UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451
General Contact Number: 571-272-8500

Mailed: July 31, 2015

Opposition No. 91218304

Kosan Kozmetik Sanayi Ve Ticaret Anonim Sirketi

v.

Marcus Asam, Mirjam Asam, and Ruth Axel

George C. Pologeorgis,
Interlocutory Attorney:

This case now comes before the Board for consideration of Applicants' motion (filed April 30, 2015) for leave to amend their answer to assert various counterclaims.[1] The motion is fully briefed.

Applicant's Motion for Leave to Amend Pleadings

By way of their motion, Applicants seek to amend their answer to assert counterclaims against Opposer's pleaded registrations. Specifically, Applicants seek to assert a counterclaim against both of Opposer's pleaded registered marks on the ground that Opposer did not have a *bona fide* intention to use the marks at the

[1] By order dated May 1, 2015, the Board advised Applicants that the Board would not give any consideration to their motion for leave to amend their answer to assert various counterclaims because Applicants failed to submit the filing fee for their counterclaims. On May 1, 2015, Applicants filed a communication with the Board requesting that the Board charge their counsel's deposit account to cover the fees for the counterclaims. Because Applicants have now submitted the appropriate filing fees for their counterclaims, the Board will now entertain Applicants' motion for leave to amend their pleading.

time Opposer filed the underlying applications for each mark and, therefore, the underlying applications are void *ab initio*. Additionally, Applicants seek to assert a counterclaim of abandonment against each of Opposer's pleaded registrations.

In support of their motion, Applicants maintain that they learned of the grounds for their proposed counterclaims only after receiving supplemental responses to their written discovery. In view thereof, Applicants argue that they have not delayed in seeking to amend their pleading.

In response, Opposer argues the merits of Applicants' proposed counterclaims. Additionally, Opposer maintains that the counterclaims are barred by the compulsory counterclaim rules because the factual bases for Applicants' counterclaims were known to Applicants at the time they filed their answer. Specifically, Opposer contends that the factual information upon which Applicants rely in support of their motion for leave to amend their answer was readily available on Opposer's website at the time Applicants filed their answer.

In reply, Applicants argue, *inter alia*, that there is no evidence of record which would demonstrate that Opposer's website was active at the time Applicants filed their answer. Even assuming that Opposer's website was active at the time Applicants filed their answer, Applicants maintain that it is not clear when Opposer's website went live, when or if it was available to U.S. consumers, if the website allowed U.S. consumers to purchase goods or when, if ever, U.S. consumers utilized the site to purchase Opposer's goods. Additionally, Applicants contend that it is unclear from printouts of Opposer's website when any items on the website first

appeared and/or which specific items identified in Opposer's pleaded registration have appeared or currently appear on Opposer's site. Finally, Applicants argue that Opposer's website is not probative on the question of Opposer's *bona fide* intent to use its pleaded marks at the time Opposer filed its underlying applications for said marks.

Decision

Inasmuch as Applicants filed their answer in this proceeding more than twenty one days ago, Applicants may amend their answer only by written consent of Opposer or by leave of the Board. *See* Fed. Civ. P. 15(a); TBMP § 507.02(a) (2015).

The Board liberally grants leave to amend pleadings at any stage of a proceeding when justice so requires, unless entry of the proposed amendment would violate settled law or be prejudicial to the rights of the adverse party or parties. *See id. See also American Optical Corp. v. American Olean Tile Co.*, 168 USPQ 471 (TTAB 1971).

In deciding whether to grant leave to amend, a tribunal may consider undue delay, prejudice to the opposing party, bad faith or dilatory motive, futility of the amendment, and whether the party has previously amended its pleadings. *See Foman v. Davis*, 371 U.S. 178, 182 (1962).

