

ESTTA Tracking number: **ESTTA298067**

Filing date: **07/29/2009**

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

Proceeding	92051017
Party	Defendant Enigma Marketing & Travel Solutions, Inc .
Correspondence Address	David S. Klinestiver Lewis & Kappes, P.C. One American Square, Suite 2500 Indianapolis, IN 46282 UNITED STATES dklinestiver@lewis-kappes.com
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Date	07/29/2009
Attachments	Motion for Suspension of Proceeding.pdf (8 pages)(56050 bytes) Motion for Suspension of Proceeding Ex A.pdf (15 pages)(613820 bytes) Motion for Suspension of Proceeding Ex B.pdf (20 pages)(677813 bytes) Motion for Suspension of Proceeding Ex C.pdf (14 pages)(506815 bytes) Motion for Suspension of Proceeding Ex D.pdf (11 pages)(397311 bytes)

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

In re: Registration of
Enigma Marketing & Travel Solutions, Inc.
Registration No.: 3,539,936
Registration Date: December 2, 2008
Mark: EXCLUSIVELY FORE THOUGHT
Cancellation No. 92051017

Forethought Financial Services, Inc.,
Petitioner

v.

Enigma Marketing & Travel Solutions, Inc.
Respondent

MOTION FOR SUSPENSION OF CANCELLATION PROCEEDING

Respondent, Enigma Marketing & Travel Solutions, Inc. (“Enigma”), by counsel, hereby moves for suspension of this Cancellation Proceeding No. 92051017 (this “Proceeding”) pending outcome of the civil action initiated by Enigma against Petitioner, Forethought Financial Services, Inc. (“Forethought”), which is now pending in the United States District Court for the Southern District of Indiana, Indianapolis Division, Cause No. 1:09-CV-0473-DFH-JMS (the “District Court Case”), because the District Court Case may be dispositive of or otherwise have a bearing on this Proceeding. See Trademark Rule 2.117(a).

Furthermore, the District Court Case involves issues in common with those in this Proceeding that would be binding on the Trademark Trial and Appeal Board.

In support of this Motion, Enigma states as follows:

Procedural Background

1. On December 2, 2008, Enigma was granted Registration No. 3,539,936 (the “Registration”) for the mark EXCLUSIVELY FORE THOUGHT for “coordinating travel arrangements for individuals and for groups” in International Class 39 (the “Registered Mark”).

2. On March 17, 2009, Enigma filed a Verified Complaint for Injunctive Relief and Damages against Forethought in the Marion Superior Court, Marion County, Indiana, Cause No. 49D02-09-03-PL-012448 (the “State Court Case”), asserting claims of Breach of Contract (*Count I*), Unjust Enrichment (*Count II*), and Trademark Infringement and Unfair Competition on account of Forethought’s use of the mark “Exclusively Forethought” (*Count III*). A true and accurate copy of Enigma’s Complaint is attached hereto as Exhibit A

3. On April 16, 2009, Forethought filed its Notice of Removal of the State Court Case to the United States District Court, Southern District of Indiana, Indianapolis Division, thus initiating the District Court Case.

4. On May 22, 2009, Forethought filed its Answer and Counterclaim in the District Court Case, a true and accurate copy of which is attached hereto as Exhibit B, in which Forethought denied Enigma’s allegations of breach of contract, unjust enrichment, and trademark infringement and unfair competition on account of its use of “Exclusively Forethought,” and asserted some twenty affirmative defenses to Enigma’s claims and a Counterclaim against Enigma for:

- *Count I*: Unfair Competition and False Designation of Origin under 15 U.S.C. § 1125(a) on account of Enigma’s use of its Registered Mark (which Forethought characterizes as the “Infringing Mark”);

- *Count II:* Trademark Infringement under 15 U.S.C. § 1114(1) on account of Enigma’s use of its Registered Mark;
- *Count III:* Cancellation of the Registered Mark pursuant to 15 U.S.C. § 1119;
- *Count IV:* Unfair Competition and Common Law Trademark and Trade Name Infringement under Indiana Common Law on account of Enigma’s use of its Registered Mark;
- *Count V:* Unjust Enrichment on account of Enigma’s registration of its Registered Mark; and
- *Count VI:* Conversion on account of Enigma exercising control over its Registered Mark.

5. In its Counterclaim, Forethought seeks a variety of relief from the District Court including, *inter alia*, a permanent injunction, treble damages, attorneys’ fees, “and all such other relief as the Court may deem just and proper.” Forethought has also demanded a trial by jury in the District Court Case.

6. Also on May 22, 2009, Forethought filed its Petition to Cancel the Registration for the Registered Mark, initiating this Proceeding before the Trademark Trial and Appeal Board (the “Board”).

7. Enigma filed its Answer and Affirmative Defenses to Forethought’s Counterclaim in the District Court Case on June 11, 2009.

8. On July 1, 2009, in compliance with 15 U.S.C. § 1116, the Clerk of the United States District Court, Southern District of Indiana, sent notices to the Director of the United States Patent and Trademark Office of the filing of the District Court Case, including therewith copies of Enigma’s Complaint and Forethought’s Answer and Counterclaim.

9. On July 16, 2009, Forethought filed a motion in the District Court Case seeking a stay of that action pending the Board's decision in this Proceeding. A true and accurate copy of Forethought's motion and its supporting memorandum are attached hereto as Exhibit C.¹

10. Concurrently with the filing of this motion to suspend this Proceeding, Enigma is filing its Response in Opposition to Forethought's motion in the District Court Case to stay that action. A true and accurate copy of Enigmas Response brief is attached hereto as Exhibit D.

Argument

This Proceeding should be suspended pending outcome of the District Court Case, which may be dispositive of or have a bearing on this Proceeding and which involves issues in common with those herein that would be binding on the Board

11. In this Proceeding, Forethought seeks to cancel Enigma's Registration for the Registered Mark, EXCLUSIVELY FORE THOUGHT. As an administrative tribunal of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board is empowered to determine only the right to register a mark. *Trademark Trial and Appeal Board Manual of Procedure (TBMP)* § 102.01. As such, the Board may order the Registration to be cancelled or deny Forethought's petition for its cancellation in this Proceeding, but it has no authority to make determinations as to any party's right to use a mark or whether a particular use constitutes infringement or unfair competition. *Id.* Likewise, the Board has no authority to order injunctive relief with respect to a party's use of a mark, no authority to award damages, expenses or attorneys' fees, and no authority to render declaratory judgments. *See* TBMP § 502.05; *Kelly Services, Inc. v. Greene's Temporaries, Inc.*, 25 U.S.P.Q.2d 1460, 1464 (TTAB 1992).

¹ Exhibit A to the Memorandum in Support of the Motion to Stay, comprising Forethought's Petition to Cancel which is of record in this proceeding, is omitted from Exhibit C here.

12. Pursuant to Trademark Rule 2.117(a), whenever it comes to the attention of the Board that a party or parties to a case pending before it are involved in a civil action which may have a bearing on the Board case, proceedings before the Board may be suspended until final determination of the civil action. 37 CFR § 2.117(a); *see also* TBMP § 510.02(a).

13. Moreover, to the extent that a civil action in a federal district court involves issues in common with those in a proceeding before the Board, the decision of the federal district court is often binding upon the Board, while the decision of the Board is not binding upon the court. *Id.*

14. Ordinarily, the Board will suspend proceedings in the case before it if the final determination of the other proceeding will have a bearing on the issues before the Board. *Id.*; *see, e.g., General Motors Corp. v. Cadillac Club Fashions, Inc.*, 22 U.S.P.Q. 1933 (TTAB 1992) (relief sought in federal district court included an order directing the Trademark Office to cancel a registration involved in a cancellation proceeding).

15. In the District Court Case, the parties have each asserted trademark-related claims that may have a bearing on this Proceeding. More specifically, in its Complaint, Enigma has asserted a claim of trademark infringement and unfair competition on account of Forethought's use of a mark identical or substantially identical to the Registered Mark at issue in this Proceeding. *See Exhibit A* (Complaint, Count III). In its Counterclaim, Forethought has asserted claims against Enigma for unfair competition, false designation of origin and trademark and trade name infringement. *See Exhibit B* (Counterclaim, Counts I, II, IV).

16. Moreover, as Forethought's Counterclaim also asserts a claim for cancellation of the Registration (Counterclaim, Count III), the District Court Case involves issues in common with those in this Proceeding.

17. As such, a final determination in the District Court Case regarding the parties' respective rights, if any, with respect to the Registered Mark will have a direct bearing on the issues before the Board in this Proceeding, and the determination in the District Court Case as to whether the Registration should be cancelled is a common issue that will be binding upon the Board.

18. On the basis of the foregoing, the Board should suspend this Proceeding pending a final determination by the district court in the District Court Case as to the parties' relative rights in the Registered Mark and the validity of the Registration.

19. Suspension of a Board proceeding pending the final determination of another action is solely within the discretion of the Board. Moreover, the court in which a civil action is pending has no power to suspend proceedings in a case before the Board. TBMP § 510.02(a); *see Opticians Association of America v. Independent Opticians of America, Inc.*, 734 F. Supp. 1171, 14 U.S.P.Q.2d 2021 (D.N.J. 1990) (district court has no control over Board docket and no power to stay Board proceedings), *rev'd on other grounds*, 920 F.2d 187, 17 U.S.P.Q.2d 1117 (3d Cir. 1990)).

20. Although Forethought has moved the district court to stay the District Court Case pending the Board's decision in this Proceeding, as more fully set out in Enigma's Response in Opposition to that motion (*see Exhibit D*), Enigma has opposed such a stay on the grounds that it would unnecessarily and unreasonably delay adjudication of other matters at issue in that action (including, among other claims not related to trademark rights, broader issues of the parties' respective trademark rights and alleged infringement) and would not serve judicial efficiency, in that the district courts determination of the parties' trademark rights, including Enigma's right to maintain the Registration at issue in this Proceeding, will be binding upon the Board.

21. In the event the district court should grant Forethought's motion to stay the District Court Case pending a decision in this Proceeding, the Board may, at its discretion, order this Proceeding to be resumed upon notice of such action by the district court. Accordingly, there is no procedural or other impediment to the Board acting to suspend this Proceeding at this time pursuant to this motion, subject to further action upon notice of subsequent developments in the District Court Case.

22. Enigma's answer or other response to Forethought's Petition to Cancel is presently due on or before August 5, 2009. Accordingly, Enigma requests an additional thirty (30) day extension of time from the date of the Board's ruling on this Motion to Suspend or, if this Proceeding is suspended by the Board, resumption of this Proceeding following such suspension, in which to answer Forethought's Petition to Cancel.

Respectfully submitted,

ENIGMA MARKETING
& TRAVEL SOLUTIONS, INC.

By its attorneys of record:

/David S. Klinestiver/
David S. Klinestiver
Peter S. French
Sara R. Bradbury
Lewis & Kappes, P.C.
One American Square, Suite 2500
Indianapolis, IN 46282

Date: July 29, 2009

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on July 29, 2009, a copy of the foregoing was served by depositing a true copy of same in a sealed envelope, first-class United States mail, postage prepaid, addressed to:

Amie Peele Carter
Louis T. Perry
Baker & Daniels, LLP
300 North Meridian Street, Suite 2700
Indianapolis, IN 46204

and by transmitting a true copy of same via electronic mail to the following:

John R. Schaibley, III
John.schaibley@bakerd.com

Amie Peele Carter
Amie.peelecarter@bakerd.com

M. Kristen Glazner
Kristin.glazner@bakerd.com

Louis T. Perry
Louis.perry@bakerd.com

/David S. Klinestiver/

David S. Klinestiver

EXHIBIT A

STATE OF INDIANA) IN THE MARION COUNTY SUPERIOR COURT
)SS:
COUNTY OF MARION) CAUSE NO. _____

ENIGMA MARKETING & TRAVEL)
SOLUTIONS, INC.,)

49D02 09 03 PL 012448

Plaintiff,)

v.)

