
SHOULD BE DISMISSED**

American Pro offers nothing beyond conclusory statements masquerading as “factual content” which cannot survive American DJ’s motion to dismiss. The “facts” proffered by American Pro in its abandonment/nonuse theory amounts to nothing more than its assumption that American DJ “has not use the AMERICANDJ mark in commerce [...] since [American DJ] acquired the Registration in February 2004.” It is unreasonable to infer that American DJ abandoned its American DJ® trademark based on American Pro’s unwarranted deductions of “information and belief” that “the specimens submitted to the PTO... disagrees with the mark on the drawing” and American DJ “has discontinued use of said trademark with the intention not to resume the use thereof.” Petition, ¶9-11. American Pro cites no authority to support its conclusion that a space in the specimen provided by American DJ alters the commercial impression of the AMERICANDJ mark. Further, American Pro cites no authority which validates the inference that “a

series of musical sound recordings” must be in “hard disc” format.

Moreover, American Pro does not allege specific facts upon which its fraud theory is based, as required by Fed. R. Civ. P. Rule 9(b). First, its theory is made “on information and belief,” which according to *McCarthy* and *Asian and Western Classics B.V* does not a sufficient pleading make. Second, American Pro concludes that American DJ “committed fraud in maintaining and renewing the ‘876 Registration for AMERICANDJ based on nonuse in commerce.” American Pro’s fraud theory is based exclusively on its abandonment/nonuse theory, which itself is devoid of any specific facts of abandonment. At best, American Pro concludes that the specimen provided by American DJ in its section 8 & 9 affidavit is not a substantially exact representation of the drawing and that digital downloadable music files do not constitute a “series of musical sound recordings.” American Pro presents no facts from which it is reasonable to conclude that American DJ has abandoned its AmericanDJ® trademark with the intention not to resume use thereof.

Further, American Pro’s fraud claim is not pleaded with the requisite particularly - including, e.g., allegations that address how American DJ’s misrepresentations caused American Pro’s “resulting damage,” an essential element of fraud. *Lazar v. Superior Court*, 12 Cal. 4th 631, 638 (1996); *see also Moore v. Brewster*, 96 F.3d 1240, 1245 (9th Cir. 1996) (“The indispensable elements of a fraud claim include a false representation, knowledge of its falsity, intent to defraud, justifiable reliance, and damages.”); *Coburn v. Bank of N.Y. Mellon, N.A.*, 2011 U.S. Dist. LEXIS 87970, at *6 (E.D. Cal. Aug. 9, 2011) (dismissing claims because “Plaintiff’s allegations that she was harmed and suffered damages are conclusory and insufficient to support a fraud-based claim under Fed. R. Civ. P. 9(b)”); and *see McCarthy on Trademarks and Unfair Competition* §31:85 (4th Ed. 2010)(“The damages allegedly incurred as a result of the fraud must be clearly articulated. Evidence of injury or damages caused by a registration procured by allegedly

fraudulent representations must be more than merely speculative”). The petition raises only the mere possibility that such evidence may be uncovered and does not constitute pleading fraud with particularity. Since the numerous deficiencies in American Pro’s petition likely cannot be cured by amendment, its petition to cancel American DJ’s American DJ® trademark should be dismissed with prejudice.

**ALTERNATIVELY, AMERICAN DJ REQUESTS THE BOARD SUSPEND THE
CURRENT PROCEEDINGS**

Alternatively, respondent American DJ respectfully requests suspension of the instant proceedings pursuant to T.B.M.P. section 510 and 37 C.F.R 2.117. On October 17, 2013, American DJ initiated an action against American Pro and its conspirators in the United States District Court for the Central District of California, case no.: CV12-08951 MWF (Ex), alleging, among other things, infringement of American DJ’s American DJ®, American Audio® and American™ trademarks (the “First Action”). The First Action is currently on appeal in the United States Court of Appeals for the Ninth Circuit, case no.: 13-56087.

On June 11, 2013, American Pro and its conspirators initiated an action for declaratory judgment in the United States District Court for the Southern District of California, case no.: CV13-22093 CMA (the “Second Action”). In the Second Action, American Pro seeks a declaratory judgment that its use of an “American Pro” mark neither infringes nor falsely designated American DJ’s American DJ® and American Audio® trademarks.

