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

Proceeding	92061164
Party	Plaintiff Cleansmart Cleaners, LLC
Correspondence Address	JOHN M CONE FERGUSON, BRASWELL & FRASER, PC 2500 DALLAS PARKWAY, SUITE 501 PLANO, TX 75093 UNITED STATES jccone@dallasbusinesslaw.com, jmcdoCKET@dallasbusinesslaw.com, jaraiza@dallasbusinesslaw.com
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Signature	/John M. Cone/
Date	05/19/2016
Attachments	160519 Opposition to MTS and for Involuntary Dismissal.pdf(106981 bytes ) 160519 Declaration of John Cone.pdf(2060520 bytes )

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

**In the Matter of Registration No. 4,040,999 KLEANSMART and Design**

<b>CLEANSMART CLEANERS, LLC,</b>	§	
<b>Petitioner,</b>	§	
v.	§	<b>Cancellation No. 92061164</b>
	§	
<b>KLEANSMART CORPORATION,</b>	§	
<b>Registrant.</b>	§	

**PETITIONER’S OPPOSITION TO REGISTRANT’S MOTION TO STRIKE TRIAL  
TESTIMONY DEPOSITION AND DOCUMENTS INTRODUCED THEREIN AND  
FOR DISMISSAL OF THE PETITION TO CANCEL WITH PREJUDICE**

Petitioner hereby files this Opposition to Registrant’s Motion to Strike Trial Testimony Deposition and Documents Introduced Therein and for Dismissal of the Petition to Cancel With Prejudice (the “Motion”), as follows:

**INTRODUCTION**

Registrant’s Motion gives a totally false picture of the events that led to the testimony deposition of the Petitioner’s principal during the scheduled trial testimony. The Board will note that, although the Motion is supported by copies of various emails between counsel, email sent prior to April 19, 2016, have been redacted. They have been redacted because they show that the Registrant, not Petitioner, is the party responsible for the scheduling problem because it stopped responding to emails and telephone calls from Petitioner’s counsel, making it impossible to agree mutually convenient dates for Petitioner’s testimony deposition.

Further, the parties had agreed to a settlement, which should have made the testimony deposition unnecessary; however, Respondent’s total failure to communicate on any issue whatsoever forced Petitioner to protect its interests and conduct the

deposition despite the fact that the parties had settled this matter. Therefore, Petitioner requests that the Board deny the Motion on the grounds that Registrant is contractually estopped from seeking dismissal of a case it previously had settled. In any event, dismissal of the petition is a wholly inappropriate and egregious sanction for the alleged failure to give sufficient notice of the testimony deposition.

### **RELEVANT FACTS**

This is a simple and straightforward case in which two dry cleaning businesses operate in different parts of the United States under similar trademarks. These are small businesses: Registrant, on information and belief, operates two retail stores and Petitioner operates one store. Registrant obtained Registration No. 4040999 KLEANSMART & Design before Petitioner applied to register its mark CLEANSMART, but Petitioner started to use CLEANSMART before Registrant started to use its mark and before Registrant applied to register its mark. When Petitioner applied to register its CLEANSMART mark, application No. 86314678, that application was refused under section 2(d) based on Registration No. 4040999. The applicable timeline is as follows:

1. The Petition for Cancellation was filed on March 26, 2015, and the Board entered a scheduling order on March 27, 2015. The Registrant initially failed to answer and the Board entered a show cause order on May 15, 2015. In response, the Registrant filed an answer and a response to the show cause order on June 17, 2015. On July 1, 2015, the Board accepted the answer and set aside the default, establishing a new schedule.

2. On the same day, July 1, 2015, Petitioner's counsel sent an email to Registrant's counsel expressing a desire to discuss settlement based on co-existence of

the parties' respective marks. Declaration of John Cone ¶ 2, and Exhibit "1" thereto. On July 20, 2015, counsel for Registrant responded in an email with a proposal for such a settlement. *Id.* ¶ 3.

3. The basis of the proposed settlement was a geographical division of the United States, which would allow concurrent registrations of the parties' respective marks based on use of those marks in discrete geographical markets. Petitioner's counsel acknowledged the settlement proposal the same day. *Id.*

4. On August 7, 2015, Petitioner's counsel sent an email to Registrant's counsel with a detailed reply to Registrant's settlement proposal and a counter-proposal. *Id.* ¶ 4.

5. Registrant responded with a different proposal on August 26, 2015, which included a demand for payment by Petitioner to Registrant as a condition for settlement. *Id.* ¶ 5.

