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

|                        |  |
|------------------------|--|
| Proceeding             | 91240198   |
| Party                  | Defendant<br>Fabryka Obrabiarek RAFAMET SpÅ³lka Akcyjna  |
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

|                                 |   |                |                 |
|---------------------------------|---|----------------|-----------------|
| Poreba Machine Tool Company LLC | ) | Serial No.     | : 79/196,339    |
|                                 | ) | Date of Filing | : July 27, 2016 |
| Petitioner,                     | ) |                |                 |
|                                 | ) |                |                 |
|                                 | ) | Opposition No. | : 91240198      |
| v.                              | ) |                |                 |
|                                 | ) |                |                 |
|                                 | ) | Mark           | :POREBA 1798    |
|                                 | ) |                | and design      |
| Fabryka Obrabiarek RAFAMET S.A. | ) |                |                 |
|                                 | ) |                |                 |
| Applicant Respondent.           | ) |                |                 |

**RESPONDENT’S MAIN BRIEF**

As the Trademark Applicant, Fabryka Obrabiarek RAFAMET S.A. by and through its attorneys submits the following Trial Brief.

Throughout this Trial Brief, the Respondent refers to Opposer Poreba Machine Tool Company, LLC as either the Petitioner or Poreba Machine. As the case spans business dealings over several decades, Respondent will refer to the various witnesses and third-party companies by their respective names, appropriate.

The Respondent also will identify itself, Fabryka Obrabiarek RAFAMET S.A. as Rafamet or Respondent. The predecessor company Rafamet acquired in 2015 is Fabryka Urządzeń Mechanicznych Poręba Sp. z o.o. and is generally referred to as “FUM.”

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**Description of the Record**

The evidence currently before the Trademark Trial and Appeal Board consists of the following:

*Petitioner’s Designated Trial Evidence*

Declaration of Frank Turi, filed with the Board on Dec. 20, 2019.

Rebuttal Declaration of Frank Turi, filed with the Board on April 3, 2020.

*Respondent’s Designated Trial Evidence*

Declaration of Emanuel Longin Wons, filed with the Board on Feb. 17, 2020.

Declaration of Slawomir Sywak filed with the Board on Feb. 17, 2020.

Notice of Reliance Comprising Excerpts from the Petitioner’s Registration 1,864,529 filed with the Board on Feb. 18, 2020.

Notice of Reliance Comprising Respondent’s European Registration No. 017925590, filed with the Board on Feb. 18, 2020.

The evidence for both sides comprises declarations. Petitioner was entitled to rely on declarations under Trademark Rule 2.123(a)(1). Parties agreed to Respondent’s Testimony being in the form of declarations with the stipulation filed with the Board on January 28, 2020. Neither party filed objections nor made other attempts to exclude the evidence.

The registration file for Petitioner’s registration No. 1,864,529, expired on Jan. 8, 2018, forms part of the trial record before the Board. The application file for Respondent’s application No. 79/196,339, forms part of the trial record before the Board. See 37 CFR Sec. 2.122(b)(1).

## Statement of the Issues

The issues presented for trial are:

I. Has Petitioner met its burden of proof to establish priority of use as a basis for objecting to Rafamet's "Poreba" trademark?

II. As the lawful successor to the actual manufacturer of the goods is Rafamet the owner of the trademark, or is the owner an ex-distributor?

## Statement of Facts

1. Rafamet is a Polish publicly-traded company which sells industrial machines. One of its subsidiaries is Poreba Machine Tools, Ltd. (Doc. 18, Dec. of Emanuel Longin Wons, page 2, paragraph 4).
2. Rafamet acquired the assets of a predecessor company, Fabryka Urządzeń Mechanicznych Poręba Sp. z o.o. (hereinafter "FUM") pursuant to an involuntary dissolution. The acquisition included all trademark rights held by FUM. (Doc. 18, Dec. of Emanuel Longin Wons, p. 2: paragraph 5)
3. Documents relating to the acquisition, including a brief historical summary, are available publicly and were attached as exhibit B to Mr. Wons' declaration. The documentation includes Polish Financial Supervision Authority Report No 22/21015, which states that Rafamet made the winning tender of the Bankruptcy Auction and has acquired all the design documentation, along with the Trademark "Poreba 1798." (Doc. 18, Dec. of Emanuel Longin Wons, p. 2: paragraph 5)