In this instance, the Board, based upon the record, does not find any evidence of bad faith or dilatory motive on the part of Applicants in seeking to amend their pleading. Moreover, the Board does not find undue delay on the part of Applicants in seeking to assert their proposed counterclaims because Applicants only learned of

the factual basis for their proposed counterclaims after receiving supplemental responses to their written discovery. The Board notes that Applicants filed their motion for leave to amend shortly thereafter. The Board further notes that the concept of "undue delay" is inextricably linked with the concept of prejudice to the non-moving party, *see Marshall Field & Co. v. Mrs. Field Cookies*, 11 USPQ2d 1355, 1359 (TTAB 1989) and, in this case, the Board finds no such prejudice to Opposer in allowing Applicants to assert their proposed counterclaims at this juncture in the proceeding particularly since there is no need for Opposer to conduct discovery on the counterclaims because any evidence regarding Opposer's *bona fide* intention to use its pleaded marks at the time it filed its underlying applications or any evidence of actual use of its pleaded registered marks on all the goods identified in its pleaded registrations would be in Opposer's own possession, custody and control.

Moreover, we note that this is the first instance where Applicants sought to amend their pleading. With regard as to whether Applicants' proposed counterclaim is futile, the Board notes that, although a claim of abandonment and lack of a bona fide intention to use the mark as of the filing date of an underlying application are proper claims for cancellation of a registration, the Board nevertheless finds that Applicants have not properly pleaded their proposed claim of abandonment.[2]

To set forth a cause of action to cancel a registration which assertedly has been abandoned, a plaintiff must allege ultimate facts pertaining to the alleged

[2] The Board finds, however, that Applicants have sufficiently pleaded that Opposer did not have a *bona fide* intention to use either of its pleaded marks as of the filing date of the underlying applications for each pleaded mark.

abandonment that, if proved, would establish a prima facie case. *Otto International, Inc. v. Otto Kern GMBH*, 83 USPQ2d 1861, 1863 (TTAB 2007). To provide fair notice to a defendant, such a pleading must allege at least three consecutive years of non-use, or must set forth facts that show a period of nonuse less than three years, together with an intent not to resume use. *See* Trademark Act § 45, 15 U.S.C. § 1127.

In this instance, Applicants have failed to allege affirmatively that Opposer has not used either of its pleaded marks for three years or, alternatively, has never commenced use of either mark with no intent to commence such use. Moreover, to the extent Applicants' proposed counterclaim of abandonment concerns only some of the goods identified in either of Opposer's pleaded registrations, Applicants have failed to specify those precise goods.

In view of the foregoing, Applicants' motion for leave to amend their answer to assert counterclaims is **GRANTED**[3] to the extent that Applicants are allowed until **August 14, 2015** in which to file and serve an amended answer and counterclaim which properly sets forth a counterclaim of abandonment in accordance with the guidelines set forth herein, failing which Applicants' counterclaim of abandonment will be given no further consideration and the counterclaim will only proceed on the claim that Opposer lacked a bona fide intent to use either of its pleaded marks as of the filing date of Opposer's underlying applications.[4]

[3] In light of this order, Applicants' motion for reconsideration filed on May 1, 2015 is deemed moot and will be given no further consideration.

[4] Applicants should re-assert their claim of lack of *bona fide* intention to use the mark as of the filing date of each of Opposer's underlying applications in its amended pleading.

In turn, Opposer is allowed until **fifteen (15) days** from the date indicated on the certificate of service of Applicants' amended pleading in which to file and serve an answer to the counterclaim.[5]

As a final matter, the Board notes that, on July 28, 2015, Opposer filed a notification with the Board that it intends to take a testimony deposition of one of its trial witnesses upon written questions. In light of this order, proceedings are **suspended**, including Opposer's testimony period and any further action on Opposer's testimony deposition upon written questions, pending Applicants' submission of their amended counterclaim and Opposer's answer thereto pursuant to the guidelines set forth herein. Once the issues of Applicants' counterclaim have been joined, the Board will issue a subsequent order resuming Opposer's testimony period but suspending this proceeding for the sole purpose of allowing the orderly completion of Opposer's testimony deposition upon written questions.

[5] In the event Applicants fail to submit an amended pleading within the timeframe provided by this order, Opposer is allowed until **August 29, 2015** in which to file and serve its answer to Applicants' counterclaim of lack of a bona fide intention to use Opposer's pleaded marks as of the filing date of each of Opposer's underlying applications.