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

Proceeding	92052027
Party	Defendant Eustaquio, Yolanda
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In Re: Application Serial No. 77/411,075

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<b>Genomma Lab International, S.A.B. de C.V.,</b>	)	
	)	
<b>Petitioner,</b>	)	
	)	
v.	)	<b>Cancellation No. 92052027</b>
	)	
<b>Yolanda Eustaquio,</b>	)	
	)	
<b>Registrant.</b>	)	
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**REGISTRANT’S REPLY TO PETITIONER’S RESPONSE  
TO REGISTRANT’S MOTION TO DISMISS  
OR, IN THE ALTERNATIVE, TO STRIKE**

Registrant Yolanda Eustaquio (“Registrant”), respectfully replies to Petitioner Genomma Lab International, S.A.B. de C.V.’s (“Petitioner”) response to Registrant’s Motion to Dismiss or, in the alternative, to Strike (“Motion”) and requests that the Board exercise its discretion to consider this reply pursuant to TBMP § 502.02(B).

INTRODUCTION

The limited purpose of this Reply brief is two-fold. The first is to respond to a point first raised in Petitioner’s Response, that additional causes of action are present in the Petition. The second point is to rebut Petitioner’s arguments regarding the relevance and propriety of the

paragraphs in its Petition discussing Registrant's other registered marks and the use of those marks by third parties in Mexico.<sup>1</sup>

## ARGUMENT

### **A. Statutory Grounds for Cancellation**

In its Response, Petitioner alleges that it raised multiple grounds for cancellation in its Petition. Pet. Response pp. 2-3. Petitioner claims that, in addition to a claim of fraud, it alleged two additional causes of action, namely a) that Registrant is not the rightful owner of the Registered Mark, and b) that Registrant did not use the Registered Mark in commerce by the claimed date of first use or the filing date. Petition ¶¶ 22, 25. Unlike the petitioner in *Great Seats* case cited by the Petitioner, these allegations do not explicitly raise new statutory grounds that would negate Registrant's right to the instant registration. *Great Seats Ltd. v. Great Seats, Inc.*, 84 U.S.P.Q.2d 1235 (TTAB 2007). "The 'valid ground' that must be alleged and ultimately proved by a cancellation petitioner must be a 'statutory ground which negates the [registrant's] right to the subject registration.'" *Young v. AGB Corp.*, 47 U.S.P.Q.2d 1752 (Fed. Cir. 1998) (Board properly dismissed an opposition where opposer did not plead a statutory ground negating the applicant's entitlement to a registration). Petitioner's above referenced allegations seemingly inform Petitioner's claim of fraud, as they point to additional alleged failures by Registrant during the application process. Pet. Response p. 6. (In discussing Registrant's alleged intent to commit fraud, Petitioner states "that Petitioner [sic] intentionally deceived the Trademark Office into believing the Mark was being used in commerce . . .")

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<sup>1</sup> Mindful of the fact that the Board disfavors replies because they tend to repeat the same arguments already made in the initial briefs, Applicant is limiting its presentation to replying to Opposer's new point and the rebutting of some of Opposer's arguments and mischaracterizations, while not conceding any other point or argument made in Opposer's Response.

Furthermore, Petitioner insinuates that it is the proper owner of the Registered Mark. Petition ¶¶ 17-18. To own rights to a mark, a supposed owner must allege use of the mark in the United States. *Fiat Group Automobiles S.p.A. v. ISM, Inc.*, 94 U.S.P.Q.2d 1111 (TTAB 2010) (discussing the definition of “use” within the Lanham Act and applying “use” to the foreign opposer’s Section 43(a) dilution claim). Petitioner has alleged no such use. In fact, both of Petitioner’s pleaded applications are based on the intent to use the marks in commerce. “[A] ctivity solely outside the United States is ineffective to create or maintain rights in marks within the United States.” *Id.* (citing *Person’s Co. Ltd. V. Christman*, 14 U.S.P.Q.2d 1477, 1479 (Fed Cir. 1990)). Petitioner also insinuates that Registrant’s use of its Registered Mark is likely to be confused with Petitioner’s mark used on Petitioner’s goods. Petition ¶¶ 8-9. The same requirements of the territoriality principle quoted above apply here. Petitioner must allege use in the United States to support likelihood of confusion, as well as claim priority over Petitioner’s use. *Bayer Consumer Care AG v. Belmora LLC*, 90 U.S.P.Q.2d 1587, 1591 (TTAB 2009) (finding that petitioner failed to sufficiently allege its use of the mark in the United States). Petitioner has made no such allegation.

## **B. Allegations of Intent**

Petitioner further addresses the issue of the materiality of Registrant’s alleged deceptions. Pet. Response pp. 6-7. Petitioner’s argument that the materiality of Registrant’s deceptions is supported by its other allegations (i.e. Petition ¶¶ 23-27, 31-34, 46-49) fails because of the legal deficiency of those referenced allegations of fraud as noted in the Motion. Reg. Motion pp. 4-7. Those allegations fail to set forth the source of the information basing those claims and are not accompanied by a statement of facts on which Petitioner’s beliefs are founded. Without

these allegations, the requisite materiality of Registrant's alleged actions is not present in the Petition.

