ESTTA Tracking number: **ESTTA580418**

Filing date: **01/07/2014**

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

Proceeding	91200001
Party	Defendant Fantasia Distribution, Inc.
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Attachments	TTAB_reply.pdf(130519 bytes)

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

Drew Estate Holding Company LLC, Opposer, v. Fantasia Distribution, Inc., Applicant.	Opposition No. 91200001 App. No. 85/206,113

REPLY MEMORANDUM IN SUPPORT OFMOTION FOR RELIEF FROM DEFAULT JUDGMENTBASED ON NEW FACTS AND LAW

I. INTRODUCTION

Drew Estate Holding Company LLC's ("Drew Estate") Response to Fantasia Distribution, Inc.'s ("Fantasia") Motion for Relief from Default Judgment is most remarkable for what it does not say. While trumpeting rulings in its favor in the related proceedings that were superseded and are no longer law of the case, nowhere does Drew Estate acknowledge that in *remanding* the federal trademark action to the District Court for the Southern District of Florida, the Eleventh Circuit expressly reversed its prior rulings on the parties' motions and oppositions. In fact, the Eleventh Circuit Court of Appeals was *not bound* by the initial rulings on any of the prehearing motions that Drew Estate cites.[1]

Nor does Drew Estate acknowledge that, as was briefed extensively in the Appeal, when a final judgment in federal court is *amended*, an appeal of the *entire case* is permissible and timely if filed within 30 days of the *amended* judgment. Nor does Drew Estate acknowledge that, at the hearing before the Eleventh Circuit, the panel specifically considered whether

[1] The Eleventh Circuit Court of Appeals' Rules expressly provide: "A ruling on a motion or other interlocutory matter, whether entered by a single judge or a panel, is not binding upon the panel to which the appeal is assigned on the merits, and the merits panel may alter, amend, or vacate it." *See* 11th Cir. R. 27-1(g).

Fantasia should be permitted to appeal the entirety of the case, and in its Order on the Appeal, the Eleventh Circuit specifically concluded: "Any party may, of course, file a timely appeal from the *amended* final judgment" that is to follow the remand. (Nov. 8, 2013, Order in *Drew Estate Holding Company LLC v. Fantasia Distribution, Inc.*, No. 12- 15083 (11th Cir.) (emphasis added). As addressed below, an appeal from an amended judgment relates to the entire case, not just a particular order.

Given that Drew Estate's attempts to revise history – in apparent hopes the Board will ignore the actual course the related proceedings have taken – are the only arguments Drew Estate makes in opposition, there is really nothing before the Board supporting denial of the Motion. Fantasia respectfully submits that the Motion for Relief from the Default Judgment should be granted.

II. RESPONSE TO DREW ESTATE'S VERSION OF RELEVANT FACTS

A. At the Hearing on Appeal, the Eleventh Circuit Indicated Appeal of the Entire Case Will Not Be Untimely

Drew Estate contends that Fantasia's appeal of the June 25, 2012, Summary Judgment Order and July 6, 2012, Permanent Injunction was untimely, and purportedly "[t]here is nothing in the [Eleventh Circuit] Order dated November 8, 2013, that expressly allows Fantasia to reopen any issues relating to the Summary Judgment Order and Permanent Injunction." That is not accurate.

In fact, under the Eleventh Circuit's Rules, a ruling on a motion (whether a motion to dismiss or a request for remand) is not final and may be modified or reversed by the merits panel. Pursuant to11th Cir. R. 27-1(g), "A ruling on a motion or other interlocutory matter,

whether entered by a single judge or a panel, is not binding upon the panel to which the appeal is assigned on the merits, and the merits panel may alter, amend, or vacate it."

The November 8, 2013, Order of the Eleventh Circuit, consistent with Rule 27-1(g), plainly did not treat the prehearing motion rulings as final, despite Drew Estate's contentions. Among other things, although Fantasia had requested that the Court remand the case to the district court to hold an evidentiary hearing on the profits issues, the Eleventh Circuit had initially denied the request in the prehearing proceedings. (See Denison Decl. Exs. 1, 2.) Yet the merits panel plainly vacated that ruling, even if it did not "expressly" state "we therefore reverse the prior ruling." The merits panel stated "we believe the best course is to remand the case to the district court to hold the requested evidentiary hearing …."