FORETHOUGHT FINANCIAL)
SERVICES, INC. d/b/a FORETHOUGHT)
FINANCIAL GROUP, INC.,)

FILED
36
MAR 17 2009
Charles J. White
CLERK OF THE MARION CIRCUIT COURT

VERIFIED COMPLAINT FOR INJUNCTIVE RELIEF AND DAMAGES

Plaintiff Enigma Marketing & Travel Solutions, Inc. ("Enigma"), by counsel, Lewis & Kappes, P.C., for its complaint against Defendant Forethought Financial Services, Inc. d/b/a Forethought Financial Group, Inc. ("Forethought") states as follows:

Nature of Suit

1. For several years, Enigma and Forethought enjoyed a successful business relationship. Enigma, an incentive marketing company, created and implemented a travel sales incentive program for Forethought, which Enigma named "Exclusively Forethought." Through this program, Enigma helped increase Forethought's sales significantly. In 2006 and 2007, however, the relationship between the parties broke down after Forethought changed ownership and changed its priorities. Forethought backed out of one program and refused to pay Enigma the cancellation fees due under the agreement between the parties. Then, Forethought misappropriated another proprietary program that Enigma created for Forethought, gave that program to a competitor of Enigma, and booked the program through the competitor. Forethought misappropriated a second proprietary program that Enigma created for Forethought and used that program to its own benefit. Though it apparently no longer wishes to do business

with Enigma, Forethought has used and continues to use Enigma's mark "Exclusively Forethought" in connection with non-Enigma incentive programs utilized by Forethought. Enigma, who developed a strong incentive program that increased Forethought's sales, was repaid by unpaid bills and stolen work product. Enigma now comes before this Court seeking remedy for Forethought's wrongs.

The Parties and Jurisdiction

2. Enigma is a corporation duly organized and existing under the laws of the State of Indiana with its primary business location in Indianapolis, Marion County, Indiana. Enigma is an incentive marketing, conference, and event planning agency.

3. Forethought is a corporation duly organized and existing under the laws of the State of Indiana with its primary business location in Indianapolis, Marion County, Indiana. Forethought is an insurance and financial planning company focused on retirement and funeral pre-planning. Forethought markets and sells its products through a network of funeral home directors and employees.

4. Preferred venue lies with this Court pursuant to Indiana Rule of Trial Procedure 75(A)(4).

Facts Common to All Counts

5. In approximately 2001, Enigma and Forethought entered into a business relationship wherein Enigma created, developed and managed a client valued vender partner incentive program for Forethought. This was a sales incentive program whereby funeral directors, employees and others who sold Forethought's products could earn travel rewards based on sales. Enigma named this program "Exclusively Forethought" and branded all of the Enigma programs it developed for Forethought with this mark. In addition, Enigma created and managed

numerous merchandise incentives, sales meetings and a "Summit Club" incentive travel program for the benefit of Forethought.

6. In 2008, Enigma registered the trademark "Exclusively Forethought." Furthermore, Enigma was the first to use the mark "Exclusively Forethought."

7. In 2006, Enigma developed for Forethought a National Sales Meeting trip to the Walt Disney World complex in Orlando, Florida. Enigma and Forethought entered into a Letter of Agreement with respect to this program. A true and accurate copy of that Agreement is attached hereto as Exhibit A.

8. In September 2006, Forethought cancelled the National Sales Meeting, but agreed with Enigma to postpone the program to July 2009 in order to minimize cancellation costs. Enigma arranged with Disney to postpone the program without any cancellation fees.

9. In February 2007, Forethought called off the July 2009 Disney program. Disney, in turn, charged Enigma a cancellation fee for the Forethought program. Forethought paid the cancellation fee directly to Disney and made no payment to Enigma for its cancellation charges due pursuant to the Letter of Agreement.

10. In 2007, Enigma presented a program to Forethought for an incentive trip to Naples, Florida. This program contained proprietary information belonging to Enigma and was marked as "confidential." Forethought gave the Enigma presentation and information for Naples to ADI Meetings and Incentives, Inc. ("ADI") without the knowledge or permission of Enigma and asked ADI to book the same program for Forethought.

11. In 2007, Enigma presented a program to Forethought for a customer entertainment program/junket to Napa Valley, California. This program contained proprietary information

belonging to Enigma. Forethought declined to book the program through Enigma, but instead misappropriated the program for its own use and benefit.

12. Forethought has used and continues to use the mark "Exclusively Forethought" for non-Enigma programs without the permission or license of Enigma.

Count I—Breach of Contract

13. Enigma incorporates by reference paragraphs 1 through 12 as if fully stated herein.

14. Enigma and Forethought entered in to Letter of Agreement for a National Sales Meeting program in Orlando, Florida (the "Disney LOA"). A true and accurate copy of that Agreement is attached hereto as Exhibit A.

15. The Disney LOA provides for certain liquidated damages in the event that the program was cancelled.

16. Forethought cancelled the program but failed to pay Enigma the liquidated damages pursuant to the Agreement, thereby breaching the Agreement.

17. Enigma has been damaged by Forethought's breach of the Disney LOA.

Count II—Unjust Enrichment

18. Enigma incorporates by reference paragraphs 1 through 17 as if fully stated herein.

19. In 2007, Enigma presented a program to Forethought for an incentive trip to Naples, Florida (the "Naples Program") at the request of Forethought. This program contained proprietary information belonging to Enigma and was marked as "confidential." Forethought gave the Enigma presentation and information for Naples to ADI Meetings and Incentives, Inc. ("ADI") without the knowledge or permission of Enigma and asked ADI to book the same program for Forethought.

20. The Naples Program had independent economic value.

21. Forethought misappropriated the Naples Program without making payment to Enigma.
22. Forethought benefited from the Naples Program at the expense of Enigma.
23. In 2007, Enigma presented a program to Forethought for a customer entertainment program/junket to Napa Valley, California (the "Napa Program"). This program contained proprietary information belonging to Enigma. Forethought declined to book the program through Enigma, but instead misappropriated the program for its own use and benefit.
24. The Napa Program had independent economic value.
25. Forethought misappropriated the Napa Program without making payment to Enigma.
26. Forethought benefited from the Napa Program at the expense of Enigma.
27. Enigma is entitled to payment for the benefit gained by Forethought in connection with the Naples Program and the Napa Program.

Count III—Trademark Infringement and Unfair Competition
(Damages and Injunctive Relief)

28. Enigma incorporates by reference paragraphs 1 through 27 as if fully stated herein.
29. Enigma is the owner of the mark "Exclusively Forethought."
30. Forethought has used and continues to use in commerce words, false designations of origin, false or misleading descriptions of fact, and false or misleading representations of fact, which are likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of Enigma with Forethought, or as to the origin, sponsorship, or approval of Forethought's goods, services, or commercial activities by Enigma in the marketplace.
31. Forethought has used and continues to use the registered mark in commerce in connection with the sale, offering for sale, distribution or advertising of goods and/or services, which is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or

association of Enigma with Forethought, or as to the origin, sponsorship, or approval of Forethought's goods, services, or commercial activities by Enigma in the marketplace.

32. Upon information and belief, Forethought's infringement, false designations and unfair competition were and are intentional and willful.

33. As a result of Forethought's actions, Enigma has suffered and continues to suffer monetary damages, including lost sales and profits, in an amount to be proven at trial.

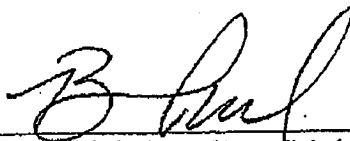
34. Enigma is entitled to an accounting of Forethought's profits from their unlawful acts of unfair competition and trademark infringement.

35. As a result of Forethought's actions, Enigma has suffered and continues to suffer irreparable harm to its goodwill, reputation, business and property. Enigma will continue to suffer such irreparable harm until Forethought is enjoined from using the mark "Exclusively Forethought."

WHEREFORE, Plaintiff Enigma Marketing & Travel Solutions, Inc., by counsel, Lewis & Kappes, P.C., requests the following relief:

1. Judgment in favor of Enigma and against Forethought in an amount to be determined at trial;
2. Award attorney fees to Enigma;
3. That Forethought be preliminarily and permanently enjoined from using the mark "Exclusively Forethought" in any manner whatsoever without the express permission and license of Enigma; and
4. All other relief just in the premises.

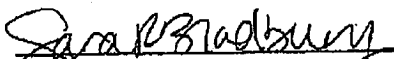
I AFFIRM UNDER THE PENALTIES FOR PERJURY ~~THAT~~ THE FOREGOING
REPRESENTATIONS ARE TRUE.



Enigma Marketing & Travel Solutions, Inc.
By: Brian Smith, President

Respectfully Submitted,

LEWIS & KAPPES, P.C.



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Peter S. French, Atty. No. 16716-49
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Counsel for Plaintiff

A

Jul. 12. 2006 4:11PM

No. 1301 P. 1

July 7, 2006

Joseph Girgenti
Vice President of Sales Support
Forethought Financial Services, Inc.
One Forethought Center
Batesville, IN 47006

RE: Letter of Agreement - Disney's Board Walk
2006 National Sales Meeting
January 15-18, 2007

Dear Mr. Girgenti:

This Letter of Agreement (the "Agreement") will serve to confirm the terms and conditions of the agreement by and between Forethought Financial Services, Inc. ("FFS") and Enigma Marketing & Travel Solutions, Inc. ("EMTS"), for meeting services to FFS and its guests relating to the 2006 National Sales Meeting at Disney's Board Walk in Walt Disney World, FL scheduled for January 15-18, 2007. Upon execution of this Letter of Agreement, EMTS will provide and manage the services described below at cost plus 18.5%.

Estimated cost per person is \$2,318.49. See Exhibit A. Please note this cost per person is based on 80 total participants and double occupancy. The single-occupancy supplement will increase the cost by \$465.74 ($\$235 \div 2 = \$117.50 + \13.51 (Room Tax) = $\$131.01 \times 3$ Night = $\$393.03 + \72.71 (Management Fee) = $\$465.74$) per person for single rooms. These costs are inclusive of the 18.5%, but are subject to change with any increase or decrease in the total number of participants. The Exhibit A Budget Sheet is an estimate; a final accounting will be taken after program operation for actual total program expenditure.

I. Accommodations/Function Space. The program shall include three (3) nights' accommodations, Monday, January 15, through Thursday, January 18, 2007. To accommodate your rooming needs, we have blocked space as follows.

Room Block:

Day	Sunday	Monday	Tuesday	Wednesday
Date	1/14	1/15	1/16	1/17
Run of House	3	60	60	60
Suites	-	2	2	2
Total Room Block	3	62	62	65

Jul. 12. 2006 4:11PM

No. 1301 P. 2

Joseph Girgenti
 2006 National Sales Meeting
 July 7, 2006

Guest Room Attrition

You may reduce the above room block by 10% 30 days before trip operation. However, if your actual guestroom usage falls below 90% of the above block, the actual number of guestrooms fewer than 90% not consumed will be charged at the group rate, plus prevailing taxes. Should rooms be re-sold by the Hotel, attrition liquidated damages will be adjusted accordingly.

