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

Proceeding	92053735
Party	Plaintiff Water Tec of Tucson, Inc.
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Date	05/09/2011
Attachments	Petitioner's Opposition to Registration's Motion to Suspend.pdf (5 pages) (29899 bytes)

I hereby certify that this correspondence is being deposited electronically in PDF format to the Trademark Trial and Appeal Board through the Electronic System for Trademark Trials and Appeals (ESTTA) on the date set forth below.

Date of Signature and Deposit: May 9, 2011

By /Reena Mendez/
Reena Mendez

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

In The Matter Of Registration No. 3,719,837
Filing Date: December 9, 2008
For the Mark: WATER IXC

Water Tec of Tucson, Inc.)
an Arizona corporation)

) Petitioner,)

v.)

Richard Joseph DeGrave, an)
Individual,)

) Registrant.)
_____)

Cancellation Proceeding No. 92053735

**PETITIONER'S OPPOSITION TO
REGISTRANT'S MOTION TO SUSPEND**

TO THE TRADEMARK TRIAL AND APPEAL BOARD:

Petitioner WATER TEC OF TUCSON, INC., opposes Registrant Richard J. DeGrave's Motion to Suspend. As is set forth below, there is no possible resolution of either the pending state court action or the suspended federal court action involving Petitioner and Registrant that could have any bearing on the matter presently before the Board. As such, Registrant's Motion should be denied.

FACTS

Petitioner's recitation of facts are purposefully misleading and fail to accurately describe the matters currently pending between the parties. The material facts are set forth below. Registrant's arguments fail to account for the fact that the state court and federal court proceedings do not involve the WATER IXC mark, the mark at issue in this Cancellation Proceeding. Furthermore, neither Registrant, nor any of the other defendants in either the state court matter or the federal court matter is asserting exclusive rights to one or more WATER TEC trademarks. Therefore, neither the state court nor the federal court could preclude Petitioner from continued use of the WATER TEC designations. Thus, neither case has a bearing on the matter presently before the Board.

On March 12, 2008 Petitioner filed a First Amended Verified Complaint in Arizona Superior Court against Water Tec International, Inc. ("International"), Registrant, the President of International, and various other individuals related to International. *See* Registrant's Motion to Suspend, Ex. 3. As is clear from the Complaint, Petitioner alleges, among other unrelated claims, trademark infringement under A.R.S. § 44.1451 based on International's use of one or more of the WATER TEC designations. *Id.* at 10-11. Additionally, in Paragraphs 78 and 79 of Petitioner's First Amended Verified Complaint, Petitioner alleges that International has begun using a "new logo" that "is the same or similar" to Petitioner's and which is "likely to cause confusion, mistake or deception."¹ *Id.* at 11. The "new logo" is a colorable imitation of Petitioner's WATER TEC design mark and is reproduced below:

¹ On September 18, 2007 International filed an intent to use application with the United States Patent and Trademark Office to register this new logo in International Class 11. *See* Application Serial No. 77/282,506. That application has since been abandoned.



The issue of Registrant's use of the WATER IXC mark has not been raised in the pleadings. *Id.*

A joint Answer and Counterclaim was filed by the defendants on May 12, 2008. *See* Registrant's Motion to Suspend, Ex. 5. While various contractual issues have been counterclaimed, none of the defendants have alleged trademark infringement by the Petitioner or otherwise asserted exclusive rights to one or more of the WATER TEC designations. *Id.* at 24-31. Thus, the question of Petitioner's ownership of any of the WATER TEC designations, including Arizona Trademark Registration Nos. 53748, 53749, and 53750, is not before the state court.

In October of 2008 the parties to the state court proceeding entered into a settlement of all claims except Tucson's allegation of trademark infringement under A.R.S. § 44.1451. Registrant's Motion to Suspend, Ex. 1 at 3. This claim is still in front of the state court pending a Motion by Registrant and the other named defendants to dismiss the suit filed on September 29, 2009. *Id.* The state court has not ruled on Registrant's Motion to Dismiss.

On August 7, 2009, Petitioner filed a Complaint in United States District Court against International alleging false designation of origin pursuant to the Lanham Act, false designation of origin pursuant to A.R.S. § 44-1451, unfair competition, and unjust enrichment. *See* Registrant's Motion to Suspend, Ex. 2. All claims are based on

International's use of the WATER TEC designation, either as a word mark or as a design mark. *Id.* The issue of Registrant's use of the WATER IXC mark has not been raised in the federal court matter. *Id.*

Once again, International has not asserted any exclusive rights to one or more of the WATER TEC designations. Thus, the question of Petitioner's ownership of various WATER TEC designations, including Arizona Trademark Registrations, is not before the federal court.

The federal court case however, is not currently pending. On July 16, 2010 the Federal Court stayed the case pending resolution of the state court proceeding. *See* Registrant's Motion to Suspend, Ex. 7.

ARGUMENT

Neither the state court nor the federal court action has any bearing on this Cancellation Proceeding. Registrant argues that the present proceeding should be suspended pending the resolution of the state court and federal court proceedings. *See* Registrants Motion to Suspend at 3-4, 6. Regardless of how the state and federal court proceedings are finally resolved, a judgment on Petitioner's allegations of trademark infringement based on International's improper use of one or more of the WATER TEC designations would have no bearing on Registrant's continued use and registration of the WATER IXC mark. As the pleadings make clear, the issue of Registrant's use of the WATER IXC mark has not been raised. *See* Registrant's Motion to Dismiss, Ex. 2, 3, and 5. Petitioner's claims of trademark infringement are based solely on International's use of one or more of the WATER TEC designations. *Id.* Nor does either court have the authority to cancel the registration of the WATER IXC mark. *Armstrong Cork Co. v. Lyons*, 366 F.2d at 208. Even if the state court or federal court found that International could use the designation WATER TEC as a tradename, that ruling would

have no bearing on whether International's federal registration of the WATER IXC mark should be cancelled.

SUMMARY

For the foregoing reasons, there is no resolution of either the state court or the federal court proceeding that has a bearing on whether the registration of the WATER IXC mark should be cancelled. As such, Registrant's motion should be denied.

RESPECTFULLY SUBMITTED this 9th day of May, 2011.

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CERTIFICATE OF SERVICE

I hereby certify that on May 9, 2011, a true copy of the foregoing **PETITIONER'S OPPOSITION TO REGISTRANT'S MOTION TO SUSPEND** was served via First Class Mail, postage paid, upon Michael K. Lindsey, Gavrilovich, Dodd & Lindsey, LLP, 3303 N. Showdown Pl, Tucson, Arizona 85749 and Richard A. Block, 1050 East River Road, Suite 203, Tucson, Arizona 85718.

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