ESTTA Tracking number: **ESTTA672996**

Filing date: **05/19/2015**

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

Proceeding	91218845
Party	Defendant EnerSkin Korea
Correspondence Address	WILLIAM W STROEVER GREENBERG TRAURIG LLP 200 PARK AVE, PO BOX 677 FLORHAM PARK, NJ 07932-0677 UNITED STATES njdocket@gtlaw.com, stroeverw@gtlaw.com, ameliom@gtlaw.com
Submission	Reply in Support of Motion
Filer's Name	William W. Stroever
Filer's e-mail	njdocket@gtlaw.com, stroeverw@gtlaw.com, ameliom@gtlaw.com, kimjo@gtlaw.com
Signature	/William W. Stroever/
Date	05/19/2015
Attachments	229103485_v 1_Enerskin - Reply in Support of Motion to Set Aside.PDF(161898 bytes)

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

SKINS INTERNATIONAL TRADING AG, Opposer, v. ENERSKIN KOREA, Applicant.	Opposition No. 91218845 Mark: ENERSKIN Serial No. 86/159,292 Filed: January 7, 2014

APPLICANT'S REPLY IN FURTHER SUPPORT OF ITS MOTION TO SET ASIDE THE DEFAULT JUDGMENT

Applicant Enerskin Korea ("Applicant") submits this Reply in Further Support of its Motion to Set Aside the Default Judgment pursuant to Fed. R. Civ. P. 55(c) and 60. Opposer's Opposition to Applicant's Motion to Set Aside the Default Judgment mischaracterizes the law applicable to this situation in an attempt to elevate the bar that must be cleared by Applicant.

According to Opposer, Applicant must "persuasively show" that the requested relief is warranted. Moreover, according to Opposer, relief from a final judgment is an "extraordinary remedy" to be granted "only in exceptional circumstances." However, Opposer cites the wrong standard for this situation. Pursuant to TBMP §§ 544 and 312.03, requests for relief from a default judgment for failure to answer are treated differently than other requests for relief from final judgments. Specifically, "[b]ecause default judgments for failure to timely answer the complaint are not favored by the law, a motion under Fed. R. Civ. P. 55(c) and Fed. R. Civ. P. 60(b) seeking relief from such a judgment is generally treated with more liberality by the Board than are motions under Fed. R. Civ. P. 60(b) for relief from other types of judgments." TBMP § 544; *see also Information Sys. and Networks Corp. v. United States*, 994 F.2d 792, 795 (Fed. Cir. 1993) ("Rule 60(b) is applied most liberally to judgments in default."). Indeed, judgment by

default is a drastic step which should be resorted to only in the most extreme cases. *United Coin Meter Co. v. Seaboard Coastline R.R.*, 705 F.2d 839, 845 (6th Cir. 1983). Such is the preference for trials on their merits that close cases should be resolved in favor of the party seeking to set aside default judgment. *Information Sys.*, 994 F.2d at 795. Applicant submits that the Board should apply this proper, liberal treatment in addressing Applicant's Motion, and apply the three factors used by courts in deciding a motion to vacate a default judgment for failure to answer: (1) whether the plaintiff will be prejudiced; (2) whether the default was willful; and (3) whether the defendant has a meritorious defense to the action. *Information Sys.*, 994 F.2d at 795; TBMP § 312.03. These three factors must be balanced in order to enable the Board to weigh the facts and use its discretion to determine whether a party is deserving of the harsh sanction of default judgment. *Information Sys.*, 994 F.2d at 796.

With respect to prejudice, Opposer's argument that it will be prejudiced because Applicant has asserted a counterclaim is baseless. First, courts have repeatedly held that it is not prejudice that the non-moving party will need to litigate the case should the default judgment be vacated. *Accu-Weather, Inc. v. Reuters, Ltd.*, 779 F.Supp. 801, 802 (M.D. Pa. 1991). Prejudice exists if circumstances have changed since entry of the default such that the plaintiff's ability to litigate its claim is now impaired in some material way or if relevant evidence has become lost or unavailable. *Id.* Such circumstances do not exist in this case, nor has Opposer asserted that it has suffered any such prejudice. Second, Opposer will not be prejudiced by Applicant's counterclaim because Applicant could just as easily bring a separate cancellation proceeding against Opposer's two registrations. That Applicant has chosen to consolidate litigation and streamline multiple proceedings is in no way prejudicial to Opposer.

