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

Proceeding	91222434
Party	Defendant Invicta S.p.A.
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

INVICTA WATCH COMPANY OF AMERICA,
INC.,

Opposer,

vs.

INVICTA S.P.A.,

Applicant.

Opposition No. 91222434 (Parent Case)
Opposition No. 91224325

APPLICANT INVICTA S.P.A.'S MOTION FOR SUMMARY JUDGMENT

Applicant Invicta S.p.A. (“Applicant”) in these consolidated proceedings, by and through its undersigned counsel, makes this motion for summary judgment dismissing the consolidated proceedings brought by Opposer Invicta Watch Company of America, Inc. (“Opposer”).

PRELIMINARY STATEMENT

The parties to these proceedings have entered into three agreements in settlement of prior U.S. district court and Trademark Trial and Appeal Board (the “Board”) litigation, all determining the parties’ rights to use the mark at issue in this matter, namely the designation INVICTA (the “Mark”). These settlement agreements preclude the claims being made by Opposer in these proceedings. Additionally, as a result of Applicant’s prior registrations for the Mark, Opposer’s claims in these proceedings should be dismissed under the *Morehouse* doctrine.

FACTS

The Parties

Applicant is an Italian company that manufactures and sells goods such as clothing, namely jackets, t-shirts, shorts, underwear, headgear, scarves and socks, as well as various stationery items, namely, pencil cases, exercise books, diaries, ring binders, drawing cases, and

bags, luggage and backpacks. Applicant has used the Mark in connection with many of these goods since at least 1961 in the United States. *See* Declaration of Jeanne Hamburg in Support of Applicant's Motion for Summary Judgment ("Hamburg Dec.") at ¶ 2, Ex. A. Opposer is a U.S. company that manufactures and distributes watches and related products. Opposer claims that it has been selling such goods under the Mark in the United States since approximately 1989. *Id.* at ¶ 3, Ex. B. For 17 years, the parties peacefully coexisted in the marketplace, each using the Mark for their respective goods and services, without issue. *Id.* at ¶ 4.

Prior Proceedings and Resolution through Settlement Agreements

In 2006, however, the parties' use of the Mark collided following Applicant's application to register the Mark in connection with goods in Classes 9, 18, and 25. Hamburg Dec. at ¶ 5. In response, Opposer instituted Opposition No. 91173241 before the Board on October 3, 2006. *See id.* Thereafter, Applicant learned of Opposer's application to register the Mark in connection with goods in Class 25, as well as several other pending applications for the Mark. Applicant initiated proceedings to oppose Opposer's pending applications. In total, the parties instituted three Board proceedings and Applicant instituted a civil action, filed in the U.S. District Court for the Southern District of New York (the "Civil Action"), all of which concerned use and registration by the parties of the Mark. The parties resolved these prior Board proceedings and the Civil Action through entry into three agreements, which formalized the parties' consent to coexist in the marketplace by using the Mark on their respective, distinguishable, goods. It is the terms of these three agreements that collectively preclude Opposer from prosecuting these consolidated proceedings.

The agreements are attached to the accompanying Declaration of Jeanne Hamburg and their terms are summarized as follows. First, on December 30, 2009, the parties entered into an

agreement in settlement of the Civil Action (the “2009 Settlement Agreement”). *See* Hamburg Dec. at 7, Ex. C. In the Civil Action, Applicant alleged that Opposer infringed its rights in and to the Mark through Opposer’s use of that designation for goods in Classes 18 and 25. Applicant also sought a declaratory judgment denying registration of Opposer’s two applications covering goods in Classes 18 and 25.¹ *Id.* at ¶ 8. Pursuant to the 2009 Settlement Agreement, in exchange for dismissal of the Civil Action, Opposer expressly agreed to cease all use of the Mark on any goods in Classes 18 and 25, to destroy any existing goods within Classes 18 and 25, to abandon its pending application covering Classes 18 and 25, to delete from another pending application any goods within Class 25, to refrain from applying for trademark registration of any mark containing the Mark anywhere in the world for goods in Classes 18 and 25, and to withdraw its opposition to an international application filed by Applicant as to goods in Classes 18 and 25. *See Id.* at ¶ 9, Ex. C at ¶¶ 1, 3, 5, 6. Accordingly, the latter international application matured to Applicant’s Registration No. 3976519 for INVICTA, which is still subsisting with respect to numerous goods in Classes 18 and 25. *Id.*

On December 28, 2010, the parties entered into a second settlement agreement (the “2010 Settlement Agreement”). *See* Hamburg Dec. at ¶ 10, Ex. D. That Agreement prohibits Opposer from using the Mark in connection with certain Class 9 and 16 goods. These goods include scuba masks, underwater sports goggles, safety goggles and safety helmets; paper and cardboard, stationery, notebooks, note pads, school diaries, soft and hard school supply pouches for holding pens and pencils among other articles; pencil sharpeners, drawing rulers, erasers, personal organizers, address books, and folders. *See Id.* at ¶ 10, Ex. D at ¶ 4.

