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

Proceeding	92058899
Party	Plaintiff Strategic Marks LLC
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the matter of Trademark Registration No. 4,364,626
Mark: LAZARUS
Registered on: July 9, 2013

STRATEGIC MARKS, LLC,

Petitioner,

v.

MACY'S, WEST STORES, INC. ,

Registrant.

Cancellation No. 92058899

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

INTRODUCTION

On March 21, 2014, Strategic Marks, LLC ("Petitioner") filed a Petition for Cancellation with respect to Trademark Rg. No. 4476896 for the standard character mark LAZARUS (the "Mark") registered by Macy's West Stores, Inc. ("Registrant"). On April 11, 2014, Registrant filed a motion ("Motion") to suspend this proceeding until final resolution of a civil action currently pending between the parties in the Northern District of California (the "Civil Action") on the ground that the key issues in the Civil Action will likely have a bearing on this proceeding.

While Registrant correctly identifies the legal standard under which suspension of a TTAB proceeding is warranted, Registrant's application of this standard to the facts at hand is incorrect. Specifically, Petitioner disagrees with Registrant's analysis and believes that the issues presented in the Civil Action are wholly separate and have no bearing on the issues presented in this proceeding. Therefore no good cause exists to suspend this proceeding. In support of its position, Petitioner submits the following:

FACTUAL BACKGROUND

As correctly noted by Registrant, the parties are currently engaged in litigation before the U.S. District Court for the Northern District of California wherein Petitioner alleges that certain service marks have been abandoned by Registrant because Registrant no longer provides such services and has not done so for at least three years.¹

I. Different Marks Are Involved In The Respective Proceedings.

The Civil Action concerns eight service marks, namely, ABRAHAM & STRAUS, A&S, THE BROADWAY, JORDAN MARSH, BULLOCK'S, ROBINSONS-MAY, FILENE'S, and THE BON MARCHE ("Old Service Marks").

This proceeding concerns Registrant's trademark registration for the standard character trademark LAZARUS.

II. Different Goods/Services Are Involved In The Respective Proceedings.

With respect to each of the Old Service Marks involved in the Civil Action, the services associated with each such mark are "retail department store services." Accordingly, each issue presented in the Civil Action concerns retail department store services and discovery in the Civil Action was conducted to identify Registrant's use of the Old Service Marks in the context of Registrant's continued provision of retail department store services or lack thereof. Please see **Exhibit A**, Petitioner's Answer and Counterclaims from the Civil Action.

The trademark registration which is the subject of this proceeding concerns not services but goods, namely, t-shirts and tote bags.

III. Different Issues Are Involved In The Respective Proceedings.

Each issue presented in the Civil Action with respect to Registrant concerns Registrant's rights in the Old Service Marks. Most if not all of the discovery conducted by Petitioner concerns Registrant's use of the Old Service Marks in the context of retail department stores in order to

¹ Petitioner objects to Registrant's characterization of Petitioner's actions as "attempted misappropriation."

determine whether such use could support a finding that Registrant did not abandon its Old Service Marks.

In contrast, this proceeding concerns Registrant's use of the trademark LAZARUS with respect to the sales of t-shirts and tote bags. Petitioner contends that Registrant's use of LAZARUS with respect to the sale of t-shirt and tote bags is ornamental and does not constitute bona fide commercial use.

ARGUMENT

The Civil Action has no bearing on this proceeding. The Civil Action involves eight service marks, none-of-which are implicated in this proceeding. Moreover, the issues presented in the Civil Action are entirely different from the issues presented in this proceeding. The Civil Action inquiries into Registrant's "use-in-commerce" of service marks to provide retail department store services, which is wholly unrelated to the question presented in this proceeding, namely, whether Registrant's use of LAZARUS to provide t-shirts and tote bags as shown in Registrant's specimen is ornamental or is bona fide commercial use.

If there was any overlap in the trademarks, services, or issues involved, Registrant could theoretically show some sort of a connection between the two proceedings. However, as it stands, the only overlap between the respective proceedings is the parties themselves and this alone is insufficient to show that the Civil Action has a bearing on this proceeding. Accordingly, Registrant has failed to meet its burden to show that good cause exists to suspend this proceeding pending the outcome of the civil action.

Moreover, trial in the Civil Action, which has been pending for over two years is scheduled for trial December 2014 and could prolong further pending appeal by either party. As such, suspension of this proceeding pending the Civil Action will prejudice Petitioner, which needs to obtain swift resolution in this proceeding in order to know whether it can safely proceed with Petitioner's business

using the mark LAZARUS. Petitioner's prejudice is made worse in light of the non-existent connection between the two respective proceedings.