Room Rates

Day	Monday	Tuesday	Wednesday
Date	1/15	1/16	1/17
Run of House	\$235.00	\$235.00	\$235.00
Suites	\$350.00	\$350.00	\$350.00

The above room rates are based on single/double occupancy. This rate is subject to a room tax of 11.5%, bringing the inclusive nightly rate to \$262.03 for run of house and \$390.25 for the suites. Should changes occur in this rate, any additional costs or refunds will be added to the final program accounting.

The Cut-Off Date for supplying your rooming list is Monday, December 1, 2006. A format for the rooming list will be provided to you by EMTS. This rooming list will identify FFS guests paired with their specific roommate. The date of December 1, 2006 allows two weeks to finalize any changes to the rooming list. In the event the rooming list is not finalized by December 15, 2006, the Hotel has the right to release any rooms that are not reserved. All reservations received from you or your meeting attendees after the Cut-Off Date for room nights within your Room Block will be accepted on a space and rate available basis. All guests must provide an approved credit card at the Front Desk prior to incidentals being charged to the guestroom. Check in time is 3:00 PM. Check out time is 11:00 AM.

Function Space:

Date	From Time	To Time	Event	Function Space	No. Guests
Mon, 1/15	AM	PM	Hospitality	Suite	Flow
Mon, 1/15	7:00 PM	10:00 PM	Welcomes Recep.	Sea Breeze Point	80
Tues, 1/16	AM	PM	Hospitality	Suite	Flow
Tues, 1/16	7:00 AM	8:00 AM	Breakfast	Salons	80
Tues, 1/16	7:00 AM	5:00 PM	General Session	Promenade East	80
Tues, 1/16	7:00 AM	5:00 PM	Breakouts	See Below	15
Tues 1/16	12:00 PM	1:00 PM	Lunch	Flying Fish	80
Tues 1/16	7:00 PM	10:00 PM	Awards Dinner	Promenade East	80
Wed, 1/17	AM	PM	Hospitality	Suite	Flow
Wed, 1/17	7:00 AM	8:00 AM	Breakfast	Salons	80
Wed, 1/17	7:00 AM	5:00 PM	General Session	Promenade East	80
Wed, 1/17	7:00 AM	5:00 PM	Breakouts	See Below	15
Wed, 1/17	12:00 PM	1:00 PM	Lunch	Flying Fish	80
Thurs, 1/18	AM	PM	Hospitality	Suite	Flow
Thurs, 1/18	7:00 AM	8:00 AM	Breakfast	Salons	80
Thurs, 1/18	7:00 AM	12:00 PM	General Session	Promenade East	80
Thurs, 1/18	12:00 PM	1:00 PM	Lunch	Flying Fish	80

*Promenade East, Salons 4, 5, and 6, and the Attic will be used for breakout space.

Client Initials 

Jul. 12. 2006 4:11PM

No. 1301 P. 3

Joseph Girgenti
2006 National Sales Meeting
July 7, 2006

EMTS has negotiated the above function space based on FFS's commitment to the previously mentioned room block and above mentioned functions/food and beverage. In the event that FFS substantially modifies either or both of the room block commitment or food and beverage functions, The Hotel reserves the right to levy meeting room/function space rental charges.

II. Program Features.

1. Ground Transportation. EMTS and their designated travel staff will provide round-trip transfers between the Orlando airport and The Boardwalk Inn Resort.
2. Dining and Activities. Dining and activities for the program include the following:

Monday, January 15, 2007

- Welcome Reception

Tuesday, January 16, 2007

- Hot Breakfast
- General Session
- Breakout Sessions
- Lunch
- Awards Ceremony at The BoardWalk Inn

Wednesday, January 17, 2007

- Hot Breakfast
- General Session
- Breakout Sessions
- Lunch
- Great Movie Ride

Thursday, January 18, 2007

- Hot Breakfast
- General Session
- Lunch

All required taxes and service charges, as well as discretionary gratuities for the above listed dining and activities are included in the Program price. Taxes and service charges are currently 6.5% sales tax and 20% gratuity. Should changes occur, any additional costs or refunds will be added to or deducted from the final program accounting.

3. Air Transportation. EMTS will book all air transportation based on the best rates available for comparable group travel. An air allowance of \$400.00 is included in the per person price for the Program. If the final average air cost falls below \$400.00 per person, FFS will be refunded the difference at the conclusion of the Program. However, if the per person air exceeds \$400.00, FFS will be billed the difference at the conclusion of the Program. Any non-refundable tickets booked and not used will be included in the final accounting.

Air Booking Procedures: Participants will be given a five day period in which they are to call EMTS to set up flight arrangements. Any such change in schedules must also be reasonably approved by FFS. This procedure is designed to protect the FFS air budget allowance.

4. Event Management Services. EMTS is responsible for planning and coordinating the travel experience on-location management services. Any items not included in the planned Program and requested by an authorized member of FFS during event operations will be, whenever possible, provided by our staff. These additional items and services will be invoiced to you as a part of the final program statement, at cost, plus 18.5%.

Client Initials



Jul. 12. 2006 4:11PM

No. 1301 P. 4

Joseph Girgenti
2006 National Sales Meeting
July 7, 2006

- 5. The Program **Does Not** include: early arrivals or late departures and any items of a strictly personal nature such as valet or laundry service, room service unless specified, phone calls, bar charges, etc.; any additional costs, which may be occasioned by bad weather, delayed flights, necessary overnights en route and other elements beyond our control; any activity deemed as optional or not included in the basic itinerary.

III. Deposits. In order to make commitments with our suppliers, we require a deposit of:

Due Date	Amount	% of Total
Signing of Contract	\$18,547.91	10%
August 15, 2006	\$37,095.82	20%
November 15, 2006	\$92,739.57	50%
December 15, 2006	\$37,095.82	20%
Total	\$185,479.12	100%

The above amount above **DOES NOT** include audio visual needs, awards for participants, or any shipping or handling fees levied by the Hotel.

- IV. Cancellation Policy. On the Cut-Off Date of December 15, 2006, any unreserved room nights from your Room Block will be placed back into Hotel inventory for resale. In addition, if any reservations for room nights are cancelled after the Cut-Off Date, these will also be placed back into inventory for resale. The Hotel will attempt to resell these room nights after all other available rooms at the Hotel have been sold.

If any unused room nights from the Room Block are not resold, the Hotel would incur damages from the loss of room and other ancillary revenue, but the actual amount cannot be determined at this time. Accordingly, you agree to pay the Hotel, as liquidated damages (and not as a penalty), a room attrition fee equal to 90% of your applicable Group Room Rate, plus applicable taxes, for each of these room nights that the Hotel determines is not resold after all other available rooms at the Hotel have been sold. The parties agree that this represents a reasonable method to compensate the Hotel for our damages. Any room attrition fee will be charged to your master account.

In the event this Program cancels in part or whole, EMTS will additionally itemize and invoice you for time, expenses and liquidated damages incurred on your behalf. Also, included in this invoice will be any deposits or sums of money obligated and monies which are not refundable from any supplier. However, FFS and/or EMTS may be excused from this contractual obligation in the event that acts of God, war, government regulation, riots, disasters or strikes render such commitments impossible or illegal. Should FFS deposit funds remain, EMTS will issue FFS a check upon final accounting, which will be completed within 30 days from the date of cancellation.

Neither party to this Agreement shall have the right to assign said Agreement or any rights under the Agreement (except to an affiliated company or corporation) without the prior written consent of the other party hereto. FFS further agrees that any change in corporate or business ownership structure, whether by merger, take-over or otherwise, shall not serve to cancel, modify or in any way reduce FFS's obligations under this Agreement, and this Agreement shall remain in full force and effect with respect to FFS and any successor entity.

- V. Pre-Program Shipments. The Board Walk will accept and store all pre-program shipments required for the scheduled meetings/programs. All shipments should be listed and provided to EMTS 7 days prior to trip operation. Fees for items sent to/from or stored at the hotel will be invoiced in the final accounting to FFS. Shipments should be addressed as follows:

Client Initials



Jul. 12. 2006 4:11PM

No. 1301 P. 5

Joseph Girgenti
2006 National Sales Meeting
July 7, 2006

Disney's BoardWalk Inn
2101 North Epcot Resorts Blvd
Lake Buena Vista, FL 32830
ATTN: Forethought National Sales Meeting Jan. 15-18, 2007
HOLD FOR: Guest Name or Tracy Gustafson

- IV. **Travel Liability.** EMTS is acting as an agent for FFS solely for the purposes of the Program. EMTS will not be liable for injury to any persons or property (unless such injury is solely attributable to the gross negligence or intentional misconduct of EMTS) or for loss of baggage or personal property arising from the means of transportation or facilities utilized. EMTS accepts no responsibility or liability for delays, missed connections, personal injury (unless such personal injury is solely attributable to the gross negligence or intentional misconduct of EMTS) or loss of personal property relating to any of the planned or optional activities in which FFS or any of its participants chooses to participate. The passage contract in use by the airlines and other carriers will constitute the sole contract between the airline and carriers involved and any participant in the Program. FFS will not hold EMTS liable for any expenses incurred in connection with any participant in the Program based on services not specifically included to be performed by EMTS pursuant to this Agreement. The responsibility of any carrier and any person participating in the Program is limited to their contractual liability as a common carrier.
- VI. **Governing Law.** This Agreement shall be governed by, and construed in accordance with the laws of the State of Indiana. EMTS and FFS are each entitled to recover their respective costs, including reasonable attorneys' fees in any action brought to enforce or interpret this Agreement. Neither EMTS nor FFS shall be responsible to the other for any delay, damage, loss, failure, or inability to perform under this Agreement caused by any act of God, war, government regulation, disaster, strikes, civil disorder or other such emergency.
- VII. **Indemnification.** EMTS shall indemnify and hold harmless FFS, its subsidiaries, affiliates, and their respective directors, employees, officers and agents, from and against any and all losses, damages, claims, suits or actions brought against any or all of them arising out of or with respect to (a) EMTS' material breach of or failure to comply with this Agreement; (b) any acts, omissions or illegal or improper conduct of EMTS, its employees or agents in connection with or relating to the Program services provided by EMTS under this Agreement; and (c) any violation by EMTS or its employees or agents of any federal, state or local laws, rules or regulations applicable to the Program services or this Agreement. The foregoing provisions of this paragraph shall not apply to losses, damage claims, suits or action arising out of or in connection with the acts, omissions or illegal or improper conduct of service providers furnishing activities and events to FFS and its attendees as independent contractors. FFS shall indemnify and hold harmless EMTS, its subsidiaries, affiliates, and their respective directors, employees, officers and agents, from and against any and all losses, damages, claims, suits or actions brought against any or all of them arising out of or with respect to (a) FFS' material breach of or failure to comply with this Agreement; (b) any acts, omissions or illegal or improper conduct of FFS, its employees, agents, or Program participants in connection with or relating to the Program services; (c) any violation by FFS or its employees, agents, or Program participants of any federal, state or local laws, rules or regulations applicable to the Program services or this Agreement; and (d) the failure or refusal of any Program participant to pay the Hotel for any non-pre-approved incidental charges incurred by such Program participant.