¹ The applications in question were U.S. Trademark Application Serial No. 78/932876 for INVICTA-GEAR and 77/031973 for I INVICTA RESERVE FOR THE FEW WHO KNOW BEST; the latter issued to registration only for Class 14 in accordance with the 2009 Settlement Agreement.

On September 12, 2011, the parties entered into a third, and final, settlement agreement (the “2011 Settlement Agreement”) (collectively, 2009 Settlement Agreement, 2010 Settlement Agreement, and 2011 Settlement Agreement referred to as the “Settlement Agreements”). *Id.* at ¶ 11, Ex. E. That Agreement again prohibits Opposer from using the Mark for scuba masks and underwater sports goggles, safety goggles, and safety helmets in Class 9, and all the Class 16 goods identified in the 2010 Settlement Agreement. *Id.* at ¶ 12, Ex. E at ¶ 2. It also prohibits Opposer from using the Mark on numerous goods in Class 18, namely leather and imitation leather bags, suitcases, shoulder bags, wallets, coin purses, rucksacks, school bags, sports bags, waistpacks and umbrellas, and reiterates the prohibition on Opposer’s use of the Mark on clothing in Class 25. *Id.* In turn Applicant consented to Opposer’s use and registration of the Mark for sunglasses in Class 9 and pens in Class 16. *Id.* at ¶ 12, Ex. E at ¶ 1.

Importantly, the 2011 Settlement Agreement also provides:

Each party agrees not to institute any action to oppose, cancel or otherwise interfere with the use and registration of the other party’s respective mark pursuant to the above conditions.

See Hamburg Dec. at ¶ 13, Ex. E at ¶ 3 (emphasis added).

Despite the entry into the Settlement Agreements, in or about March, 2012, Applicant discovered that Opposer had commenced the sale of clothing bearing the Mark on zazzle.com, an ecommerce site to which Opposer directed users through Opposer’s web site, invictawatch.com. *Id.* at ¶ 14. Immediately upon learning of the Opposer’s breach of the Settlement Agreements, Applicant wrote to Opposer and demanded cessation of sales and an accounting and destruction of the clothing. Additionally, Applicant sent a “take down” demand to zazzle.com. In response to Applicant’s demands, zazzle.com ceased sales of the merchandise and Applicant’s CEO signed a declaration attesting that the sales were the only such sales in violation of the Settlement

Agreements. Opposer's CEO also attested in the declaration as to the amount of royalties earned on such sales and Opposer disgorged those royalties to Applicant. *Id.* at ¶ 15, Exs. F, G.

By instituting these consolidated proceedings, Opposer again violates the Settlement Agreements. Those Agreements prohibit Opposer from challenging Applicant's right to use and register the Mark for the goods covered by the applications in issue, including clothing.² As a result of the terms of the Settlement Agreements, Opposer is contractually estopped from opposing Applicant's applications for Application Serial No. 79/146,181 and Serial No. 86/301,552 (the "Applications in Issue"). Further, given the long-standing and still subsisting registrations Applicant already owns for the Mark covering substantially similar goods, Opposer's opposition should be dismissed under the *Morehouse* doctrine.

ARGUMENT

I. Standard on Summary Judgment

The Board will grant summary judgment when there is no genuine dispute with respect to any material fact, and it may decide the case as a matter of law. *See* Fed. R. Civ. P. 56(c)(1). A party moving for summary judgment has the burden of demonstrating the absence of any genuine dispute as to a material fact, and that it is entitled to judgment as a matter of law. *See* TBMP § 528.01; *see also Celotex Corp. v. Catrett*, 477 U.S. 317, 323 (1986); *Sweats Fashions, Inc. v. Pannill Knitting Co. Inc.*, 833 F.2d 1560, 4 U.S.P.Q.2d 1793, 1796 (Fed. Cir. 1987). A factual dispute is genuine if, on the evidence of record, a reasonable fact finder could resolve the matter in favor of the non-moving party. *See Anderson v. Liberty Lobby*, 477 U.S. 242, 248 (1986).