4. Rafamet is the only party authorized to use the name “Poreba” per the Resolution XI/121/03 by the City Council of the City of Poreba. (Doc. 8, Answer Exhibit 18, pages 101-102).
5. FUM, and its predecessors have been based in the city of Poreba, Poland, since the 1700's. Rafamet's trademark includes in its design the year 1798, which is a reference to the year FUM's predecessors began operations in the city. While this predates Mr. Sywak’s time at the company, Mr. Sywak understands that FUM has a rich history, including a commercial presence in the US before the Second World War. FUM and its predecessors never intended to leave the US market, but for circumstances relating to the war and subsequent takeover of the country by a communist government caused them to stop sales for some time. (Doc. 19, Dec. of Slawomir Sywak, p. 2, paragraph 4).
6. Upon information and belief, FUM and modern predecessors had a commercial presence in the U.S. market even before the Second World War. During this time, FUM took part in international fairs, trade shows, and sold products in the United States in interstate commerce. FUM and its predecessors never intended to leave the U.S. market.
7. By the 1970's FUM restarted selling its products through an exclusive distributor in the U.S. The distributor was an entity called Polamco, Polish-American Machinery Corporation of Elk Grove Village, Illinois. Attached as Exhibit A to Mr. Sywak’s declaration are sample Polamco catalogs showing use of the Poreba name along with an indication that Polamco is the distributor of the Poreba products. One catalog is dated as early as 1979 and was distributed in interstate and foreign commerce. (Doc. 19, Dec. of Slawomir Sywak, p. 2, paragraph 4).

8. FUM conducted sales in the U.S. under the name Poreba. Mr. Sywak's declaration includes a list of the heavy equipment sold in the U.S. during the 1970's. The declaration includes but a partial list of machines sold in the United States by Poreba starting in 1973 using the distributor Polamco. Listed in the declaration is the model number, the length, serial number, and the year that the unit was sold using Polamco. Beyond these, about a dozen light and medium-sized lathes were delivered for sale in the U.S. Another dozen or so heavy industrial machines were sold as well in this time frame. All of these machines, as listed below, included the Poreba name, were serviced by authorized repair crews, and were shown in the catalogs attached as Exhibits A and C of Mr. Sywak's declaration. These machine tools were sold in the years 1973 thru 1981 to customers, among others: National Forge Co, Erie, Portland Machinery, Portland, Sulzer Co, Ellwood City Forge, General Electric, United Foundries, Escher Wyss, Ingersoll Rand etc. (Doc. 19, Dec. of Slawomir Sywak, p. 2, paragraph 6).
9. FUM's business was impaired by Polamco's poor business practices. Independent of FUM, Polamco entered into several failed ventures, one resulting in a protracted legal battle. See *Polish American Machinery Corporation, v. R.d. & D. Corporation*, 760 F.2d 507 (3d Cir. 1985). At least one employee of Polamco, Marian Zacharski, was arrested on espionage charges as reported by the New York Times in 1981, attached as Exhibit B to Mr. Sywak's declaration. (Doc. 19, Dec. of Slawomir Sywak, p. 3, paragraph 9).
10. Due to the chaotic behavior by the Polamco, in the late 1970's FUM entered into an agreement with another business partner. This culminated in an agreement with Toolmex in 1982. At that time, Toolmex was a subsidiary of a Polish company called "Centrala Handlu Zagranicznego METAEXPORT" ("Metalexport"). In 1982, under the

communist regime, it was impossible for FUM to export directly to the U.S. and it was further difficult for FUM to repatriate any proceeds from sales abroad. FUM contracted with Metalexport in Poland. The resulting agreement included a distributorship agreement with Metalexport's American subsidiary, which was Toolmex. (Doc. 19, Dec. of Slawomir Sywak, p. 3, paragraph 10).

11. Sample METAEXPORT Catalogs from 1978 and 1977 are attached as Exhibit C to Mr. Sywak's declaration. Exhibit B includes the printing notice "ZW-01-4485/77" referring to the year 1977 while the other catalog reads "ZW-01-5664/78" referring to 1978 and evidence FUM's export activity on other world markets. (Doc. 19, Dec. of Slawomir Sywak, p. 4, paragraph 11).
12. With the fall of communism, ventures operating in Poland or subsidiaries formed outside Poland were closed or privatized. Both Toolmex and FUM continued to operate during this period, but with new corporate structures. Toolmex continues to operate as a privately held corporation and is not a party to this dispute. (Doc. 19, Dec. of Slawomir Sywak, p. 4, paragraph 12).
13. In 1993, Toolmex's new private owners decided to pursue a trademark registration for the Poreba name and received U.S. trademark registration No. 1,864,529. FUM authorized Toolmex to do so under Toolmex's name, but with the understanding that the name will only be used for authentic FUM products sourced from the factory in the town of Poreba. This consent to registration is found as Exhibit D to Mr. Sywak's declaration. (Doc. 19, Dec. of Slawomir Sywak, p. 5, paragraph 13). Toolmex's catalog acknowledged that the manufacturer and source of the products was FUM. (Doc. 18, Dec. of Wons, p. 2, paragraph 11).