6. Petitioner did not immediately respond and, on January 26, 2016, its counsel contacted Registrant's counsel by email suggesting that the parties agree to extend the discovery and trial deadlines in order to conclude settlement discussions and avoid the expense of litigation. *Id.* ¶ 6. The next day, Petitioner's counsel called Registrant's counsel and left a message agreeing to the respective geographical territories proposed by Registrant, but objecting to paying money to settle. *Id.* Registrant's counsel responded the same day in an email confirming the agreement on territories, but restating the demand for money. *Id.*

7. Registrant declined to extend the deadlines unless Petitioner agreed to the money demand. Counsel for the parties then exchanged emails on the money demand

and Registrant reduced its demand by half. Petitioner's counsel stated he would pass the revised demand to his client. *Id.*

8. On February 16, Petitioner's counsel sent an email to Registrant's counsel agreeing to the money demand. *Id.* ¶ 8. At that point, the parties had agreed on the terms of a settlement, namely, the respective exclusive territory of each party and the amount of the payment to be made to Registrant. There were no further issues left to resolve. In the email of February 16, Petitioner's counsel asked whether Registrant's counsel wanted to draft the settlement agreement, or whether she wanted him to do it. *Id.*

9. At that point, Registrant's counsel stopped communicating with Petitioner's counsel, ignoring all emails and telephone messages. *Id.* ¶ 9.

10. On March 7, Petitioner's counsel sent an email to Registrant's counsel pointing out that the deadline for Petitioner's pre-trial disclosures was March 12 and asking for an agreement to extend that deadline. *Id.* ¶ 10. Registrant's counsel did not respond. *Id.*

11. On March 14, Petitioner's counsel placed calls to both Allison Imber and Stephen Luther, Registrant's attorneys of record, again requesting that they call to discuss documenting the settlement and to agree extensions of the trial deadlines. Neither counsel returned these calls and Petitioner accordingly served its Pre-Trial Disclosures. *Id.* ¶ 11. Again, Registrant did not respond and did not, for example, claim that it needed discovery before trial testimony or otherwise complain about the Disclosures in any way. *Id.* In fact, neither party served any discovery requests whatsoever.

12. Registrant's counsel did not respond to the service of the Pre-Trial Disclosures, nor to subsequent telephone calls. *Id.* ¶ 12. Although Petitioner's counsel called Ms. Imber on April 14 and one of the named partners in her firm on April 18, Ms. Imber was never "available" and did not respond to requests that she return the calls. *Id.*

13. On April 19, with the cut-off deadline for testimony approaching, Petitioner served its Notice of Testimony Deposition, offering to reschedule the deposition if the date was not convenient for Registrant. However, since the cut-off date was so close, Registrant would need agree to extend the testimony cut-off date if the parties wanted to be able to reschedule the deposition. *Id.* ¶ 13. Again, Ms. Imber did not respond, so Petitioner made arrangements to travel from Austin to Dallas for the deposition as scheduled. Ms. Imber eventually objected, but still refused to extend the testimony cut-off date so that the deposition could be rescheduled for a time more convenient for her. Mr. Luther participated in the deposition via telephone. *Id.*

14. At no time between the acceptance of the settlement terms on February 16 and the service of the Notice of Testimony Deposition did Registrant communicate in any way with Petitioner, either to discuss memorializing the settlement agreement or to discuss mutually agreeable deposition dates. *Id.* ¶ 14.

## **LEGAL ARGUMENT AND AUTHORITIES**

### **A. The Parties Have Settled This Case.**

As shown in the Cone Declaration and accompanying Exhibit, the parties agreed to the material terms of a settlement and all that was left was to memorialize the settlement, which Registrant, by its protracted silence, refused to do. "The existence of a valid agreement is not diminished by the fact that the parties have yet to memorialize

the agreement.” *Re/Max Intern., Inc. v. Realty One, Inc.*, 271 F.3d 633, 646 (6<sup>th</sup> Cir. 2001). “When parties have agreed on the essential terms of a settlement, and all that remains is to memorialize the agreement in writing, the parties are bound by the terms of the oral agreement.” *Id.* (*citations omitted*). Determination of whether a valid contract has been created is a question of state law. *Id.*

Regardless of whether Texas law or Florida law applies, the elements for creation of a valid, enforceable contract have been met. In Texas, “[a] contract must be sufficiently definite in its terms so that a court can understand what the promisor undertook.” *T.O. Stanley Boot Co. v. Bank of El Paso*, 847 S.W.2d 218, 221 (Tex.1992). To be legally binding, the parties must have a meeting of the minds and must communicate consent to the terms of the agreement. *Smith v. Renz*, 840 S.W.2d 702, 704 (Tex. App.--Corpus Christi 1992, writ denied). Florida recognizes the same elements. “The rule is generally recognized that for the parties to have a contract, there must be reciprocal assent to certain and definite propositions.” *Acosta v. Dist. Bd. Of Trustees of Miami-Dade Community College*, 905 So.2d 226 (Fla. 3d DCA 2005). “It is well established that a meeting of the minds of the parties on all essential elements is a prerequisite to the existence of an enforceable contract....” *Greater New York Corp. v. Cenvill Miami Beach Corp.*, 620 So.2d 1068, 1070 (Fla. 3d DCA 1993). In this matter, there was a meeting of the minds as to all essential elements of the settlement, as evidenced in the exhibit provided herewith.