Force Majeure. No damages shall be due for a failure of performance occurring due to Acts of God, war, terrorist act, government regulation, riots, quarantines, disaster, or strikes, any one which will make performance impossible.

5

Client Initials 

Jul. 12. 2006 4:12PM

No. 1301 P. 6

Joseph Girgenti
2006 National Sales Meeting
July 7, 2006

VIII. Warranties and Representations. EMTS is a corporation, duly organized, validly existing and in good standing under the laws of Indiana, and has and will maintain during the term of this Agreement: (a) all necessary licenses, authorizations, registrations and approvals; and, (b) full power and authority to carry on business as it is being conducted and as it will be required to be conducted in order to consummate the transactions contemplated by this Agreement, in accordance with applicable laws. FFS is a corporation, duly organized, validly existing and in good standing under the laws of Indiana, and has and will maintain during the term of this Agreement: (a) all necessary licenses, authorizations, registrations and approvals; and, (b) full power and authority to carry on business as it is being conducted and as it will be required to be conducted in order to consummate the transactions contemplated by this Agreement, in accordance with applicable laws. With regard to Program services provided by event suppliers, EMTS is acting solely as an agent for FFS. EMTS will not be liable for any personal injury or property damage or loss suffered by Program participants resulting from a supplier's actions, negligence or failure to act. FFS will not hold EMTS liable for any expenses incurred in connection with any Program participant based on services not specifically undertaken to be performed by EMTS under this Agreement.

Two (2) copies of this Agreement are provided. If FFS is in agreement with the contents of this Agreement, please have a duly authorized representative sign both copies in the space provided below, then keep one (1) copy for FFS' files and return one (1) fully-executed original to EMTS. We look forward to working with FFS and providing the Program services outlined above.
Sincerely,

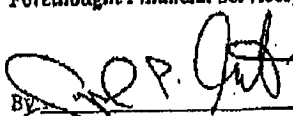
Enigma Marketing & Travel Solutions, Inc.

By: 
Brian M. Smith
President

7/12/06
Date

Signed & Agreed:

Forethought Financial Services, Inc.

By: 
Joseph Girgenti
Executive Vice President of Sales & Marketing

7-12-06
Date

Client Initials 

EXHIBIT B

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

ENIGMA MARKETING & TRAVEL)	
SOLUTIONS, INC.,)	
)	
Plaintiff,)	CAUSE NO. 09-cv-0473 DFH-JMS
)	
v.)	
)	JURY TRIAL DEMANDED
FORETHOUGHT FINANCIAL SERVICES, INC.)	
d/b/a FORETHOUGHT FINANCIAL GROUP,)	
INC.,)	
)	
Defendant.)	

**FORETHOUGHT FINANCIAL SERVICES, INC.'S
ANSWER AND COUNTERCLAIM**

The defendant Forethought Financial Services, Inc.¹ ("Forethought"), by and through counsel, hereby answers the Complaint filed against it by Enigma Marketing & Travel Solutions, Inc. ("Enigma") as follows:

FIRST DEFENSE: RESPONSES TO NUMBERED PARAGRAPHS

1. Forethought admits that it entered into several letter agreements with Enigma relating to travel and marketing services. Forethought further admits that Forethought's incentive program, which was bought and paid for by Forethought, employed the phrase "Exclusively Forethought," and that this program was developed while Enigma was providing services to Forethought. Solely in its capacity as Forethought's agent, Enigma was authorized by Forethought to disseminate promotional material for Forethought's sole benefit and on Forethought's behalf using the phrase "Exclusively Forethought" to brand certain of

¹ While the caption and Complaint assert that Forethought Financial Group, Inc. is a d/b/a for Forethought Financial Services, Inc., Forethought Financial Group, Inc. is not and has never been a d/b/a for Forethought Financial Services, Inc. Forethought Financial Group, Inc. is the immediate parent of Forethought Financial Services, Inc.

Forethought's travel programs. In all other respects, Forethought denies the remaining allegations of paragraph 1 of Plaintiff's Complaint.

2. Forethought admits, upon information and belief, the material allegations of the second sentence of paragraph 2 of Plaintiff's Complaint; in other respects, Forethought lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 2.

3. Forethought is a corporation duly organized and existing under the laws of the State of Indiana with its primary business location in Indianapolis, Marion County, Indiana. Forethought is an insurance and financial planning company focused on retirement and funeral pre-planning. Forethought markets and sells its products through a network of funeral home directors and employees. Any insurance-related activities are engaged in by Forethought's affiliated life insurance companies.

4. The allegations of paragraph 4 do not require a response from the defendant because these allegations are legal conclusions; to the extent a response is required, Forethought lacks sufficient knowledge or information to form a belief as to the truth of the allegations of paragraph 4.

5. Forethought admits that it entered into several letter agreements with Enigma relating to travel and marketing services. Forethought further admits that Forethought's incentive program, which was bought and paid for by Forethought, employed the phrase "Exclusively Forethought," and that this program was developed while Enigma was providing services to Forethought. Forethought denies the remaining allegations of paragraph 5 of Plaintiff's Complaint.

6. Forethought admits that Enigma registered the trademark "Exclusively Forethought" in 2008; however, on information and belief, Enigma's registration of "Exclusively Forethought" is invalid on numerous grounds. Forethought denies that Enigma was the first to "use" the mark "Exclusively Forethought" as that term is used in trademark law; rather, the use of the mark "Exclusively Forethought" to which Enigma refers was in truth a use by and for Forethought, through its agent, Enigma. In all other respects, Forethought denies the allegations of paragraph 6 of the Complaint.

7. Forethought denies the allegations contained in paragraph 7 of the Complaint, except Forethought admits that Exhibit A to the Complaint appears to be a copy of a Letter of Agreement relating to a trip to Walt Disney World Complex in Orlando, Florida.

8. Forethought admits that it cancelled the National Sales Meeting scheduled for Disney's Board Walk on January 15-18, 2007 (the "2007 Disney Sales Meeting"). Forethought admits that it agreed to postpone the program until July 2009 in order to minimize cancellation costs. Forethought is without sufficient knowledge or information to admit or deny the remaining allegations contained in paragraph 8 of Plaintiff's Complaint and on that basis denies them.

9. Forethought admits that Disney invoiced Enigma for a cancellation fee for the 2007 Disney Sales Meeting and that Forethought paid the cancellation fee directly to Disney Resort Destinations. Forethought denies that it owed Enigma for any cancellation charges pursuant to the Letter of Agreement. Forethought denies the remaining allegations of paragraph 9 of Plaintiff's Complaint.

10. Forethought admits that Enigma presented Forethought with information related to an incentive trip to Naples, Florida. Forethought denies the remaining allegations of paragraph 10 of Plaintiff's Complaint.

11. Forethought admits that Enigma presented Forethought with information related to an entertainment program/junket to Napa Valley, California in 2007 and that it declined to book the program through Enigma. Forethought denies the remaining allegations of paragraph 11 of Plaintiff's Complaint.

12. Forethought denies the allegations contained in paragraph 12 of Plaintiff's Complaint.

Count I

13. Forethought reincorporates and realleges paragraphs 1 through 12 of Plaintiff's Complaint as though fully set forth herein.

14. Forethought a denies the allegations contained in paragraph 14 of the Complaint, except Forethought admits that Exhibit A to the Complaint appears to be a copy of a Letter of Agreement relating to a trip to Walt Disney World Complex in Orlando, Florida.

15. Forethought denies the allegations contained in paragraph 15 of Plaintiff's Complaint.

16. Forethought admits that circumstances beyond its control compelled it to cancel the 2007 National Sales Meeting. Forethought denies the remaining allegations contained in paragraph 16 of Plaintiff's Complaint.

17. Forethought denies the allegations of paragraph 17 of Plaintiff's Complaint.

Count II

18. Forethought reincorporates and realleges paragraphs 1 through 17 of Plaintiff's Complaint as though fully set forth herein.

19. Forethought admits that Enigma presented Forethought with information related to an incentive trip to Naples, Florida. Forethought denies the remaining allegations of paragraph 19 of Plaintiff's Complaint.

20. Forethought denies the allegations of paragraph 20 of Plaintiff's Complaint.

21. Forethought denies the allegations of paragraph 21 of Plaintiff's Complaint.

22. Forethought denies the allegations contained in paragraph 22 of Plaintiff's Complaint.

23. Forethought admits that Enigma presented Forethought with information related to an entertainment program/junket to Napa Valley, California in 2007 and that it declined to book the program through Enigma. Forethought denies the remaining allegations contained in paragraph 23 of Plaintiff's Complaint.

24. Forethought denies the allegations of paragraph 24 of Plaintiff's Complaint.

25. Forethought denies the allegations of paragraph 25 of Plaintiff's Complaint.

26. Forethought denies the allegations contained in paragraph 26 of Plaintiff's Complaint.

27. Forethought denies the allegations contained in paragraph 27 of Plaintiff's Complaint.

Count III

28. Forethought reincorporates and realleges paragraphs 1 through 27 of Plaintiff's Complaint as though fully set forth herein.

29. Forethought denies the allegations contained in paragraph 29 of Plaintiff's Complaint.

30. Forethought denies the allegations contained in paragraph 30 of Plaintiff's Complaint.

31. Forethought has used "Exclusively Forethought" but Forethought is not currently using "Exclusively Forethought" and has no intent to use "Exclusively Forethought" in connection with coordinating travel arrangements for individuals or groups at least until Forethought's petition to cancel Enigma's wrongfully obtained trademark registration of "Exclusively Forethought" is ruled on by the Trademark Office. Forethought denies the remaining allegations contained in paragraph 31 of Plaintiff's Complaint.

32. Forethought denies the allegations contained in paragraph 32 of Plaintiff's Complaint.

33. Forethought denies the allegations contained in paragraph 33 of Plaintiff's Complaint.

34. Forethought denies the allegations contained in paragraph 34 of Plaintiff's Complaint.

35. Forethought denies the allegations contained in paragraph 35 of Plaintiff's Complaint.

SECOND DEFENSE

The Complaint fails to state a claim upon which relief can be granted.

THIRD DEFENSE

Plaintiff's claims are barred in whole or in part by the applicable statute of limitations and/or the doctrine of laches.

FOURTH DEFENSE

Plaintiff's claims are barred in whole or in part by its failure to mitigate its damages.

FIFTH DEFENSE

Plaintiff's claims are barred, in whole or in part, by the doctrines of equitable estoppel, unclean hands, and/or waiver.

SIXTH DEFENSE

Plaintiff's claims are barred, in whole or in part, by the doctrine of accord and satisfaction.

SEVENTH DEFENSE

Plaintiff's claims are barred in whole or in part because, on information and belief, Enigma obtained the "Exclusively Fore Thought" trademark registration by perpetrating a fraud upon the trademark office, including:

- a. In obtaining the registration, on information and belief, Enigma made false statements with the intent to deceive authorized agents of the United States Patent and Trademark Office, which deception resulted in the registration of the mark;
- b. On information and belief, Enigma misrepresented to the trademark office that it had been the first to use the mark in commerce (as that term is defined by the Lanham Act), and misleadingly failed to disclose to the trademark office that the first use of the "Exclusively Fore Thought" trademark was in fact used for and on behalf of Forethought, with Enigma solely acting as Forethought's agent;

c. On information and belief, Enigma has never used the Mark in association with "coordinating travel arrangements for individuals and for groups" in International Class 39 other than to use the Mark for the benefit of and under the direction of Forethought;

d. On information and belief, Enigma knew that it did not have rights to the mark when Enigma submitted the application to the trademark office.

