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

Proceeding	92061129
Party	Defendant HIMG, Inc. and EBI, Ltd.
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
TRADEMARK TRIAL AND APPEAL BOARD

HIMG SERAMIK VE MEDIKAL
KOMPOZIT SAN TIC LTD STI, a Turkish
Organization,

Petitioner,

v.

EBI, LTD, a California Corporation; and
HIMG, INC., a Nevada Corporation,

Registrants.

Cancellation No.: 92061129

Registration No.: 4573180

Date of Issue: July 22, 2014

**ANSWER TO PETITION FOR
CANCELLATION**

EBI, Ltd, a California Corporation (“EBI”), and HIMG, Inc., a Nevada Corporation (“HIMG”) collectively referred to as “Registrants”, by and through their undersigned attorneys, hereby answer the Petition for Cancellation, Proceeding Number 92061129 (“Cancellation”) filed by HIMG Seramik Ve Medikal Kompozit San Tic Ltd Sti (hereinafter “Petitioner”) regarding Registrants’ mark registration number 4573180 (“Registrants’ Mark”).’

FACTUAL BACKGROUND

EBI and HIMG were founded by Mr. Heinz Haffner in the mid-1990s. In fact, **HIMG stands for Haffner International Marketing Group**. Together, Registrants are the leaders in the field of porcelain repair, granite repair, and horse hoof repair products (the “Business”). Registrants have used Registrants’ Mark in connection with the Business since the mid-1990s. Registrants have used Registrants’ Mark for the goods listed in Registrants’ Application since well before 2012.

Petitioner is a company founded and wholly owned by Yusuf Bugra Sahin (YBS). In 2006, Registrants and YBS entered into a partnership agreement where YBS was allowed to use Registrants’ Mark while YBS was Registrants’ Partner. Registrants advanced YBS funds, paid for YBS’ supplies and computer, and promoted YBS as their partner in the HIMG business. Then, on or about 2011, YBS ceased reporting to Registrants, and began using Registrants’ Mark and trade

secrets to produce competing products in violation of YBS' partnership agreement with Registrants.

Registrants were understandably upset, and took measures to prevent consumer confusion and stop YBS and YBS's companies. For instance, Registrants have sued YBS and YBS's companies in courts across the world under trademark, false advertising and unfair competition laws.

Specifically, Registrants commenced a lawsuit in Germany against YBS, and on May 21 2012, the German court declared that YBS could not exhibit his products at a German trade show. The German court also held that YBS could not make claims that his company is the only company in the world that specializes in the manufacturing of products that are chemically cured and light cured for repair for sanitary ware, acrylic bathtubs, granite, marble, natural and artificial stones, lime stone, enameled steel, wall and floor tiles. Registrants pursued legal action against YBS in India on December 27, 2012 for criminal breach of trust and criminal misappropriation. Additionally, on December 2, 2013, Registrants filed a criminal complaint based on unfair competition against YBS in Turkey. YBS is currently facing criminal charges in the Turkish courts in Istanbul.

Registrants have also sued YBS for trademark infringement of Registrants' Mark (amongst other claims) in US Federal Court, District of Nevada. YBS argued California, not Nevada, was the appropriate venue for the lawsuit, and thus the district court dismissed the case for lack of personal jurisdiction. Registrants then brought suit in US Federal Court, Southern District of California against YBS for trademark infringement of Registrants' Mark (amongst other claims). The California case is still pending, and specifically asked for relief against YBS and YBS's companies. YBS has avoided answering the California case, and instead brought this action for cancellation of Registrants' Mark. This cancellation is simply a tactic for Petitioner and YBS to further confuse and conflate the issues when the case is quite simple: Petitioner is infringing Registrants' Mark, not the other way around. Nonetheless, Registrants answer as follows:

ANSWER

Registrants hereby answer the Petitioner's Petition for Cancellation and admits, denies, and alleges as follows:

1. Denied.

2. Registrants admit Registrants filed an application to register the mark HIMG on January 25, 2013 for the goods stated in Registrants' trademark application for Registrants' Mark. Registrants deny the remainder of the allegations in Paragraph 2.
3. Registrants are without knowledge or information sufficient to form a belief as to the truth of the facts set forth in paragraph 3 of the Cancellation and therefore deny the allegations.
4. Registrants are without knowledge or information sufficient to form a belief as to the truth of the facts set forth in paragraph 4 of the Cancellation and therefore deny the allegations
5. Denied.
6. Denied.

AFFIRMATIVE DEFENSES

I. FRAUD

a. Registrants met with Petitioner's chief and only officer, Yusuf Bugra Sahin ("YBS"), over a period of several years, beginning in 2005. During this time, Registrants and YBS entered into various agreements, including a confidentiality non-disclosure agreement signed on or about March 1, 2006, and a partnership agreement where YBS agreed to be Registrants' partner in Registrants' ceramic and hoof care repair business.

b. As part of the partnership agreement, Registrants agreed to allow YBS to use Registrants' HIMG trademark, which Registrants had been using for several years in the United States and around the world. In fact, HIMG stands for Haffner International Marketing Group, with Haffner being the name of the principle of EBI, Ltd and HIMG, Inc., Mr. Heinz Haffner.