14. The CEO of FUM at that time was Mr. Cichon. Mr. Sywak personally knew Mr. Cichon and stated in his declaration that FUM never intended to abandon the US market. To the contrary, by permitting Toolmex to register Poreba mark, he expected to get full protection for FUM in the USA. (Doc. 19, Dec. of Slawomir Sywak, p. 5, paragraph 14).
15. FUM's products were being sold throughout the 1980's and 1990's on the U.S. market using these distributors. Respondent's principals are not aware of any third-party use at this time. The only products bearing the Poreba name were manufactured by FUM in Poland and imported by Toolmex. Example catalogs from this time period, showing Toolmex as the distributor ("Built for the USA"), but Poreba as the manufacturer ("Builder for the World") is attached as Exhibit E (from 1988) to Mr. Sywak's declaration. Another catalog showing Toolmex, as the exporter only, is also attached as Exhibit E to Mr. Sywak's declaration. A subsequent catalog showing Toolmex as the exporter (a member of Metalexport Group) and FUM as the manufacturer, is attached as Exhibit F to Mr. Sywak's declaration. (Doc. 19, Dec. of Slawomir Sywak, p. 5, paragraph 15).
16. FUM, as the manufacturer communicated with Toolmex about the registration of its trademark. In response, Toolmex demanded \$200,000 to assign the Trademark Registration back to FUM, see Exhibit D to Mr. Wons' declaration. (Doc. 18, Dec. of Wons, p. 3, paragraph 12).
17. The Petitioner's sole source of evidence is declarations by Mr. Frank Turi. According to Mr. Sywak, Mr. Turi was FUM's distributor starting from 1992, when he began to work for the Belmont company, which was one of many sub-distributors of Toolmex. Again,

Toolmex was the only authorized distributor of Poreba-branded machines starting with the 80's, after the Polamco era. (Doc. 19, Dec. of Slawomir Sywak, p. 5, paragraph 16).

18. Initially, FUM and Mr. Turi (along with his partner a Mr. Harry Vraets who is not a party to this dispute), cooperated together. In 2003, FUM authorized Messrs. Turi and Vraets to be the sole distributor of FUM's products. See Exhibit E to Mr. Won's declaration.

The parties entered into various agreements, such as the Exclusive Marketing Agreement, where Harry Vraets became the exclusive distributor for Poreba-brand machines. See Exhibit F to Mr. Won's declaration. (Doc. 18, Dec. of Wons, p. 4, paragraph 15).

19. Beyond being distributors, another task accepted by Messrs. Turi and Vraets was to facilitate the return of the ownership of the U.S. trademark registration back to FUM. Since at least as early as 2003, Messrs. Turi and Vraets had notice that the registration should be owned by the Respondent as the manufacturer, and not Toolmex. (Doc. 18, Dec. of Wons, p. 4, paragraph 16).

20. Messrs. Turi and Vraets later acquired the registration from Toolmex around the middle of 2004 and assigned the '529 registration to their own joint venture. At or around this time, a purported specimen of continued use of the POREBA mark was filed with the U.S. Trademark Office. See Exhibit G to Mr. Wons' declaration. In this purported specimen, the relationship between JOINT VENTURE and FUM was acknowledged. In a relevant part, that specimen reads: "POREBA is a Polish company that has been in business since 1798 and is currently manufacturing various types of heavy equipment and machines. It is located in the town of 'Poreba' in Poland. We are trademarking the name 'Poreba' as exclusive distributors of their products in North America." (Doc. 18, Dec. of Wons, p. 4, paragraph 17).