Moreover, on July 26, 2013, American DJ filed counterclaims against American Pro and its conspirators in the Second Action, alleging trademark infringement of American DJ’s American DJ®, American Audio® and American™ trademarks. On September 13, 2013, American Pro filed its amended answer and affirmative defenses, a copy of which is attached hereto as **Exhibit A** and

incorporated by reference herein. In its third affirmative defense, American Pro unequivocally asserts that American DJ's counterclaim for trademark infringement "is barred, in whole or in part, by the doctrine of unclean hands. [American DJ] has unclean hands because [American DJ] committed fraud on the United States Patent and Trademark Office ('PTO') in maintaining and renewing the trademarks registrations for their so-called 'family of American marks,' including without limitation AMERICANDJ and AMERICAN DJ, when [American DJ] knowingly made false, material representations with the intent to deceive the PTO." See Exhibit A, pg. 11.

Further, contemporaneous with the filing of the instant action, American Pro filed two additional petitions to cancel to American DJ's AmericanDJ® and American Audio® trademarks, cancellation nos.: 92057806 and 92057820.

Pursuant to TBMP 510 and 37 C.F.R. 2.117(a), "[w]henver it shall come to the attention of the Trademark Trial and Appeal Board that a party or parties to a pending case are engaged in a civil action or another Board proceeding which may have a bearing on the case, proceedings before the Board may be suspended until termination of the civil action or the other Board proceeding." 37 C.F.R. 2.117(a).

The First and Second Actions involve American Pro's infringement of American DJ's American Audio® trademark, the subject of the instant petition to cancel. Additionally, in its third affirmative defense in the Second Action, American Pro asserts that American DJ committed fraud on the PTO in maintaining and renewing its trademarks registrations. The outcome of this affirmative defense will have a bearing on the instant petition to cancel. Therefore, American DJ respectfully requests suspension of the instant cancellation proceeding pending termination of the First and Second Actions.

CONCLUSION

For all the foregoing reasons, American DJ respectfully requests that American Pro's petition to cancel the AmericanDJ® trademark be dismissed with prejudice. Alternatively, American DJ respectfully requests suspension of the instant cancellation proceeding pending termination of the First and Second Actions, the outcomes of which will have a direct bearing on the instant proceeding.

Date: October 14, 2013

SHERMAN & ZARRABIAN LLP

By: 
Kenneth L. Sherman, Reg. No.: 33783
Joshua A. Schaul, Reg. No.: 57691
Attorneys for respondent
AMERICAN DJ SUPPLY, INC.

EXHIBIT A

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA**

CASE NO. 13-CV-22093-ALTONAGA

**AMERICAN PRO INTERNATIONAL
CORP., ARPI GROUP, INC., CLAUDIO
RESNICK, and OMAR DIAZ BLASCO,**

Plaintiffs,

v.

AMERICAN DJ SUPPLY, INC.,

Defendant.

_____ /

AMERICAN DJ SUPPLY, INC.,

Counter-Plaintiff,

v.

**AMERICAN PRO INTERNATIONAL
CORP., ARPI GROUP, INC., CLAUDIO
RESNICK, OMAR DIAZ BLASCO, and
SHOW IMPORT SA,**

Counter-Defendants.

_____ /

**COUNTER-DEFENDANTS' AMENDED ANSWER TO COUNTER-
PLAINTIFF'S COUNTERCLAIMS AND AFFIRMATIVE DEFENSES**

Counter-Defendants American Pro International Corp. ("American Pro"), ARPI Group, Inc. ("ARPI"), Claudio Resnick ("Resnick"), Omar Diaz Blasco ("Blasco"), and

Show Import SA (“Show Import”)¹ (collectively, “Counter-Defendants”), by their attorneys, hereby answer the numbered paragraphs of Counter-Plaintiff American DJ Supply, Inc.’s (“ADJ”) Counterclaims (Doc. No. 20), as follows:

PARTIES

1. Counter-Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 1 and they are therefore denied.

2. American Pro admits the allegations of Paragraph 2; the remaining Counter-Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 2 and they are therefore denied.

3. ARPI admits the allegations of Paragraph 3; the remaining Counter-Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in the third numbered paragraph and they are therefore denied.

4. Resnick admits the allegations of Paragraph 4; the remaining Counter-Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 4 and they are therefore denied.