² Applicant has made motions to amend the identification of goods and services in both of the Applications in Issue based upon its present intentions with respect to use of the mark. The Board has deferred decision on the motions to amend until its final determination of these consolidated proceedings. Whether or not these motions to amend are granted, Applicant submits that these proceedings should be dismissed for the reasons set forth herein.

“One of the principal purposes of the summary judgment rule is to isolate and dispose of factually unsupported claims or defenses.” *Celotex*, 477 U.S. at 323-24.

Applicant submits that summary judgment is appropriate in this case on the grounds of contractual estoppel and the *Morehouse* doctrine. Opposer’s oppositions should be dismissed and Applicant’s Applications in Issue in this consolidated proceeding should be permitted to proceed to registration.

II. The Doctrine of Contractual Estoppel Precludes Opposer’s Claims

Opposer is contractually estopped from prosecuting these proceedings based upon the Settlement Agreements. These Settlement Agreements allow Applicant to use and register the Mark in connection with various classes of goods, identical or highly related to those in the Applications in Issue. Moreover the 2011 Settlement Agreement includes a mutual provision whereby each party agreed not to institute any action to oppose, cancel or otherwise interfere with the use and registration of the other party’s respective mark, subject to the terms of the agreement.

As a threshold matter, determining whether contractual estoppel applies is a question well within the powers of the Board. The Board can give effect to a settlement agreement to the extent that the agreement is relevant to issues properly before it. *See Selva & Sons, Inc. v. Nina Footwear, Inc.*, 705 F.2d 1316, 217 U.S.P.Q. 641, 647 (Fed. Cir. 1983) (“The Board may consider the agreement, its construction or its validity if necessary to decide the issues properly before it ..., including the issue of estoppel.”). The construction of an agreement is a question of law, and the meaning and interpretation of a contract may be resolved by the Board on summary judgment. *See Interstate Gen. Gov’t Contractors, Inc. v. Stone*, 980 F.2d 1433, 1434 (Fed. Cir. 1992). The Board “must interpret [a contract] as a whole and ‘in a manner which gives

reasonable meaning to all its parts and avoids conflict or surplusage of its provisions.” *United Int’l Investigative Serv. v. United States*, 109 F.3d 734, 737 (Fed. Cir. 1997), citing *Granite Const. Co. v. United States*, 962 F.2d 998, 1003 (Fed. Cir. 1992)).

The Federal Circuit has recognized the “strong public interest in enforcing settlements” which promotes judicial economy. *Flex-Foot, Inc. v. CRP, Inc.*, 238 F.3d 1362, 1368-69 (Fed. Cir. 2001) (appellant contractually estopped from contesting validity of appellee’s patent, based on terms of settlement agreements entered into by parties to resolve prior litigations); see generally *Hemstreet v. Spiegel, Inc.*, 851 F.2d 348, 350 (Fed. Cir. 1988) (“[t]he enforcement of settlement of litigation involves another public policy . . . the encouragement of settlement of litigation and the need to enforce such settlements in order to encourage the parties to enter into them”).

The Board has repeatedly enforced settlement agreements by applying the doctrine of contractual estoppel, including on motions for summary judgment. See *Marie Claire Album, S.A. v. Bata Brands S.A.R.L. Luxembourg, Succursale de Lausanne*, Cancellation No. 92052238, 2011 WL 5600327, at *3 (T.T.A.B. 2011) (ruling on motions for summary judgment, “[w]e therefore find as a matter of law that petitioner is contractually estopped from petitioning to cancel respondent’s MARIE CLAIRE registration for ‘women’s boots, shoes and sandals’ in view of the parties’ consent agreement”); *N.C. State Univ. v. Loyola Univ. New Orleans*, Opposition No. 91221147, 2015 WL 9906665, at *6 (T.T.A.B. 2015) (“because there is no genuine dispute that the applied-for mark and the goods and services identified in the involved application comply with the terms of the parties’ consent agreement, we find that Opposer is contractually estopped from bringing the instant opposition proceeding,” granting Applicant’s motion for summary judgment”); *Big O Tires, Inc. v. Bigfoot, Inc.*, Opposition No. 91166074,

2006 WL 717525, at *6 (T.T.A.B. 2006) (dismissing oppositions where “the Board holds that Big O Tires is contractually estopped from bringing the instant opposition proceeding”); *see also Danskin, Inc. v. Dan River, Inc.*, 498 F.2d 1386, 182 U.S.P.Q. 370, 372 (C.C.P.A. 1974) (affirming Board’s grant of summary judgment dismissing the opposition due to the terms of the parties’ settlement agreement).