With regard to the initial dismissal of Fantasia's appeal of the June 25, 2012, Summary Judgment Order and July 6, 2012, Permanent Injunction (Drew Estate Opp. Ex. E), the following dialogue took place at the hearing on the Appeal on October 11, 2013, beween Circuit Judge Jordan (the author of the November 8, 2013, remand order) and Drew Estate's counsel:

> The Court: Why should the first appeal [the portion regarding infringement liability and the injunction] have been dismissed?
>
> Ms. Jacobs-Meadway: The first appeal should have been dismissed because it was untimely. There was a final judgment.
>
> The Court: It's not final. It can't be final. You just told us that you were seeking damages from the very beginning in your complaint, and the normal finality rule is that if there's work for the district court to do on the merits of the dispute – unless something is collateral like attorneys fees – it's not final. The district court did nothing more than add the words "final judgment" to its summary judgment order on liability.
>
> Ms. Jacobs-Meadway: If you will, Your Honor, we believe that this is collateral just as attorneys fees – it comes under the same section of the statute ,15 U.S.C. 1117(a), and in fact one of the points that I'd like to bring out --
>
> The Court: I mean they're damages, they're not attorneys fees.
>
> Ms. Jacobs-Meadway: It's the same provision of the statute. They're collateral to the –

> The Court: But they're damages. They can't be anything other than damages, right?
>
> Ms. Jacobs-Meadway: Correct, we're looking for profits as a measure of damages.
>
> The Court: Damages are part of your merits claim. They necessarily are …. I can predict as I think with some certainty if we had any summary judgment order up on appeal solely on liability, with damages left to be determined, no matter how final a district court called its summary judgment order, that would be dismissed, because there's work left to be done. The damages haven't been decided…

(Denison Decl. ¶ 3.)

It was in the context of the foregoing that the Eleventh Circuit issued its November 8, 2013, Order.

B. The Eleventh Circuit Order Expressly Stated That Timely Appeal from the Amended Final Judgment Will Be Permissible After the Evidentiary Hearing

The Eleventh Circuit's November 8, 2013, Order is entirely consistent with the Court's views expressed at oral argument. Had it intended the partial dismissal of the appeal to be its final word on whether the liability portion of the case was over, it would have stated that the case was "affirmed in part." Instead, it remanded the case so that the district court proceedings could be completed. Specifically, it wrote that it would "remand the case to the district court to hold the requested evidentiary hearing and then enter a new judgment – whatever that may be – based upon its findings." (Nov. 8. 2013, Order at 2.)

After the district court concludes the proceedings, the panel ruled, it is "to enter an amended final *judgment* based upon what transpires at the hearing. … Any party may, of course, file a timely appeal from the amended final *judgment*." (*Id.* (emphasis added).) The panel did not merely say that the parties may appeal from the *order* the district court may issue on the profits issue. It ordered the district court to enter a new final judgment, concluding the proceedings, so that, if an appeal is taken in the future, it will be from that final judgment.

III. ARGUMENT

A. Appeal from an Amended Final Judgment on the Merits Is Timely After Entry of the Amended Final Judgment

When a federal district court enters judgment in a case, but then amends the judgment to include additional substantive findings and relief, the revised, or "amended," judgment is the one from which appeal lies. *See, e.g., Mendenhall v. Goldsmith,* 59 F.3d 685, 689 (7th Cir. 1995), *cert. denied,* 516 U.S. 1011 (1995); *accord, Manning v. School Bd. of Hillsborough County, Fla.,* 244 F.3d 927, 940 n.23(11th Cir. 2001). If a timely appeal of the amended judgment is filed, the appeal is from the entire judgment, because the originally entered judgment is considered "nonfinal." *See, e.g.,In re Grabill Corp.*, 983 F.2d 773, 775-76 (7th Cir.1993).

In the case at hand, as Circuit Judge Jordan noted at the hearing, if a case were concluded only as to a finding of liability, but damages had yet to be determined, there would be no final judgment yet from which to appeal. That is in fact exactly where the federal court proceedings stand today. The Eleventh Circuit determined to remand the case so that the district court could complete the proceedings and enter a final "amended" judgment. After that, as the Eleventh Circuit expressly stated: "Any party may, of course, file a timely appeal from the amended final judgment."(Nov. 8, 2013, Order at 2.)

