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

Proceeding	91176848
Party	Defendant RBC Bearings Inc.
Correspondence Address	RICHARD R MICHAUD MICHAUD-DUFFY GROUP LLP 306 INDUSTRIAL PARK RD STE 206 MIDDLETOWN, CT 06457-1517 UNITED STATES mutchler@mkgip.com, engel@mkgip.com
Submission	Opposition/Response to Motion
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Signature	/John H. Mutchler/
Date	05/18/2010
Attachments	1001-0049-1 FINAL Reply To Peers Motion to Amend Notice of Opposiiton 6900 SERIES.pdf ( 33 pages )(814792 bytes )

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

PEER Bearing Company	)	
	)	
Opposer	)	
	)	Opposition No. 91176848
v.	)	Serial No. 78/754,907
	)	MARK: 6900 SERIES
RBC Bearings, Inc.	)	
	)	
Applicant	)	Attorney Docket No. 1001-0049-1

**APPLICANT’S REPLY IN OPPOSITION TO OPPOSER’S MOTION FOR  
LEAVE TO FILE AN AMENDED NOTICE OF OPPOSITION**

Applicant, RBC Bearings, Inc., respectfully submits this Response in Opposition to Opposer’s PEER Bearing Company’s, Motion for Leave to File an Amended Notice of Opposition (hereinafter “Opposer’s Motion”), consistent with Trademark Rule 2.107 and Rule 15(a) of the Federal Rules of Civil Procedure.

For the reasons stated herein, Applicant respectfully requests the U.S. Patent and Trademark Office Trial and Appeal Board (hereinafter “the Board”), to deny Opposer’s Motion.

## BACKGROUND

Opposer seeks to amend its Notice of Opposition to add an allegation that the applied for mark is deceptively misdescriptive and to allege that Applicant was not the rightful owner of the 6900 SERIES mark at the time the application for registration of the applied for mark was filed. This allegation has absolutely no basis in fact and Applicant believes it to represent a material misrepresentation of such to the Board. Opposer relies on civil litigation involving the 6900 SERIES mark (Case No. 3:06-cv-01380 entitled *RBC Nice Bearings Inc. and Rolling Bearing Company of America, Inc. v. Peer Bearing Company* in United States District Court for the District of Connecticut, hereinafter “Connecticut Litigation”) in support of its Motion. However, contrary to what Defendant has represented in connection with in the Connecticut Litigation, there has been no decision on the merits, no decision regarding ownership of the 6900 SERIES mark and a Notice of Appeal has been filed (See Exhibit A). To the contrary, most recently in a May 2010 Order denying Defendant’s Motion for attorney’s fees related to the Connecticut Litigation, Judge Melançon states:

“In Judge Bryant’s ruling awarding partial summary judgment to defendant [Rec. Doc. 200], she notes that the issue of whether SKF sold the marks to plaintiffs was “a particular threshold issue that the parties have not directly addressed in their briefs.” *Memorandum and Order Case No. 06-cv-1380 (TLM)*, May 14, 2010, at p. 2.

## ARGUMENT

**The Opposer’s Grounds For Amendment Of The Notice of Opposition Are Unfounded, Legally Insufficient And Are Of No Useful Purpose.**

The Board normally denies motions to amend the Notice of Opposition where the moving party seeks to add a new claim and the proposed pleading is legally insufficient or would serve no useful purpose. *Trademark Trial and Appeal Board*

*Manual of Procedure (TBMP) Second Edition* - June 11, 2003, First Revision - March 12, 2004, §507.02. Moreover, the Board's jurisdiction is limited to determination of an applicant's right to register a mark. *TBMP* §102.01. At the pleading stage, an opposer must set forth the Lanham Act statutory grounds for the opposition. *Young v. AGB Corp.*, 152 F.3d 1377, 1380 (Fed. Cir. 1998).

Opposer has failed to identify any Lanham Act citation reciting statutory grounds for the alleged additional lack of ownership claim. Instead, Opposer's moving papers merely allege that "applicant was not the rightful owner of the applied-for mark at the time the applicant filed its application," an allegation that Applicant believes to be totally unsupported by fact and represents a material misrepresentation to the Board. In its moving papers, Opposer attempts to color unsupported disputed ownership issues regarding the applied for mark, as Federal Statutory grounds. In support of its position, Opposer cites *Holiday Inn v. Holiday Inns, Inc.*, 534 F.2d 312, 319 n.6 (C.C.P.A. 1976) for the contention that "one must be the owner of a mark before it can be registered." *Opp. Mot. sec. 3*. Such a citation does not set forth statutory grounds for an opposition under the Lanham Act. Moreover, the above cited passage is merely dicta, holding no precedential authority, and is buried in a footnote forming part of an opinion in a concurrent use proceeding. Opposer's grounds for opposition do not raise any concurrent use issues. Thus Opposer's citation to *Holiday Inn* is irrelevant and should be ignored.

Opposer also relies on *Anheuser-Busch, Incorporated v. The Florists Association of Greater Cleveland, Inc.* 1993 TTAB LEXIS 28, \*; 29 U.S.P.Q.2D (BNA) 1146 1993 TTAB LEXIS 28, 1-18 (Trademark Trial & App. Bd. Sept. 29, 1993) to somehow conjure up support for its lack of ownership allegation. However, Opposer has no facts to support this allegation and *Anheuser* addresses collective

mark issues under 15 U.S.C. §1127, which Opposer does not raise in its moving papers. Thus Opposer's citation to *Anheuser* is also irrelevant.