Likewise, the Board should dismiss these consolidated oppositions based on contractual estoppel. By way of the three Settlement Agreements, the Applicant has been allowed to “live” within the retail, clothing and related items space free of threat of opposition by Opposer. Specifically, Opposer, in the 2009 Settlement Agreement, recognizes Applicant’s existing registrations for the Mark in Classes 18 and 25, and *specifically prohibits Opposer from using and registering* the Mark in connection with the sale of any goods in Classes 18 and 25—and indeed compels Opposer to destroy any goods it had produced in these classes.³ *See* Hamburg Dec. at ¶ 9, Ex. C at ¶¶ 1, 3, 5, 6. Further, the 2011 Settlement Agreement *explicitly prohibits* Opposer from using or registering the Mark in connection with several categories of goods in Class 9 (including scuba masks and safety goggles), Class 16 (including stationery, school diaries, and organizers), Class 18 (including rucksacks, school bags, and umbrellas), and Class 25 (including caps, footwear, sports shoes, jackets and T-shirts). *See id.* at ¶¶ 11, 12, Ex. E at ¶ 2. Moreover, in the 2011 Settlement Agreement, the parties agreed that they would “not institute any action to oppose, cancel or otherwise interfere with the use and registration of the other

³ The 2009 Settlement Agreement includes limited exceptions to the prohibition on Opposer’s use of Mark in Classes 18 and 25 but, importantly, these exceptions do not permit Opposer to sell goods in these classes. The exceptions allow Opposer to (1) provide purchasers of its watch products, free of charge and with purchases of a watch only, caps bearing the words INVICTA WATCH, provided that Opposer or its distributors only do so in a retail setting where watches are sold; (2) provide purchasers of its watch products, free of charge and with purchases of a watch only, cloth shopping bags bearing the word INVICTA WATCH, provided that it or its distributors do so only in a retail setting where watches are sold; and (3) have its employees appear at trade shows which promote the sale of Opposer’s watches, in apparel bearing the designation INVICTA WATCH. None of these exceptions are implicated in the present proceedings.

party's respective mark" in accordance with the terms set forth in that agreement. *Id.* at ¶ 13, Ex. E at ¶ 3.

Accordingly, multiple Settlement Agreements expressly prohibit Opposer from using or registering the Mark in connection with any goods in Classes 18 and 25. These same Settlement Agreements prohibit Opposer's opposition to or interference with Applicant's use of the Mark in several categories of goods within those classes which are recited in the Applications in Issue in this consolidated proceeding. *See, e.g.*, Hamburg Dec., Ex. C at ¶¶ 1, 5; Ex. D at ¶ 4; Ex. E at ¶ 2, and *compare with* Application Serial No. 86/301,552, which seeks to register the Mark in connection with goods in Classes 18 and 25, and which classes Opposer is prohibited from selling goods bearing the Mark; and *also compare with* Application Serial No. 79/146,181, which seeks to cover retail store services in Class 35 for underlying goods which Applicant is permitted to sell bearing the Mark under the terms of the Settlement Agreements, including diaries, stationery articles, note pads, folders, sport shoes, jackets, school bags, and sneakers.

The Applications in Issue in this consolidated proceeding do not seek to materially change the Applicant's and Opposer's agreed coexistence. These proceedings are a thinly veiled attempt by Opposer to undo the prior settlement agreements. This should not be allowed. The Settlement Agreements forbid Opposer from using or registering the Mark in connection with certain categories of goods, including all of those in Classes 18 and 25. Opposer recognizes and consents to Applicant's use and registration of the Mark in connection with such goods. Accordingly, as a matter of law, Opposer will be unable to sustain its claims of likelihood of confusion or dilution in these proceedings. Opposer's oppositions to Applicant's applications should be dismissed on the grounds of contractual estoppel.

