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Filing date: **05/24/2011**

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

Proceeding	92053735
Party	Defendant Richard Joseph DeGrave
Correspondence Address	MICHAEL K LINDSEY GAVRILOVICH DODD & LINDSEY LLP 3303 N SHOWDOWN PL TUCSON, AZ 85749 UNITED STATES Lindsey@gdllawfirm.com, rab@bgblegal.com
Submission	Reply in Support of Motion
Filer's Name	Michael K. Lindsey
Filer's e-mail	lindsey@gdllawfirm.com
Signature	/Mike Lindsey/
Date	05/24/2011
Attachments	reply_ISO_Motion_suspend_FINAL.pdf (10 pages)(72414 bytes)

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

May 24, 2011

/Mike Lindsey/

Date

Signature

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

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

Petitioner,

v.

Richard Joseph DeGrave,
an individual,

Registrant.

Cancellation Proceeding No. 92053735
Filing Date: March 10, 2011

In the Matter of Registration No. 3,719,837
For the Mark: WATER IXC
Registration Date: December 1, 2009

**REGISTRANT'S REPLY IN SUPPORT
OF HIS MOTION TO SUSPEND**

Registrant Richard J. DeGrave ("Mr. DeGrave") submits this Reply to address several issues raised by Petitioner's Opposition to Registrant's Motion to Suspend (Petitioner's Opposition"), served on May 9, 2011:

1. Mr. DeGrave respectfully moves to strike Petitioner's Opposition for being untimely. The Rules of Practice provide that "[e]xcept as provided in paragraph (e)(1) of this section, a brief in response to a motion shall be filed within fifteen days from the date of service of the motion unless another time is specified by the Trademark Trial and Appeal Board, or the time is extended by stipulation of the parties approved by the Board, or upon motion granted by the Board, or upon order of the Board. 37 CFR § 2.127(a). In this case, the exception of paragraph (e)(1) does not apply and no other time was specified by the TTAB, stipulation or motion. Also, service of Mr. DeGrave's opening Motion was by electronic transmission (email),

which was agreed to by the parties (Emails confirming party's service agreement and providing actual service of Mr. DeGrave's Motion, Exhibit 1). Rule 37 CFR § 2.119 does not provide an additional five day when there is electronic service of documents, as in this case. Thus, Petitioner's Opposition was due fifteen calendar days after the date of service. 37 CFR § 2.196.

Mr. DeGrave's opening Motion was served on April 19, 2011. Fifteen days after this date, Petitioner's Opposition was due, which date was May 4, 2011. Petitioner served its Opposition on May 9, 2011 – five days late. In *Boyd's Collection, Ltd.*, the Board struck an opposition brief to a motion to suspend that was filed only four days late. *Boyd's Collection, Ltd. v. Herrington & Company*, 65 USPQ.2d 2017 *1-2 (TTAB 2003).

Thus, for the foregoing reasons, Mr. DeGrave respectfully requests that the Board exercise its discretion to strike Petitioner's Opposition for untimeliness.

2. In reply to Petitioner's Opposition, Mr. DeGrave notes that Petitioner completely ignores the relevant issues before federal and state courts discussed in Mr. DeGrave's Motion that will have a direct bearing on this cancellation proceeding, namely: 1) the validity of Petitioner's ownership claims in the Cited Marks, 2) licensing of the Cited Marks that may have occurred between the parties, and 3) affirmative defenses of laches, equitable estoppel, waiver and others against Petitioner's alleged trademark rights in the Cited Marks. If, for example, one of the courts finds that Petitioner can not enforce its Cited Marks against Mr. DeGrave or Water Tec International for equitable reasons, then that finding may affect Petitioner's alleged right to assert the Cited Marks in this cancellation proceeding. Additionally, should one of the courts find that Petitioner does not own or having any exclusive rights to the Cited Marks, then Petitioner would not have standing to maintain this proceeding.

3. In its Opposition, Petitioner nakedly asserts that the question of Petitioner's ownership of the Cited Marks is neither before the state court nor federal court. This assertion

lacks any factual support and is contrary to the pleadings already filed in the state court, and to those anticipated by Water Tec International in the federal court case. Petitioner's alleged ownership of the Cited Marks is squarely at issue in both the federal and state court cases. Mr. DeGrave and the other Defendants in the court cases have and will continue dispute Petitioner's alleged ownership of the Cited Marks in those court proceedings. For example, in the state court case, Defendants' Answer denied Petitioner's alleged ownership of one of the Cited Marks. *Compare* Mr. DeGrave's Motion Exhibits 3 and 5, Petitioner's Arizona state court First Amended Complaint ¶¶ 74, Ex. 3 to Defendants' Answer and Counterclaims ¶¶ 78, Ex. 5. The operative effect of this denial in Mr. DeGrave's state court answer is that the ownership question is now in dispute before the state court. Mr. DeGrave notes that the federal case is still in the pleadings stage and Defendant Water Tec International has not yet even answered Petitioner's complaint. Thus, it is highly premature for Petitioner to proclaim that the question of ownership is not before the federal court. Water Tec International will challenge Petitioner's alleged ownership of the Cited Marks in the federal court case, should it have the opportunity. The question of whether Petitioner owns the Cited Marks will have a material impact on this cancellation proceeding because, among other things, if the courts should find that Petitioner does not own the Cited Marks, Petitioner may not have a right to continue this proceeding.