Moreover, Opposer's proposed amendment relating to the alleged lack of ownership serves no useful purpose. Under 15 U.S.C. §1055 "[w]here a registered mark or a mark sought to be registered is or may be used legitimately by related companies, such use shall inure to the benefit of the registrant or applicant for registration, and such use shall not affect the validity of such mark or of its registration." Applicant admits that Applicant is in privity with Plaintiffs in the Connecticut Litigation. *Am. Not. Sec. 16*. Registration and validity of the 6900 SERIES mark would therefore be unaffected through use by any of Applicant's related companies. Thus Opposer's amendment would serve no useful purpose at least because under Section 1055, the existence of such privity does not affect registration, in fact it supports it.

In a final attempt to legitimize its bases for adding the lack of ownership claim, Opposer argues that a February 28, 1997 Asset Purchase Agreement (hereinafter the "1997 Agreement") failed to transfer ownership in the 6900 SERIES mark to Applicant. However, at Applicant's specific request the issues relating to Opposer's breach of covenants contained in the 1997 Agreement are currently being arbitrated by the American Arbitration Association Case No. 14 152 01622 09, RBC NICE BEARINGS, INC. and ROLLER BEARING COMPANY OF AMERICA, INC. and ROLLER BEARING COMPANY OF AMERICA, INC. d/b/a NICE BALL BEARINGS, INC. v. SKF USA, INC. ( hereinafter the "Arbitration"). A copy of Claimant's Demand for Arbitration is appended hereto as Exhibit B.

Opposer, Peer Bearing Company is a wholly owned subsidiary of SKF and Applicant is in privity with the Claimants in the Arbitration.<sup>1</sup> Thus the Arbitration is relevant to the present Opposition. The Arbitration is addressing breach of contract issues related to the 1997 Agreement and Applicant has requested the Opposer be ordered by the Arbitrators to withdraw the instant opposition.<sup>2</sup> In particular, the 1997 Agreement unambiguously transferred ownership of all “product designations” that were essential to marketing, to Claimant. Since the execution of the 1997 Agreement, Claimant continuously marketed and sold over 200 different types of bearings using the product designations it purchased from SKF. Notwithstanding the transfer of ownership, and Claimants’ uninterrupted use of the product designations, SKF, through its wholly owned subsidiary Peer, seeks to amend the Notice of Opposition to allege that Applicant lack ownership in the applied for mark. Such an allegation is completely unfounded and disingenuous. SKF and Peer cannot turn their back on the plain terms of the 1997 Agreement and attempt to interfere with or take back the very assets it sold to Claimant. Accordingly, Claimant initiated the Arbitration to force Opposer to withdraw the instant opposition which is a clear breach of the 1997 Agreement.

Since Opposer breach issues and ownership issues regarding the mark involved in the current opposition are, or will be addressed in the concurrent

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<sup>1</sup> In Consolidated Opposition No. 91176838, the Board recognizes privity between the parties and their respective subsidiaries. See page 1 and footnote 1 of the Board’s September 2, 2009 ruling (Doc. No. 44)

<sup>2</sup> The Arbitration includes the following Counts: Count I – Indemnification Against SKF; Count II – Breach of the 1997 Agreement: SKF’s Representations, Warranties and Covenants; Count III - Breach of the 1997 Agreement: SKF’s Improper Support of Peer; Count IV – Breach of the Implied Covenant of Good Faith and Fair Dealing: SKF’s Improper Support of Peer; Count V – SKF’S False Representations; Count VI - Breach of the 1997 Agreement: SKF’s Failure to Assign Its Common Law Rights; Count VII - Breach of the 1997 Agreement: Peer’s Continued Use of the SERIES Product Designation; Count VIII – Trade Libel; and Count IX – Conversion.

Arbitration proceeding, Applicant submits that a suspension of the present Opposition pending the outcome of the Arbitrations would result in significant judicial economy, given the high likelihood that the Arbitrator will grant Applicants request and the Opposer will be ordered to withdraw the instant opposition. Moreover, in Section 9.03 of the 1997 Agreement the parties agreed to arbitrate any claims for indemnification and/or damages. Based on the foregoing, the Arbitration is the sole and exclusive forum for such contractual issues and it would serve no useful purpose for the Board to undertake and duplicate the Arbitration.

**Granting Opposer’s Motion to Amend Would be Prejudicial to Applicant**

Applicant would suffer undue prejudice if the Board were to allow Opposer to add the alleged lack of ownership claim as an additional ground for opposition in the Notice of Opposition, forcing Applicant to litigate the same ownership issues simultaneously in two different forums resulting in undue expense and allocation of resources.

Applicant would further suffer prejudice if the Board were to allow the addition of Opposer’s lack of ownership claim and its deceptively misdescriptive allegation at least because in the Arbitration Claimant seeks injunctive relief which has bearing on the present Opposition. For example:

- In Count I, Claimant seeks to enforce SKF’s indemnification of Claimant for “any Damages reasonably and proximately incurred . . . as a result of any inaccuracy or misrepresentation in or breach of or failure to perform and representation, warranty, covenant, agreement or obligation of Seller [SKF]” in the 1997 Agreement and to arbitrate any claims for indemnification;

- In Count II, to enforce SKF's representation in the 1997 Agreement that it had full ownership of, and unequivocal authority, to transfer all assets made part of the 1997 Agreement including all "product designations" and to enjoin SKF from further prosecuting proceedings before the U.S. PTO;
- In Counts III and IV, to enjoin SKF to take all reasonable efforts to consummate the transactions contemplated by the 1997 Agreement and to withdraw SKF's support of Peer in its opposition proceedings;
- In Count V, to enjoin SKF from further prosecuting any proceedings lodged against Applicant before the U.S. PTO.

Since Opposer is a wholly owned subsidiary of SKF, the panel's ruling in the Arbitration would be binding on Opposer and therefore having bearing on the present Opposition.

