

TTAB

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

Taiyo Kogyo Co. Ltd. (Petitioner)

v.

Leynian Ltd. Co. (Registrant)

Cancellation No: 92041571

Reg. No. 2,569,302
Mark: TAIYO EDGE

Reg. No. 2,595,700
Mark: TAIYO EDGE (+ design)

Box TTAB, No Fee
Assistance Commissioner of Trademarks
2900 Crystal Drive
Arlington, VA 22202-3513

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03-14-2003 AM 9:30
U.S. Patent & TMO/TM Mail Rcpf DT-2
TRADEMARK TRIAL AND APPEAL BOARD

ANSWER

1. Registrant has insufficient knowledge to admit or deny this allegation.
2. Registrant denies this allegation.
3. Registrant denies this allegation.
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AFFIRMATIVE DEFENSES

23. FIRST AFFIRMATIVE DEFENSE

Petitioner is not entitled to maintain this proceeding by reason of Estoppel by Laches.

The facts in support are as follows:

1) Petitioner clearly had actual knowledge (notice) of Registrant's use of the subject Marks since early 2000. This is evidenced by Petitioner's and Registrant's business relationship which was started in early 2000;

2) Petitioner has made no attempts to oppose or otherwise contest Registrant's use of the Marks in the U.S. or around the world since 2000. This includes no opposition or even suggestion of opposition to Registrant's use of the Marks during their respective publication periods. This is evidenced by the fact that in reliance on the business relationship with Petitioner, and with full disclosure and approval of Petitioner, Registrant actively started applying for and registering the subject Marks around the world in early 2000. Current Trademark registrations to Registrant's Brand Name TAIYO EDGE (word mark) are in the U.S., Europe, Australia, China, Canada, Mexico, New Zealand and JAPAN. Current Trademark registrations to Registrant's Brand Name Design mark for TAIYO EDGE are in U.S., Europe, Australia, China and Canada. In addition to the two subject Marks of this Cancellation, Registrant has registered more than ten (10) other related TMs in the U.S. and around the world as well. Petitioner has not opposed or otherwise contested any other of Registrant's U.S. or Foreign Trademarks; and

3) Registrant: has relied to their detriment on Petitioner's representations and silence during their business relationship; has continuous use of the Marks; and has expended hundreds of thousands of dollars securing the Intellectual Property rights associated with their brand name and products, in addition to spending additional Millions of dollars over the past three years in advertising and promotions building up the good will and consumer recognition associated with Registrant's TAIYO EDGE Brand name in the U.S. and around the world. Currently, Registrant has worldwide commitments and orders from major US and International Customers for their 2003 line of products in the Tens of Millions of Dollars.

24. SECOND AFFIRMATIVE DEFENSE

Petitioner is not entitled to maintain this proceeding by reason of Estoppel by Acquiescence.

The facts in support are as follows:

1) Petitioner clearly had actual knowledge (notice) of Registrant's use of the subject Marks since early 2000. This is evidenced by Petitioner's and Registrant's business relationship which was started in early 2000;

2) During the start of their business relationship in early 2000, Petitioner and the directors working therefor not only actively represented to Registrant that they would not oppose or otherwise interfere with Registrant's use of their "TAIYO EDGE" brand name mark in the United States or anywhere else in the world but also gave express permission to Registrant to apply for TM protection for the "TAIYO EDGE" Brand in Japan and around the world in an effort to develop a Registrant's new Brand name for radio controlled toys. The directors of Petitioner specifically requested that Registrant proceed to register the marks worldwide and at Registrant's own expense.

3) Petitioner's delay between such representation and in bringing this cancellation is not excusable, and such delay has caused Registrant undue prejudice;

4) Registrant has expended large amounts of money and resources in reliance on Petitioner's representations for developing Registrant's Brand name TAIYO EDGE in the United States and around the world for the last three years. The success of the new brand name and the millions of dollars spent in developing it is demonstrated by the Tens of Millions of dollars in new product orders and sales confirmed by some of the largest toy Distributors in the world.

For at least these reasons set forth in paragraphs 23 and 24, Petitioner is estopped to allege that any acts of Registrant suddenly rise to undue damage to the Petitioner.

25. THIRD AFFIRMATIVE DEFENSE

Petitioner has come to this proceeding with "unclean hands" and is not entitled to the requested relief.

The facts in support are as follows:

1) Petitioner has violated their business agreement with Registrant that was initiated in early 2000. Petitioner has been paid money by Registrant over the last three years in accordance with their business arrangement. When management at the Petitioner company changed, they unilaterally started changing the terms of the business arrangement and ultimately announced that they intend on (and have actually started) competing directly with Registrant in the Radio Control Toy Market. This cancellation and other matters relating directly to Registrant's worldwide customers and distributors have been brought by Petitioner in an effort to disrupt Registrant's business and damage the good will associated with the Registrant's development of their TAIYO EDGE Brand;

2) Petitioner has acted in bad faith by attempting to change the terms of their business arrangement with Registrant when it financially benefits them and most significantly damages Registrant. This is evidenced by the fact that for over three years Petitioner and Registrant have worked together in good faith and without any significant written agreements whereby Petitioner manufactures Registrant's products and sells Registrant's products to Registrant's distributors in Europe, Australia and Asia only. At all times Petitioner was paid a fair price, plus markup (profit), on the sales of the respective product sales worldwide; and

3) Petitioner is acting with reckless disregard for uprightness and fairness toward their business relationship with Registrant by filing this Cancellation and requesting that Registrant's Trademarks be cancelled or otherwise transferred to Petitioner when their past actions completely allowed Registrant to expend millions of dollars in developing the Brand name and consumer recognition associated with the same.