### **C. Relevance of Petition Paragraphs 50-70 and 72**

Petitioner claims that the paragraphs in its Petition referencing Registrant's other registered marks, and the use in Mexico of those marks by third parties, are relevant because they tend to show Registrant's intent to commit fraud on the Trademark Office. Petition ¶¶ 50-70, 72; Pet. Response pp. 7-8. In support of this position, Petitioner cites three cases that do not support its position. In *Bambu Sales*, there was no issue of fraud, but solely of infringement. The court, in affirming the lower court's finding of willfulness, found no error in the consideration of the fact that the defendant had been sued in the past for similar acts of trademark infringement. *Bambu Sales, Inc. v. Ozak Trading Inc.*, 35 USPQ2d 1425, 1430 (2d Cir. 1995). Similarly, in *Johnson & Johnson*, another non-fraud case, the court noted that evidence of other trademark infringement lawsuits could have a bearing on the bad faith analysis of that infringement case. *Johnson & Johnson Consumer. Cos., Inc., v. Aini*, 540 F. Supp. 2d 374, 392 (E.D.N.Y. 2008).

Petitioner's most relevant citation is the *Sparkman* case, wherein the court notes that under Rule of Evidence 404(b), prior instances of insurance fraud by the defendant were admissible to show intent to commit fraud in that case. *United States v. Sparkman*, 500 F.3d 678, 683-84 (8th Cir. 2007). All of these cases stand for the proposition that evidence of prior, similar acts of infringement (or fraud in the *Sparkman* case), involving a defendant is admissible to show said defendant's intent to commit infringement or fraud in that type of case. However, in none of the paragraphs in the Petition does Petitioner allege that Registrant previously committed fraud on the Trademark Office or had defended itself against a claim of fraud. Certainly the

paragraphs which Registrant seeks to strike do not. Petition ¶¶ 50-70, 72. Further, Petitioner has no basis to make such allegations, for Petitioner has no evidence of prior acts of fraud and has no basis for such a belief. The instant proceeding's purpose is to determine Registrant's rights to the registration at issue. The proceeding is not intended to litigate Registrant's rights to BEDOYECTA, CREMA CUADRIDERMA, CALCIGENOL or ESTOMAQUIL.

In addition, the Petitioner does not allege, nor can it, that any of the Mexican entities it references have sued the Registrant, let alone prevailed in an action for fraud or even trademark infringement. At best, Petitioner alleges that these entities own registrations or use in Mexico certain trademarks similar or identical to trademarks used or registered by Registrant in the United States. Petitioner makes no allegation, nor can it, that these entities have ever used or registered their marks in the United States, or that these marks are somehow exempted from the territoriality principle so that the Mexican entities may have superior rights over the Registrant. See discussion *supra* at A. It is apparent that the sole purpose of referencing these foreign marks is to sling mud on the Registrant.

#### **D. Conclusion**

Petitioner's Petition to Cancel is based on a claim of fraud encompassing numerous nebulous allegations of Registrant's fraudulent acts. These allegations fail to satisfy the requirements of alleging the elements of fraud with particularity and with the proper allegation of intent. Such particularity is necessary to, among other things, prevent fraud actions where all necessary facts are learned after discovery and fishing expeditions such as the one Petitioner seemingly wishes to engage in with respect to Registrant other registered marks not at issue in

this case. Petition ¶¶ 50-70, 72. For these reasons and those stated in its Motion, Registrant is entitled to the dismissal of Petitioner's Petition and prays that the Board grant its Motion.

Petitioner's Petition to Cancel includes numerous allegations that are immaterial, impertinent and scandalous. These allegations provide no insight to Petitioner's claim that Registrant fraudulently obtained the Registration No. 3165259. Any evidence in support of those averments would be inadmissible at trial on the basis of irrelevancy or immateriality or both. The presence of these allegations has a strong likelihood of creating prejudicial inferences against Registrant. For all these reasons, Registrant is entitled, as an alternative to dismissal, to the striking of paragraphs Nos. 8 through 9, 50 through 70 and paragraph No. 72 of Petitioner's Petition and prays that the Board grant this motion and strike these paragraphs from Petitioner's pleading.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing Reply to Petitioner's Response to Registrant's Motion to Dismiss or, in the alternative, to Strike is being deposited with the United States Postal Service and sent via First Class Mail in an envelope addressed to Petitioner's counsel Mark H. Miller, 112 East Pecan Street, Suite 2400, San Antonio, TX, 78205, on this 26th day of April, 2010.

s/ Henry Rodriguez

Henry Rodriguez, Esq.