As the Board noted in *M-5 Steel Mfg., Inc. v. O'Hagin's Inc.*, 61 USPQ2d 1086 (September 26, 2001), the Board is within its jurisdictional powers to consider and enforce the settlement agreement as it pertains to the matters before it:

Our primary reviewing court, the Court of Appeals for the Federal Circuit, has discussed the place that claims of breach of contract play in Board proceedings. “[I]n the present case, although other courts would be the proper tribunals in which to litigate a cause of action for enforcement or breach of the contract here involved, that is not sufficient reason for the board to decline to consider the agreement, its construction, or its validity if necessary to decide the issues properly before it in this cancellation proceeding, including the issue of estoppel.” *Selva & Sons, Inc. v. Nina Footwear, Inc.*, 705 F.2d 1316, 217 USPQ 641, 647 (Fed. Cir. 1983). **The Federal Circuit has made it clear that an agreement may be relevant and must be considered in Board proceedings.** That Court’s predecessor court, the Court of Customs and Patent Appeals (CCPA) held that the Board did not err when it held that a party was estopped from opposing an application to register the mark DANSHEER. *Danskin, Inc. v. Dan River, Inc.*, 498 F.2d 1386, 182 USPQ 370, 372 (CCPA 1974) (“Since DANSHEER is not one of the marks appellee agreed not to use (paragraph 11 of the agreement) and appellee is not precluded from enforcing the settlement agreement, appellee is entitled to a judgment as a matter of law”). *See also Vaughn Russell Candy Co. v. Cookies in Bloom, Inc.*, 47 USPQ2d 1635, 1638 n. 6 (TTAB 1998). There, the Board noted that “[w]hile it does not lie within the jurisdiction of the Board to enforce the contract between the parties, agreements to cease use of a mark or to not use a mark in a certain format are routinely upheld and enforced.”

*M-5 Steel*, 61 USPQ2d 1086 (emphasis added). *See also North Carolina State Univ. v. Loyola Univ. New Orleans*, 2015 WL 9906665 (TTAB September 30, 2015) (settlement agreement contractually estops opposer from bringing opposition proceeding). As shown *supra*, the parties entered into a valid, enforceable settlement of this matter. Therefore, because of Petitioner’s reliance on the settlement agreement, Petitioner believed that discovery would be unnecessary. However, Registrant’s protracted, inexcusable silence and refusal to respond to Petitioner’s efforts at communication caused Petitioner to believe that it must protect its interests in this matter and, at a minimum, memorialize its own testimony during the testimony period.

Because this matter was settled by the parties and a valid, enforceable settlement agreement was reached, Registrant is contractually estopped from seeking the relief it requests in the Motion, and the Motion should be denied in its entirety.

**B. Petitioner Provided Reasonable Notice for the Deposition.**

Trademark Rule 2.121(a)(1) provides, in relevant part, that “[t]he Trademark Trial and Appeal Board will issue a trial order assigning to each party the time for taking testimony. No testimony shall be taken except during the times assigned ....” To the extent applicant objects to Registrant’s notice of deposition of Mr. Nguyen based on timeliness, such objection should be overruled, simply because Petitioner noticed and took the deposition during its testimony period. *The Sunrider Corp. v. Raats*, 83 USPQ2d 1648 (TTAB 2007). Therefore, the deposition notice was timely as a matter of law.

While Registrant was given two days of notice, such short time period was due solely to Registrant’s conduct. The parties had settled this case, yet Registrant refused to contact Petitioner regarding the settlement. Registrant refused to respond to Petitioner’s emails reminding it of the upcoming deadlines and requesting a response and a deadline extension in order to memorialize the settlement. Faced with no other choice, and having waited as long as possible for a response from Registrant, Petitioner noticed the deposition to protect its interests, again expressing a willingness to move the deposition to a time more convenient for Respondent. However, due to the imminent expiration of the testimony period, accommodating Respondent’s schedule at that point would have necessitated an extension of Petitioner’s testimony period. This entire problem could have and would have been averted had Respondent merely given Petitioner the courtesy of a response to its numerous emails and phone calls.