WHEREFORE, Petitioner requests that Registrant's Motion be denied.

Dated: April 28, 2014

Respectfully Submitted,

/Benjamin Ashurov/



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EXHIBIT A

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9 STRATEGIC MARKS, LLC

10 **UNITED STATES DISTRICT COURT**
11 **NORTHERN DISTRICT OF CALIFORNIA**
12 **SAN FRANCISCO DIVISION**

13 MACY'S, INC. and MACYS.COM, INC.,

14 Plaintiffs,

15 v.

16 STRATEGIC MARKS, LLC,

17 Defendant.

18 STRATEGIC MARKS, LLC,

19 Counter-Claimant,

20 v.

21 MACY'S, INC. and MACYS.COM, INC.,

22 Counter-Defendants.
23

CASE NO. 3:11-cv-06198-SC

**DEFENDANT'S FIRST AMENDED
ANSWER AND COUNTERCLAIMS**

DEMAND FOR JURY TRIAL

Assigned Judge: Honorable Samuel Conti
Complaint Filed: December 9, 2011

1 Defendant Strategic Marks, LLC (“Strategic Marks” or “Defendant”), by and through its
2 attorney, submits Defendant’s First Amended Answer and Counterclaims to Plaintiffs Macy’s, Inc. and
3 Macys.com, Inc. (collectively, “Macy’s,” “Plaintiffs” or “Counter-Defendants”) Complaint for
4 Trademark Infringement, False Designation of Origin, Dilution, and Unfair Competition
5 (“Complaint”) as follows:

6 NATURE OF THE ACTION

7 1. Responding to ¶ 1 of the Complaint, Defendant admits this action is purportedly one for
8 trademark infringement, false designation of origin, unfair competition, and dilution arising under the
9 Lanham Act, 15 U.S.C. § 1051 et seq., and federal and state common law. Defendant lacks sufficient
10 information to form a belief regarding the truth of the allegation set forth in ¶¶ 1 of the Complaint that
11 Defendant has caused “confusion, mistake, and deception among customers and potential customers,”
12 and therefore denies said allegation. Defendant denies the remaining allegations set forth in ¶¶ 1 of the
13 Complaint.

14 2. Responding to ¶ 2 of the Complaint, Defendant admits the following:

15 a. Macy’s, Inc. (located at 7 West Seventh Street, Cincinnati, Ohio 45202) is
16 identified as the last listed owner of the Trademark “ABRAHAM & STRAUS”, U.S. Trademark
17 Registration No. 204,692, registered October 20, 1925 and cancelled February 9, 2011, which is
18 identified on the U.S. Patent and Trademark Office website as a “Dead” mark.

19 b. Macy’s, Inc. (located at 7 West Seventh Street, Cincinnati, Ohio 45202) is
20 identified as the last listed owner of the Service Mark “A&S” (for Retail Department Store Services),
21 U.S. Trademark Registration No. 1,253,265, registered October 4, 1983.

22 c. Macy’s, Inc. (located at 7 West Seventh Street, Cincinnati, Ohio 45202) is
23 identified as the last listed owner of the Service Mark “THE BROADWAY” (for Retail Department
24 Store Services), U.S. Trademark Registration No. 861,820, registered December 10, 1968 and
25 cancelled December 14, 2010, which is identified on the U.S. Patent and Trademark Office website as
26 a “Dead” mark.

27 d. Federated Department Stores, Inc. (located at 7 West Seventh Street, Cincinnati,
28 Ohio 45202) is identified as the last listed owner of the Service Mark “JORDAN MARSH” (for Retail

1 Department Store Services), U.S. Trademark Registration No. 2,022,118, registered December 10,
2 1996 and cancelled September 15, 2007, which is identified on the U.S. Patent and Trademark Office
3 website as a “DEAD” mark.

4 e. Macy & Co., Inc. (located at 151 West 34th Street, New York, New York 10001)
5 is identified as the last listed owner of the Service Mark “BULLOCK’S (for Retail Department Store
6 Services), U.S. Trademark Registration No. 898,464, registered September 8, 1970 but currently
7 expired, which is identified on the U.S. Patent and Trademark Office website as a “DEAD” mark.

8 f. Macy’s, Inc. (located at 7 West Seventh Street, Cincinnati, Ohio 45202) is
9 identified as the last listed owner of the Service Mark “ROBINSONS-MAY” (for Retail Department
10 Store Services), U.S. Trademark Registration No. 1,793,132, registered September 14, 1993.