21. However, by 2006 the relationship between FUM and Mr. Turi was deteriorating. FUM became concerned that Mr. Turi was importing products from third parties and selling them under the Poreba name. See Exhibit H to Mr. Wons' Declaration. The distributorship was terminated in 2006 with a registered letter dated July 19, see Exhibit I to Mr. Wons' Declaration. (Doc. 18, Dec. of Wons, p. 4, paragraph 18).
22. Mr. Frank Turi and his partner, Mr. Vraets have not acted as an exclusive distributor of FUM products since at least as early as 2006. After 2006, only brief, individual contacts between the parties took place. Despite no longer being distributors, Messrs. Turi and Vraets continue to wrongfully use Rafamet's brand. They have not received authentic products sourced from FUM for over a decade and a half. Messrs. Turi and Vraets use the Poreba name on non-authorized replacement parts sourced from third party manufacturers. Inasmuch as Rafamet owns the trademark for Poreba in Europe, Mr. Turi's businesses source their parts mostly from Asia. (Doc. 18, Dec. of Wons, p. 4, paragraph 18). Rafamet's European Registration was submitted as part of a Notice of Reliance filed on Feb. 18 (Doc. 21, Defense Second Notice of Reliance).
23. In 2012 Mr. Turi's joint venture transferred ownership of the '529 POREBA mark registration to Messrs. Turi and Vraets individually. Mr. Turi's address at that point was for one "Euro Machine Tool Co." – the entity that submitted the specimen in 2004, acknowledging the distributorship agreement between FUM and the joint venture. See Exhibit G to Mr. Wons' declaration. (Doc. 18, Dec. of Wons, p. 3, paragraph 21).
24. It appears that Mr. Turi made a poor choice in naming his business, incorporating the brand name of his supplier, most likely expecting that the partnership will continue indefinitely. However, the right to sell FUM's products could be terminated, as in fact, it

was in 2006. Any contractual obligations between FUM and distributors ended when the company was liquidated in 2015. Messrs. Vraets and Turi did not participate in the liquidation proceeding. The relationship between the parties ended beyond any doubt in 2015, i.e., when FUM was declared bankrupt by the court. (Doc. 18, Dec. of Wons, p. 3, paragraph 22).

25. While in his complaint, Frank Turi claimed to have been using the Mark since 1982, as is explained in the declarations of Mr. Wons and Mr. Sywak, this use was done by an exclusive distributor (Toolmex) for the benefit of the manufacturer, FUM. Rafamet has acquired all assets of FUM, including the goodwill associated with its brands. (Doc. 18, Dec. of Wons, p. 3, paragraph 23).

26. Despite no longer being distributors, Messrs. Turi and Vraets continue to wrongfully use the Poreba brand. They have not received authentic products sourced from FUM or Rafamet for over a decade and a half. Messrs. Turi and Vraets use the Poreba name on non-authorized replacement parts sourced from third party manufacturers. (Doc. 19, Dec. of Slawomir Sywak, p. 6, paragraph 18).

27. The continued use of the brand by Mr. Frank Turi harms Rafamet. (Doc. 19, Dec. of Slawomir Sywak, p. 6, paragraph 19) and (Doc. 18, Dec. of Wons, p. 6, paragraph 25).

28. Rafamet and its subsidiary Poreba Machine Tool company continues to manufacture and sell machines worldwide. (Doc. 18, Dec. of Wons, p. 2, paragraph 5).

### **Argument Summary**

This case represents a nightmare scenario for any manufacturer entering a distant market – a distributor files for the manufacturer’s trademark and then demands money to return control over the brand.

This case is about who should be the owner of a trademark: the actual manufacturer or a distributor who has fallen out of favor. The case is also about the failure to provide proof. In its Cancellation Complaint, Poreba Machine claimed to be the senior user and yet has provided no actual proof of use. While Poreba Machine claimed in its original opposition to be the senior user dating back to August 31, 1982, it is only the Respondent who has provided its catalogs from this time period, or even before the Petitioner's alleged date of first use, inasmuch as the Respondent has provided catalogs from the 1970's. Respondent submits that had Poreba Machine provided catalogs or other evidence from their asserted date of first use, the materials would most likely refer to Respondent's predecessor as the manufacturer of the goods. For this reason, Poreba Machine offered only two short declarations by its principal owner, Mr. Frank Turi. The only 'evidence' attached to the declarations did not establish a date of first use.

Poreba Machine could have provided evidence of actual sales and samples of use. Instead, the record contains only self-serving statements by Mr. Turi. The record includes a statement of use filed by the Petitioner, which clearly states that the Petitioner's predecessor company acts only as a distributor of the machines manufactured by Respondent's predecessor.

The Board should deny the Petition for Cancellation. As to the alleged priority of use, the evidence overwhelmingly shows that Respondent is the senior user. As a matter of law, the manufacturer of the goods, the Respondent, is the owner of the trademark.

## **Argument**

### *Respondent in the Owner of the Mark as the Manufacturer*

Trademark law creates a presumption that, in the absence of an assignment of trademark rights, a foreign manufacturer retains all rights to a trademark even after licensing the use of the

trademark to an exclusive U.S. distributor. See *Global Maschinen GmbH v. Global Banking Systems, Inc.*, 227 U.S.P.Q. 862, 866, 1985 WL 71943 (T.T.A.B.1985); 2 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition, § 29:02 (4th ed. 2010). Such a distributor “does not acquire ownership of a foreign manufacturer's mark anymore than a wholesaler can acquire ownership of an American manufacturer's mark, merely through the sale and distribution of goods bearing the manufacturer's trademark.” McCarthy, supra, § 29:02; cf. *Gorenstein Enterprises, Inc. v. Quality Care–USA, Inc.*, 874 F.2d 431, 435 (7th Cir. 1989).