Registrant argues that two-days' notice is unreasonable; however, there are cases where, based on the circumstances presented, one or two days of notice have been found reasonable. *See Penguin Books Ltd. v. Eberhard*, 48 USPQ2d 1280 (TTAB 1998) (one-day notice was found reasonable); and *Hamilton Burr Publishing Co. v. E.W. Communications, Inc.*, 216 USPQ 802 (TTAB 1982) (two-days' notice found reasonable). In this case, due to Registrant's conduct, two-days' notice should be considered reasonable under these circumstances. *See also Sunrider Corporation*, 83 USPQ2d 1648.

**C. Registrant Was Not Prejudiced in this Matter.**

Registrant complains that Ms. Imber was not available to attend the deposition on April 21, but she had not made that known to opposing counsel when the Notice of Testimony Deposition was filed, and her failure to respond to emails and telephone messages gave Petitioner's counsel no choice but to proceed. Although Registrant claims that Mr. Luther (who participated in the deposition and cross-examined the witness on Registrant's behalf) was not familiar with the case, he has been Registrant's attorney of record in this matter from the beginning. Further, in the absence of any discovery requests from Registrant, Petitioner had no duty to provide the exhibits to opposing counsel prior to the deposition. Therefore, again, Registrant's supposed prejudice is due to Registrant's own actions. *See* TBMP §414(7). ("a party is not required, in advance of trial, to disclose each document or other exhibit it plans to introduce").

Registrant further complains that Mr. Nugyen was not identified until Plaintiff served its pretrial disclosures; however, Registrant fails to acknowledge that it had received such disclosures more than a month before the deposition. Registrant cannot

in good conscience claim surprise that Petitioner would procure testimony from itself during the testimony period. The content of Mr. Nguyen's testimony was exactly that foreshadowed by the Petition to Cancel, and as set out in detail in Petitioner's Pre-Trial Disclosures, namely, that Petitioner had used its mark CLEANSMART for dry cleaning service continuously since 2008 and so had priority over the rights of the Registrant. Even if Respondent had been surprised that Petitioner would procure its own testimony, such "surprise" could have been cured by Registrant agreeing to a short extension of the testimony period in order to allow Registrant to further prepare itself for the deposition. Further, had Registrant wanted to conduct discovery after receipt of Petitioner's Pre-Trial Disclosures, it needed only to have asked. Instead, it continued its longstanding silence in this matter. Registrant should not be allowed to prevail in this matter based solely upon its intentional failure to communicate with Petitioner.

The motion to strike should be denied.

Dated: May 19, 2016.

Respectfully submitted,

/s/ John M. Cone  
John M. Cone  
Ferguson, Braswell & Fraser, PC  
2500 Dallas Parkway, Suite 501  
Plano, Texas 75093  
(972) 826-4436  
(972) 378-9115 Fax  
jccone@dallasbusinesslaw.com  
ATTORNEY FOR PETITIONER  
CLEANSMART CLEANERS, LLC

**CERTIFICATE OF SERVICE**

I hereby certify that on this 19<sup>th</sup> day of May 2016, a true and correct copy of the foregoing document was served via U.S. First Class Mail, postage prepaid on Registrant's attorney of record at:

Allison R. Imber  
Allen Dyer Doppelt Milbrath & Gilchrist PA  
255 South Orange Avenue, PO Box 3791  
Orlando, FL 382802

/s/ John M. Cone \_\_\_\_\_

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

In the Matter of Registration No. 4,040,999 KLEANSMART and Design

CLEANSMART CLEANERS, LLC,  
Petitioner,

v.

KLEANSMART CORPORATION,  
Registrant.

§  
§  
§  
§  
§  
§  
§

Cancellation No. 92061164

**DECLARATION OF JOHN M. CONE**

I, John M. Cone, do hereby declare under penalty of perjury, in accordance with 28 U.S.C. § 1746, that the following is true and correct, and further that I am competent to testify as to the matters stated herein.

1. I am attorney of record for Petitioner in the above-titled action and have personal knowledge of all matters stated herein.

2. On July 1, 2015, I sent an email to Registrant's counsel expressing a desire to discuss settlement based on co-existence of the parties' respective marks. Attached hereto as Exhibit "1" is a true and correct copy of the email string by and between myself and counsel for Registrant, Allison Imber. On July 20, 2015, counsel for Registrant responded in an email with a proposal for such a settlement. *Id.* at pp. 9-10.

3. The basis of the proposed settlement was a geographical division of the United States, which would allow concurrent registrations of the parties' respective marks based on use of those marks in discrete geographical markets. I acknowledged the settlement proposal the same day. See p. 9 of Exhibit "1".

4. On August 7, 2015, I sent an email to Registrant's counsel with a detailed

reply to Registrant's settlement proposal as well as a counter-proposal. See pp. 6-7 of Exhibit "1".

5. Registrant responded with a different proposal on August 26, 2015, which included a demand for payment by Petitioner to Registrant as a condition for settlement. See pp. 5-6 of Exhibit "1".