4. In its Opposition, Petitioner asserts that neither Mr. DeGrave nor any of the other Defendants in the federal and state court cases are asserting exclusive rights in the WATER TEC designations, and therefore, neither court case has a bearing on this proceeding. There are two errors with this line reasoning. First, the premise that Mr. DeGrave and other Defendants are not claiming exclusive rights in the WATER TEC designations in both court cases is, with all due respect, not true. As stated above, the federal case is still in the pleadings stage and Defendant Water Tec International has not yet even answered Petitioner's complaint. Thus, it is highly

premature for Petitioner to proclaim that Water Tec International or others are not asserting any exclusive rights in any of the WATER TEC designations. Indeed, Mr. DeGrave and/or Water Tec International reserve the right to claim exclusivity to those designations. The second error with Petitioner's reasoning is the false conclusion that the determination of Mr. DeGrave's and other Defendants' exclusive rights is the only issue before the state and federal courts that could possibly have a bearing on this proceeding. This is not correct. As discussed above and also in Mr. DeGrave's opening brief supporting this Motion, there are additional relevant issues before the federal and state courts that will have a direct bearing on this proceeding, e.g., ownership, licensing, and equitable defenses.

5. In its Opposition, Petitioner notes that the cancellation of the WATER IXC registration is not before the state or federal courts. Petitioner goes so far as to assert that neither the federal nor state court has authority to cancel the registration of WATER IXC¹. First, Mr. DeGrave respectfully notes that federal courts have explicit statutory authority to cancel federal trademark registrations, such as the WATER IXC registration. *See* 15 U.S.C. § 1119. Second, the reason that the WATER IXC registration is not before the federal court is due to Petitioner's own failure to timely raise the issue. Petitioner could have raised the WATER IXC issue in its complaint before the federal court, but chose not to. The WATER IXC registration was filed December 9, 2008 and published on July 7, 2009. Petitioner filed its complaint in federal court on August 7, 2009, almost eight months after the WATER IXC application was filed and a month after its publication. Thus, Petitioner had ample time to plead the WATER IXC matter before the federal court, but did not do so.

¹ Petitioner cites *Armstrong Cork Co. v. Lyons* as authority for the proposition that neither court in this case has authority to cancel the registration of WATER IXC. *Armstrong Cork Co.* is an antitrust case having nothing to do with trademark issues, and the cited passage of *Armstrong Cork Co.* stands for the proposition that a court may only consider issues raised by the pleadings. While Mr. DeGrave does not dispute this proposition, Petitioner's failure to raise the WATER IXC matter before the federal court does not grant it an unfettered right to hale Mr. DeGrave before this Board to re-litigate issues overlapping its state and federal cases, particularly where the issues it is raising before the Board could have been raised before the federal court.

6. In its Opposition, Petitioner asserts that the federal court case is not currently pending because it was stayed on July 16, 2010. The federal court case was stayed by court order. In reply, Mr. DeGrave submits that for purposes of this cancellation proceeding, a stayed federal court case is nevertheless a pending court case. *See, e.g., Michel Farah v. Topiclear Beauty Products, Inc.*, 2003 WL 22022077 (TTAB 2003) (Opposition No. 151,334, unpublished, non-precedent opinion).

CONCLUSION

For the foregoing reasons and those previously given in Mr. DeGrave's Motion, the Motion to Suspend should be granted.

Respectfully submitted,

Date: May 24, 2011

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CERTIFICATE OF SERVICE

I hereby certify that on May 24, 2011, a copy of the foregoing **REGISTRANT'S REPLY IN SUPPORT OF HIS MOTION TO SUSPEND** was served upon counsel for Petitioner, via email:

Dale F. Regelman
Quarles & Brady LLP
One South Church Avenue
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Tucson, AZ 85701

By /Mike Lindsey/
Michael K. Lindsey

Exhibit 1

Submitted by Richard J. DeGrave, Registrant In Support of His Reply Brief for His Motion to Suspend

Cancellation Proceeding No. 92053735
Filing Date: March 10, 2011

Lindsey

From: Lindsey [lindsey@gdlawfirm.com]
Sent: Tuesday, April 19, 2011 12:29 PM
To: 'dale.regelman@quarles.com'
Cc: 'Richard Block'
Subject: Water Tec of Tucson v. Richard DeGrave // TTAB Cancellation Proceeding 92053735

Tracking: Recipient	Read
'dale.regelman@quarles.com'	Read: 4/19/2011 1:15 PM
'Richard Block'	Read: 4/19/2011 2:49 PM

Dear Dale,

It was a pleasure speaking with you today. To confirm our conversation, the parties in the subject Cancellation Proceeding have agreed to accept service of all documents electronically via email.

Attached please find copies of Registrant Richard DeGrave's Motion to Suspend and supporting exhibits, which we filed today with the TTAB.

Very Truly Yours,

Mike Lindsey, Esq.

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Lindsey

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