The catalogs from the 1970's and 1980's clearly show that the manufacturer of the equipment was FUM. Due to the communist regime in the country at the time, FUM entered into distribution agreements with various entities, the last of which was Toolmex.

The only agreement, in this case, was that Toolmex was authorized to apply for the Trademark registration on behalf of FUM. There was no other assignment of rights from FUM to Toolmex. Nor was there any question that the owner of the trademark rights was FUM. The catalogs by Toolmex, such as the ones attached to the declarations of Messrs. Wons and Sywak, all clearly stated that the underlying manufacturer was FUM.

Rafamet, having acquired FUM's assets in a bankruptcy proceeding, does not dispute that Mr. Turi and his joint venture with Mr. Vraets, were, for a time, distributors of FUM's products. However, the relationship soured as distributorship agreements sometimes do. It also ended. The distributorship agreement was over by the time Mr. Turi received the certified letter stating that the distributorship is over in 2006.

Mr. Turi's behavior represents one of the worst outcomes for a manufacturer. The distributor uses a manufacturer's products to build up a positive reputation in a highly specialized field. Once a disagreement occurs, the distributor continues to use the name, but now

on products of unknown origins. Trademark law provides that the underlying manufacturer is the owner of the trademark to stop this sort of free-riding behavior. See *In re Bee Pollen from Eng. Ltd.*, 219 U.S.P.Q. 163 (TTAB 1983); *Audioson Vertriebs - GmbH v. Kirksaeter Audiosonics, Inc.*, 196 U.S.P.Q. 453 (TTAB 1977); *Jean D'Albret v. Henkel-Khasana G.m.b.H.*, 185 U.S.P.Q. 317 (TTAB 1975); *In re Lettmann*, 183 U.S.P.Q. 369 (TTAB 1974); *Bakker v. Steel Nurse of America Inc.*, 176 U.S.P.Q. 447 (TTAB 1972).

If Mr. Turi were to argue that the default rule assigning ownership of the trademark rights to the manufacturer was overridden in this case, he has the burden of proof. Briefly, however, there is no agreement between Toolmex and FUM that states that Toolmex is to be the owner of all trademark rights. Instead, all that occurred was that Toolmex was authorized to apply for the registration on behalf of FUM. As stated in Mr. Sywak's declaration, FUM did not intend to assign trademark rights to its government-mandated representative.

It is not disputed that the Respondent is the sole manufacturer of heavy equipment based in the city of Poreba, Poland. It is the Respondent that holds the sole right to use the name Poreba on its machines, per the Resolution of the City of Poreba attached to the Answer.

The Petitioner is based in a suburb of Chicago. Mr. Turi made the mistake of naming his business after the products he was distributing. The legal owner of that name now seeks to clear the title to the name by obtaining a Trademark Registration to which Respondent is entitled.

*Petitioner Provided No Evidence of the First Date of Use*

As the party in the position of plaintiff, the Petitioner has the burden of proving its case by a preponderance of the evidence. See *Life Zone Inc. v. Middleman Group*, 87 U.S.P.Q. 2d 1953, 1959 (T.T.A.B. 2008). In that case, the Board found that the record, which comprised

mostly of testimony and file wrappers, did not supply sufficient evidence for the Opposer to establish status as a senior user. For example, the Board wrote that the “opposer has not proven (nor has applicant admitted) when such use commenced.” *Id.*

While the Board has ruled on some cases where a plaintiff provided little to no evidence, those cases generally include active trademark registrations. For example, in the case *This Old House Ventures, Inc. v. Restoration Services, Inc.*, the record before the Board consisted of only the pleadings and the file wrapper of the opposed application. Opposition 91/152,820, unpublished, dated September 28, 2001. The Board ruled on the merits of the opposition because the plaintiff in that case had based its opposition on valid and subsisting registrations. In that case, the plaintiff had the benefit of 14 valid and active registrations.

In this case, Poreba Machine previously acquired one registration, but this registration was effectively abandoned in 2015. Furthermore, for the reasons explained above, the actual legal owner of the registration and the trademark rights is the manufacturer, FUM, which the Respondent acquired.