6. On January 26, 2016, I contacted Registrant's counsel by email suggesting that the parties agree to extend the discovery and trial deadlines in order to conclude settlement discussions and avoid the expense of litigation. See p. 5 of Exhibit "1". The next day, I called Registrant's counsel and left a message agreeing to the respective geographical territories proposed by Registrant, but objecting to paying money to settle. Registrant's counsel responded the same day in an email confirming the agreement on territories, but restating the demand for money. See p. 4 of Exhibit "1".

7. Registrant declined to extend the deadlines unless Petitioner agreed to the money demand. *Id.* Counsel for the parties then exchanged emails on the money demand and Registrant reduced its demand by half. See pp. 3-4 of Exhibit "1". I told Registrant's counsel that I would pass the revised demand to my client. See p. 3 of Exhibit "1".

8. On February 16, I sent an email to Registrant's counsel agreeing to the money demand. See p. 2 of Exhibit "1". At that point, the parties had agreed on the operative terms of a settlement, namely, the respective exclusive territory of each party and the amount of the payment to be made to Registrant. In the email of February 16, I asked whether Registrant's counsel wanted to draft the settlement agreement, or whether she wanted me to do it.

9. At that point, Registrant's counsel stopped communicating with me, ignoring

all emails and telephone messages.

10. On March 7, I sent an email to Registrant's counsel pointing out that the deadline for Petitioner's pre-trial disclosures was March 12 and asking for an agreement to extend that deadline. See pp. 1-2 of Exhibit "1". Registrant's counsel did not respond.

11. On March 14, I placed calls to both Allison Imber and Stephen Luther, (who is also an attorney of record for Respondent), again requesting that they call to discuss documenting the settlement and to agree extensions of the trial deadlines. Neither counsel returned these calls, so I served Pre-Trial Disclosures. Again, Registrant did not respond and did not, for example, claim that it needed discovery before trial testimony or state that it was unavailable to attend a deposition during the testimony period.

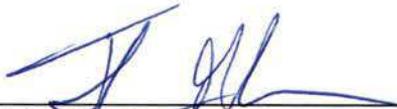
12. Registrant's counsel did not respond to the service of the Pre-Trial Disclosures, nor to subsequent telephone calls to her. Although I called Ms. Imber on April 14 and talked to one of the named partners in her firm on April 18, Ms. Imber was never available and did not respond to requests that she return the calls.

13. On April 19, with the cut-off deadline for testimony approaching, I served Petitioner's Notice of Testimony Deposition, offering to reschedule the deposition if necessary, pointing out that, because the cut-off date was so close, Registrant would need to agree to extend the testimony cut-off date in order to reschedule the deposition. See p. 1 of Exhibit "1". Again, Ms. Imber did not respond and Petitioner made arrangements to travel from Austin to Dallas for the deposition. While Ms. Imber eventually objected, Mr. Luther participated in the deposition by telephone.

14. At no time between the acceptance of the settlement terms on February 16 and the service of the Notice of Testimony Deposition did Registrant communicate in any

way with me.

Dated: May 19, 2016.

  
\_\_\_\_\_  
John M. Cone

**CERTIFICATE OF SERVICE**

I hereby certify that on this 19<sup>th</sup> day of May 2016, a true and correct copy of the foregoing document was served via U.S. First Class Mail, postage prepaid on Registrant's attorney of record at:

Allison R Imber  
Allen Dyer Doppelt Milbrath & Gilchrist PA  
255 South Orange Avenue, PO Box 3791  
Orlando, FL 382802

/s/ John M. Cone

**From:** [John Cone](#)  
**To:** [Allison Imber](#)  
**Cc:** [sluther@addmg.com](mailto:sluther@addmg.com)  
**Subject:** RE: Cancellation No. 92061164 for the Trademark KLEANSMART & Design - Privileged Settlement Offer (Your File No. 0124134) Our File 5006.38544 (CSCL)  
**Date:** Tuesday, April 19, 2016 2:41:48 PM  
**Attachments:** [160419 Notice of Testimony Deposition.pdf](#)

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Dear Allison:

As I have not heard from you, I am proceeding with a testimony deposition of my client.

A copy of the Notice is attached.

My client is travelling from Austin to attend the deposition so please let me know immediately if you would like me to re-schedule.

If we do, it will have to be based on an extension of the testimony period because I am out of town April 23 through 27.

Regards,  
John

**JOHN M. CONE**

Attorney  
John M. Cone PC

**FERGUSON, BRASWELL & FRASER, PC**

2500 DALLAS PARKWAY, SUITE 501 | PLANO, TEXAS 75093

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[jcone@dallasbusinesslaw.com](mailto:jcone@dallasbusinesslaw.com)

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---

**From:** John Cone  
**Sent:** Monday, March 7, 2016 1:52 PM  
**To:** 'Allison Imber' <[aimber@addmg.com](mailto:aimber@addmg.com)>  
**Subject:** RE: Cancellation No. 92061164 for the Trademark KLEANSMART & Design - Privileged Settlement Offer (Your File No. 0124134) Our File 5006.38544 (CSCL)

Dear Allison:

I have not heard back from you after our acceptance of your settlement offer.

