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

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MAG INSTRUMENT, INC.,

Opposer,

v.

MAGASCHONI APPAREL GROUP, INC.,

Applicant.

- -x

Opposition No. 91158835

Application Serial No. 78/180,590
Filing Date: October 31, 2002
Publication Date: June 17, 2003
Trademark: **M-A-G BY MAGASCHONI**

Box TTAB - No Fee
Commissioner for Trademarks
2900 Crystal Drive
Arlington, VA 22202-3514

"Express Mail" mailing label No.:	EL 996379437 US
Date of Deposit:	March 4, 2004
I hereby certify that this paper or fee is being deposited with the United States Postal Service "Express Mail" service under 37 CFR 1.10 on the date indicated above and is addressed to the Commissioner for Trademarks, 2900 Crystal Drive, Arlington, VA 22202-3514.	
Name:	Shonda Dickerson
Signature:	Shonda Dickerson

MEMORANDUM OF LAW IN SUPPORT OF
MOTION TO SET ASIDE ENTRY OF DEFAULT

A. Preliminary Statement

Applicant Magaschoni Apparel Group, Inc. ("Magaschoni") submits this Memorandum Of Law In Support Of its Motion To Set Aside The Entry of Default. As discussed more fully below, Magaschoni never received notification from the Trademark Trial and Appeal Board that the instant Opposition Proceeding had commenced. Indeed, to the contrary, Magaschoni received an Order from the Board indicating that although Mag Instrument had filed a Notice of Opposition, it was not accompanied by the required fee, and therefore, the Notice of Opposition would not be given consideration.

Based on the foregoing, it is respectfully submitted that Magaschoni has demonstrated good cause why a Default Judgment should not be entered against it, and why Magaschoni's accompanying Answer should be accepted by the Board.

B. Statement Of Facts

The first time Magaschoni learned that the instant Opposition Proceeding had commenced is when it received a copy of the February 11, 2004 Order from the Board indicating that Magaschoni should have filed an Answer on January 27, 2004, and providing Magaschoni with 30 days from the date of the notice to show cause why judgment by default should not be entered against it. Pekowsky Decl. Par. 2 and Exh. 1.[1] Magaschoni never received Notification from the Trademark Trial And Appeal Board that an Opposition had commenced, nor did it receive a copy of the Notice of Opposition from the Board, or a scheduling order from the Board setting the dates for the Answer, discovery and other relevant deadlines. Pekowsky Decl. Par. 3.

Indeed, to the contrary, prior to receiving the February 11, 2004 Order from the Board, Magaschoni received an Order from the Board dated December 18, 2003, indicating that although Mag Instrument had filed a Notice of Opposition, it was not accompanied by the required fee, and therefore, the Notice of Opposition would not be given consideration. Pekowsky Decl. Par. 3 and Exhibit 2.[2] Accordingly, Magaschoni was affirmatively led to believe that Mag Instrument had **not** commenced an Opposition against the subject application.

C. Argument

The Trademark Trial And Appeal Board Manual of Procedure provides, in relevant part, that "the Board is very reluctant to enter a default judgment for failure to file a timely answer, and tends to resolve any doubt on the matter in favor of the defendant."

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[1] "Pekowsky Decl., Par. ___" refers to the March __, 2004 Declaration of Holly Pekowsky, who is one of Magaschoni's attorneys.

[2] Although, prior to December 18, 2003, Mag Instrument's counsel advised Magaschoni's counsel that Mag Instrument intended to commence an Opposition and provided a courtesy copy of the Notice of Opposition to Magaschoni's counsel, due to the December 18, 2003 Order, Magaschoni believed that Mag Instrument had not been successful in commencing the Opposition. Importantly, Mag Instrument's counsel never advised Magaschoni that, notwithstanding the December 18, 2003 Order, the Opposition had been successfully commenced. Pekowsky Decl. Par. 3, Note 1.

T.B.M.P. § 317.02. The rationale for this is "the policy of the law to decide cases on their merits." *Id.*

The Manual advises that "good cause why default judgment should not be entered against a defendant for failure to file a timely answer to the complaint is usually found when the defendant shows that (1) the delay in filing an answer was not the result of willful conduct or gross neglect on the part of the defendant; (2) the plaintiff will not be substantially prejudiced by the delay; and (3) the defendant had a meritorious defense to the action. *Id.* The Manual also provides several examples of good cause, including the fact that defendant never received copies of the Complaint and Notification sent to it by the Board. T.B.M.P. § 317.01.

