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

Proceeding	92058782
Party	Defendant Phase Eight (Fashion & Designs) Limited
Correspondence Address	PHASE EIGHT (FASHION & DESIGNS) LIMITED 90 PETERBOROUGH ROAD LONDON, SW6 3HH UNITED KINGDOM
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Date	04/11/2014
Attachments	Cancellation No. 92058782 Answer and Affirmative Defenses 4-11-2014.pdf(70182 bytes)

5. Denies the allegations contained in paragraph 5 of the Petition.

6. Denies the allegations contained in paragraph 6 of the Petition, and states that it owns and operates the websites located at <<http://www.phase-eight-fashion.com>> and <<http://www.phase-eight.co.uk>>, which sell various clothing and accessories under the PHASE EIGHT Mark, further state that it has sold products under the PHASE EIGHT Mark and has shipped goods bearing the PHASE EIGHT Mark directly to consumers and a large wholesale customer in the Unites States, and further states that it has sold products under the PHASE EIGHT Mark and shipped goods bearing the PHASE EIGHT Mark to consumers in the United States through third-party channels since at least 2013.

7. Denies the allegations contained in paragraph 7 of the Petition.

8. Denies knowledge or information sufficient to admit or deny the allegations contained in paragraph 8 of the Petition.

AFFIRMATIVE DEFENSES

9. Phase Eight asserts the following defenses to the Petition, based on the facts available to it at the time. By alleging the defenses set forth below, Phase Eight does not assert or admit that it has the burden of proof and/or persuasion with respect to any of these defenses.

FIRST DEFENSE

10. The Petition fails to state a claim upon which relief may be granted.

11. On March 7, 2008, Phase Eight filed an application for PHASE EIGHT in International Classes 14, 18, 25, and 35. Such application was made pursuant to § 66(a) of the Trademark Act, based on Phase Eight's registration for PHASE EIGHT in the United Kingdom.

12. On January 20, 2009, the U.S. Patent and Trademark Office ("USPTO") issued Registration No. 3564925 for the mark PHASE EIGHT (the "PHASE EIGHT Mark") in

connection with certain goods and services in International Classes 14, 18, 25, and 35. Phase Eight refers to the file wrapper of the PHASE EIGHT Mark for the contents and specifics thereof.

13. At the time that Phase Eight submitted its application for PHASE EIGHT, it had a bona fide intention to use the mark in U.S. commerce in connection with the applied-for goods and services. Because the application was made pursuant to § 66(a) of the Trademark Act, Phase Eight was not required to assert actual use of the mark prior to its registration.

14. Further, Phase Eight is not required to assert or show actual use of the PHASE EIGHT Mark until the one-year period immediately preceding the expiration of six years following the date of issuance of the certificate of extension of protection, *i.e.*, in this case, January 20, 2015.

15. Accordingly, any alleged lack of use of the PHASE EIGHT Mark at any time prior to the filing of the Petition is not a valid ground for cancellation of the PHASE EIGHT Mark.

16. Moreover, Phase Eight has used, is using, and intends to continue to use its PHASE EIGHT Mark as a trademark in commerce in the United States. Phase Eight owns and operates the websites located at <<http://www.phase-eight-fashion.com>> and <<http://www.phase-eight.co.uk>>, which sell various clothing and accessories under the PHASE EIGHT Mark. Phase Eight has spent significant time exploring market opportunities in the United States for the PHASE EIGHT Mark, both in terms of competition and optimal entry route.

17. Phase Eight has already sold products under the PHASE EIGHT Mark and has shipped goods bearing the PHASE EIGHT Mark directly to consumers and a large wholesale customer in the United States. In addition, Phase Eight has sold products under the PHASE

EIGHT Mark and shipped goods bearing the PHASE EIGHT Mark to consumers in the United States through third-party channels since at least 2013.

18. Phase Eight expects that its presence in the United States will continue to grow materially as it adds new retail and wholesale customers, as well as standalone stores and concessions under the PHASE EIGHT Mark.

19. As a result of the foregoing, the Petition fails to state a claim upon which relief may be granted as Phase Eight has used and is continuing to use the PHASE EIGHT Mark in U.S. commerce, at no time has Phase Eight actually abandoned or intended to abandon its rights to the PHASE EIGHT Mark, and at all times Phase Eight has had priority to the PHASE EIGHT Mark.