If you want me to draft an agreement, let me know.

The deadline for my Pre-trial Disclosures is March 12.

Please confirm that you consent to extend this deadline to give us time to finalize our settlement.

Regards,

**EXHIBIT 1**

John.

**JOHN M. CONE**

Attorney  
John M. Cone PC

**FERGUSON, BRASWELL & FRASER, PC**

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---

**From:** John Cone

**Sent:** Tuesday, February 16, 2016 2:49 PM

**To:** 'Allison Imber' <[aimber@addmg.com](mailto:aimber@addmg.com)>

**Subject:** RE: Cancellation No. 92061164 for the Trademark KLEANSMART & Design - Privileged Settlement Offer (Your File No. 0124134) Our File 5006.38544 (CSCL)

My client will agree to pay the \$1,250.  
Will you draft an agreement, or shall I?

**JOHN M. CONE**

Attorney  
John M. Cone PC

**FERGUSON, BRASWELL & FRASER, PC**

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---

**From:** John Cone

**Sent:** Wednesday, January 27, 2016 4:24 PM

**To:** 'Allison Imber' <[aimber@addmg.com](mailto:aimber@addmg.com)>

**Subject:** RE: Cancellation No. 92061164 for the Trademark KLEANSMART & Design - Privileged Settlement Offer (Your File No. 0124134) Our File 5006.38544 (CSCL)

I will pass the offer to my client.

**JOHN M. CONE**

Attorney  
John M. Cone PC

**FERGUSON, BRASWELL & FRASER, PC**

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---

**From:** Allison Imber [<mailto:aimber@addmg.com>]

**Sent:** Wednesday, January 27, 2016 4:22 PM

**To:** John Cone <[jcone@dallasbusinesslaw.com](mailto:jcone@dallasbusinesslaw.com)>

**Cc:** Christine A. Jensen <[cjensen@addmg.com](mailto:cjensen@addmg.com)>

**Subject:** RE: Cancellation No. 92061164 for the Trademark KLEANSMART & Design - Privileged Settlement Offer (Your File No. 0124134) Our File 5006.38544 (CSCL)

Yes, but your client is the one that wants its registration, bears the burden of proof in these proceedings, and has done nothing to date to further its case. Our client is willing to split the cost at \$1,250. Otherwise, the client is prepared to move forward and see what evidence of prior use your client can show.

---

**From:** John Cone [<mailto:jcone@dallasbusinesslaw.com>]

**Sent:** Wednesday, January 27, 2016 4:54 PM

**To:** Allison Imber

**Subject:** RE: Cancellation No. 92061164 for the Trademark KLEANSMART & Design - Privileged Settlement Offer (Your File No. 0124134) Our File 5006.38544 (CSCL)

Your client too will be facing the cost of testimony and trial briefing, so the argument goes both ways and both sides face additional cost if we can't agree.

Your attendance at a deposition in Texas will eclipse the \$2,500 figure.

I understand your point about extent of territory, but my understanding is that if I establish prior use, your registration will be cancelled and I will get an unrestricted registration. You will then have to file a concurrent use proceeding which, if there is no agreement as to territories, could be costly and uncertain.

We are prepared to agree to the substantive points of the settlement you propose, but the request for payment is unreasonable in the circumstances.

**JOHN M. CONE**

Attorney  
John M. Cone PC  
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**From:** Allison Imber [<mailto:aimber@addmg.com>]  
**Sent:** Wednesday, January 27, 2016 3:20 PM  
**To:** John Cone <[jcone@dallasbusinesslaw.com](mailto:jcone@dallasbusinesslaw.com)>  
**Cc:** Christine A. Jensen <[cjensen@addmg.com](mailto:cjensen@addmg.com)>  
**Subject:** RE: Cancellation No. 92061164 for the Trademark KLEANSMART & Design - Privileged Settlement Offer (Your File No. 0124134) Our File 5006.38544 (CSCL)

John:

I received your voicemail wherein your client agreed to the territorial divide proposed by my client but refused to pay the re-filing fees. Our client is not willing to settle unless your client pays its fees to refile the application. We feel this is more than reasonable given the fact that your client will be getting more territory than it is likely entitled to in the restriction, and also because your client will not have to proceed with the cancellation. As I am sure you are aware, \$2,500 will pale in comparison to your client's fees during the testimony period alone.