Poreba Machine based its Opposition on its status as the senior user, having alleged a date of first use in the 1980’s. However, Poreba Machine did not provide any samples of use from this time.

Poreba Machine has provided no explanation for this total lack of evidence, which is surely within its control.

“The failure to bring before the tribunal some circumstance, document, or witness, when either the party himself or his opponent claims that the facts would thereby be elucidated, serves to indicate, as the most natural inference, that the party fears to do so, and this fear is some evidence that the circumstance or document or witness, if brought, would have exposed facts

unfavorable to the party. These inferences, to be sure, cannot fairly be made except upon certain conditions; and they are also always open to explanation by circumstances which make some other hypothesis a more natural one than the party's fear of exposure. But the propriety of such inference in general is not doubted.” Int'l Union, United Auto., Aerospace & Agr. Implement Workers of Am. (UAW) v. N. L. R. B., 459 F.2d 1329, 1336 (D.C. Cir. 1972).

The adverse inference makes a finding or imposes a rebuttable presumption that the missing evidence would have been unfavorable to the party engaging in the misconduct. *Calixto v. Watson Bowman Acme Corp.*, No. 07-60077-CIV, 2009 WL 3823390, at \*14 (S.D. Fla. Nov. 16, 2009).

Respondent filed its trademark application in 2016. Despite this proceeding lasting four years, including a reopening of the case due to the Petitioner’s failure to follow the case schedule, the Petitioner did not manage to find a single catalog or another sample of use to establish its alleged date of first use. Nor did the Petitioner offer an explanation for the absence of the evidence.

Respondent respectfully submits that the Board should draw the following inference about the missing evidence: Poreba Machine cannot find a sample where Respondent’s predecessor was not mentioned. The only user of the Poreba Mark at the time asserted as the Petitioner’s date of first use was one of FUM’s U.S. distributors, such as Toolmex. All of the catalogs would include references to FUM. Only once the distributor relationship ended in the 2000’s would the samples of use not include references to the factory in Poland, because at that point, the Petitioner started selling non-authentic products using the Poreba name.

*The Distributorship Relationship is Over - it Ended in 2006, or by the Bankruptcy in 2015*

As was explained above, FUM terminated the distributorship agreement with Mr. Turi via a certified letter on July 19, 2006. Doc. 18, Dec. of Emanuel Longin Wons, Exhibit I, page 63). The letter clearly states:

“As a result of the fact that you have not met the conditions of the contract of sole marketing representation in North America and the Benelux countries and the arrangements agreed upon during a meeting held on 13<sup>th</sup> December 2005, we hereby terminate the existing contract without notice as of 31<sup>th</sup> (sic) July 2006.”

Presuming for the sake of argument that the distributorship agreement somehow survived this termination, any obligations the FUM had under the agreement ended with the bankruptcy proceeding in 2015. Neither Mr. Turi nor his joint venture participated in the proceedings.

Neither Mr. Frank Turi nor Poreba Machine has not received any authentic machines or replacement parts from the manufacturer in Poland since the early 2000's. Regardless of the exact mechanism or date, the relationship was completely over by the time Petitioner acquired FUM. It is disingenuous from Mr. Turi to now try to base his Opposition on the use of the trademark by authorized distributors from decades ago.

*Polaroid Factors are Irrelevant*

The Respondent's Brief is mostly dedicated to the Polaroid Factors. The applicant submits that an analysis of the consumer confusion factors is impossible in this case as any association of the Mark with Respondent would not be a mistake. As a matter of law, the Respondent is the owner of the trademark as it is the sole successor of manufacturer FUM.

Furthermore, the Petitioner has not supplied the evidence necessary for the analysis of confusion under the Polaroid factors. The analysis requires a comparison showing the Petitioner's use with the pending trademark. Petitioner has provided no samples of use of the Mark in conjunction with their machines beyond an undated printout from a website.

The record does include a statement of use in the Petitioner's expired application from 2004. A comparison of that sample of use with the Respondent's pending trademark would be non-sensical. That sample of use included the statement that the applicant is the distributor of the Respondent. Any comparison would, therefore, involve comparing the Respondent to its predecessor's products.

While its original Opposition complaint stated that its first use was in the 1980's, in its Main Brief, Poreba Machine attempts to base its priority on the basis of sales after the exclusive distributorship ended.

For example, in its brief, the Petitioner writes (without providing any evidence of same) that:

Opposer has built a brand and reputation here in the United States, involving the sale of at least 180 machines since 2006.

Doc 24, Plaintiff's Main Brief, Page 7.