5. Blasco and Show Import admit that Blasco is President of American Pro and a minority shareholder in Show Import. Blasco and Show Import deny the remaining allegations of Paragraph 5. The remaining Counter-Defendants are without knowledge or

¹ Show Import is waiving personal service strictly for purposes of responding to ADJ’s instant counterclaims. Show Import is not waiving any other position, particularly with respect to service of process or personal jurisdiction, in any other jurisdiction.

information sufficient to form a belief as to the truth of the allegations in Paragraph 5 and they are therefore denied.

6. Blasco and Show Import admit that Show Import is an Argentine company. Blasco and Show Import deny the remaining allegations of Paragraph 6, including the allegation that "Macaio Argentina" is a fictitious name of Show Import. The remaining Counter-Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 6 and they are therefore denied.

7. Counter-Defendants deny the allegations of Paragraph 7.

8. Counter-Defendants deny the allegations of Paragraph 8.

9. Counter-Defendants deny the allegations of Paragraph 9.

10. Counter-Defendants admit that ADJ alleges that its counterclaim is subject to the jurisdiction of this Court. Counter-Defendants deny the remaining allegations of Paragraph 10.

11. Counter-Defendants admit that ADJ alleges that its counterclaim is also based on diversity jurisdiction. Counter-Defendants deny the remaining allegations of Paragraph 11.

12. Counter-Defendants ARPI, American Pro, Blasco, and Resnick admit the allegations of Paragraph 12. Counter-Defendant Show Import denies the allegations of Paragraph 12, notwithstanding its waiver of formal service of process of the counterclaim.

13. Counter-Defendants ARPI, American Pro, Blasco, and Resnick admit the allegations of Paragraph 12. Counter-Defendant Show Import denies the allegations of

Paragraph 13, notwithstanding its waiver of formal service of process of the counterclaim.

14. Counter-Defendants deny the allegations of Paragraph 14.

15. Counter-Defendants deny the allegations of Paragraph 15.

16. Counter-Defendants deny the allegations of Paragraph 16.

17. Counter-Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 17 and they are therefore denied.

18. Counter-Defendants deny the allegations of Paragraph 18.

19. Counter-Defendants deny the allegations of Paragraph 19.

20. Counter-Defendants deny the allegations of Paragraph 20.

21. Counter-Defendants deny the allegations of Paragraph 21.

22. Counter-Defendants admit that they were aware of the existence of ADJ prior to ADJ's initiation of a lawsuit in the Central District of California in October 2012. Counter-Defendants deny the remaining allegations of Paragraph 22.

23. Counter-Defendants Blasco and Show Import admit that Show Import has previously been a dealer of ADJ products in South America. Counter-Defendants Blasco and Show Import deny the remaining allegations of Paragraph 23. The remaining Counter-Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 23 and they are therefore denied.

24. Counter-Defendants Resnick and ARPI admit that ARPI has previously been a dealer of ADJ products in the United States. Counter-Defendants Resnick and

ARPI deny the remaining allegations of Paragraph 24. The remaining Counter-Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 24 and they are therefore denied.

25. Counter-Defendants Blasco and Show Import admit that Show Import has previously been a dealer of ADJ products in South America. Counter-Defendants Resnick and APRI admit that ARPI has previously been a dealer of ADJ Products in the United States. Counter-Defendants Blasco, Show Import, Resnick, and ARPI deny the remaining allegations of Paragraph 25. Counter-Defendant American Pro is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 25 and they are therefore denied.

26. Counter-Defendants deny the allegations of Paragraph 26.

27. Counter-Defendants Blasco and Show Import admit that Show Import has previously been a dealer of ADJ products in South America. Counter-Defendants Blasco and Show Import deny the remaining allegations of Paragraph 27. The remaining Counter-Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 27 and they are therefore denied.

28. Counter-Defendants deny the allegations of Paragraph 28.

29. Counter-Defendants deny the allegations of Paragraph 29.

30. Counter-Defendants deny the allegations of Paragraph 30.

31. Counter-Defendants deny the allegations of Paragraph 31.

32. Counter-Defendants deny the allegations of Paragraph 32.

33. Counter-Defendants deny the allegations of Paragraph 33.

34. Counter-Defendants deny the allegations of Paragraph 34.

35. Counter-Defendants Resnick and ARPI admit that Resnick is an owner of ARPI and involved in ARPI's day-to-day operations. Counter-Defendants Resnick, Blasco, and American Pro admit that Resnick and Blasco are owners of American Pro and involved in American Pro's day-to-day operations. Counter-Defendants deny the remaining allegations of Paragraph 35.