If your client is willing to pay the \$2,500 fees, then our client is amenable to a stay of the proceedings so we can negotiate a settlement agreement and get a new application filed and through the Trademark Office. If your client is not willing to pay its fees, however, we will oppose your extension request.

Sincerely,

**Allison Imber**

Shareholder and Registered Patent Attorney



**ALLEN, DYER, DOPPELT, MILBRATH & GILCHRIST, P.A.**

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**From:** John Cone [<mailto:johncone@dallasbusinesslaw.com>]  
**Sent:** Tuesday, January 26, 2016 4:53 PM  
**To:** Allison Imber  
**Subject:** RE: Cancellation No. 92061164 for the Trademark KLEANSMART & Design - Privileged Settlement Offer (Your File No. 0124134) Our File 5006.38544 (CSCL)

Allison:

I have not heard from my client in response to your settlement proposal. We are about to run out of discovery time.

Let's agree to extend the deadlines 60 days so we can settle this without litigation expenses.

Please let me know if you agree and I will file a consented motion.

Regards,

John.

**JOHN M. CONE**

Attorney

John M. Cone PC

**FERGUSON, BRASWELL & FRASER, PC**

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**From:** Allison Imber [<mailto:aimber@addmg.com>]  
**Sent:** Wednesday, August 26, 2015 3:51 PM  
**To:** John Cone <[johncone@dallasbusinesslaw.com](mailto:johncone@dallasbusinesslaw.com)>  
**Cc:** Michele Garcia <[mgarcia@addmg.com](mailto:mgarcia@addmg.com)>  
**Subject:** RE: Cancellation No. 92061164 for the Trademark KLEANSMART & Design - Privileged Settlement Offer (Your File No. 0124134) Our File 5006.38544 (CSCL)

Good afternoon John,

With respect to the below, our client proposes that its territory comprises, and I quote, "east of the Mississippi river;" your client can have the rest of the country. However, if your client wishes to have our client's federal registration limited to that, then our client repeats its request for a \$2,500 payment to attend to the re-filing and prosecution of a new application with that territorial restriction. Unfortunately, you are quite correct that there is no way to place a territorial restriction in an existing registration (I have no idea why not).

Our client is fine with the remainder of your terms presuming we can agree on language in an appropriate settlement agreement so long as your client acknowledges that our respective clients' respective advertising may very well permeate into the other's territory from time to time (i.e., our clients' websites will be accessible nationwide and there may be some overlap around the borders of our clients' respective areas). Of course, our clients' respective services will be limited to their own territory and they will agree not to purposefully direct advertising into your client's territory.

If these terms are acceptable, please send me a draft settlement agreement for review. Thank you.

Best,

Allison

---

**From:** John Cone

**Sent:** Friday, August 07, 2015 3:11 PM

**To:** 'Allison Imber'

**Cc:** Michele Garcia

**Subject:** RE: Cancellation No. 92061164 for the Trademark KLEANSMART & Design - Privileged Settlement Offer (Your File No. 0124134) Our File 5006.38544 (CSCL)

Dear Allison:

My client is prepared to reach a settlement that will allow each party to use its mark in an exclusive, but limited, territory and to own a federal registration of the mark for that limited territory.

However, as the senior user, we maintain that my client is entitled to a registration for the entire U.S., except for territory ceded to your client.

We propose that your client have as its exclusive territory Florida, Alabama, Georgia, Mississippi, Tennessee, North and South Carolina. The main term of a co-existence agreement would be:

1. Kleansmart shall have the exclusive right to use the trademark KLEANSMART in the geographic territory comprising Florida, Alabama, Georgia, Mississippi, Tennessee, North and South Carolina ("Kleansmart Territory").
2. Kleansmart shall not use its mark outside the Kleansmart Territory.
3. Kleansmart shall always use its name and mark with an initial letter K and never

with an initial letter C.

4. Kleansmart shall limit any federal registration of the mark KLEANSMART to the Kleansmart Territory.
5. Cleansmart have the exclusive right to use the trademark CLEANSMART in the entire U.S., other than in the Kleansmart Territory.
6. Cleansmart shall not use the trademark CLEANSMART in the Kleansmart Territory.
7. Cleansmart shall always use it name and mark with an initial letter C and never with an initial letter K.
8. Cleansmart shall exclude the Kleansmart Territory from any federal registration of the mark CLEANSMART.
9. The parties shall cooperate as is reasonably necessary to ensure that there is no confusion between their respective services or businesses as a result of their respective uses of CLEANSMART and KLEANSMART.
10. The parties shall cooperate as is reasonably necessary to obtain concurrent use registrations of their respective marks for the limited territories specified in Sections 4 and 8 above.