EIGHTH DEFENSE

Plaintiff's claims are barred, in whole or in part, by the doctrine of illegality; the allegations of Forethought's Seventh Defense are incorporated and realleged in this defense as though fully set forth herein. In addition, Enigma's trademark registration for "Exclusively Fore Thought" is also unlawful on grounds of lack of bona fide use, lack of bona fide intent to use, and lack of rightful ownership.

NINTH DEFENSE

Plaintiff's claims are barred, in whole or in part, by the doctrine of license including, without limitation, the doctrine of implied license.

TENTH DEFENSE

Plaintiff's claims are barred, in whole or in part, by the doctrines of payment and/or release.

ELEVENTH DEFENSE

Plaintiff's claims are barred, in whole or in part, by the doctrine of compromise and settlement.

TWELFTH DEFENSE

Plaintiff's claims are barred, in whole or in part, because defendant's actions were privileged.

THIRTEENTH DEFENSE

Plaintiff's claims are barred, in whole or in part, because any alleged damages suffered by Plaintiff are a result of proximate causes other than Forethought's conduct.

FOURTEENTH DEFENSE

Plaintiff's claims are barred, in whole or in part, by the doctrine that to obtain equitable relief, the Plaintiff must do equity.

FIFTEENTH DEFENSE

Plaintiff's claims are barred, in whole or in part, because it cannot establish irreparable harm and would have an adequate remedy at law.

SIXTEENTH DEFENSE

Plaintiff's claims are barred, in whole or in part, because of Plaintiff's antecedent failure to perform services adequately.

SEVENTEENTH DEFENSE

Plaintiff's claims are barred, in whole or in part, due to failure to allege adequately the performance or excuse of all conditions precedent.

EIGHTEENTH DEFENSE

Plaintiff's claims are barred, in whole or in part, by contractually agreed limitations on liability.

NINETEENTH DEFENSE

Plaintiff's claims are barred, in whole or in part, under the doctrines of commercial impracticability and/or impossibility and/or the force majeure provisions of the July 7, 2006 Letter Agreement.

TWENTIETH DEFENSE

Defendant reserves all rights to assert any additional defenses developed as a result of discovery or as a result of future court decisions.

All allegations not heretofore admitted or denied are here and now denied as if specifically set forth and denied.

TRIAL BY JURY DEMAND

Forethought hereby demands trial by jury on all issues triable to a jury.

WHEREFORE, having fully responded to Plaintiff's Complaint, and having set forth affirmative matters herein, Forethought prays that Enigma take nothing by way of its Complaint for Damages and that this matter be dismissed with prejudice and that Forethought be awarded its attorney fees and reasonable costs in this action.

**COUNTERCLAIM AGAINST
ENIGMA MARKETING & TRAVEL SOLUTIONS, INC.**

For its Counterclaim against Enigma, Forethought alleges as follows:

JURISDICTION AND VENUE

1. The Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1331 because the matter in controversy involves a claim brought under 15 U.S.C. § 1051 *et seq.*
2. The Court has personal jurisdiction over Enigma as it is domiciled in the State of Indiana.
3. Venue is proper in this district pursuant to 28 U.S.C. § 1391(a) because a substantial part of the events or omissions giving rise to the claim occurred in the State of Indiana.

FACTS COMMON TO ALL COUNTS

4. Forethought is a well-known provider of innovative insurance and financial solutions for families managing retirement and end-of-life needs that does business in forty-nine (49) states and the District of Columbia.

5. Since at least as early as November of 1985, Forethought has used FORETHOUGHT as a trademark (the "Word Marks") and a trade name, in some cases including a design element with the literal element FORETHOUGHT (the "Design Mark", and together with the Word Marks, the "Forethought Marks"), in association with insurance and financial services.

6. Forethought owns the following United States trademark registrations for the Forethought Marks:

Trademark	Reg. No.	Goods/Services	Reg. Date
FORETHOUGHT	2,502,266	banking services in Int'l Class 36	October 30, 2001
FORETHOUGHT	1,509,543	underwriting insurance to cover funeral expenses in Int'l Class 36 underwriting insurance to cover funeral expenses in Int'l Class 42	October 18, 1988
FORETHOUGHT	3,392,727	business marketing consulting services; administrative services, namely, inventorying merchandise and administrative accounting, record keeping of cemetery plots, data compilation of purchased funeral and cemetery merchandise, services and property and providing business reports thereto, for others in Int'l Class 35 financial services, namely, trustee services in the nature of accepting, depositing, investing, administering, and disbursing	March 4, 2008

		trust funds; insurance administration services; insurance brokerage services; insurance claims processing services for others; management of cemetery real property in Int'l Class 36	
FORE THOUGHT	1,540,815	underwriting insurance to cover funeral expenses in Int'l Class 36 underwriting insurance to cover funeral expenses in Int'l Class 42	May 23, 1989

7. Enigma is an incentive marketing company that implements travel sales programs. Until approximately 2007, Enigma would, from time to time, arrange trips for life insurance agents or Forethought employees under certain incentive programs. In doing so, Enigma, at the direction and under the authorization of Forethought, would, for the sole benefit of Forethought, sometimes create destination-specific brochures that included the Forethought Marks preceded by the word "Exclusively." These destination-specific brochures also often included the unique Design Mark (pictured above). The use of the Forethought Marks in combination with the word "Exclusively" on these brochures was for Forethought's benefit and at the direction of Forethought.

8. On April 8, 2008, after the relationship between Forethought and Enigma ended, Enigma filed Application Serial No. 77/443,310 (the "Enigma Application") for the mark EXCLUSIVELY FORE THOUGHT (the "Infringing Mark") for "coordinating travel arrangements for individuals and for groups" in International Class 39. The Enigma Application registered on December 2, 2008 at the United States Patent and Trademark Office as United States Trademark Registration No. 3,539,936

9. The specimen of use that Enigma submitted with the Enigma Application prominently displays the Design Mark in combination with the word "Exclusively" on the first

page. The thirteenth page of the specimen of use contains a "Responsibility Clause" that identifies Forethought as the sponsor of the trip described therein. Further, the fourteenth page of the Substitute Specimen displays a copyright notice indicating that the specimen of use is the property of Forethought.

COUNT I: UNFAIR COMPETITION AND FALSE DESIGNATION OF ORIGIN

15 U.S.C. § 1125(a)

10. Forethought reincorporates and realleges paragraphs 1 through 9 as though fully set forth herein.

11. Enigma's use in commerce of the Infringing Mark is likely to cause confusion, or to cause mistake, or to deceive the relevant public that the travel services are authorized, sponsored or approved by or are affiliated with Forethought.

12. Enigma's use of the Infringing Mark is likely to cause initial interest confusion among the general public.

13. The foregoing actions of Enigma constitute unfair competition and false designation of origin in violation of 15 U.S.C. § 1125(a), and, on information and belief, have been knowing, deliberate, willful, intended to cause mistake or to deceive, and in disregard of Forethought's rights.

14. Enigma has unfairly profited from the actions alleged.

15. By reason of foregoing actions, Forethought has suffered damage to the goodwill associated with the Forethought Marks.

16. Enigma's activities have irreparably harmed and, if not enjoined, will continue to irreparably harm the general public who has an interest in being free from confusion, mistake and deception.

17. By reason of Enigma's acts, Forethought's remedy at law is not adequate to compensate it for injuries inflicted by Enigma. Accordingly, Forethought is entitled to permanent injunctive relief pursuant to 15 U.S.C. § 1116.

18. By reason of Enigma's willful acts, Forethought is entitled to damages, and that those damages be trebled under 15 U.S.C. § 1117.

19. This is an exception case making Forethought eligible for an award of attorneys' fees under 15 U.S.C. § 1117.

WHEREFORE, Forethought respectfully requests that this Court enter a permanent injunction against Enigma prohibiting any further use of the Infringing Mark and a judgment awarding Forethought damages in an amount to be determined at trial, treble damages, attorneys' fees, and all such other relief as the Court may deem just and proper.

COUNT II: TRADEMARK INFRINGEMENT

15 U.S.C. § 1114(1)

20. Forethought reincorporates and realleges paragraphs 1 through 19 as though fully set forth herein.

21. Enigma's commercial use of the Infringing Mark is likely to cause confusion, mistake and to deceive.

22. Enigma's use of the Infringing Mark is likely to cause initial interest confusion among the general public.

23. The above-described acts of Enigma constitute trademark infringement in violation of 15 U.S.C. § 1114(1), and, on information and belief, have been knowing, deliberate, willful, intended to cause confusion or mistake, or to deceive, and in disregard of Forethought's rights.

24. Enigma has unfairly profited from the infringing actions alleged.

25. By reason of Enigma's acts, Forethought has suffered damage to the goodwill associated with the Infringing Mark.

26. Enigma's activities have irreparably harmed and, if not enjoined, will irreparably harm, Forethought and its long-used and federally registered Forethought Marks.

27. Enigma's activities have irreparably harmed and, if not enjoined, will irreparably harm, the general public who has an interest in being free from confusion, mistake and deception.

28. By reason of Enigma's acts, Forethought's remedy at law is not adequate to compensate it for the injuries inflicted by Enigma. Accordingly, Forethought is entitled to injunctive relief pursuant to 15 U.S.C. § 1116.

29. By reason of Enigma's willful acts, Forethought is entitled to damages, and those damages be trebled under 15 U.S.C. § 1117.

30. This is an exceptional case making Forethought eligible for an award of attorneys' fees under 15 U.S.C. § 1117.

WHEREFORE, Forethought respectfully requests that this Court enter a permanent injunction against Enigma prohibiting any further use of the Infringing Mark and a judgment awarding Forethought damages in an amount to be determined at trial, treble damages, attorneys' fees, and all such other relief as the Court may deem just and proper.

COUNT III: CANCELLATION OF THE ENIGMA REGISTRATION

(15 U.S.C. § 1119)

31. Forethought reincorporates and realleges paragraphs 1 through 30 as though fully set forth herein.

WHEREFORE Forethought respectfully requests that this Court enter an Order directing the Commissioner of Patents and Trademarks to cancel United States Trademark Registration No. 3,539,936 and all such other relief as the Court may deem just and proper.

**COUNT IV: UNFAIR COMPETITION AND COMMON LAW TRADEMARK
AND TRADE NAME INFRINGEMENT**

Indiana Common Law

32. Forethought reincorporates and realleges paragraphs 1 through 31 as though fully set forth herein.

33. Enigma's use of the Infringing Mark is likely to cause confusion, mistake or deception as to the source of origin of Enigma's services.

34. Enigma's acts described above constitute trademark infringement and unfair competition under the common law of the State of Indiana, and, on information and belief, have been knowing, deliberate, willful, intended to cause confusion or mistake, or to deceive, and in disregard of Forethought's rights.

35. Enigma has unfairly profited from the actions alleged.

36. By reason of Enigma's actions described above, Forethought has suffered damage to the goodwill associated with the Forethought Marks and Trade Name and has suffered irreparable harm.

37. By reason of Enigma's acts, Forethought's remedy at law is not adequate to compensate it for the injuries inflicted by Enigma. Accordingly, Forethought is entitled to permanent injunctive relief.