36. Counter-Defendants deny the allegations of Paragraph 36.

37. Counter-Defendants deny the allegations of Paragraph 37.

FIRST CLAIM FOR RELIEF

38. Counter-Defendants repeat and incorporate by reference their responses to Paragraphs 1-37 of the Counterclaim.

39. Counter-Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 39 and they are therefore denied.

40. Counter-Defendants deny the allegations of Paragraph 40.

41. Counter-Defendants deny the allegations of Paragraph 41.

42. Counter-Defendants deny the allegations of Paragraph 42.

43. Counter-Defendants deny the allegations of Paragraph 43.

44. Counter-Defendants deny the allegations of Paragraph 44.

45. Counter-Defendants deny the allegations of Paragraph 45.

46. Counter-Defendants deny the allegations of Paragraph 46.

47. Counter-Defendants deny the allegations of Paragraph 47.

48. Counter-Defendants deny the allegations of Paragraph 48.

49. Counter-Defendants deny the allegations of Paragraph 49.

50. Counter-Defendants deny the allegations of Paragraph 50.

51. Counter-Defendants deny the allegations of Paragraph 51.

SECOND CLAIM FOR RELIEF

52. Counter-Defendants repeat and incorporate by reference their responses to Paragraphs 1-37 of the Counterclaim.

53. Counter-Defendants admit that Paragraph 53 references the Florida Deceptive and Unfair Trade Practices Act. Counter-Defendants deny the remaining allegations of Paragraph 53.

54. Counter-Defendants deny the allegations of Paragraph 54.

55. Counter-Defendants deny the allegations of Paragraph 55.

56. Counter-Defendants deny the allegations of Paragraph 56.

57. Counter-Defendants deny the allegations of Paragraph 57.

58. Counter-Defendants deny the allegations of Paragraph 58.

59. Counter-Defendants deny the allegations of Paragraph 59.

60. Counter-Defendants deny the allegations of Paragraph 60.

THIRD CLAIM FOR RELIEF

61. Counter-Defendant Show Import repeats and incorporates by reference its responses to Paragraphs 1-37 of the Counterclaim.

62. Show Import states that the Third Claim for Relief is the subject of a Motion to Dismiss (Doc. No. 22) and will be answered, if necessary, upon disposition of the Motion to Dismiss.

63. Show Import states that the Third Claim for Relief is the subject of a Motion to Dismiss (Doc. No. 22) and will be answered, if necessary, upon disposition of the Motion to Dismiss.

64. Show Import states that the Third Claim for Relief is the subject of a Motion to Dismiss (Doc. No. 22) and will be answered, if necessary, upon disposition of the Motion to Dismiss.

65. Show Import states that the Third Claim for Relief is the subject of a Motion to Dismiss (Doc. No. 22) and will be answered, if necessary, upon disposition of the Motion to Dismiss.

66. Show Import states that the Third Claim for Relief is the subject of a Motion to Dismiss (Doc. No. 22) and will be answered, if necessary, upon disposition of the Motion to Dismiss.

67. Show Import states that the Third Claim for Relief is the subject of a Motion to Dismiss (Doc. No. 22) and will be answered, if necessary, upon disposition of the Motion to Dismiss.

68. Show Import states that the Third Claim for Relief is the subject of a Motion to Dismiss (Doc. No. 22) and will be answered, if necessary, upon disposition of the Motion to Dismiss.

69. Show Import states that the Third Claim for Relief is the subject of a Motion to Dismiss (Doc. No. 22) and will be answered, if necessary, upon disposition of the Motion to Dismiss.

70. Show Import states that the Third Claim for Relief is the subject of a Motion to Dismiss (Doc. No. 22) and will be answered, if necessary, upon disposition of the Motion to Dismiss.

71. Show Import states that the Third Claim for Relief is the subject of a Motion to Dismiss (Doc. No. 22) and will be answered, if necessary, upon disposition of the Motion to Dismiss.