Achieving the geographically limited registrations requires some additional action by both parties because of the procedures associated with concurrent use registrations. I can amend Cleansmart's application to exclude the Kleansmart territory, but you cannot simply insert a geographic limitation to your client's registration. Nor can we convert the present cancellation proceeding to a concurrently use proceeding. Rather, you must file a new, geographically-restricted application and cancel the existing one. 3 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition, § 20:81 at p. 20-187 (4th ed.), citing *Snuffer & Watkins Management, Inc. v. Snuffy's Inc.*, 17 U.S.P.Q. 2d 1815 (TTAB 1990), *Chichi's Inc. v. Chi-Chi's Inc.*, 222 U.S.P.Q. 2d 831 (TTAB 1984).

If there's a better way, let me know.

Please review this counterproposal with your client and let me know whether it is acceptable.

Best Regards,

John

**JOHN M. CONE**

Attorney

John M. Cone PC

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**From:** Allison Imber [<mailto:aimber@addmg.com>]  
**Sent:** Wednesday, July 29, 2015 8:54 AM  
**To:** John Cone  
**Cc:** Michele Garcia  
**Subject:** RE: Cancellation No. 92061164 for the Trademark KLEANSMART & Design - Privileged Settlement Offer (Our File No. 0124134)

I'm open Friday before 3:30. I'm fine extending the deadline until you hear from your client about our settlement proposal, though.

---

**From:** John Cone [<mailto:jcone@dallasbusinesslaw.com>]  
**Sent:** Tuesday, July 28, 2015 2:32 PM  
**To:** Allison Imber  
**Subject:** RE: Cancellation No. 92061164 for the Trademark KLEANSMART & Design - Privileged Settlement Offer (Our File No. 0124134)

Still waiting to hear from client; Let me know a couple of times this week for our Discovery Conference.

**JOHN M. CONE**  
Attorney  
John M. Cone PC  
**FERGUSON, BRASWELL & FRASER, PC**  
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**From:** Allison Imber [<mailto:aimber@addmg.com>]  
**Sent:** Monday, July 20, 2015 11:02 AM  
**To:** John Cone

**Cc:** Michele Garcia

**Subject:** RE: Cancellation No. 92061164 for the Trademark KLEANSMART & Design - Privileged Settlement Offer (Our File No. 0124134)

I am generally around this week and next, but if you could try to speak with your client about our proposal before our discussion that would be helpful. Our discovery deadline is the 31st, so we have some time yet. Let me know what works for you.

---

**From:** John Cone [<mailto:jcone@dallasbusinesslaw.com>]

**Sent:** Monday, July 20, 2015 10:30 AM

**To:** Allison Imber

**Subject:** RE: Cancellation No. 92061164 for the Trademark KLEANSMART & Design - Privileged Settlement Offer (Our File No. 0124134)

Dear Ms. Imber:

I appreciate your making this offer. I will visit with my client and respond as soon as possible.

I note the deadline for our Rule 26 conference is approaching.

Do you have any time available?

I have to be in San Francisco for a hearing on Thursday, so that day doesn't work for me.

Regards,  
John Cone.

**JOHN M. CONE**

Attorney

John M. Cone PC

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**From:** Allison Imber [<mailto:aimber@addmg.com>]

**Sent:** Monday, July 20, 2015 8:02 AM

**To:** John Cone

**Cc:** Michele Garcia

**Subject:** Cancellation No. 92061164 for the Trademark KLEANSMART & Design - Privileged Settlement Offer (Our File No. 0124134)

Good morning Mr. Cone,

Further to the below, our client would like to provide the following settlement offer to your client, pending entry into a mutually agreeable settlement agreement confirming same:

1. Our client would agree that your client has the exclusive right to use its mark throughout Texas.
2. Your client would agree to use its mark only in Texas and agree to limit its federal application to that territory.
3. Your client would pay our client \$2,500 to re-file its application with a territorial restriction as to Texas. The opposition would be stayed pending the registration of that application.

Please let me know if that offer is of any interest to your client. Thank you.

Best regards,

**Allison Imber**

Shareholder and Registered Patent Attorney



**ALLEN, DYER, DOPPELT, MILBRATH & GILCHRIST, P.A.**

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**From:** John Cone [<mailto:johncone@dallasbusinesslaw.com>]  
**Sent:** Wednesday, July 01, 2015 3:39 PM  
**To:** Allison Imber  
**Subject:** Cancellation No. 92061164 re Trademark KLEANSMART & Design

Dear Ms. Imber:

I represent Cleansmart Cleaners in this TTAB proceeding.

It is, of course, some time before we have to confer, but I wanted to let you know that my client would welcome discussions as to how the two parties can co-exist.

It appears that each has been using its trademark in its market area without conflict and we would like to explore a settlement that continues this, while allowing my client registration protection for its mark.

Best regards,  
John Cone.

**JOHN M. CONE**

Attorney

John M. Cone PC

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