Normally, the Respondent would object to this attempt to change the main theory of the Petitioner's case during the main brief. If the Respondent wishes to change its theory of the case, it should petition the Board for leave to amend the Complaint. In a different context, Federal Rule of Civil Procedure 15(b)(2) permits the amendment of a complaint, even during trial if "issues not raised by the pleadings are tried by express or implied consent." The district

court must determine “whether the opposing party had a fair opportunity to defend and whether he could have presented additional evidence had he known sooner the substance of the amendment.” *Aldridge v. Forest River, Inc.*, 635 F.3d 870, 875 (7th Cir. 2011).

In much the same way the Petitioner did not provide any explanation for the absence of any evidence of use, the Petitioner does not explain why their theory of the case has shifted from a date of first use in the 1980’s to over twenty years later.

However, the point is moot. The Petitioner did not provide any actual evidence of use from 2006 just as the Petitioner did not provide any evidence of its first date of use in the 1980’s.

By its argument, the Opposer, as an ex-distributor, wants to establish ownership of the brand by admitting to continued use even after the distributorship agreement has ended. There is a reason that the year 2006 is a critical date. In 2006, Poreba Machine ceased being a distributor and became an infringer. In any event, the Petitioner has provided zero evidence of use in 2006, or any other date, other than self-serving statements.

#### *Petitioner Failed to Disclose Its Long-Running Relationship with Respondent*

The Petitioner’s original Opposition Notice failed to mention the long-standing relationship between Petitioner and Respondent. The sole basis for the Opposition was, and remains, an allegation of being the senior user.

This follows a pattern of half-truths filed with the Board and the Trademark Office. For example, in asking for the reopening of the case on June 11, 2019, the Petitioner wrote that reopening is necessary as the evidence in the case is found abroad. When the evidence was finally submitted, it comprised a three-page declaration by Mr. Turi and the exhibits were

documents proffered by the Respondent in the Answer. None of the materials were new, and certainly, none were obtained by the Petitioner from abroad.

For this reason, the Board should give limited weight to Mr. Turi's self-serving declarations. For example, he may state that his company's predecessor used the Mark as early as August 31, 1982, but provides no evidence of this. Like the filings in the case, the declarations by Mr. Turi are missing a critical statement – that all the use of the Mark in the 80's and 90's involved the Respondent's goods being sold by Toolmex and other distributors. The manufacturer was the Respondent and the samples of use referred to the Respondent as the source of the goods.

The Petitioner has relied on its now expired registration. While the registration expired on Jan. 8, 2018, the Sec. 8-9 renewal petition was due on November 29, 2014, with a six-month grace period date of May 29, 2015. Any right to revive the registration ended two months after that date or July 29, 2015. However, even if Mr. Turi had renewed the registration, he could only do so by committing fraud on the Trademark Office. As part of the renewal, Mr. Turi would have to state that no third-party has asserted right to the trademark and that his samples of use show how the Mark is being used exclusively.

As Mr. Turi had first-person knowledge that FUM (and its successor Rafamet) were the actual owners of the Poreba name, Mr. Turi and his businesses had an obligation to disclose this fact to the Trademark Office. Had Mr. Turi renewed the registration omitting this fact, the registration would now be invalid. The rational choice was then not to renew it and save the \$500 renewal fee.

*Respondent has not Abandoned the U.S. Market*

The Petitioner appears to now argue that they have not heard of Respondent and/or that the Respondent has abandoned the U.S. market. While the contents of their communications are settlement offers excluded from evidence Under Fed. Rule 408, Mr. Frank Turi, has had repeated meetings with representatives of the Respondent. For many years, the two sides met and attempted to come to an agreement. For example, there was one meeting in Hanover, during a tradeshow in 2013, and again in May 2018. The meeting took place in the main offices of Mr. Vraets' company, and Mr. Frank Turi specifically came to this meeting to try and resume his status as a distributor (along with Mr. Vraets). The meeting proved fruitless.

There is no evidence of abandonment in this case. To establish the defense of abandonment, it is necessary to show not only acts indicating a practical abandonment, but an actual intent to abandon. Acts which unexplained would be sufficient to establish an abandonment may be answered by showing that there never was an intention to give up and relinquish the right claimed. *Saxlehner v. Eisner & Mendelson Co.*, 179 U.S. 19, 31, 21 S.Ct. 7, 11, 45 L.Ed. 60 (1900). An intervening bankruptcy is one of the circumstances that excuse non-use of the trademark. *Leventhal v. Ollie Morris Equip. Corp.*, 184 Cal. App. 2d 553, 560, 7 Cal. Rptr. 911, 915 (Ct. App. 1960). Similarly, rights in a U.S. trademark may survive the expropriation or forced liquidation of a business, where the owners of that business continue producing their product under the Mark in another country, see *Baglin v. Cusenier Co.*, 221 U.S. 580, 595–96, 31 S.Ct. 669, 673, 55 L.Ed. 863 (1911), or where the owners intend to reestablish business in the United States despite the actions of a foreign sovereign, see, e.g., *F. Palicio y Compania v. Brush*, 150 U.S.P.Q. 607, 618 (S.D.N.Y.1966), *aff'd*, 375 F.2d 1011 (2d Cir.), *cert.*