72. Show Import states that the Third Claim for Relief is the subject of a Motion to Dismiss (Doc. No. 22) and will be answered, if necessary, upon disposition of the Motion to Dismiss.

73. Show Import states that the Third Claim for Relief is the subject of a Motion to Dismiss (Doc. No. 22) and will be answered, if necessary, upon disposition of the Motion to Dismiss.

74. Show Import states that the Third Claim for Relief is the subject of a Motion to Dismiss (Doc. No. 22) and will be answered, if necessary, upon disposition of the Motion to Dismiss.

75. Show Import states that the Third Claim for Relief is the subject of a Motion to Dismiss (Doc. No. 22) and will be answered, if necessary, upon disposition of the Motion to Dismiss.

76. Show Import states that the Third Claim for Relief is the subject of a Motion to Dismiss (Doc. No. 22) and will be answered, if necessary, upon disposition of the Motion to Dismiss.

77. Show Import states that the Third Claim for Relief is the subject of a Motion to Dismiss (Doc. No. 22) and will be answered, if necessary, upon disposition of the Motion to Dismiss.

FOURTH CLAIM FOR RELIEF

78. Counter-Defendants repeat and incorporate by reference their responses to Paragraphs 1-37 of the Counterclaim.

79. Counter-Defendants deny the allegations of Paragraph 79.

80. Counter-Defendants deny the allegations of Paragraph 80.

81. Counter-Defendants deny the allegations of Paragraph 81.

82. Counter-Defendants deny the allegations of Paragraph 82.

FURTHER ANSWER AND AFFIRMATIVE DEFENSES

By way of further Answer and as affirmative defenses, Counter-Defendants deny that they are liable to ADJ on any of the claims alleged and denies that ADJ is entitled to damages, treble or punitive damages, equitable relief, attorneys' fees, costs, pre-judgment interest or to any relief whatsoever, and states as follows:

FIRST AFFIRMATIVE DEFENSE

As a first, separate and distinct affirmative defense, Counter-Defendants assert that ADJ's Counterclaim, on one more counts as set forth therein, is barred as ADJ has failed to properly plead the proper elements upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

As a second, separate and distinct affirmative defense, Counter-Defendants assert that ADJ's Counterclaim is barred because ADJ does not have any protectable rights in the term "American" and therefore cannot state a claim upon which relief can be granted.

THIRD AFFIRMATIVE DEFENSE

As a third, separate and distinct affirmative defense, Counter-Defendants assert that ADJ's Counterclaim is barred, in whole or in part, by the doctrine of unclean hands. ADJ has unclean hands because ADJ committed fraud on the United States Patent and Trademark Office ("PTO") in maintaining and renewing the trademark registrations for their so-called "family of American marks," including without limitation AMERICANDJ and AMERICAN DJ, when ADJ knowingly made false, material representations with the intent to deceive the PTO. Specifically, ADJ knowingly and falsely represented that it was using the AMERICANDJ and AMERICAN DJ trademarks, with the intent to deceive the PTO when it maintained and renewed its registrations, as the PTO would not have maintained and renewed ADJ's trademark registrations but for ADJ's false representations.

FOURTH AFFIRMATIVE DEFENSE

As a fourth, separate and distinct affirmative defense, Counter-Defendants assert that ADJ's Counterclaim is barred, in whole or in substantial part, because the mark AMERICAN AUDIO is merely descriptive and this trademark has not acquired secondary meaning with respect to ADJ.

FIFTH AFFIRMATIVE DEFENSE

As a fifth, separate and distinct affirmative defense, Counter-Defendants assert that ADJ's Counterclaim is barred, in whole or in substantial part, by laches because ADJ had prior knowledge of Counter-Defendants' use of the term "American" and failed to object to this usage and unreasonably delayed in bringing suit.

SIXTH AFFIRMATIVE DEFENSE

As a sixth, separate and distinct affirmative defense, Counter-Defendants assert that ADJ's Counterclaim is barred, in whole or in substantial part, by estoppel because ADJ's delay in bringing suit against Counter-Defendants caused and is causing prejudice to Counter-Defendants.