38. Forethought is informed and believes and on that basis alleges that Enigma's conduct has been intentional and willful and in conscious disregard of Forethought's rights.

WHEREFORE, Forethought respectfully requests that this Court enter a permanent injunction against Enigma prohibiting any further use of the Infringing Mark and a judgment awarding Forethought damages in an amount to be determined at trial and all such other relief as the Court may deem just and proper.

COUNT V: UNJUST ENRICHMENT

39. Forethought reincorporates and realleges paragraphs 1 through 38 as though fully set forth herein.

40. Forethought hired Enigma to provide incentive-based reward travel planning services.

41. Pursuant to the provision of those services, the mark EXCLUSIVELY FORE THOUGHT was used to promote and brand incentive-based reward trips for insurance agents that were sponsored by Forethought.

42. Forethought paid Enigma for its services, including any branding of the incentive-based reward trips, consistent with the terms of their contracts.

43. As a direct and proximate result of Enigma's registration of the mark EXCLUSIVELY FORE THOUGHT, Forethought has suffered damages.

44. Enigma is exercising control of a mark that legally belongs to Forethought.

45. Enigma has been unjustly enriched by Forethought's payment for Enigma's services and by Enigma wrongfully registering the EXCLUSIVELY FORE THOUGHT mark. Forethought is therefore entitled to restitution of the amounts paid to Enigma for its services as well as the assignment of the EXCLUSIVELY FORE THOUGHT mark.

WHEREFORE, Forethought respectfully requests that this Court enter a Judgment against Enigma awarding Forethought damages in an amount to be determined at trial,

assignment of the EXCLUSIVELY FORE THOUGHT mark, and all such other relief as the Court may deem just and proper.

COUNT VI: CONVERSION

46. Forethought reincorporates and realleges paragraphs 1 through 45 as though fully set forth herein.

47. Enigma is exercising control over the EXCLUSIVELY FORE THOUGHT mark that legally belongs to Forethought. The EXCLUSIVELY FORE THOUGHT mark was used pursuant to the provision of services that Forethought paid Enigma to provide. The mark is wrongfully registered and assigned to Enigma.

48. The foregoing constitutes a violation of Forethought's rights and conversion of Forethought's property under Indiana Code 35-43-4-3, entitling Forethought to its remedies under Indiana Code 34-23-3-1.

WHEREFORE, Forethought respectfully requests this Court enter judgment in its favor and against Enigma in an amount to be determined at trial plus treble damages, costs, interest, and attorneys fees pursuant to IND. CODE § 34-24-3-1, and all such other relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Forethought hereby demands trial by jury on all issues triable to a jury regarding Plaintiff's Complaint and Forethought's Counterclaim.

Respectfully submitted,

BAKER & DANIELS LLP

s/ M. Kristin Glazner

John R. Schaibley, III

Amie Peele Carter

M. Kristin Glazner

300 North Meridian Street, Suite 2700

Indianapolis, IN 46204-1782

Telephone: (317) 237-0300

Facsimile: (317) 237- 1000

john.schaibley@bakerd.com

amie.peelecarter@bakerd.com

kristin.glazner@bakerd.com

*Attorneys for the Defendant,
Forethought Financial Services, Inc.*

CERTIFICATE OF SERVICE

The undersigned counsel hereby certifies that on the 22nd day of May, 2009, a copy of the foregoing Forethought Financial Services, Inc.'s Answer And Counterclaim was electronically filed. Notice of this filing will be sent to the following parties by operation of the Court's electronic filing system. Parties may access this filing through the Court's system.

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s/ M. Kristin Glazner

EXHIBIT C

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

ENIGMA MARKETING & TRAVEL)
SOLUTIONS, INC.,)
)
Plaintiff,) Cause No. 1:09 cv-0473 DFH-JMS
)
v.)
)
FORETHOUGHT FINANCIAL SERVICES, INC.)
d/b/a FORETHOUGHT FINANCIAL GROUP.)
INC.,)
)
Defendant.)

**DEFENDANT'S MOTION TO STAY
PROCEEDINGS UNTIL RULING BY TTAB**

Defendant, Forethought Financial Services, Inc. d/b/a Forethought Financial Group, Inc.¹ ("Forethought"), by counsel, moves the Court for a stay of this action until the United States Trademark Trial and Appeal Board rules ("TTAB") on Forethought's Petition to Cancel currently pending before the TTAB. This is based on the following grounds as more fully set forth in the memorandum filed in support hereof:

1. On May 22, 2009, Forethought filed its Petition to Cancel the trademark registration Plaintiff's unlawfully obtained in the term EXCLUSIVELY FORE THOUGHT.
2. At present, the validity of this registration is pending before the TTAB, the specialized administrative body created for the purpose of analyzing and adjudicating just such trademark validity issues. Once the TTAB rules, the remaining issues in the lawsuit can be addressed in a streamlined fashion.

¹ In the proposed Case Management Plan, the parties stipulated that Forethought Financial Group, Inc. is not and has never been a d/b/a for Forethought Financial Services, Inc. The parties further stipulated that Forethought Financial Group, Inc. is the immediate parent of Forethought Financial Services, Inc., not a party to this action, and no longer should be included in the caption.

3. It is in the interest of judicial economy to stay this lawsuit pending resolution of the TTAB proceeding.

WHEREFORE, Defendant, Forethought Financial Services, Inc., respectfully requests that the Court enter an order staying and administratively closing this action until resolution of Forethought's Petition to Cancel pending before the United States Trademark Trial and Appeal Board.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on July 16, 2009, a copy of the foregoing Defendant's Motion To Stay Proceedings Until Ruling By TTAB was filed electronically. Notice of this filing will be sent to the following parties by operation of the Court's electronic filing system. Parties may access this filing through the Court's system.

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

ENIGMA MARKETING & TRAVEL SOLUTIONS, INC.,)	
)	
Plaintiff,)	Cause No. 1:09 cv-0473 DFH-JMS
)	
v.)	
FORETHOUGHT FINANCIAL SERVICES, INC.)	
d/b/a FORETHOUGHT FINANCIAL GROUP.)	
INC.,)	
)	
Defendant.)	
)	

**MEMORANDUM IN SUPPORT OF DEFENDANT'S
MOTION TO STAY PROCEEDINGS UNTIL RULING BY TTAB**

Defendant Forethought Financial Services, Inc. d/b/a Forethought Financial Group, Inc.¹ ("Forethought") respectfully submits this memorandum in support of Defendant's motion to stay this action pending the outcome of Forethought's Petition to Cancel filed on May 22, 2009 before the United States Trademark Trial and Appeal Board ("TTAB").

I. Introduction

The central issue in this action is the mark EXCLUSIVELY FORE THOUGHT, which Defendant Enigma Marketing & Travel Solutions, Inc. ("Enigma") fraudulently registered with the United States Patent and Trademark Office. Forethought maintains that Enigma obtained this

¹ In the proposed Case Management Plan, the parties stipulated that Forethought Financial Group, Inc. is not and has never been a d/b/a for Forethought Financial Services, Inc. The parties further stipulated that Forethought Financial Group, Inc. is the immediate parent of Forethought Financial Services, Inc., not a party to this action, and no longer should be included in the caption.

registration by misleading the trademark office.² On May 22, 2009, Forethought filed its petition to cancel Enigma's unlawfully obtained registration. [Forethought's Petition to Cancel is attached at Exhibit A]. At present, this case is before the TTAB, the specialized administrative body created for the purpose of analyzing and adjudicating such validity issues. The TTAB ruling should occur more quickly than the issues can be litigated before this Court.³ Further, once the TTAB rules, the few remaining issues in the lawsuit can be addressed in a streamlined fashion. It is in the interest of judicial economy to stay this lawsuit pending resolution of the TTAB proceeding. Therefore, Forethought proposes an administrative closure of this case, to be reopened upon a ruling by the TTAB.

II. Background

In approximately 2004, Forethought hired Enigma to provide Forethought with travel and marketing services. The services related to a sales incentive program whereby funeral directors, employees and others who sold Forethought's products could earn travel rewards based on sales. Solely in its capacity as Forethought's agent, Enigma was authorized by Forethought to disseminate promotional material for Forethought's benefit and on Forethought's behalf using EXCLUSIVELY FORE THOUGHT to brand certain of Forethought's travel programs. Enigma was not the first to "use" the mark EXCLUSIVELY FORE THOUGHT as that term is used in

² In fact, in obtaining a trademark registration for the EXCLUSIVELY FORE THOUGHT service mark, Forethought maintains that Enigma misled the Trademark Office, violated the law, and misappropriated Forethought's intellectual property rights. Even though Enigma acted only as an agent for Forethought when applying the service mark EXCLUSIVELY FORE THOUGHT to marking materials for certain of Forethought's incentive travel programs, Enigma registered Forethought's service mark in its own name. As a result of Enigma's unauthorized registration of Forethought's mark, Forethought asserts counterclaims for unfair competition and false designation of origin, trademark infringement, unfair competition and common law trademark and trade name infringement, unjust enrichment, conversion, and requests cancellation of Enigma's trademark registration.

³ The resolution can be even faster if the parties utilize the TTAB's newly-created procedure to expedite cases before the Board – Accelerated Case Resolution. Accelerated Case Resolution (ACR) is similar to summary judgment – the parties submit briefs, including written disclosures and disclosed documents, and stipulate to facts. To take advantage of ACR, the parties must stipulate that, in lieu of a trial, the TTAB may resolve any issues of material fact. After the briefs are filed, the TTAB issues a judicially reviewable decision on the merits within fifty days.

trademark law; to the contrary, the use of the mark EXCLUSIVELY FORE THOUGHT upon which Enigma based its unlawfully obtained registration was in truth a use by and for Forethought. Further, Forethought already had federal trademark registrations for its name and brand, Forethought.

It is undisputed that Congress vested in the United States Patent and Trademark Office broad authority to regulate the registration of trademarks. Included within the statutory mandate of the Lanham Act resides the power to resolve inter-party disputes concerning the registration of particular marks. A central question in this action is one of the right to trademark registration and use, and thus is precisely the sort of issue with which the TTAB, unlike a district court, deals on a daily basis. The TTAB was created especially to hear such disputes and has the expertise, experience, and institutional responsibility to efficiently and effectively resolve these issues. Because the TTAB is better equipped than the courts to make an initial determination as to trademark registration and infringement, courts have demonstrated a traditional deference to such TTAB decisions. *See, e.g., Driving Force, Inc. v. Manpower, Inc.*, 498 F. Supp. 21, 25 (E.D. Pa. 1980) (decisions of the Trademark Trial and Appeal Board "are certainly entitled to the most respectful consideration because of the Patent and Trademark Office's day-to-day expertise" in cases involving 'likelihood of confusion' and trademark use)⁴; *Freedom Sav. and Loan Ass'n v. Way*, 757 F.2d 1176, 1180 (11th Cir. 1985) (in cases involving trademark disputes ruled upon by the TTAB, the courts must give proper deference to the decision reached by the Board).

In sum, before this Court considers the case, the TTAB ought to have the opportunity to apply its expert, specialized knowledge and experience. Moreover, the TTAB is capable of

⁴ This case was abrogated on other grounds.

ruling quickly. Forethought will seek to pursue the "Accelerated Case Resolution" procedure before the TTAB. This procedure will help ensure a speedy resolution.

