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

Proceeding	91173267
Party	Defendant Topline Corporation, The
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

4273371 CANADA INC.,)	
)	Opposition No. 91173267
Opposer,)	
)	Serial No. 78/679485
v.)	Serial No. 78/679482
)	
THE TOPLINE CORPORATION,)	
)	
Applicant.)	
<hr style="width: 40%; margin-left: 0;"/>		Docket No. 910009.838

**APPLICANT’S COMBINED REPLY IN SUPPORT OF MOTION TO DIVIDE AND
OPPOSITION TO OPPOSER’S CROSS MOTIONS TO SUSPEND AND AMEND**

I. Introduction and Summary of Argument

On January 18, 2008, The Topline Corporation (“Applicant”) timely filed its Motion and Request to Divide Application (“Motion to Divide”) seeking to divide “women’s footwear” from Application Serial No. 78/679485 pursuant to 37 C.F.R. Section 2.87 in order to secure registration of REPORT SIGNATURE for these goods, which are unopposed in this proceeding and for which Applicant has commenced use in commerce.

On February 5, 2008, 4273371 Canada Inc. (“Opposer”) filed a Combined Opposition to Applicant’s Motion and Request to Divide Application and Cross Motion to Suspend Proceedings, or, in the Alternative, to Amend the Notice of Opposition (“Cross Motion to Suspend” and “Cross Motion to Amend”). Applicant submits this combined Reply and Opposition asking that (1) Applicant’s Motion to Divide be granted, (2) Opposer’s Motion to Amend be denied, and (3) this proceeding be suspended *after* the unopposed goods have been divided into a separate application.

Opposer submits no valid reason to deny Applicant's Motion to Divide. The goods at issue, women's footwear, have not been opposed and Opposer's Motion to Amend to oppose them now is untimely and in direct conflict with the PTO Rules. Nor should Opposer be permitted to use a suspension to block the unopposed goods from going forward in a separate registration. Applicant is using REPORT SIGNATURE for women's footwear and will be prejudiced if registration for these goods is delayed.

Applicant otherwise consents to suspension of this proceeding *after* its Motion to Divide is granted and the unopposed goods are divided into a new application. Opposer's Cross Motion to Suspend (which seeks suspension prior to dividing out the unopposed goods) and Cross Motion to Amend should be denied.

II. Applicant's Motion to Divide Should Be Granted

Applicant's Motion to Divide is appropriate and should be granted in accordance with 37 C.F.R. Section 2.87 and TBMP Section 516, which permit applicants to divide out unopposed goods and services. Opposer did not oppose "footwear" in this application (Notice of Opposition, ¶ 1), does not contest the authority relied on by Applicant and presents no valid reason to deny Applicant's motion. As discussed below, neither Opposer's Motion to Amend, which is not permitted under Rule 2.107(a), nor its Motion to Suspend provide any basis to deny Applicant's Motion to Divide.

III. Opposer's Cross Motion to Amend Is Untimely and Conflicts With PTO Rules

Opposer's Cross Motion to Amend its Notice of Opposition to add "women's footwear" to the goods opposed is in direct violation of 37 C.F.R. Section 2.107(a), which prohibits such amendments after the opposition period has closed. See *Drive Trademark Holdings LP v. Inofin*, Opposition No. 91168402 (February 22, 2007) (denying opposer's motion to amend its pleading to add to the services opposed). The opposition period for the present application (Serial No. 78/679485) expired on October 9, 2006. Opposer filed its Notice of Opposition on October 6, 2006, specifically omitting "footwear" from the goods it opposed. (Notice of Opposition, ¶ 1).

Opposer cannot now add these goods because the opposition period is closed. 37 C.F.R. § 2.107(a).

IV. Delaying Applicant's REPORT SIGNATURE Application for Women's Footwear Would Significantly and Unfairly Prejudice Applicant

REPORT SIGNATURE is Applicant's mark for high-end women's footwear offered under its established REPORT brand. Applicant owns U.S. Registrations Nos. 2169637 (incontestable), 3246085 and 3274520 for its REPORT marks for women's footwear and has sold just under 5.8 million pairs of REPORT branded shoes in Fiscal Years 2003 to 2007 (July 1, 2002 – June 30, 2007), including more than 1.5 million pairs to leading fashion retailers Macy's and Nordstrom. Declaration of Richard Philby ("Philby Decl."), ¶ 3, 4. Applicant has invested heavily in advertising and promoting its REPORT marks, spending more than \$9 million since inception, and continues to spend at least \$2 million annually advertising and promoting its REPORT marks and products. Philby Decl., ¶ 4. Applicant's new REPORT SIGNATURE line of women's shoes has been well received with over \$6 million in wholesale sales since July 1, 2006, the beginning of Fiscal Year 2007. Philby Decl., ¶ 5. Applicant's REPORT SIGNATURE shoes have also been featured in Elle, Lucky, Cosmo Girl, In Touch, In Style, Life & Style, OK, Teen Vogue, and Essence magazines. Philby Decl., ¶ 7, Exhibit 3. Applicant's current REPORT SIGNATURE women's footwear products can be seen on its REPORT SIGNATURE website at: <http://www.reportshoes.com/reportsignature.html>. See Philby Decl., ¶ 6, Exhibit 1. Online shoe retailer Zappos.com, for example, offers 89 styles of REPORT SIGNATURE shoes. Philby Decl., ¶ 6, Exhibit 2.