Applicant has filed concurrently with this Reply, a motion to suspend this opposition pending a final ruling in the Arbitration and Connecticut Litigation. The motion to suspend serves the dual interests of judicial efficiency for the Board and the prevention of prejudice to Applicant caused by unnecessarily duplicative discovery, motions and trial preparation in the present Opposition.

For at least the foregoing reasons, the Board is respectfully requested to deny Opposer's motion to amend.

Date: May 18, 2010

/John H. Mutchler/  
John H. Mutchler , Reg No. 53,362  
Michaud-Kinney Group LLP  
306 Industrial Park Road, Suite 206  
Middletown, CT 06457  
Phone: 860-632-7200  
Fax: 860-632-8269  
Email: mutchler@mkgip.com  
Attorney for Applicant



**CERTIFICATE OF SERVICE**

I hereby certify that on May 18, 2010 a copy of the foregoing APPLICANT'S REPLY IN OPPOSITION TO OPPOSER'S MOTION FOR LEAVE TO FILE AN AMENDED NOTICE OF OPPOSITION was filed electronically via the ESTTA system and was served on counsel for Opposer, by sending the same via United States Postal Service, postage pre-paid, First Class Mail, addressed to:

**Thomas C. McDonough  
Thomas E. Williams  
Neal, Gerber & Eisenberg LLP  
2 N. LaSalle St., Suite 2200  
Chicago, IL 60602**

/John H. Mutchler/  
John H. Mutchler  
Registration No. 53,362  
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306 Industrial Park Road, Suite 206  
Middletown, CT 06457  
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Email: mutchler@mkgip.com  
Attorney for Applicant

# EXHIBIT A

**UNITED STATES DISTRICT COURT  
DISTRICT OF CONNECTICUT**

RBC Nice Bearings, Inc. and Roller :  
Bearing Company of America, Inc., :  
Plaintiffs :  
v. : CIVIL CASE NO. 3:06-cv-1380 (TLM)  
Peer Bearing Company, :  
Defendant :

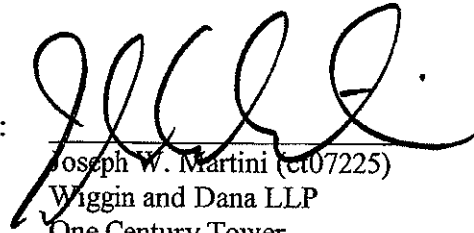
**NOTICE OF APPEAL**

Pursuant to F.R.A.P. 4(a)(1), plaintiffs RBC Nice Bearings, Inc. and Roller Bearing Company of America, Inc., hereby give notice and appeal to the United States Court of Appeals for the Second Circuit from the following Orders and Judgment: 1) Memorandum of Decision and Order Granting the Defendants' Motion for Partial Judgment on the Pleadings, dated Oct. 27, 2009 [Doc. #141] (attached), and 2) Memorandum of Decision and Order Granting in Part and Denying in Part Defendant's Motion for Summary Judgment, dated Oct. 29, 2009 [Doc. #143] (collectively "Orders") (attached), which resulted in a final, appealable judgment when all of plaintiffs' remaining claims were voluntarily dismissed with prejudice pursuant to a Judgment of Dismissal, dated Dec. 30, 2009 [Doc. # 215] (attached).

The Orders in this action were entered on October 27, 2009 and October 29, 2009, and final judgment was entered upon dismissal of the remaining claims on December 30, 2009.

PLAINTIFFS RBC NICE BEARINGS, INC. AND  
ROLLER BEARING COMPANY OF AMERICA,  
INC.

BY:



Joseph W. Martini (ct07225)  
Wiggin and Dana LLP  
One Century Tower  
P.O. Box 1832  
New Haven, CT 06508-1832  
(203) 498-4400

Date: January 28, 2010

19124332327253.3

# EXHIBIT B

*celebrating 75 years*  
WIGGIN AND DANA  
*founded 1934*

Wiggin and Dana LLP  
One Century Tower  
P.O. Box 1832  
New Haven, Connecticut  
06508-1832  
www.wiggin.com

Matthew C. Brown  
203.498.4380  
203.782.2889 fax  
mbrown@wiggin.com

**VIA E-MAIL AND FEDERAL EXPRESS**

September 14, 2009

American Arbitration Association  
Northeast Case Management Center  
Commercial Division  
Attn: Barbara Guariglia  
950 Warren Avenue  
East Providence, RI 02914

**Re: 1997 Asset Purchase Agreement ("the Agreement")**

Dear Ms. Guariglia,

Wiggin and Dana LLP represents RBC NICE BEARINGS, INC., ROLLER BEARING COMPANY OF AMERICA, INC., and ROLLER BEARING COMPANY OF AMERICA, INC d/b/a NICE BALL BEARINGS (collectively as "RBC") in connection with a commercial dispute between RBC and SKF USA, Inc.

Pursuant to the 1997 Asset Purchase Agreement, and the Commercial Rules for Arbitration for the American Arbitration Association, RBC encloses its demand for arbitration. RBC also designates, as its arbitrator, the Honorable Joseph T. Walsh, former Justice of the Delaware Supreme Court and special counsel to the law firm of McCarter & English. The parties have contractually agreed to select arbitrators in this matter. The appropriate stipulations are contained in the attached 1997 Asset Purchase Agreement, Exhibit A, at Articles IX and XI.

RBC further encloses an initial filing fee of \$1,000.

Respectfully,



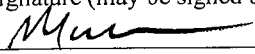
Matthew C. Brown, Esq.

CC: Joseph Martini, Esq.  
David Richman, Esq. (counsel for SKF)



COMMERCIAL ARBITRATION RULES  
DEMAND FOR ARBITRATION

**MEDIATION:** If you would like the AAA to contact the other parties and attempt to arrange a mediation, please check this box.   
There is no additional administrative fee for this service.