Despite the foregoing, Drew Estate argues that purportedly the rulings on infringement liability and injunction have been finally determined and may not be revisited on a further appeal. Drew further argues that, purportedly, Fantasia waived the ability to appeal the rulings by not doing so prior to the entry of the award of profits. In so arguing, Drew Estate apparently hopes the TTAB will misapprehend the state of the federal proceedings. There has yet to *be* a final judgment in the Florida action from which an appeal may be had. This is a case in which,

in Circuit Judge Jordan's words, we have a "summary judgment order … solely on liability, with damages left to be determined." (Denison Decl. ¶ 3.) Drew Estate's arguments lack merit, given that waiver only applies to a party's failure to exercise an *existing* right. See, e.g., Husky Rose, Inc. v. Allstate Ins. Co., 19 So. 3d 1085, 1088 (Fla. App. 2009) (waiver elements include "the existence at the time of the waiver of a right, privilege, advantage, or benefit which may be waived"). Here, Fantasia's right to appeal from the judgment in the federal case has yet to come into being. It is only when the federal district court proceedings are concluded, and a judgment is entered on liability as well as damages, that Fantasia will have that right. Until then, the course of the lower court proceedings, and any appeal from them, has yet to be determined.

Drew Estate's arguments concerning "law of the case" are similarly misguided. Had a final judgment (determining both liability and damages) been reviewed on appeal and affirmed, then that judgment would be law of the case. That is not what occurred, though, and so none of Drew Estate's authorities are apposite. *See, e.g., Oliver v. Orange County, Fla.*, 456 Fed. Appx. 815 (11th Cir. Jan. 31, 2012) (law of the case did not apply where, *inter alia*, no final judgment had been entered in district court before first appeal). Moreover, Drew Estate's principal authoritiy, *Jackson v. State of Alabama State Tenure Com'n*, 405 F.3d 1276 (11th Cir. 2005), actually states the several *exceptions* to the law of the case doctrine, whose applicability can only be determined after the additional proceedings have taken place on remand.

In sum, Drew Estate's arguments that purportedly the issues in this Opposition proceeding have been finally determined are premised on a misstatement of the procedural posture of the federal court proceedings and misapplication of the law. The default should therefore be set aside.

B. The Facts and Circumstances That Changed Since March 2013 Are the Sole Facts and Circumstances on Which Drew Estate Premised Its Motion for Judgment

The only other argument Drew Estate makes in opposition to the motion is that purportedly a ruling from the Eleventh Circuit is not "new evidence" that may form the basis for a motion to set aside a default under TBMB Rules 3.102.3 and 544 and Federal Rules of Civil Procedure 55(c) and 60(b)(2). In support, Drew Estate cites, by way of example, cases in which new evidence considered on Rule 60(b) motions consisted of declarations and new expert reports. Since these cases concerned testimonial-type evidence, Drew Estate extrapolates, a ruling from a court purportedly cannot constitute new "evidence."

The problem with Drew Estate's argument is, the entire basis for Drew Estate's motion that resulted in judgment being entered against Fantasia was a ruling of the Eleventh Circuit. (*See* Opposer Drew Estate's Jan. 29, 2013, Notice of Final Judgment and Dismissal of Appeal.) Specifically, Drew Estate argued that "the U.S. Court of Appeals for the Eleventh Circuit has dismissed, in relevant part, Fantasia's appeal. In its Order dated January 16, 2013, the Eleventh Circuit held that the appeal was untimely to challenge the District Court's July 11, 2012, final order resolving all claims against all parties …." (*See id.*) At risk of stating the obvious, if a ruling of the Eleventh Circuit can qualify as judicial notice evidence to support a ruling, a subsequent ruling of the same court, superseding the prior ruling, can qualify as "evidence" within the meaning of Rule 60(b).

In its discussion of Rule 60(b), Drew Estate also makes a timeliness argument. According to Drew Estate, it was incumbent upon Fantasia in March 2013 – eight months *before* the Eleventh Circuit's second ruling – to notify the TTAB of the grounds Fantasia has now asserted. Fantasia submits that it is not a soothsayer. It submitted the present motion within less than 20 days of the ruling that was entered

by the Eleventh Circuit, well before the one-year limitation under Rule 60(b) would run out. Drew Estate's arguments concerning Rule 60(b)'s evidence and timing requirements are therefore not availing.

IV. CONCLUSION

For all the foregoing reasons, Fantasia submits that the Motion to Set Aside Default should be granted in its entirety.