c. YBS was given trade secret information related to Registrants' business, Registrants' goods, Registrants' branding, Registrants' bank accounts, and Registrants' marketing strategies, as well as direct access to Registrants' consumers in Turkey, India, the Middle East and Asia.

d. Through these prior dealings, YBS made promises to Registrants, through contractual agreement and oral communications to refrain from the misappropriation of the Registrants' money, bank accounts, inventory, intellectual property and valuable business information, including but not limited to, Registrants' Mark.

e. Beginning on or about October of 2011, YBS failed to comply with these prior contractual obligations and promises, as he began operating, and continues to operate, HIMG Seramik Ve Medikal Kompozit San Tic Ltd Sti (Petitioner) without any accounting to Registrants, without any repayment of funds invested by Plaintiffs, without paying the balance for materials purchased from Plaintiffs, and without compensating Registrants for the use of intellectual property owned by Registrants, including but not limited to Registrants' Mark.

f. Petitioner has defrauded Registrants by using the Registrants' money, bank accounts, inventory, physical property and intellectual property, including Registrants' Mark, for Petitioner's own benefit.

g. Petitioner has defrauded the public by using the Registrants' Mark in commerce without consent in a way to deceive consumers and cause confusion between the products sold by Petitioner, and the authentic ceramic repair kits sold by Registrants.

h. Petitioner has intentionally defrauded Registrants and the consumer public, as Petitioner had insider knowledge of Registrants, Registrants products, and Registrants' Mark.

i. Petitioner has also made statements in its cancellation that are fraudulent about Petitioner's use of the name HIMG, and intended to defraud the USPTO through these statements.

j. Petitioner's fraudulent activities have damaged Registrants and the consuming public in an attempt to gain commercial advantage over Registrants in various international markets where the enforcement of intellectual property law is difficult.

k. Petitioner continues to use Registrants' Mark on its websites and in connection to its goods to this day.

II. UNCLEAN HANDS

a. Registrants incorporate the preceding allegations as if fully set forth herein.

b. Petitioner intentionally and willfully trafficked goods containing a mark that is owned by Registrants.

c. Petitioner knew of Registrants and Registrants' Mark from as early as March of 2006, having dealt with Registrants in a prior contractual relationship.

d. Petitioner has knowingly misused Registrants' Mark in a fraudulent manner and

in a way to deceive consumers and cause confusion between the products sold by Petitioner and the authentic ceramic repair kits sold by Registrants.

e. Petitioner profited from the aforementioned acts in an attempt to gain commercial advantage over Registrants in various international markets where the enforcement of intellectual property law is difficult.

f. As the direct and proximate result of the counterfeiting, Registrants have suffered, and will continue to suffer, monetary loss and irreparable injury to its business, reputation, and goodwill.

III. LICENSE AGREEMENT ESTOPPEL

a. Registrants incorporate the preceding allegations as if fully set forth herein.

b. Registrants had common law trademark rights in Registrants' Mark since the mid-1990s when the company "HIMG" was founded.

c. A valid and legally binding licensing agreement exists between Petitioner, through YBS, and Registrants through the formation of their partnership on or about June of 2006 (the "Partnership Agreement").

d. The Partnership Agreement concerns, among other things, the license for Petitioner, through YBS, to use Registrants' Mark and stipulates that Registrants have the exclusive right to use and control Registrants' Mark in commerce.

e. Petitioner, through YBS, is a licensee of Registrants' Mark under the Partnership Agreement.

f. The Partnership Agreement was in force at the time Petitioner began inappropriately using Registrants' Mark in commerce.

g. Petitioner is estopped from this Cancellation due to this prior existing Agreement that acknowledges Registrants as the rightful and legal owners of Registrants' Mark.

IV. LACHES

a. Registrants incorporate the preceding allegations as if fully set forth herein.

b. Registrants entered into the Partnership Agreement with YBS for the use of Registrants' Mark on or about June of 2006.

c. Registrants' Mark was first filed with the USPTO on January 25, 2013, published for opposition on June 11, 2013, and finally registered on July 22, 2014.

d. Petitioner, through Petitioner's chief and only officer, YBS, knew of Registrants

and Registrants' intention to file for trademark protection as far back as March 1, 2006, when Petitioner and Registrants began contractual relations to work together, and before those relations soured.

e. Petitioner knew of Registrants and Registrants' Mark on or about March 13, 2013 when Registrant filed an action in the United States District Court for District of Nevada against YBS claiming Breach of Contract, Fraud, Deceptive Advertising, Unjust Enrichment, Conversion, Deceit, Trade Secret Violation, Unfair Competition, State Unfair Competition, Trademark Infringement, Deceptive Trade Practices, Trademark Counterfeiting, Breach of Fiduciary Duty, False Advertising, and Intentional Interference with Economic Advantage

f. There was unreasonable delay for the Petitioner to file suit for cancellation of Registrants' Mark, as Petitioner missed opportunities to oppose Registrants' Mark.

Registrants' respectfully requests that the Cancellation be rejected.

Respectfully, submitted,

TECHLAW, LLP
Attorneys for Registrants

Dated: 4/16/2015

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CERTIFICATE OF SERVICE

I hereby certify that I have on April 16, 2015, served the foregoing:

Registrants' Answer and Affirmative Defenses

Via U.S. mail on the following persons(s):

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