In the instant case, a Default Judgment should not be entered against Magaschoni because this case falls within one of the exceptions expressly noted in the Trademark Manual - failure by the defendant to receive from the Board a copy of the Complaint and Notification.

The Motion also fails under the three-prong standard enunciated by the Board. Magaschoni's delay in filing an Answer was not the result of willfulness or gross negligence. Rather, Magaschoni never received notification from the Board that an Opposition had been commenced. Indeed, to the contrary, Magaschoni received an Order from the Board indicating that although Mag Instrument had filed a Notice of Opposition, it was not accompanied by the required fee, and therefore, the Notice of Opposition would not be given consideration. Opposer has not been prejudiced because it has been only a little over a month since Magaschoni's Answer would have been due.[3] Lastly, Magaschoni has several meritorious defenses to this action. For example, no

[3] The Trademark Trial And Appeal Board Manual of Procedure recommends that an Answer normally be submitted with a response to a Motion For Default, but carves out a specific exception where defendant has not received copies of the complaint and notification letter sent by the Board. T.B.M.P. § 317.01. In the instant case, although Magaschoni did not receive a copy of the Complaint from the Board, since Magaschoni received a copy of the Complaint from Mag Instrument's counsel, in the interests of expediency, Magaschoni has submitted a copy of its proposed Answer as part of its Motion To Set Aside the Entry of Default.

confusion is likely between its M-A-G BY MAGASCHONI mark and Opposer's MAG-formative marks because the goods covered by these marks are sufficiently distinguishable to avoid confusion and the marks are distinguishable in sight, sound and commercial impression. (*See* Pekowsky Decl., Exh. 3, p. 4-5).

D. Conclusion

Based on the foregoing, it is respectfully submitted that Magaschoni has shown good cause why a Default Judgment should not be entered into against it and accordingly, the drastic measure of entering a default judgment against Magaschoni is not warranted.

The within motion is submitted in triplicate.

Dated: New York, New York
March 4, 2004

Respectfully submitted,

AMSTER, ROTHSTEIN & EBENSTEIN LLP
Attorneys for Applicant
Magaschoni Apparel Group, Inc.
90 Park Avenue
New York, New York 10016
(212) 336-8116

By: _____
Anthony F. Lo Cicero
Holly Pekowsky

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Name:	Shonda Dickerson
Signature:	Shonda Dickerson

DECLARATION OF HOLLY PEKOWSKY

HOLLY PEKOWSKY declares that:

1. I am an associate of the firm of Amster, Rothstein & Ebenstein LLP, 90 Park Avenue, New York, New York 10016, trademark counsel for Magaschoni Apparel Group, Inc. ("Applicant") and submit this declaration in support of Applicant's Motion To Set Aside The Entry of Default.

2. The first time Magaschoni, through its counsel, learned that an Opposition Proceeding had commenced is when this firm received a copy of the February 11, 2004 Order from the Board indicating that Magaschoni should have filed an Answer on January 27, 2004, and providing Magaschoni with 30 days from the date of the

Order to show cause why judgment by default should not be entered against it. A copy of the February 11, 2004 Order is annexed hereto as Exhibit 1.

3. We never received Notification from the Trademark Trial And Appeal Board that an Opposition Proceeding had commenced, nor did we receive a copy of the Notice of Opposition from the Board, or a Scheduling Order from the Board setting the dates for the Answer, discovery and other relevant deadlines. Indeed, to the contrary, prior to receiving the February 11, 2004 Order from the Board, Magaschoni, through counsel, received an Order from the Board dated December 18, 2003, indicating that although Mag Instrument had filed a Notice of Opposition, it was not accompanied by the required fee, and therefore, the Notice of Opposition would not be given consideration.[1] A copy of the December 18, 2003 Order is annexed hereto as Exhibit 2.

4. Magaschoni has advised me that it has no intention of defaulting in the instant Opposition, and intends to vigorously defend its rights in and to the above application.

5. We have obtained a copy of the Notice of Opposition from Mag Instrument's counsel and, in the interest of prudence, enclose a proposed Answer as Exhibit 3.