Date: January 7, 2014

Respectfully submitted,

James W. Denison
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DECLARATION OF JAMES W. DENISON

I, JAMES W. DENISON, hereby declare:

1. I am general counsel to Applicant-Defendant Fantasia Distribution, Inc. ("Fantasia"). I have personal knowledge of the facts set forth in this declaration and, if called as a witness, I could and would testify competently to such facts under oath.

2. This Motion to Set Aside Default concerns the matter *Drew Estate Holding Company LLC v. Fantasia Distribution, Inc.*, No. 12- 15083 (11th Cir.). As indicated in the parties' papers, in the Eleventh Circuit proceedings, a number of prehearing motions were entertained before the merits panel issued its November 8, 2013, Order. Omitted from the recitation of the procedural history of the case provided by Opposer-Plaintiff Drew Estate Holding Company LLC ("Drew Estate"), were the motion of Fantasia to remand the case to the Florida District Court and the Eleventh Circuit's order denying the motion. The order denying the motion for remand, like the order on the motion to dismiss that Drew Estate cites, was actually superseded by the November 8, 2013, Order. A true and correct copy of the aforementioned motion for remand and order initially denying the motion are attached hereto and incorporated herein as Exhibits 1 and 2, respectively.

3. As stated in my prior declaration, at oral argument, the merits panel revisited the issue of whether the appeal was or was not timely. I requested and obtained a copy of the recording of the hearing from the Eleventh Circuit. The recording includes the following dialogue between Circuit Judge Jordan and Drew Estate's counsel:

> The Court: Why should the first appeal [the portion regarding infringement liability and the injunction] have been dismissed?
>
> Ms. Jacobs-Meadway: The first appeal should have been dismissed because it was untimely. There was a final judgment.
>
> The Court: It's not final. It can't be final. You just told us that you were seeking damages from the very beginning in your complaint, and the normal finality rule is that if there's work for the district court to do on the merits of the dispute – unless something is collateral like attorneys fees – it's not final. The district court did nothing more than add the words "final judgment" to its summary judgment order on liability.

Ms. Jacobs-Meadway: If you will, Your Honor, we believe that this is collateral just as attorneys fees – it comes under the same section of the statute ,15 U.S.C. 1117(a), and in fact one of the points that I'd like to bring out --

The Court: I mean they're damages, they're not attorneys fees.

Ms. Jacobs-Meadway: It's the same provision of the statute. They're collateral to the –

The Court: But they're damages. They can't be anything other than damages, right?

Ms. Jacobs-Meadway: Correct, we're looking for profits as a measure of damages.

The Court: Damages are part of your merits claim. They necessarily are …. I can predict as I think with some certainty if we had any summary judgment order up on appeal solely on liability, with damages left to be determined, no matter how final a district court called its summary judgment order, that would be dismissed, because there's work left to be done. The damages haven't been decided…

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed on January 7, 2014, at Orange County, California.

James W. Denison

EXHIBIT 1

CA No. 12-15083-D

IN THE UNITED STATES COURT OF APPEALS

FOR THE ELEVENTH CIRCUIT

FANTASIA DISTRIBUTION, INC.,

Appellant - Defendant - Third-Party Plaintiff

v.

DREW ESTATE HOLDING COMPANY LLC,

Appellee - Plaintiff

and

STARBUZZ TOBACCO, INC.

Appellee - Third-Party Defendant

On Appeal from the United States District Court

for the Southern District of Florida

No. 11-21900-CIV

APPELLANT'S MOTION FOR REMAND AFTER INDICATIVE RULING

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APPELLANT'S CERTIFICATE OF INTERESTED PARTIES AND CORPORATE DISCLOSURE STATEMENT

Pursuant to Federal Rule of Appellate Procedure 26.1 and 11th Circuit Local Rule 26.1-1, Appellant Fantasia Distribution, Inc., certifies that no supplementation of its original certificate of interested parties and corporate disclosure statement is required at this time.

Date: February 1, 2013

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APPELLANT'S MOTION FOR REMAND AFTER INDICATIVE RULING

I. INTRODUCTION

One of the main issues in this litigation and in this appeal is whether appellant Fantasia Distribution, Inc. ("Fantasia"), should have been afforded an evidentiary hearing in connection with the motion for an award of profits by appellee Drew Estate Holdings, LLC ("DE"). The District Court had original ruled that an evidentiary hearing was not necessary.