Name of Respondent SKF USA, Inc.			Name of Representative (if known) David Richman		
Address 890 Forty Foot Road			Name of Firm (if applicable) Pepper Hamilton LLP		
			Representative's Address 3000 Two Logan Square, Eighteenth and arch Streets		
City Kulpsville	State PA	Zip Code 19443-	City Philadelphia	State PA	Zip Code 19103-2799
Phone No. 267-463-6000		Fax No. 267-436-6001	Phone No. 215-981-4412		Fax No. 215-981-4750
Email Address:			Email Address: richmand@pepperlaw.com		
The named claimant, a party to an arbitration agreement dated February 28, 1997, which provides for arbitration under the Commercial Arbitration Rules of the American Arbitration Association, hereby demands arbitration.					
THE NATURE OF THE DISPUTE commercial					
Dollar Amount of Claim \$			Other Relief Sought: <input checked="" type="checkbox"/> Attorneys Fees <input checked="" type="checkbox"/> Interest <input checked="" type="checkbox"/> Arbitration Costs <input checked="" type="checkbox"/> Punitive/ Exemplary <input type="checkbox"/> Other _____		
Amount Enclosed \$ 1,000.00 In accordance with Fee Schedule: <input checked="" type="checkbox"/> Flexible Fee Schedule <input type="checkbox"/> Standard Fee Schedule					
PLEASE DESCRIBE APPROPRIATE QUALIFICATIONS FOR ARBITRATOR(S) TO BE APPOINTED TO HEAR THIS DISPUTE: the parties are designating their own arbitrators					
Hearing locale Philadelphia, PA (check one) <input checked="" type="checkbox"/> Requested by Claimant <input type="checkbox"/> Locale provision included in the contract					
Estimated time needed for hearings overall: _____ hours or 3.00 days			Type of Business: Claimant _____ Respondent manufacturer and seller _____		
Is this a dispute between a business and a consumer? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Does this dispute arise out of an employment relationship? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If this dispute arises out of an employment relationship, what was/is the employee's annual wage range? Note: This question is required by California law. <input type="checkbox"/> Less than \$100,000 <input type="checkbox"/> \$100,000 - \$250,000 <input type="checkbox"/> Over \$250,000					
You are hereby notified that copies of our arbitration agreement and this demand are being filed with the American Arbitration Association's Case Management Center, located in (check one) <input type="checkbox"/> Atlanta, GA <input type="checkbox"/> Dallas, TX <input checked="" type="checkbox"/> East Providence, RI <input type="checkbox"/> Fresno, CA <input type="checkbox"/> International Centre, NY, with a request that it commence administration of the arbitration. Under the rules, you may file an answering statement within fifteen days after notice from the AAA.					
Signature (may be signed by a representative) 			Date: 2/14/07		
Name of Claimant RBC Nice Bearings, Inc.			Name of Representative Matthew C. Brown, Esq.		
Name of Firm (if applicable) Wiggin and Dana LLP			Name of Firm (if applicable) Wiggin and Dana LLP		
Address (to be used in connection with this case) One Tribology Center			Representative's Address 265 Church Street, P.O. Box 1832		
City Oxford	State CT	Zip Code 6478-	City New Haven	State CT	Zip Code 06508-1832
Phone No. 203-267-5043		Fax No. 203-267-5001	Phone No. 203-498-4380		Fax No. 203-782-2889
Email Address: twilliams@rbcbearings.com			Email Address: mbrown@wiggin.com		
To begin proceedings, please send two copies of this Demand and the Arbitration Agreement, along with the filing fee as provided for in the Rules, to the AAA. Send the original Demand to the Respondent.					
Please visit our website at <a href="http://www.adr.org">www.adr.org</a> if you would like to file this case online. AAA Customer Service can be reached at 800-778-7879					

**IN THE MATTER OF ARBITRATION  
BEFORE THE AMERICAN ARBITRATION ASSOCIATION**

RBC NICE BEARINGS, INC. and	:	
ROLLER BEARING COMPANY OF	:	
AMERICA, INC. and ROLLER	:	
BEARING COMPANY OF AMERICA,	:	
INC. d/b/a NICE BALL BEARINGS, INC.	:	
	:	
Claimants,	:	
v.	:	
	:	
SKF USA, INC.	:	SEPTEMBER 14, 2009
	:	
Respondent.	:	

**DEMAND FOR ARBITRATION AND STATEMENT OF CLAIMS**

Claimants RBC NICE Bearings, Inc., Roller Bearing Company of America, Inc. and Roller Bearing Company of America, Inc. d/b/a NICE Ball Bearings (“RBC”) respectfully submit the following claims for arbitration against Respondent SKF USA, Inc. (“SKF”). These claims are made pursuant to the 1997 Asset Purchase Agreement and the Commercial Rules for Arbitration for the American Arbitration Association.

**PRELIMINARY STATEMENT**

1. In 1997, RBC acquired from SKF all the assets of the NICE Ball Bearings business division, including certain “product designations” that were essential to the marketing and sale of NICE bearings. Over the next ten years, RBC continuously marketed and sold over 200 different types of NICE bearings utilizing these product designations that it purchased from SKF. Notwithstanding this transfer of ownership, and RBC’s uninterrupted use of the product designations, SKF has claimed in recent filings in certain trademark opposition proceedings that it never sold the product designations to RBC, that SKF is free to use them, and that every manufacturer in the bearings industry may do the same.