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[1] Although, prior to December 18, 2003, Mag Instrument's counsel advised us that Mag Instrument intended to commence an Opposition and provided us with a courtesy copy of the Notice of Opposition, due to the December 18, 2003 Order, we believed that Mag Instrument had not been successful in commencing the Opposition. Importantly, Mag Instrument's counsel never advised us that, notwithstanding the December 18, 2003 Order, the Opposition had been successfully commenced.

6. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that all of the foregoing is true and correct.

Executed in New York, New York
this __ day of March, 2004

HOLLY PEKOWSKY

COPY

UNITED STATES DEPARTMENT OF COMMERCE
Patent and Trademark Office
Trademark Trial and Appeal Board
2900 Crystal Drive
Arlington, Virginia 22202-3513

Mailed: February 11, 2004

Opposition No. 91158835

Mag Instrument, Inc.

v.

Magaschoni Apparel Group, Inc.

George Woods, Legal Assistant:

Answer was due in this case on January 27, 2003. Inasmuch as it appears that no answer has been filed, nor has applicant filed a motion to extend its time to answer, notice of default is hereby entered against applicant under Fed. R. Civ. P. 55(a).

Applicant is allowed until thirty days from the mailing date of this order to show cause why judgment by default should not be entered against applicant in accordance with Fed. R. Civ. P. 55(b).

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
2900 Crystal Drive
Arlington, Virginia 22202-3513

Mailed: December 18, 2003

Applicant: Magaschoni Apparel Group, Inc.
Serial No.: 78180590
Filed: 10/31/2002
Mark: M-A-G BY MAGASCHONI

Anthony F. Lo Cicero, Esq.
Amster, Rothstein & Ebenstein
90 Park Avenue
New York, NY 10016

Sandra Thompson, Legal Assistant

It is noted that on **December 10, 2003, Mag Instrument, Inc.** filed a notice of opposition to registration of the mark shown in the above-identified application.

Inasmuch as the opposition was not accompanied by the required fee, the notice of opposition cannot be given consideration. Trademark Rule 2.101(d)(3)(i), as amended effective November 2, 2003.

Accordingly, the papers are hereby returned and any fee charged will be refunded in due course.

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ANSWER AND AFFIRMATIVE DEFENSES

Commissioner:

Applicant Magaschoni Apparel Group, Inc. ("Applicant"), through its attorneys Amster, Rothstein & Ebenstein LLP, answers the Notice of Opposition filed by Opposer Mag Instrument, Inc. ("Opposer"), as follows:

1. Applicant responds to the statements in the unnumbered introductory paragraph of the Notice of Opposition as follows: Applicant admits that the description of its application, including the date of publication, is accurate and advises that its address is accurate except that it is located at 525 Seventh Avenue, not 499 Seventh

Avenue. Applicant lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in the unnumbered introductory paragraph of the Notice of Opposition, and, accordingly, denies the same.

2. Applicant lacks knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1 of the Notice of Opposition, and, accordingly, denies the same, except admits that attached as Exhibit A to the Notice of Opposition is what purports to be a copy of a federal registration certificate.

3. With respect to the allegations contained in Paragraph 2 of the Notice of Opposition, Applicant denies that Opposer's group of MAG-formative marks constitute "a family", as that term is used in trademark law, and therefore objects to Opposer's use of the term "MAG Family Marks." Applicant lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in Paragraph 2 of the Notice of Opposition, and, accordingly, denies the same, except admits that attached as Exhibits B-Q to the Notice of Opposition are what purport to be copies of federal registration certificates.

4. With respect to the allegations contained in Paragraph 3 of the Notice of Opposition, Applicant denies that Opposer's group of MAG-formative marks constitute "a family", as that term is used in trademark law, and therefore objects to Opposer's use of the phrase "its MAG Family of Marks". Applicant lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in Paragraph 3 of the Notice of Opposition, and, accordingly, denies the same, except admits that attached as Exhibits R-T to the Notice of Opposition are what purport to be copies of California State registration certificates.

5. With respect to the allegations contained in Paragraph 4 of the Notice of Opposition, Applicant denies that Opposer's group of MAG-formative marks constitute "a family", as that term is used in trademark law, and therefore objects to Opposer's use of the term "MAG Family Marks." Applicant lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in Paragraph4 of the Notice of Opposition, and accordingly, denies the same.