denied, 389 U.S. 830, 88 S.Ct. 95, 19 L.Ed.2d 88 (1967). In such cases, the intent of the trademark owner to abandon the use of its Mark is a critical issue.

In this case, Respondent Rafamet has never left the U.S. market. It continues to operate an English-language website and continues to sell its machines all over the world. FUM was not in a financial position to go after Mr. Turi, as evidenced by its subsequent bankruptcy. Rafamet is essentially blocked from selling in the U.S. by its disgruntled ex-distributor, Mr. Frank Turi, who could stop its goods at the border with his claims of trademark ownership.

*Only the Respondent has a factory in the City of Poreba*

The Respondent's operation is based in the city of Poreba, Poland, and continues to operate its factory there. Its trademark includes a reference to the date of founding in the 1700s. The various catalogs, such as Exhibit C attached to Mr. Wons' declaration, discuss the history of the factory. The City of Poreba has passed a resolution authorizing Respondent Rafamet, and only the Respondent, to use the city name as part of its business.

In its brief, the Petitioner has admitted that the name has at least some geographical significance, acknowledging that the trademarks "are derived from the same original company in Poland." (Doc. 24, Plaintiff's Main Brief.) As an aside, the Petitioner does not explain why it has the right to continue to use the name, having "derived it" from the Respondent's Predecessor at the time Petitioner was an active distributor.

It is not disputed is that the Petitioner is based in a suburb of Chicago. None of the products the Petitioner sells are manufactured in the city of Poreba.

The customers of these industrial machines are highly sophisticated and so can reasonably be expected to understand the geographical significance of the name. The use of the

name by the Petitioner is, therefore, geographically misdescriptive. One of the reasons for the original falling-out between the parties was the use of the name by Mr. Turi on equipment not sourced from the Respondent, which did not originate from the town of Poreba. As Messrs. Wons and Sywak testified, Mr. Turi has not had access to authentic products since 2006.

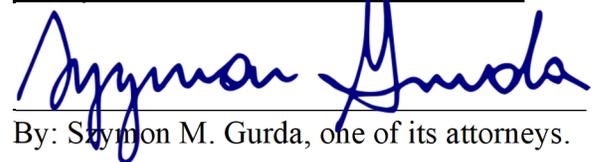
### **Conclusion**

The Petitioner has failed to meet its burden of proof to oppose the Mark. Respondent Rafamet, as the manufacturer of the goods, is the rightful owner of the Poreba brand.

Rafamet and its predecessors have used the name for their business since the 1700's and have provided samples of use dating back 50 years. The Petitioner has failed to provide a single sample of use to support its asserted priority date and has provided no explanation for the absence of the evidence. For this reason, the Board should deny the Petition for Cancellation.

Allowing the Petitioner to take control of this brand absent any proof of being the senior user would decrease the value of any U.S. Registration held by a foreign manufacturer. The U.S. Trademark Office has an interest in ensuring that the principal register includes correct ownership information for each trademark listed thereon. The actual owner of the Poreba name is not the Petitioner, who is an ex-distributor who acquired a now-expired registration after being asked to clarify ownership of the trademark. Instead, it should be the Respondent, who continues to use the name, continues to manufacture the products, and whose predecessor manufactured the products and entered into an exclusive distributorship agreement with the understanding that its brand will be protected.

**Fabryka Obrabiarek RAFAMET S.A**



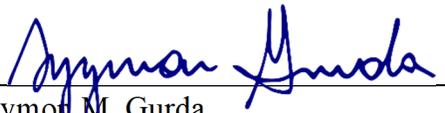
By: Szymon M. Gurda, one of its attorneys.

**CERTIFICATE OF SERVICE**

I hereby certify that a true and complete copy of the foregoing DEFENDANT’S BRIEF has been served on the attorney for Petitioner Poreba Machine Tool Company LLC by forwarding said copy to:

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via e-mail to [nmarsico@huckbouma.com](mailto:nmarsico@huckbouma.com) and [emalnar@huckbouma.com](mailto:emalnar@huckbouma.com) on June 2, 2020.

  
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