2. SKF cannot turn its back on the plain terms of 1997 Asset Purchase Agreement that it entered into with RBC (“the 1997 Agreement”). Pursuant to the 1997 Agreement, SKF sold the product designations to RBC, and SKF represented, covenanted and warranted to RBC that it had good title and authority to accomplish the same. However, SKF now seeks to take back the very assets it sold to RBC. That is, SKF has teamed with its recently acquired and wholly owned subsidiary, the Peer Bearing Company – both competitors of RBC – and in a concerted effort they oppose RBC’s efforts to register its trademark rights in the product designations. In trademark related litigation, for instance, SKF (and Peer) have made baseless assertions that SKF never sold the product designations to RBC, and that, indeed, no bearing manufacturer ever had proprietary ownership of the product designations. Peer sells its own bearings, in fact, with the same product designations that SKF sold to RBC in the 1997 Agreement.

3. The Arbitration Panel, at the outset, need not address the relative merits of RBC’s trademark rights in the product designations. At issue is SKF’s violation of the 1997 Agreement, and the need for immediate injunctive relief to stop them. As discussed more fully below, the very act of SKF’s (a) trademark opposition; (b) improper support of its subsidiary (Peer); (c) false representations about its ownership of and authority to transfer the product designations; (d) refusal to *post hoc* transfer its common law rights; and (e) ongoing use of the same product designations, attributable to SKF through Peer’s use, all amount to individual violations of the 1997 Agreement for which, among other things, an immediate order of injunctive relief is necessary.

4. Finally, apart from RBC's breach of contract claims, RBC also has separate indemnification claims against SKF arising out of RBC's defense of Peer's trademark opposition proceedings.

### **PARTIES**

5. RBC NICE Bearings, Inc., Roller Bearing Company of America, Inc. and Roller Bearing Company of America, Inc. d/b/a NICE Ball Bearings (collectively as "RBC") are Delaware corporations having their principal places of business at One Tribology Center, Oxford, Connecticut 06478.

6. SKF USA, Inc. is a Delaware corporation having its principal place of business at 1111 Adams Avenue, Norristown, Pennsylvania. SKF has business residences in Connecticut at 1447 New Litchfield Street, Torrington, Connecticut and 149 Colebrook River Road, Winsted, Connecticut.

### **BACKGROUND**

7. RBC is, and at all relevant times herein was, engaged in the business of manufacturing, marketing and selling bearings.

8. SKF is, and at all relevant times herein was, engaged in the business of manufacturing and distributing bearings.

9. Pursuant to the 1997 Agreement, RBC bought from SKF all the assets of the NICE business line for approximately \$6.8 million. *See* 1997 Agreement at Sections 2.01; a true and accurate copy is appended hereto as Exhibit A.

10. Among other things, RBC acquired from SKF "all product designations used in Seller's [SKF's] catalog with respect to the Products" and "all the goodwill associated with the Business or the Transferred Assets". *See* 1997 Agreement at 2.01(n) and 2.01(m).

11. SKF, as Seller, expressly represented, covenanted and warranted that it had full ownership of, and unequivocal authority to, transfer all assets made part of the 1997 Agreement. *See* 1997 Agreement at 3.09.

12. SKF's representations, covenants and warranties expressly extended to "all product designations used in Seller's catalog with respect to the Products" and "all the goodwill associated with the Business or the Transferred Assets". *See* 1997 Agreement at Sections 3.09; 2.01; 2.01(n), 2.01(m).

13. After RBC purchased the NICE business from SKF, RBC continuously and without interruption marketed and sold over 200 different types of NICE bearings utilizing the product designations that it acquired from SKF. These product designations include, without limitation, the: "400 SERIES", "500 SERIES", "600 SERIES", "1600 SERIES", "3000 SERIES", "5000 SERIES", "6900 SERIES", "7500 SERIES", and "7600 SERIES" product designations ("the SERIES Product Designations").

14. The SERIES Product Designations are, and have long been, an important part to the marketing and sale of NICE bearings.

15. Since 1946, the relevant consuming public has associated the SERIES Product Designations with NICE bearings.

16. Over time, the consuming public grew to recognize NICE as a legacy brand in the bearing industry, largely from NICE's marketing efforts and commitment to providing high quality bearings.

17. NICE is the oldest manufacturer of bearings in the United States.

18. For these aforementioned reasons, the SERIES Product Designations were significant to RBC when it first acquired the NICE business from SKF.

19. Each SERIES Product Designation is comprised of numerous bearing numbers. For example, the "1600 SERIES" contains bearing numbers such as the 1601, 1602, 1603, 1604, 1605, 1606, 1607, 1614, 1615, 1616 and 1658 bearings.

**A. The Peer USPTO Proceedings**

20. RBC's demand for arbitration begins with the Peer Bearing Company ("Peer"), a wholly owned subsidiary of SKF, and Peer's initial effort to oppose RBC's trademark applications in the SERIES Product Designations.

21. On or about December 20, 2004, RBC filed trademark applications in the SERIES Product Designations for which RBC later received a notice of allowance.

22. On or about May 2, 2006, RBC's trademark applications were published for opposition.

23. On or about May 31, 2006, Peer initiated trademark opposition proceedings against RBC before the United States Patent and Trade Office, Trademark Trial and Appeal Board ("the Peer USPTO Proceedings"). *See, e.g., Peer Bearing Company v. RBC Bearings Inc.*, Opp. No. 91171191 (T.T.A.B. filed May 31, 2006).

24. Peer opposed RBC's trademark registration for the following SERIES Product Designations: "600 SERIES", "1600 SERIES", "6900 SERIES", "7500 SERIES" and "7600 SERIES".

25. Peer is a competitor of RBC in the manufacturing and sale of bearings.

26. On information and belief, Peer sells its own bearings by using the 1600 SERIES, 7500 SERIES and 7600 SERIES Product Designations.

27. Peer has copied, for instance, the 1600 SERIES, 7500 SERIES and 7600 SERIES Product Designations in its own catalogues and marketing efforts, for virtually identical bearings as those sold by RBC.