SEVENTH AFFIRMATIVE DEFENSE

As a seventh, separate and distinct affirmative defense, Counter-Defendants assert that ADJ's Counterclaim is barred, in whole or in substantial part, by acquiescence because Counter-Defendants openly used the phrase "American Pro" for over 10 years without objection, and in fact with consent, from ADJ.

EIGHTH AFFIRMATIVE DEFENSE

As an eighth, separate and distinct affirmative defense, Counter-Defendants assert that there has been no actual confusion or confusion of any type or quality during a substantial period of concurrent use and therefore no likelihood of confusion exists.

NINTH AFFIRMATIVE DEFENSE

As a ninth, separate and distinct affirmative defense, Counter-Defendants assert that even assuming infringement, unfair competition or any other allegedly improper

activity is proven by ADJ, which Counter-Defendants expressly deny, ADJ cannot establish that it has suffered or will suffer damages.

TENTH AFFIRMATIVE DEFENSE

As a tenth, separate and distinct affirmative defense, Counter-Defendants assert that ADJ's Counterclaim is barred, in whole or in substantial part, by its own bad faith acts because ADJ s filed the Counterclaim for the purpose of harassment and extortion.

ELEVENTH AFFIRMATIVE DEFENSE

As an eleventh, separate and distinct affirmative defense, Counter-Defendants assert, without admitting that the Counterclaim states a claim, that any remedies are limited to the extent that there is sought an overlapping or duplicative recovery pursuant to the various claims against Counter-Defendants for any alleged single wrong.

WHEREFORE, Counter-Defendants pray for judgment as follows:

1. That ADJ takes nothing by way of its Counterclaim;
2. That the Counterclaim, and each and every purported claim for relief therein, be dismissed with prejudice.
3. That Counter-Defendants be awarded their costs of suit incurred herein, including attorneys' fees and expenses; and
4. For such other and further relief as the Court deems just and proper.

DATED: September 13, 2013

Respectfully submitted,

FRIEDLAND VINING, P.A.

s/David K. Friedland

By: **David K. Friedland**

Florida Bar No. 833479

Email: dkf@friedlandvining.com

Jaime Rich Vining

Florida Bar No. 030932

Email: jrv@friedlandvining.com

1500 San Remo Ave., Suite 200

Coral Gables, FL 33146

(305) 777-1720 – telephone

(305) 456-4922 – facsimile

*Counsel for Plaintiffs
and Counter-Defendants*

CERTIFICATE OF SERVICE

I hereby certify that on the above referenced date, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF. I also certify that the foregoing document is being served this day on all counsel of record or pro se parties identified on the attached Service List in the Manner specified, either via transmission of Notices of Electronic Filing generated by CM/ECF or in some other authorized manner for those counsel or parties who are not authorized to receive electronically Notices of Electronic Filing.

Allan A. Joseph, Esq.

Email: ajoseph@fuerstlaw.com

Michael B. Kornhauser, Esq.

Email: mkornhauser@fuerstlaw.com

FUERST ITTLEMAN DAVID & JOSEPH, PL

1001 Brickell Bay Dr., 32nd Floor

Miami, FL 33131

(305) 350-5690 – telephone

(305) 786-364-7995 – facsimile

Service via CM/ECF

Kenneth L. Sherman, Esq.

Email: Sherman@sziplaw.com

Joshua Schaul, Esq.

Email: schaul@sziplaw.com

SHERMAN & ZARRABIAN LLP

1411 5th St., Suite 306

Santa Monica, CA 90401

(424) 229-6800 – telephone

(424) 229-6815 – facsimile

Service via CM/ECF

James A. McQueen, Esq.

Email: jmcqueen@mcqueenashman.com

MCQUEEN & ASHMAN LLP

19900 MacArther Blvd., Suite 1150

Irvine, CA 92612

(949) 223-9601 – telephone

Service via CM/ECF

s/David K. Friedland

David K. Friedland

CERTIFICATE OF SERVICE

I hereby certify that a true and complete copy of the foregoing **MOTION TO DISMISS AND, ALTERNATIVELY, MOTION TO SUSPEND PROCEEDINGS** has been served on Petitioner's counsel by mailing said copy on October 14, 2013, via First Class Mail, postage prepaid:

David K. Friedland
FRIEDLAND VINING, P.A.
1500 San Remo Avenue, Suite 200
Coral Gables, Florida 33146



Joshua A. Schaul