SECOND DEFENSE

20. Nordstrom is barred from obtaining the relief it seeks, in whole or in part, by the doctrine of laches.

21. Upon information and belief, Nordstrom has known of, or had reason to know of, the PHASE EIGHT Mark since at least September 4, 2013, when the Examining Attorney apparently refused Nordstrom's application for PHASE 3, Serial No. 86000971 (the "PHASE 3 Application"), due to a likelihood of confusion with the PHASE EIGHT Mark.

22. Moreover, upon information and belief, Nordstrom could have discovered (and likely did discover) the PHASE EIGHT Mark prior to the filing of its PHASE 3 Application on July 2, 2013.

23. Nordstrom unreasonably delayed in challenging the PHASE EIGHT Mark, having waited at least six months, and possibly longer, to do so.

24. Nordstrom's unreasonable delay has prejudiced Phase Eight, as Phase Eight has

invested significant resources in building goodwill in its mark, including taking steps to commence use of its mark in the United States, while Nordstrom sat on its alleged rights. Phase Eight has spent significant time exploring market opportunities in the United States for the PHASE EIGHT Mark, both in terms of competition and optimal entry route. Phase Eight has already sold products under the PHASE EIGHT Mark and has shipped goods bearing the PHASE EIGHT Mark directly to consumers and a large wholesale customer in the United States. In addition, Phase Eight has sold products under the PHASE EIGHT Mark and shipped goods bearing the PHASE EIGHT Mark to consumers in the United States through third-party channels since at least 2013.

THIRD DEFENSE

25. Nordstrom is barred from obtaining the relief it seeks, in whole or in part, by the equitable doctrine of estoppel.

26. Upon information and belief, Nordstrom has known of, or had reason to know of, Phase Eight's mark since at least September 4, 2013, when the Examining Attorney apparently refused the PHASE 3 Application due to a likelihood of confusion with the PHASE EIGHT Mark.

27. Upon information and belief, Nordstrom may have had actual knowledge of the PHASE EIGHT Mark at the time of or before filing its PHASE 3 Application on July 2, 2013.

28. Nevertheless, Nordstrom delayed in challenging the PHASE EIGHT Mark until approximately six months after the Examining Attorney's refusal.

29. Nordstrom's failure to challenge the PHASE EIGHT Mark earlier was misleading in that the absence of any action by Nordstrom led Phase Eight to reasonably infer that there were no objections to its PHASE EIGHT Mark.

30. In reliance thereon, Phase Eight proceeded with its development of and plans to use the PHASE EIGHT Mark.

31. As a result of such reliance, Phase Eight has been materially prejudiced as it has invested significant resources in building goodwill in the PHASE EIGHT Mark, including taking steps to commence use of its mark in the United States. For instance, Phase Eight has spent significant time exploring market opportunities in the United States for the PHASE EIGHT Mark, both in terms of competition and optimal entry route. Phase Eight has already sold products under the PHASE EIGHT Mark and has shipped goods bearing the PHASE EIGHT Mark directly to consumers and a large wholesale customer in the United States. In addition, Phase Eight has sold products under the PHASE EIGHT Mark and shipped goods bearing the PHASE EIGHT Mark to consumers in the United States through third-party channels since at least 2013.

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32. Phase Eight reserves the right to assert additional affirmative defenses in the event discovery or further analysis reveals additional, presently unknown or unstated affirmative defenses.

PRAYER FOR RELIEF

WHEREFORE, Phase Eight requests that the Trademark Trial and Appeal Board dismiss Nordstrom's Petition for Cancellation.

Dated: April 11, 2014
New York, New York

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CERTIFICATE OF SERVICE

I hereby certify that on April 11, 2014, I caused copies of the foregoing **PHASE EIGHT (FASHION & DESIGNS) LIMITED'S ANSWER AND AFFIRMATIVE DEFENSES** to be served via First Class Mail, postage prepaid, upon the following individuals:

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Attorney for Petitioner Nordstrom, Inc.

Dated: April 11, 2014

/Shanti E. Sadtler/

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