28. Peer also uses these same product designations in its on-line catalogue at [www.peerbearings.com](http://www.peerbearings.com).

29. Peer claims, in support of its opposition, that no bearing company has ever had ownership rights in the SERIES Product Designations and, therefore, RBC should not be permitted to register its statutory trademark rights in the SERIES Product Designations.

30. The Peer USPTO Proceedings implicate and/or directly contradict SKF's express representations, covenants and warranties that SKF made to RBC as part of the 1997 Agreement.

31. Article III of the 1997 Agreement contains Sellers [SKF's] Representations and Warranties.

32. Article III, Section 3.09, entitled, "Sufficiency of and Title to the Transferred Assets", states that "Seller has the right to sell, assign, transfer, and convey ... to Buyer all of the Transferred Assets ... now held or employed by Seller in connection with the Business."

33. SKF's express representations, covenants and warranties are applicable to the SERIES Product Designations, as the SERIES Product Designations are Transferred Assets under the 1997 Agreement. *See* 1997 Agreement at Sections 3.09; 2.01; 2.01(n), 2.01(m).

34. On or about August 7, 2009, RBC demanded that SKF indemnify it for the damages RBC incurred as a result of defending the Peer USPTO Proceedings. *See* Exhibit B.

35. On or about August 14, 2009, SKF refused to reimburse or agree to reimburse RBC. *See* Exhibit C.

**B. SKF's Improperly Supports Peer in the Trademark Infringement Proceedings**

36. On information and belief, Peer improperly uses certain SERIES Product Designations that SKF sold to RBC.

37. On or about September 5, 2006, RBC initiated suit against Peer in the United States District Court for the District of Connecticut in the case captioned *RBC Bearings Inc. v. Peer Bearing Co.*, No. 3:06-CV-1380 ("the Peer Trademark Infringement Proceedings").

38. RBC claims that Peer, among other things, infringes on RBC's trademark rights in the SERIES Product Designations.

39. Peer takes the position, much like it has in the related Peer USPTO Proceedings, that RBC may not assert trademark infringement claims against it because no bearing company has ever had an ownership interest in the 1600 SERIES, 7500 SERIES and 7600 SERIES product designations.

40. Aside from Peer's infringing conduct, SKF has and continues to improperly support Peer, in connection with Peer's defense of the Peer Trademark Infringement Proceedings.

41. For example, on April 30, 2009, Peer moved for summary judgement against RBC and SKF provided an affidavit from its former General Counsel, Allen Belenson, in support of Peer's motion. A true and accurate copy is appended hereto as Exhibit D.

42. In that affidavit, Mr. Belenson affirmed that he has no recollection of anyone at NICE, SKF or RBC considering the SERIES Product Designations as proprietary names.

43. Mr. Belenson further affirmed that he has personal knowledge of the 1997 Agreement.

44. Peer relied on Mr. Belenson's affidavit, by submitting it as part of its motion for summary judgment.

45. Mr. Belenson's affirmation implicates and/or directly contradicts SKF's express representations, covenants and warranties contained in the 1997 Agreement, whereby SKF assured RBC that it had full title, authority and ownership to transfer the SERIES Product Designations to RBC.

46. SKF's affidavit from Mr. Belenson violates SKF's contractual obligation contained in the 1997 Agreement to do all that is necessary to consummate the transactions contemplated by the same.

47. SKF's affidavit from Mr. Belenson violates SKF's implied covenants and warranties of good faith and fair dealing associated with the 1997 Agreement.

48. As with Peer, SKF is also a competitor of RBC in the manufacturing and sale of bearings.

49. On August 7, 2009, RBC demanded that SKF cease and desist from its improper support of Peer in the Peer Trademark Infringement Proceedings.

50. By letter dated August 14, 2009, SKF refused.

**C. The SKF USPTO Proceedings**

51. On Peer's web-site, it issued what is effectively an industry-wide call to arms, stating: "All manufactures around the world are welcome to assist the opposers [Peer] in preventing RBC and its affiliates from obtaining registrations of these terms .... [c]ontact Peer Bearing Company and we will tell you how you can be of assistance ...". See Peer Web-site, [http://peerbearing.com/n\\_fn.asp](http://peerbearing.com/n_fn.asp) (last visited September 7, 2009); a true and accurate copy is appended hereto as Exhibit E.

52. SKF heeded Peer's call.

53. On or about April 18, 2007, SKF filed its own opposition proceedings in the United States Patent and Trade Office, Trademark Trial and Appeal Board ("the SKF USPTO Proceedings"). *See SKF USA Inc. v. RBC Bearings Inc.*, Consolidated. Opp. No. 91176838 (T.T.A.B. filed Apr. 18, 2007).

54. SKF claims, in support of its opposition, that the SERIES Product Designations are merely descriptive and should "remain available for others in the trade, including Opposer [SKF], to freely use ...".

55. SKF submitted an affidavit from SKF's former general counsel Allen Belenson in support of these SKF USPTO Proceedings. *See Exhibit F.*

56. Mr. Belenson affirmed that has no recollection of anyone at NICE, SKF or RBC considering the SERIES Product Designations as proprietary names.

57. SKF also submitted an affidavit from SKF employee Scott Anderson in support of these SKF USPTO Proceedings. *See Exhibit G.*

58. Mr. Anderson affirmed, among other things, that he has no recollection of anyone at NICE, SKF or RBC considering the SERIES Product Designations as proprietary names.

59. SKF has made false representations to RBC with respect to the SERIES Product Designations under the 1997 Agreement by now disavowing any proprietary interest it had in the SERIES Product Designations.