III. The *Morehouse* Doctrine Precludes Opposer's Claims

Applicant is the owner of several existing U.S. registrations for the Mark, including the following:

- U.S. Registration No. 2,151,279 for clothes, trousers, shirts, polo-neck shirts, plush shirts, gloves, ski gloves in Class 25, with a date of first use since at least 1961, which was applied for on April 16, 1996 and matured to registration on April 14, 1998;
- U.S. Registration No. 2,109,407 for bags, namely school bags, traveling bags, rucksacks, wallets, luggage in Class 18, with a date of first use in at least 1961, which was applied for on October 17, 1994 and matured to registration on October 28, 1997;
- U.S. Registration No. 1,031,461 for luggage in Class 18, with a date of first use in at least 1962, which was applied for on January 14, 1975 and matured to registration on January 27, 1976;
- U.S. Registration No. 3,976,519 for scuba masks and underwater sport goggles, safety goggles, safety helmets in Class 9; paper and cardboard, stationery, note books, note pads, school diaries; soft and hard school supply pouches for holding pens and pencils among other articles; pencil sharpeners, drawing rulers, erasers, personal organizers, address books, folders in Class 16; leather and imitation leather bags, suitcases, shoulder bags, wallets, coin purses, rucksacks, school bags, sports bags, waistpacks, umbrellas in Class 18; and clothing, namely jackets, insulated jackets, down jackets, rain jackets, fleece jackets, wind jackets, vests, insulated vests, down vests, fleece vests, wind vests, pants, short pants, jerseys, shirts, T-shirts, gloves, mittens, headbands; headgear, namely caps; footwear, namely sports shoes, boots, sneakers in Class 25, which was applied for on November 22, 2004 and matured to registration on June 14, 2011.⁴

See Hamburg Dec. at ¶ 2, Ex. A.

Each of Applicant's registrations assert a date of first use and/or have a filing date with the U.S. Trademark Office that predates the filing date of most of Opposer's registrations that are relevant to this proceeding. As a result of Applicant's prior and subsisting registrations for the Mark, based on the *Morehouse* defense, Opposer cannot be damaged by registration of the Applications in Issue for the same mark and for substantially the same goods in identical classes.

⁴ This application was at issue in the consolidated Board proceeding between the parties, which proceeding was resolved through the 2010 Settlement Agreement.

Under the *Morehouse* doctrine, an opposer is not injured within the meaning of Lanham Act § 13 by registration of a mark for particular goods or services if the applicant is the owner of an existing registration for the same or substantially the same mark covering the same or substantially the same goods. *Morehouse Mfg. Corp. v. J. Strickland & Co.*, 407 F.2d 881, 160 U.S.P.Q. 715 (C.C.P.A. 1969). The doctrine is based on the theory that an additional registration for the same or substantially similar mark and goods or services can no more injure the plaintiff than the prior registration. *See id.* (no injury from registration of BLUE MAGIC for pressing oil when applicant owned prior registration for BLUE MAGIC for hair dressing); *see also Missouri Silver Pages, Directory Pub'g, Corp. Inc. v. Southwestern Bell Media, Inc.*, 6 U.S.P.Q.2d 1028 (T.T.A.B. 1988).

Here, Applicant has several existing registrations for the Mark for goods that are substantially similar to those covered by the Applications in Issue. Applicant's prior registrations and the Applications in Issue all cover the same mark, the designation INVICTA. In addition, the prior registrations cover goods that are substantially similar to the goods and services now sought to be registered through the Applications in Issue. *See* Registration No. 2,151,279, covering, clothes, *e.g.*, shirts, trousers and ski gloves *and compare with* Application Serial No. 86/301,552, seeking to cover technical apparel, including shirts, trousers, and ski gloves; *see also* Registration No. 2,109,407, covering bags, including school bags and traveling bags, and wallets *and compare with* Application Serial No. 86/301,552, seeking to cover goods that include school bags, traveling bags and pocket wallets. As a result of Applicant's prior existing registrations—including one which dates back to 1976—Opposer cannot claim any additional injury through the registration of the Applications in Issue. Accordingly, Opposer's oppositions should be dismissed.

CONCLUSION

For all the reasons set forth above, Applicant respectfully requests the Board grant its Motion for Summary Judgment, dismissing Opposer's oppositions to Application Serial No. 79/146,181 and Serial No. 86/301,552.

Dated: New York, New York
May 11, 2016

NORRIS, McLAUGHLIN & MARCUS P.A.

By:  _____

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CERTIFICATE OF SERVICE

I hereby certify that on May 11, 2016 copies of the foregoing Applicant's Motion to Summary Judgement, and the supporting Declaration of Jeanne Hamburg with its exhibits, submitted herewith, are being deposited with the United States Postal Service with sufficient postage as first class mail in an envelope addressed as follows:

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Ami Bhatt