Securing a federal registration for REPORT SIGNATURE for women's shoes is important to Applicant's brand and business and Applicant will be prejudiced if its efforts to do so are further delayed. Where these goods have not been opposed, Applicant should not be deprived of the benefits of a federal registration.

V. This Proceeding Should Be Suspended Only *After* Applicant's Unopposed Goods Are Divided. Opposer's Motion for an Earlier Suspension Should Be Denied

Applicant is entitled to divide unopposed goods out of its application, and Opposer does not contend otherwise. Rather, Opposer seeks to suspend this proceeding, apparently hoping to do a procedural “end around” to delay Applicant’s application for women’s footwear, goods it expressly chose not to oppose.

Rule 2.117(a) confirms that the Board has the discretion to suspend a proceeding when the parties are involved in a civil action that may have a bearing on the TTAB case. 37 C.F.R. § 2.117(a). The Board will “ordinarily suspend proceedings in the case before it if the final determination of the other proceeding will have a bearing on the *issues before the Board.*” TBMP § 510.02(a) (emphasis added).

Here, Applicant’s right to register REPORT SIGNATURE for women’s footwear is not an issue before the Board and so the civil action between Applicant and Opposer provides no reason to suspend this proceeding before dividing the unopposed goods from this application.¹

Whether and when to suspend an opposition is at the discretion of the Board, and the Board will typically rule on dispositive motions before suspending a proceeding. “Whenever there is pending before the Board both a motion to suspend and a motion which is potentially dispositive of the case, the potentially dispositive motion may be decided before the question of suspension is considered.” 37 C.F.R. § 2.117(b); see TBMP § 510.02(a) and cases cited therein. Applicant’s Motion to Divide is akin to a dispositive motion because, when granted, it will remove “women’s footwear” from the opposition and allow an application for those goods to

¹ Indeed, the primary issue in the civil action is whether Opposer’s expansion of its REPORT COLLECTION men’s mark into women’s clothing conflicts with Applicant’s established rights in REPORT for women’s footwear. The District Court has ruled that Applicant is likely to prevail on this issue (See Preliminary Injunction Order, pp. 15-16, Ferron Decl., ¶ 2, Exhibit 1) and Opposer has represented to the Court that “its REPORT COLLECTION mark [for men’s apparel] has coexisted in the United States with [Applicant’s] REPORT mark [for women’s footwear] for at least eleven years without any evidence of consumer confusion.” Preliminary Injunction Order, p. 12. Thus, Applicant believes Opposer’s current effort to block its REPORT SIGNATURE application for women’s footwear (goods it expressly chose not to oppose) is strategic rather than substantive.

move forward. Thus, like a dispositive motion, the Board should rule on the Motion to Divide before suspending this proceeding.

Applicant has no objection to suspending this opposition *after* “women’s footwear” is divided from the opposed application as requested in its Motion to Divide. As explained above, Applicant opposes suspension before such action and so asks that Opposer’s motion seeking early suspension be denied.

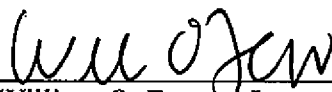
VI. Conclusion

Applicant requests that the Board grant its Motion to Divide so it can pursue “women’s footwear” – goods that have not been opposed – in a separate application. Applicant is using its REPORT SIGNATURE mark for these goods and experiencing considerable commercial success. It would like to secure a federal registration for these goods without further delay and believes it is entitled to do so.

Opposer’s Cross Motion to Amend is untimely and must be denied. The PTO Rules do not permit Opposer to oppose additional goods after the opposition period has closed. Opposer’s Cross Motion to Suspend, seeking early suspension to block Applicant’s Motion to Divide, should similarly be denied. Applicant consents to suspension *after* “women’s footwear” has been divided into a separate application that can go forward outside this opposition.

DATED this 15th day of February, 2008.

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CERTIFICATE OF SERVICE

I, Annette Baca, hereby certify that the above **APPLICANT'S COMBINED REPLY IN SUPPORT OF MOTION TO DIVIDE AND OPPOSITION TO OPPOSER'S CROSS MOTIONS TO SUSPEND AND AMEND** was served on Opposer's counsel by depositing same with the U.S. Postal Service, first-class postage prepaid, on February 15, 2008, addressed as follows:

Paul Fields, Esq.
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Annette Baca