60. On August 7, 2009, RBC requested that SKF withdraw the SKF USPTO Proceedings and cease its improper support of Peer. *See Letter from T. Williams to SKF, dated August 7, 2009; a true and accurate is appended hereto as Exhibit H.*



61. RBC also requested that SKF assign its common law trademark rights in the SERIES Product Designations.

62. RBC sought this assignment because SKF failed to properly disclose on Schedule 3.18(a) of the 1997 Agreement certain common law trademarks as required under Section 3.18. Those common law trademarks include the SERIES Product Designations.

63. RBC further sought this assignment as being necessary and desirable to consummate the transactions contemplated by the 1997 Agreement and unequivocally document the transfer of ownership of such common law trademarks.

64. RBC additionally notified SKF that any continued use of the SERIES Product Designations by Peer constitutes a breach of the 1997 Agreement. *See* Letter from J. Martini to SKF, dated August 7, 2009; appended hereto as Exhibit B; *see also* Letter from T. Williams to SKF, dated August 7, 2009, Exhibit H (discussing same).

65. On August 14, 2009, SKF refused to assign its common law trademark rights and similarly refused to withdraw the SKF USPTO Proceedings and its improper support of Peer. *See* Letter from D. Richman to J. Martini and T. Williams, dated August 14, 2009; appended hereto as Exhibit C.

66. The SKF USPTO Proceedings, SKF's refusal to assign its common law trademark rights in the SERIES Product Designations, and Peer/SKF's continued use of the SERIES Product Designations violate the 1997 Agreement.

67. As a result of the foregoing, RBC has suffered damages.

## COUNT I

### **(Indemnification Against SKF)**

68. Paragraphs 1-67 are hereby incorporated into paragraph 68 as if fully set forth herein.

69. SKF contractually agreed to indemnify RBC for “any Damages reasonably and proximately incurred ... as a result of any inaccuracy or misrepresentation in or breach of or failure to perform any representation, warranty, covenant, agreement or obligation of Seller [SKF] in this Agreement ...” *See* 1997 Agreement, Article IX, Section 9.01.

70. The parties further agreed to arbitrate any claims for indemnification and/or damages. *Id.* at Section 9.03

71. RBC has suffered damages as a result of the Peer USPTO Proceedings.

72. Despite RBC’s demand, SKF has refused to indemnify or agree to indemnify RBC.

## COUNT II

### **(Breach of the 1997 Agreement: SKF’s Representations, Warranties and Covenants)**

73. Paragraphs 1-72 are hereby incorporated into paragraph 73 as if fully set forth herein.

74. SKF, as Seller in the 1997 Agreement, expressly represented, covenanted and warranted to RBC that it had full ownership of, and unequivocal authority to, transfer all assets made part of the 1997 Agreement, which applied to "all product designations used in Seller's catalog with respect to the Products" and “all the goodwill associated with the Business or the Transferred Assets”. *See* 1997 Agreement at Sections 3.09; 2.01; 2.01(n), 2.01(m).

75. At all relevant times herein, RBC performed its obligations under the 1997 Agreement.

76. In the SKF USPTO Proceedings, SKF claims that the SERIES Product Designations are merely descriptive and should “remain available for others in the trade, including Opposer [SKF], to freely use ...”. Moreover, SKF’s affidavits from Allen Belenson and Scott Anderson disavow any proprietary interest in the SERIES Product Designations.

77. As a result of the foregoing, SKF has breached its representations, covenants and warranties made to RBC with respect to the SERIES Product Designations, by now stating that SKF and others may continue to use the very SERIES Product Designations that SKF sold to RBC and by submitting affidavits that disavow any proprietary interest in the same.

78. As a result of the foregoing, RBC has been damaged in an amount which is unknown and cannot at the present time be ascertained.

79. Unless SKF is enjoined by this Arbitration Panel from further prosecuting the SKF USPTO Proceedings, RBC will suffer a continuing and irreparable injury for which it has no adequate remedy at law.

### **COUNT III**

#### **(Breach of the 1997 Agreement: SKF’s Improper Support of Peer)**

80. Paragraphs 1-79 are hereby incorporated into paragraph 80 as if fully set forth herein.

81. SKF contractually agreed to take all reasonable efforts to consummate the transactions contemplated by the 1997 Agreement. *Id.* at Article XII, Sections 7.01, 7.02.

82. SKF has breached the 1997 Agreement by, among other things, submitting an affidavit in support of Peer's motion for summary judgment in the Peer Trademark Infringement Proceedings and by pursuing its own opposition case in the SKF USPTO Proceedings.

83. At all relevant times herein, RBC performed its obligations under the 1997 Agreement.

84. As a result of SKF's breach, RBC has been damaged in an amount which is unknown and cannot at the present time be ascertained.

85. Unless SKF is enjoined by this Arbitration Panel from further supporting Peer, and unless SKF is ordered to immediately withdraw its existing support of Peer and its own opposition proceedings, RBC will suffer a continuing and irreparable injury for which it has no adequate remedy at law.

#### COUNT IV

**(Breach of the Implied Covenant of Good Faith and Fair Dealing:  
SKF's Improper Support of Peer)**

86. Paragraphs 1-79 are hereby incorporated into paragraph 86 as if fully set forth herein.

87. SKF has breached its covenant of good faith and fair dealing by, among other things, submitting an affidavit in support of Peer's motion for summary judgment in the Peer Trademark Infringement Proceedings and by pursuing its own opposition case.

88. As a result of the foregoing, RBC has been damaged in an amount which is unknown and cannot at the present time be ascertained.

89. Unless SKF is enjoined by this Arbitration Panel from further supporting Peer, and unless SKF is ordered to immediately withdraw its existing support of Peer and its own

opposition proceedings, RBC will suffer a continuing and irreparable injury for which it has no adequate remedy at law.