III. Material Facts

Forethought is a well-known provider of innovative insurance and financial solutions for families managing retirement and end-of-life needs. Since at least as early as November of 1985, Forethought has used FORETHOUGHT as a trademark (the "Word Mark") and a trade name, in some cases including a unique design element with the literal element FORE THOUGHT shown below:

**FORE
THOUGHT**

(the "Design Mark", and together with the Word Marks, the "Forethought Marks"), in association with insurance and financial services.

Enigma, an incentive marketing company, creates and implements travel sales incentive programs.

- A. Forethought brought an action before the TTAB to cancel Enigma's mark; Forethought has other trademarks.

In 2008, after the ongoing relationship between Forethought and Enigma ended, Enigma obtained registration of the trademark EXCLUSIVELY FORE THOUGHT. Together with its application to register EXCLUSIVELY FORE THOUGHT, Enigma filed specimens of use demonstrating the manner in which it allegedly used the mark, EXCLUSIVELY FORE THOUGHT. This alleged use is shown below in an image taken from one of the travel brochures prepared by Enigma for Forethought and submitted by Enigma as a specimen to the Trademark Office to support its application to register the mark EXCLUSIVELY FORE THOUGHT:



On May 22, 2009, Forethought filed its Petition to Cancel Enigma's trademark registration for the mark – EXCLUSIVELY FORE THOUGHT – with the TTAB.

Forethought owns the following United States trademark registrations for the Forethought

Marks:

Trademark	Reg. No.	Goods/Services	Reg. Date
FORETHOUGHT	2,502,266	banking services in Int'l Class 36	October 30, 2001
FORETHOUGHT	1,509,543	underwriting insurance to cover funeral expenses in Int'l Class 36 underwriting insurance to cover funeral expenses in Int'l Class 42	October 18, 1988
FORETHOUGHT	3,392,727	business marketing consulting services; administrative services, namely, inventorying merchandise and administrative accounting, record keeping of cemetery plots, data compilation of purchased funeral and cemetery merchandise, services and property and providing business reports thereto, for others in Int'l Class 35 financial services, namely, trustee services in the nature of accepting, depositing, investing, administering, and disbursing trust funds; insurance administration services; insurance brokerage services; insurance claims processing services for	March 4, 2008

		others; management of cemetery real property in Int'l Class 36	
FORE THOUGHT	1,540,815	underwriting insurance to cover funeral expenses in Int'l Class 36 underwriting insurance to cover funeral expenses in Int'l Class 42	May 23, 1989

- B. Forethought and Enigma entered into several letter agreements whereby Enigma, as Forethought's agent used "Exclusively Forethought" as a phrase for travel programs.

Forethought entered into several letter agreements with Enigma relating to travel and incentive programs. One of Forethought's incentive programs for independent insurance agents, bought and paid for by Forethought, employed the phrase EXCLUSIVELY FORE THOUGHT and used that phrase as a service mark. Forethought's incentive program was logically named "Exclusively Forethought" to include Forethought's trademarked name. Most of the Enigma programs developed for Forethought were branded accordingly. Forethought authorized Enigma to disseminate promotional material for Forethought's sole benefit and on Forethought's behalf using the mark EXCLUSIVELY FORE THOUGHT. Thus, the use of the mark EXCLUSIVELY FORE THOUGHT to which Enigma refers in its Complaint was in use by and for Forethought, through its agent, Enigma.

IV. Argument

- A. Under the doctrine of Primary Jurisdiction, this trademark dispute is properly before the TTAB, a specialized administrative body with expertise in the area.

Forethought requests that this Court stay the present action pursuant to the doctrine of primary jurisdiction. "Primary jurisdiction ... applies where a claim is originally cognizable in the courts, and comes into play whenever enforcement of the claim requires the resolution of issues which, under a regulatory scheme, have been placed within the special competence of an administrative body; in such a case the judicial process is suspended pending referral of such

issues to the administrative body for its views." *United States v. W. Pac. R.R. Co.*, 352 U.S. 59, 63-64 (1956); *Lineback v. Printback, Inc.*, 979 F. Supp. 831, 851 (S.D. Ind. 1997) ("Under the doctrine of primary jurisdiction, a court has the discretion to stay its proceedings to give the agency the opportunity to decide the questions within its expertise."). The rationale for the primary jurisdiction doctrine is: (1) it ensures uniformity and consistency in the regulation of business entrusted to a particular agency, and (2) it recognizes the expert and specialized knowledge of the agencies involved. *See id.*; *Nader v. Allegheny Airlines, Inc.*, 426 U.S. 290, 303-04 (1976).

Courts have considered a number of factors in deciding whether to stay a proceeding under primary jurisdiction: (1) whether the parties have previously applied to an agency; (2) whether the issue in question is within the conventional expertise of judges or is particularly within the agency's discretion; and (3) whether there exists a danger of inconsistent rulings. *Lasco v. Koch*, 428 F. Supp. 468, 474 (S.D. Ill. 1977), 428 F. Supp. at 474; *see e.g., Citicasters Co. v. Country Club Commc'ns*, No. 97-0678 RJK, 1997 WL 715034 (C.D. Cal. July 21, 1997); *Nat'l Mktg. Consultants, Inc. v. Blue Cross Blue Shield Ass'n*, No. 87 C 7161, 1987 WL 20138 (N.D. Ill. Nov. 19, 1987); *C-Cure Chem. Co. v. Secure Adhesives, Corp.*, 571 F. Supp. 808 (W.D.N.Y. 1983); *Driving Force, Inc. v. Manpower, Inc.*, 498 F. Supp. 21 (E.D. Penn. 1980).

These factors favor staying these proceedings under primary jurisdiction. The parties applied to register their respective trademarks at the United States Patent and Trademark Office. The United States Patent and Trademark Office, through the TTAB, has a procedural mechanism to address this type of dispute. As to the second factor, the TTAB has the expertise to address this dispute. "[I]t is wise and proper practice to defer to the TTAB's expertise in such matters since they routinely make such determinations." *Nat'l Mktg. Consultants, Inc.*, 1987 WL 20138

at *3. As to the issue of consistent rulings, the TTAB and the Court might very well come to the same conclusion when presented with the facts in this case. Both the TTAB and the Court have the ability to stay their respective, pending actions, there is no mandated preference as to tribunal. See T.M.B.P. 510.02(a); *Texaco, Inc. v. Borda*, 383 F.2d 607, 208 (3d Cir. 1967) (a court has the inherent power to stay an action in the interests of efficient and fair resolution of the disputed issues). However, even if the TTAB seeks to stay this dispute first, this Court should stay this action to allow the TTAB to rule.⁵ "[T]he policy behind primary jurisdiction will be furthered by waiting for the TTAB's determination of the likelihood of confusion between the parties' respective trademarks before continuing further." *Nat'l Mktg. Consultants, Inc.*, 1987 WL 20138 at *3.

Moreover, policy considerations support the application of the doctrine of primary jurisdiction in this action. To put it simply – the TTAB has extensive expertise as to trademarks; TTAB has jurisdiction to quickly resolve this dispute; after this trademark issue is resolved, little will be left in the action; the interests of judicial economy are furthered by staying this action until the TTAB rules; and finally, all involved will benefit from a quick resolution of the dispute. Moreover, additional institutional interests strongly point to this issue being resolved by the TTAB. It was the United States Patent and Trademark Office that Enigma misled. The Trademark Office has a strong institutional interest in maintaining the integrity of its own proceedings, and should be given the opportunity to cancel the wrongfully obtained registration.

⁵ "This Court's power to invoke the primary jurisdiction doctrine and stay this action pending the outcome of the TTAB's Opposition proceeding does not dissipate merely because the TTAB acted first and stayed its proceeding pending the outcome of this litigation." *Nat'l Mktg. Consultants, Inc.*, 1987 WL 20138 at *3.

B. The Parties expect the TTAB to rule on this matter prior to the Court, which is in the interests of judicial economy.

In the proposed Case Management Plan filed on June 22, 2009, the parties indicated that they expected a ruling from the TTAB to occur prior to the Court's ruling. "As noted above, Forethought has instituted a proceeding before the U.S. Trademark Trial and Appeal Board to cancel Enigma's registered 'Exclusively Forethought' mark. The TTAB decision on Forethought's petition to cancel the mark should occur well prior to the trial in the case." Proposed CMP, page 9. The parties expect a speedy ruling from the TTAB. It is in the interest of judicial economy to stay this lawsuit pending resolution of the TTAB proceeding.

V. Conclusion

Defendant, Forethought Financial Services, Inc., moves this Court for an Order staying this action through an administrative closure pending resolution of the trademark dispute pending before the Trademark Trial and Appeal Board.

Respectfully submitted,

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Forethought Financial Services, Inc.*

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I hereby certify that on July 16, 2009, a copy of the foregoing Memorandum In Support Of Defendant's Motion To Stay Proceedings Until Ruling By TTAB was filed electronically. Notice of this filing will be sent to the following parties by operation of the Court's electronic filing system. Parties may access this filing through the Court's system.

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s/ M. Kristin Glazner

EXHIBIT D

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

ENIGMA MARKETING & TRAVEL)	
SOLUTIONS, INC.)	
)	
Plaintiff,)	CAUSE NO.: 1:09-CV-0473-DFH-JMS
)	
v.)	
)	
FORETHOUGHT FINANCIAL SERVICES, INC.)	
d/b/a FORETHOUGHT FINANCIAL GROUP,)	
INC.)	
)	
Defendant.)	

PLAINTIFF’S RESPONSE IN OPPOSITION TO MOTION TO STAY

Plaintiff Enigma Marketing & Travel Solutions, Inc. (“Enigma”), by counsel, hereby responds in opposition to the Motion to Stay Proceedings Until Ruling by TTAB filed by Defendant Forethought Financial Services, Inc. (“Forethought”).

I. Introduction

A stay of proceedings in this case is inappropriate because it would unnecessarily and unreasonably delay adjudication of the matters at issue in this action—including claims wholly unrelated to whether Enigma is entitled to maintain its service mark registration—and would not promote the interest of judicial economy, as Forethought contends.

With other, far broader trademark issues before this Court than simply registration rights, the doctrine of “primary jurisdiction” neither compels nor counsels this Court to defer further proceedings in this case pending a decision by the Trademark Trial and Appeal Board (“TTAB”) on a single, non-determinative issue raised in this case. Moreover, any decision by the TTAB in Forethought’s pending cancellation proceeding would not be binding on this Court, and a stay of

this action would merely delay Enigma's right to a full and fair hearing in a civil action on the issue of its right to maintain its registration, and on all other matters now in dispute, as provided under the Lanham Act, 15 U.S.C. 1071(b)(1).

Forethought's argument that a stay is in the interest of judicial economy is wholly illusory, and its motion to stay this proceeding pending a ruling by the TTAB should be denied.

II. Background

Enigma conceived and for several years used the mark EXCLUSIVELY FORE THOUGHT in connection with a travel incentive program that Enigma created and administered under contract with Forethought. Enigma owned and, in essence, licensed or "leased" the EXCLUSIVELY FORE THOUGHT program to Forethought on a trip-by-trip basis. Enigma fully managed and implemented each trip at Forethought's request.