At all times since early 2000, Petitioner was aware of their relationship with Registrant and aware of Registrant's use of all Registrant's Trademarks and all Registrant Trademark filings for the subject Marks and others. In addition, Petitioner has received substantial sums of money in remuneration for their manufacturing of Registrant's products.

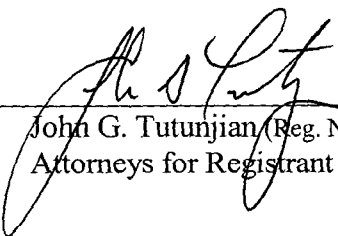
26. FOURTH AFFIRMATIVE DEFENSE

Petitioner has not continuously used the marks TAIYO KOGYO and/or TAIYO in the United States. Upon information and belief, Petitioner has not distributed a single toy product in the United States under the Brand name "TAIYO KOGYO" and/or "TAIYO" in at least the last fifteen (15) years.

WHEREFORE, Registrant therefore responds to this Petition for Cancellation and hereby requests dismissal of the same with prejudice for at least the reasons cited in the above affirmative defenses.

Respectfully Submitted
KEUSEY, TUTUNJIAN & BITETTO, P.C.

Date: March 14, 2003

By: 
John G. Tutunjian (Reg. No. 39,405)
Attorneys for Registrant

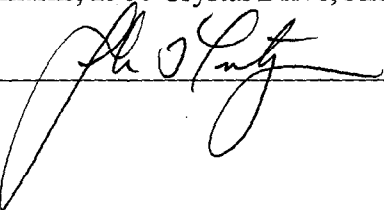
14 Vanderventer Avenue, Suite 128
Port Washington, NY 11050
(516) 883-3868

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Date of Deposit: March 14, 2003

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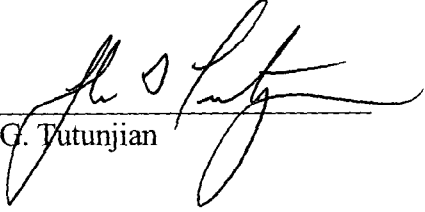
By: 

CERTIFICATE OF SERVICE

I hereby declare under penalty of perjury that on Friday, March 14, 2003 a true and accurate copy of the foregoing Answer was served upon attorney for Petitioner, by depositing the same by first class mail, postage prepaid, addressed to the following:

David J. Brezner
Dorsey & Whitney, LLP
Four Embarcadero Center, Suite 3400
San Francisco, CA 94111-4187

Dated: March 14, 2003



John G. Tutunjian

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U.S. Patent & TMO/c/TM Mail Rcpt Dt. #22

ANSWER

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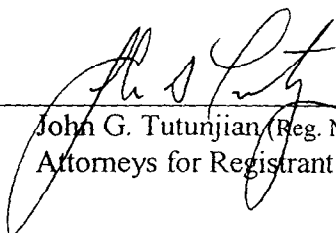
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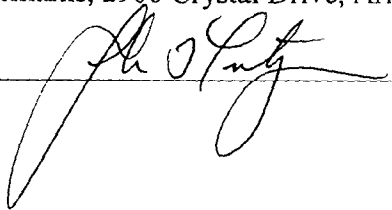
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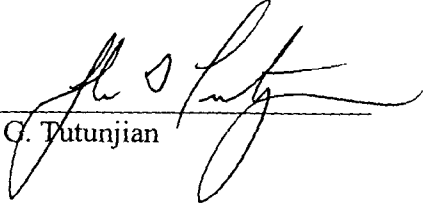


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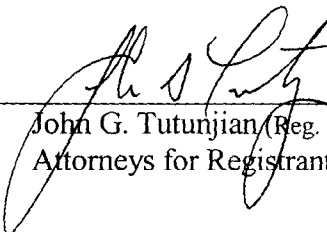
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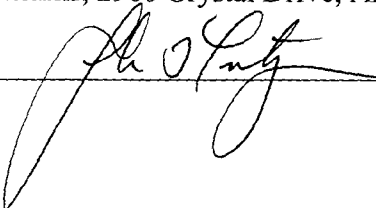
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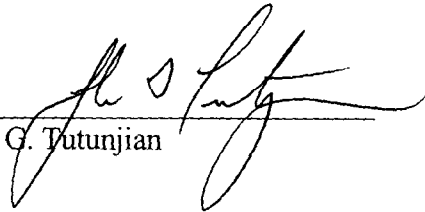
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