### COUNT V

#### **(SKF's False Representations)**

90. Paragraphs 1-89 are hereby incorporated into paragraph 90 as if fully set forth herein.

91. In the SKF USPTO Proceedings, SKF claims that the SERIES Product Designations are merely descriptive and should "remain available for others in the trade, including Opposer [SKF], to freely use ...". Moreover, SKF's affidavits from Scott Anderson and Allen Belenson disavow any proprietary interest in the SERIES Product Designations.

92. As a result of the foregoing, SKF has made intentional and/or negligent representations to RBC with respect to the SERIES Product Designations, by now stating that SKF and others may continue to use the very SERIES Product Designations that SKF sold to RBC and by submitting affidavits that disavow any proprietary interest in the same.

93. As a result of the foregoing, RBC has been damaged in an amount which is unknown and cannot at the present time be ascertained.

94. Unless SKF is enjoined by this Arbitration Panel from further prosecuting the SKF USPTO Proceedings, RBC will suffer a continuing and irreparable injury for which it has no adequate remedy at law.

### **COUNT VI**

#### **(Breach of the 1997 Agreement: SKF's Failure to Assign Its Common Law Rights)**

95. Paragraphs 1-94 are hereby incorporated into paragraph 95 as if fully set forth herein.

96. SKF contractually agreed to take all reasonable efforts to consummate the transactions contemplated by the 1997 Agreement. *Id.* at Article XII, Sections 7.01, 7.02.

97. On August 7, 2009, RBC requested that SKF assign its common law trademark rights in the SERIES Product Designations. *See* Exhibit H.

98. RBC sought this assignment because SKF failed to properly disclose on Schedule 3.18(a) of the 1997 Agreement certain common law trademarks as required under Section 3.18. Those common law trademarks include the SERIES Product Designations.

99. RBC further sought this assignment as being necessary and desirable to consummate the transactions contemplated by the 1997 Agreement and unequivocally document the transfer of ownership of such common law trademarks.

100. SKF refused to transfer its common law trademark rights in the SERIES Product Designations.

101. By virtue of the foregoing, SKF has breached the 1997 Agreement.

102. As a result of the SKF USPTO Proceedings, RBC has been damaged in an amount which is unknown and cannot at the present time be ascertained

103. Unless this Arbitration Panel issues an injunction and/or an order of specific performance requiring that SKF transfer its common law rights, RBC will suffer a continuing and irreparable injury for which it has no adequate remedy at law.

#### **COUNT VII**

#### **(Breach of the 1997 Agreement: Peer's Continued Use of the SERIES Product Designations)**

104. Paragraphs 1-103 are hereby incorporated into paragraph 104 as if fully set forth herein.

105. Peer is a wholly owned subsidiary of SKF and/or agent and/or servant of the same.

106. Peer is a competitor of RBC in the manufacturing and sale of bearings.

107. Peer continues to use the 1600 SERIES, 7500 SERIES and 7600 SERIES product designations, despite RBC's demand that Peer cease and desist.

108. Peer has adopted, for instance, the 1600 SERIES, 7500 SERIES and 7600 SERIES Product Designations in its own catalogues and marketing efforts, for virtually identical bearings as RBC.

109. Peer also uses these same product designations in its on-line catalogue at [www.peerbearings.com](http://www.peerbearings.com).

110. As a result of Peer's continued use of RBC's SERIES Product Designations, RBC has been damaged in an amount which is unknown and cannot at the present time be ascertained

111. Unless this Arbitration Panel enjoins SKF, its affiliates, subsidiaries, servants and/or agents from continuing to use RBC's SERIES Product Designations, RBC will suffer a continuing and irreparable injury for which it has no adequate remedy at law.

### **COUNT VIII**

#### **(Trade Libel)**

112. Paragraphs 1-111 are incorporated by reference herein to paragraph 112 as if fully set forth herein.

113. SKF's statements submitted by Allen Belenson and Scott Anderson, as referred to herein, were false.

114. SKF's statement, made in the form of its SKF USPTO pleading, that the product designations "remain available for others in the trade, including Opposer [SKF], to freely use ..." was false.

115. The aforementioned statements/pleading were intended to cause RBC injury.

116. The aforementioned statements/pleading were known and/or were made in reckless disregard for their truth.

117. As a result of the aforementioned statements/pleading, RBC has been damaged.

### **COUNT IX**

#### **(Conversion)**

118. Paragraphs 1-117 are incorporated by reference into paragraph 118.

119. SKF/Peer's continuous use of the SERIES Product Designations deprives RBC of its rights and benefits in the same.

120. SKF/Peer is using the SERIES Product Designations without RBC's consent.

121. As a result of the foregoing, RBC has been damaged.



**PRAYER FOR RELIEF**


**WHEREFORE**, RBC requests:

1. An award of indemnification against SKF including, without limitation, litigation costs associated with RBC's defense of the Peer USPTO Proceedings;
2. An award in favor of RBC on its breach of contract claims against SKF/Peer, including the issuance of injunctive relief against SKF and/or its affiliates, subsidiaries, agents and/or servants;
3. Compensatory damages;
4. Interest at the statutory rate;
5. Punitive damages; and
6. Costs and attorneys fees' as permitted by the 1997 Agreement and applicable law.

**CLAIMANTS,**

**RBC NICE BEARINGS, INC.  
ROLLER BEARING COMPANY OF  
AMERICA, INC., and  
ROLLER BEARING COMPANY OF  
AMERICA, INC.  
d/b/a NICE BALL BEARINGS, INC.**

By:

  
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**CERTIFICATE OF SERVICE**

This is to certify that a copy of the above was mailed or electronically delivered on September 14, 2009, to the following counsel and pro se parties of record.

David Richman  
Pepper Hamilton LLP  
3000 Two Logan Square  
Philadelphia, PA 19103-2799



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Matthew C. Brown