However, recently, the issue was entertained again by the District Court, in connection with Fantasia's motion to stay execution of the judgment. On January 3, 2013, in ruling on the motion for stay, the District Court indicated that its prior ruling regarding the evidentiary hearing was in error. Moreover, the District Court wrote:

> [I]f Fantasia were to obtain a limited remand from the Eleventh Circuit Court of Appeals, the Court would grant Fantasia's motion for relief from the judgment pursuant to Federal Rule of Civil Procedure 60(b)(6), and schedule an evidentiary hearing. *See*, *e.g.*, *Fobian v. Storage Tech. Corp.*, 164 F.3d 887, 891 (4th Cir. 1999) ("If the district court is inclined to grant the motion, it should issue a short memorandum so stating. The movant can then request a limited remand from [the court of appeals] for that purpose.").

(*See* Jan. 3, 2013, Order, ECF#246 at 11.[1])

[1] The ruling on the motion for stay is included in Fantasia's Request for Judicial Notice.

II. DISCUSSION

Based on the foregoing, Fantasia moves the Court for an order remanding this action for the limited purpose of allowing the District Court to rule on a Rule 60(b) motion and to allow the evidentiary hearing the District Court indicated it would conduct. The motion is supported by Federal Rule of Appellate Procedure 12.1, which provides:

> If a timely motion is made … for relief that [a district court] lacks authority to grant because of an appeal that has been docketed and is pending … [and if] the district court states that it would grant the motion or that the motion raises a substantial issue, the court of appeals may remand for further proceedings [in the district court].

This Court's Local Rules also allow a similar procedure permitting a district court to issue an indicative ruling and, if this Court deems appropriate, a remand from this Court.[2] *See* 11th Cir. L.R. 12.1-1(c), (d).

Local Rule 12.1-1(e) further provides that the parties should notify this Court "promptly" when an indicative ruling has been issued. Fantasia previously notified this Court the same day the ruling was issued, in Fantasia's reply brief.

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[2] Fantasia recognizes that Local Rule 12.1-1(a) also envisions that, upon filing a motion for which the district court lacks jurisdiction, a party must request a stay from this Court to allow determination of the motion. This did not occur in this case for the simple reason that Fantasia's motion that prompted the indicative ruling was a motion for stay, not a motion for relief pursuant to Rule 60(b) that the District Court has indicated it would grant.

With this motion, Fantasia seeks to clarify that it seeks a remand from this Court so that the District Court may entertain the Rule 60(b) motion and to hold the evidentiary hearing contemplated by the District Court's January 3, 2013, Order.

III. CONCLUSION

For all the foregoing reasons, appellant Fantasia respectfully requests that the Court remand this appeal for the limited purpose of allowing the District Court to rule on a Rule 60(b) motion and to conduct an evidentiary hearing in connection with DE's motion for an award of profits.

Date: Feb. 1, 2013

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CERTIFICATE OF SERVICE

This is to certify that on 2/1/13 a copy of the foregoing has been electronically filed with the Clerk of the Court using the CM/ECF system and served on all counsel of record noted below in the manner specified, either via transmission of Notices of Electronic Filing generated by CM/ECF or via US Mail for those counsel or parties who are not authorized to electronically receive Notices of Electronic Filing.

/Mark Terry/
Mark Terry, B.C.S.

SERVICE LIST

CASE NO. 1:11-CV-21900-CMA

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EXHIBIT 2

IN THE UNITED STATES COURT OF APPEALS

FOR THE ELEVENTH CIRCUIT

No. 12-15083-DD

DREW ESTATE HOLDING COMPANY LLC,

Plaintiff - Counter Defendant -
Appellee,

versus

FANTASIA DISTRIBUTION, INC.,

Defendant - Third Party Plaintiff
Counter Claimant - Counter Defendant -
Appellant,

STARBUZZ TOBACCO, INC.,

Third Party Defendant -
Counter Claimant -
Appellee.

Appeal from the United States District Court
for the Southern District of Florida

ORDER:

Appellant's motion to remand this appeal on a limited basis to the district court and take judicial notice is denied.

E. R. Cox

UNITED STATES CIRCUIT JUDGE

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing document was served on counsel for Plaintiff-Opposer addressed as follows on the date listed below by email and regular mail:

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Date: January 7, 2014

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