With respect to the willfulness factor, Opposer's only argument is that Applicant was aware of the answer deadline, and therefore its failure to response must have been willful. The caselaw of the Federal Circuit, however, is clear that even negligence (which is asserted by Opposer) does not rise to the level of willful disregard for the court's rules and procedures. *See, e.g., Information Sys.*, 994 F.2d at 796 (noting that a rule finding a party's conduct culpable for merely having notice of the claim against it and failing to answer would be inconsistent with Rule 60(b)(1)). Each of the cases cited by Opposer applies law that runs counter to the established law of the Federal Circuit, and should not influence the Board's decision here. Indeed, even the circuits from which Opposer's cases come are clear that something more than negligence is required in order to find willfulness. *See Scott v. Carpanzano*, 556 Fed. Appx. 288 (5th Cir. 2014) (noting that a willful default is an intentional failure to respond to litigation); *Keebler v. Rath*, 405 Fed. Appx. 517, 519 (2d Cir. 2010) (noting that a default is not willful when it was caused by a mistake made in good faith); *Swarna v. Al-Awadi*, 622 F.3d 123 (2d Cir. 2010) (noting that willfulness in this context requires something more than mere negligence, such as "egregious or deliberate conduct"). The Board has been similarly clear that mistake and inadvertence do not rise to the level of willfulness in the context of a motion to vacate a default judgment. *See, e.g., Djeredjian v. Kashi Co.*, 21 USPQ2d 1613 (TTAB 1991) (vacating default judgment even though movant was aware of response deadline). In this case, Applicant's default was based on a miscommunication or communication error between Applicant and its counsel, not from any deliberate conduct by Applicant. (See Applicant's opening brief in support of this motion at pp. 1-3). Accordingly, the Board should find that this factor weighs in favor of Applicant.

With respect to the meritorious defense factor, Opposer simply asserts, without presenting any factual or legal basis, that "Applicant has no 'meritorious defense'". Such conclusory statements are insufficient to support any position by Opposer. *See, e.g., Leffler v. Mason County*, 131 Fed. Appx. 509, 511 (9th Cir. 2005) (finding claims without merit "because they are conclusory statements unsupported by legal argument or reference to the record"). On the contrary, Applicant's proposed Answer and counterclaims sufficient facts and arguments to overcome Opposer's claims in their entirety – from the weakness of Opposer's "skin" element, to the differences in the marks and goods of the parties, to Opposer's own admissions as to the weakness of elements of its marks and the sophistication of its consumers. The Board should thus disregard Opposer's conclusory statement as to Applicant's defenses and find that this factor weighs in favor of Applicant.

In conclusion, and based on its arguments in its moving papers and in this Reply, Applicant respectfully submits that it has made a strong showing on each of the three factors to set aside the default judgment. Moreover, even if the Board disagrees with Applicant on any one of these points, the balance of the factors still weighs heavily in favor of Applicant, and default judgment should be set aside so that this case can proceed on its merits.

///

///

///

Dated: May 19, 2015

Respectfully submitted,

GREENBERG TRAURIG, LLP

By: _____

John K. Kim
William W. Stroever
200 Park Avenue
P.O. Box 677
Florham Park, NJ 07932-0677
Tel. 973-443-3524
Fax: 973-295-1291

Attorneys for Applicant
EnerSkin Korea

CERTIFICATE OF SERVICE

I hereby certify that a true and complete copy of the foregoing APPLICANT'S REPLY IN FURTHER SUPPORT OF ITS MOTION TO SET ASIDE THE DEFAULT JUDGMENT has been served on Skins International Trading AG by mailing said copy on May 19, 2015, via First Class Mail, postage prepaid to:

Tamara F. Carmichael
Loeb & Loeb LLP
345 Park Avenue
New York, NY 10154

William W. Stroever