6. With respect to the allegations contained in Paragraph 5 of the Notice of Opposition, Applicant denies that Opposer's group of MAG-formative marks constitute "a family", as that term is used in trademark law, and therefore objects to Opposer's use of the phrase "MAG Family Marks." Applicant lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in Paragraph5 of the Notice of Opposition, and accordingly, denies the same.

7. With respect to the allegations contained in Paragraph 6 of the Notice of Opposition, Applicant denies that Opposer's group of MAG-formative marks constitute "a family", as that term is used in trademark law, and therefore objects to Opposer's use of the terms "MAG Family Marks" and "MAG-Family Marks." Applicant lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in Paragraph 6 of the Notice of Opposition, and accordingly, denies the same.

8. Applicant admits the allegations contained in Paragraph 7 of the Notice of Opposition.

9. With respect to the allegations contained in Paragraph 8 of the Notice of Opposition, Applicant denies that Opposer's group of MAG-formative marks constitute "a family", as that term is used in trademark law, and therefore objects to Opposer's use of

the terms "MAG Family Marks." Applicant lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in Paragraph8 of the Notice of Opposition, and accordingly, denies the same, except admits that Applicant filed its application for M-A-G BY MAGASCHONI for clutches, shoulder bags, purses, hand bags, cosmetic bags sold empty, tote bags, saddle bags, backpacks, gym bags, duffle bags, travel bags, roll bags, sling bags, coin purses, drawstring pouches, overnight bags, wallets and key cases on October 31, 2002.

10. Applicant denies the allegations contained in Paragraph 9 of the Notice of Opposition.

11. With respect to the allegations contained in Paragraph 10 of the Notice of Opposition, Applicant denies that Opposer's group of MAG-formative marks constitute "a family", as that term is used in trademark law, and therefore objects to Opposer's use of the terms "MAG Family Marks." Applicant denies the allegations contained in Paragraph 10 of the Notice of Opposition except lacks knowledge or information sufficient to form a belief as to the truth as to whether Mag Instrument's marks are distinctive and famous, and accordingly, denies the same.

AFFIRMATIVE DEFENSES

A. Opposer's group of MAG-formative marks do not constitute "a family" as that term is used in trademark law.

B. Opposer's group of MAG-formative marks are not famous.

C. There is no likelihood of confusion between Applicant's Mark and Opposer's marks, since the goods covered by these marks are sufficiently distinguishable to avoid confusion.

D. There is no likelihood of confusion between Applicant's Mark and Opposer's marks, since the marks are distinguishable from Applicant's Mark in sight, sound and commercial impression.

E. There is no likelihood of confusion between Applicant's Mark and Opposer's marks since the goods covered by the respective marks travel in different channels of trade.

F. There is no likelihood of confusion between Applicant's Mark and Opposer's marks since consumers are sophisticated.

G. Applicant has used the mark MAG in interstate commerce throughout the United States on clothing before Opposer used the mark MAG on clothing, and therefore enjoys superior rights to the MAG mark in connection with the goods which are closely related to clothing, including those covered by Applicant's Application.

H. Applicant's Mark is not likely to cause actual dilution of Opposer's MAG-formative marks.

WHEREFORE, Applicant requests that this Opposition be denied and that registration be granted.

Respectfully submitted,

AMSTER, ROTHSTEIN & EBENSTEIN LLP
Attorneys for Applicant
90 Park Avenue
New York, New York 10016
(212) 336-8116

Dated: New York, New York
March 4, 2004

By: _____
Anthony F. Lo Cicero
Holly Pekowsky

CERTIFICATE OF SERVICE

The undersigned attorney hereby certifies that she is one of the attorneys for Applicant MAGASCHONI APPAREL GROUP, INC. in the captioned action, and that on the date which appears below she served copies of the annexed MEMORANDUM OF LAW IN SUPPORT OF MOTION TO SET ASIDE ENTRY OF DEFAULT, DECLARATION OF HOLLY PEKOWSKY (with Exhibit 3, MAGASCHONI'S ANSWER) on Opposer Mag Instrument, Inc. by causing copies thereof to be placed in a depository under the care and custody of the United States Postal Service, First Class postage prepaid affixed thereto, addressed to the attorneys for Opposer, as follows:

Mary A. Tuck, Esq.
Jones, Day, Reavis & Pogue
555 West Fifth Street
Los Angeles, California 90013-1025

Holly Pekowsky

Dated: March 4, 2004
New York, New York