The parties enjoyed a successful business relationship for several years. However, after a change in ownership of Forethought, that relationship deteriorated. In 2007, Forethought discontinued utilizing Enigma's services for its travel incentive programs, but continued to use the EXCLUSIVELY FORE THOUGHT program and mark without the permission of Enigma and without compensating Enigma for its intellectual property.

In 2008, Enigma applied for and was granted a registration by the U.S. Patent and Trademark Office ("USPTO") for the mark EXCLUSIVELY FORE THOUGHT in connection with "coordinating travel arrangements for individuals and for groups."¹

As a result of Forethought's failure to pay certain fees owed to Enigma and Forethought's continued, unauthorized use of Enigma's programs and creative properties following its termination of its business relationship with Enigma, Enigma filed the present lawsuit asserting

¹ U.S. Registration No. 3,539,936, issued December 2, 2008.

claims for (1) breach of contract related to non-payment of cancellation fees for one trip, (2) unjust enrichment arising out of Forethought's unauthorized usurpation of two Enigma trip proposals, one of which Forethought gave to and booked through a competitor of Enigma and the other of which Forethought scheduled on its own, and (3) trademark infringement and unfair competition related to the unauthorized use of the EXCLUSIVELY FORE THOUGHT trademark and program. Enigma complains that Forethought failed to pay Enigma a substantial cancellation fee pursuant to contract, appropriated at least two incentive trips devised by Enigma, and continued to use the incentive program and brand created and developed solely by Enigma without Enigma's permission.

Forethought responded by asserting a counterclaim for (1) unfair competition and false designation of origin, (2) trademark infringement, (3) cancellation of Enigma's service mark registration, (4) unfair competition and common law trademark and trade name infringement, (5) unjust enrichment, and (6) conversion. Forethought alleges that the EXCLUSIVELY FORE THOUGHT brand belongs to it even though it did not compensate Enigma for its creation or value-added and claims that Enigma is exerting undue control over the mark.

On the same day that Forethought filed its Counterclaim with the Court, Forethought filed a Petition with the USPTO seeking to cancel Enigma's service mark registration for EXCLUSIVELY FORE THOUGHT, initiating Cancellation Proceeding No. 92051017 before the TTAB. Forethought seeks the same relief from this Court, pursuant to Count III of Forethought's Counterclaim.

III. Argument

A. A stay of this action will result in unnecessary delay, not judicial economy

Forethought urges this Court to suspend this litigation pending the outcome of the TTAB

proceedings because it alleges that a stay will result in judicial economy. However, given the limited scope of the TTAB proceeding and that any TTAB decision is not binding on this Court, suspending this litigation will do nothing more than unnecessarily delay the inevitable and will not “streamline” or eliminate any of the issues in this action, as Forethought suggests.

The TTAB is an administrative tribunal of limited authority. As such, it may only rule on whether or not Enigma’s registration of EXCLUSIVELY FORE THOUGHT should be cancelled. The Board may not decide whether one party or another has a right to use the mark at issue or broader questions of infringement or unfair competition. 15 U.S.C. §§ 1067-68; *Trademark Trial and Appeal Board Manual of Procedure (TBMP) § 102.01*. See also, e.g., *Arrow Trading Co., Inc. v. Victorinox A.G. and Wenger S.A.*, 2003 WL 21509858, *15 (TTAB June 23, 2003) (the TTAB “is an administrative tribunal with limited jurisdiction over only the question of registrability of the mark. We have no jurisdiction over issues of trademark infringement or unfair competition.”). The TTAB cannot and will not address the principal—and more fundamental—trademark issues before this Court in this action, namely, who may rightfully claim an ownership interest in, or right to use the mark, and whether one party’s use constitutes infringement or unfair competition vis-à-vis the other.

In the present case, whether or not Enigma is entitled to retain its registration for the mark is only one of several issues to be determined by this Court, and it is certainly not the principal focus of this action. The parties essentially have three categories of disputes: (1) whether Forethought owes Enigma cancellation fees and related damages pursuant to contract, (2) whether Forethought appropriated two or more Enigma programs without permission or compensation, and (3) ownership rights in the EXCLUSIVELY FORE THOUGHT mark and whether either party infringed that mark or engaged in unfair competition. The issue of

Enigma's registration of the mark, which is the sole, narrow issue before the TTAB, is merely a subset of the third category, and not determinative of any other issue.

As such, if this litigation was suspended pending the outcome of the TTAB proceeding, adjudication of a majority of the claims in this case would be unduly delayed, as any decision of the TTAB with respect to those issues is entirely irrelevant. The only matter in this litigation on which the TTAB proceeding may potentially have an impact is on the question of cancellation of Enigma's registration; it has no relevance to Enigma's principal claims (specifically, breach of contract by Forethought, unjust enrichment to Forethought by its unauthorized usurpation of two Enigma travel packages), and is not determinative of the principal trademark issues relating to rights of use, infringement, and unfair competition. Delaying proceedings on the bulk of the issues before this Court in order to wait for a potentially non-binding decision by an administrative body on a non-determinative, secondary issue is not in the interests of judicial economy.

B. A TTAB decision is not binding on this Court and affords no judicial economy

Any decision by the TTAB in regard to Enigma's registration would not be binding on this Court because of the appeal process set forth in the Lanham Act. Section 21 of that Act provides that in the event that a party is dissatisfied with a ruling by the TTAB in a cancellation proceeding, it may appeal the decision to the district court. 15 U.S.C. § 1071(b); *see also Board of Regents of University of Wisconsin System v. Phoenix Software Intern., Inc.*, 2008 WL 4950016, *8 (W.D. Wis. 2008).

Here, it is this Court that would have jurisdiction over those proceedings because both parties reside in this district. *Cf.* 15 U.S.C. § 1071(b)(4); *CAE, Inc. v. Clean Air Engineering, Inc.*, 267 F.3d 660, 673 (7th Cir. 2001); *Rieke Corp. v. American Flange & Mfg. Co., Inc.*, 2004

WL 1724897 (N.D. Ind. 2007); *CVP Systems, Inc. v. M-Tek, Inc.*, 1994 WL 531556, *1 (N.D. Ill. 1994). In the (likely) event that one of the parties hereto would appeal any TTAB decision to this Court, this Court would “sit in dual capacity” as “an appellate reviewer of facts found by the TTAB and...also a fact-finder based on new evidence introduced to the court.” *Phoenix Software Intern., Inc.*, 2008 WL 4950016 at *8. “In this setting, a court affords deference to the findings of fact made by the board but considers the board’s decision de novo to the extent the parties present new evidence.” *Id.*; see also, *CAE, Inc.*, 267 F.3d at 673-74; *The Spring Air Company v. Englander Licensing LLC*, 2001 WL 1543510, *3 (N.D. Ill. 2001). Accordingly, it is probable that this Court will ultimately hear and determine the cancellation question regardless of whether this litigation is stayed. As such, a stay would merely unnecessarily delay the inevitable and not simplify matters before this Court.

Furthermore, this Court will likely end up hearing and determining most of the matters presented to the TTAB regardless of whether an appeal is taken from that body’s decision because the question of cancellation is not determinative on the main trademark issues in this case. Even if the TTAB decides to cancel registration, this does not mean the mark is necessarily invalid or unenforceable. *Eco Mfg. LLC v. Honeywell Intern., Inc.*, 229 F. Supp. 2d 854, 877 (S.D. Ind. 2003).

Trademarks are created by use, not registration. Federal registration creates valuable substantive and procedural rights, but the common law creates the underlying right to exclude. Thus, even if a plaintiff’s registration is shown to be fraudulently obtained, the plaintiff’s common law rights in the mark may still support an injunction against an infringing defendant. . . the effect would be to deny [the plaintiff] the procedural benefits of the incontestable registration, such as shifting the burden of proof on functionality from [defendant] back to [plaintiff]. . . But an otherwise valid trademark could still be enforced.

Id. (internal citations omitted). See also, *The Spring Air Company*, 2001 WL 1543510 at *3. As

such, there is no benefit of judicial economy to be gained by delaying this litigation because this Court and the parties will still be facing litigation of substantially similar facts and issues regardless of the outcome of the TTAB proceeding.

C. The doctrine of primary jurisdiction does not support a stay of this action

Forethought contends that this action should be stayed pending a TTAB ruling on the basis of the doctrine of primary jurisdiction. That contention might have some merit, were this action primarily about the registration at issue in that proceeding. However, the present case does not merely involve the question of the validity of a registration. As discussed above, whether or not Enigma's registration should be cancelled is just one of several issues before this Court, none of which is dependent on, or subject to, any decision by the TTAB.

The situation presented to this Court is similar to that faced by the Northern District of Illinois in *The Spring Air Company v. Englander Licensing LLC*, 2001 WL 1543510 (N.D. Ill. 2001). The defendant in that case, like the Defendant here, asked the court to stay that litigation pursuant to the doctrine of primary jurisdiction pending the outcome of a TTAB proceeding. *The Spring Air Company*, 2001 WL 1543510 at *1. The court noted that there was no fixed formula for applying the doctrine of primary jurisdiction and that the determinative question was "whether the reasons and purposes it serves will be aided by its application in the particular litigation." *Id.* The court also noted that there was a split of authority on the issue of whether the doctrine is applicable to a stay of trademark infringement litigation pending the outcome of a TTAB proceeding, but that most courts had held that the doctrine of primary jurisdiction does not apply in such cases. *Id.* at *2.

The Northern District of Illinois court found the reasoning of the cases rejecting the use of the doctrine of primary jurisdiction in cases like the one now before this Court to be

persuasive, held that the doctrine was not applicable and declined to stay the litigation. *Id.* at *2-3. Specifically, that court recognized that adjudicating trademark claims is well within the conventional competency of the courts such that the TTAB does not have unique expertise in the particular area and that, in fact, Congress has expressly given the courts authority to decide trademark claims via the Lanham Act. *Id.* at *2.

Finally, *The Spring Air Company* court recognized that the claims in that litigation, like the litigation in the case at bar, were not solely about trademark registration and stated:

When a case involves infringement, 'the interest in prompt adjudication far outweighs the value of having the view of the [TTAB].'" *Goya [Foods, Inc. v. Tropicana Prod., Inc.]*, 646 F.2d [846,] 853-54 [(2d Cir. 1988)]. The litigant seeking relief is entitled to prompt resolution of the infringement issue so that it may conduct its business affairs accordingly.... Additionally, because the infringement issue and the [other claims plaintiff] has brought against [defendant] will not be considered by the TTAB and because the TTAB cannot award relief on these issues, a stay will unnecessarily delay the parties' dispute.... Thus, it is not in the interests of judicial economy to stay this case.

Id. at *3 (internal citations omitted).

The circumstances of the litigation now before this Court are substantially similar and the same logic applies. There is no advantage of judicial economy to be gained by staying this litigation to wait for the outcome of a proceeding that will have substantially no impact on this litigation.

IV. Conclusion

Forethought's contention that a stay of the present action pending resolution of the TTAB proceeding is in the interest of judicial economy is not supported by the circumstances presented here. Rather than expediting or streamlining adjudication of this case, a stay would do nothing more than unduly delay that process with respect to every one of the claims asserted in this action, whether or not trademark-related. Accordingly, Enigma respectfully requests that this

Court deny Forethought's efforts to unnecessarily delay this litigation by denying its Motion to Stay.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that on the 29th day of July, 2009, the foregoing was filed electronically. Notice of this filing will be sent to the following parties by operation of the Court's electronic filing system.

Parties may access this filing through the Court's system.

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