11 g. Macy’s, Inc. (located at 7 West Seventh Street, Cincinnati, Ohio 45202) is
12 identified as the last listed owner of the Service Mark “FILENE’S” (for Retail Department Store
13 Services), U.S. Trademark Registration No. 1,960,415, registered March 5, 1996.

14 Defendant is informed and believes and on that basis denies Macy’s makes bona fide use of these
15 marks in commerce. Defendant lacks sufficient information to form a belief regarding the truth of the
16 remaining allegations therein and therefore denies the remaining allegations in ¶ 2 of the Complaint.

17 3. Defendant lacks sufficient information to form a belief regarding the truth of the
18 allegations therein and therefore denies the allegations in ¶ 3 of the Complaint.

19 4. Responding to ¶ 4 of the Complaint, Defendant admits this action is purportedly one for
20 trademark infringement, false designation of origin, unfair competition, and dilution of the Heritage
21 Marks. Defendant lacks sufficient information to form a belief regarding the truth of the remaining
22 allegations therein and therefore denies the remaining allegations in ¶ 4 of the Complaint.

23 5. Responding to ¶ 5 of the Complaint, Defendant admits Macy’s prays for a monetary
24 award and the issuance of preliminary and permanent injunctions against Defendant in this action.
25 Defendant lacks sufficient information to form a belief regarding the truth of the remaining allegations
26 therein and therefore denies the remaining allegations in ¶ 5 of the Complaint.

27 THE PARTIES

28 6. Defendant lacks sufficient information to form a belief regarding the truth of the

1 allegations therein and therefore denies the allegations in ¶ 6 of the Complaint.

2 7. Defendant lacks sufficient information to form a belief regarding the truth of the
3 allegations therein and therefore denies the allegations in ¶ 7 of the Complaint.

4 8. Defendant admits the allegations in ¶ 8 of the Complaint.

5 JURISDICTION AND VENUE

6 9. Defendant admits that this action purports to arise under the trademark laws of the
7 United States and statutory and common law trademark and unfair competition laws of the state of
8 California, and that this Court has jurisdiction over the subject matter of this action. Defendant also
9 admits that this Court has jurisdiction over the subject matter of this action. Defendant lacks sufficient
10 information to form a belief regarding the truth of the remaining allegations therein and therefore
11 denies the remaining allegations set forth in ¶ 9 of the Complaint.

12 10. Defendant admits that it does business in this Judicial District and is subject to the
13 personal jurisdiction of this Court. Defendant denies the remaining allegations set forth in ¶ 10 of the
14 Complaint.

15 11. Defendant admits that venue is proper, but denies the remaining allegations in ¶ 11 of
16 the Complaint.

17 INTRADISTRICT ASSIGNMENT

18 12. Defendant admits the allegations in ¶ 12 of the Complaint.

19 FACTUAL BACKGROUND

20 13. Responding to ¶ 13 of the Complaint, Defendant admits several retail department stores
21 operate in the United States under the name “Macy’s.” Defendant is without knowledge or
22 information sufficient to form a belief as to the truth or falsity of the remaining allegations in ¶ 13 of
23 the Complaint and on that basis denies them.

24 14. Responding to ¶ 14 of the Complaint, Defendant denies Macy’s owns any retail stores
25 in the United States named “Jordan Marsh,” “Bullock’s,” “Robinsons-May,” “Filene’s,” “Abraham &
26 Straus,” “The Broadway,” or “The Bon Marché.” Defendant is without knowledge or information
27 sufficient to form a belief as to the truth or falsity of the remaining allegations in ¶ 14 of the Complaint
28 and on that basis denies them.

1 15. Responding to ¶ 15 of the Complaint, Defendant admits “Jordan Marsh,” “Bullock’s,”
2 “Robinsons-May,” “Filene’s,” “Abraham & Straus,” “The Broadway” and “The Bon Marché” were
3 well-known names of well-loved department stores of the 20th century. Defendant is without
4 knowledge or information sufficient to form a belief as to the truth or falsity of the remaining
5 allegations in ¶ 15 of the Complaint and on that basis denies them.

6 16. Responding to ¶ 16 of the Complaint, Defendant admits the following:

7 a. Macy’s, Inc. (located at 7 West Seventh Street, Cincinnati, Ohio 45202) is
8 identified as the last listed owner of the Service Mark “ROBINSONS-MAY” (for Retail Department
9 Store Services), U.S. Trademark Registration No. 1,793,132, registered September 14, 1993.

10 b. Macy’s, Inc. (located at 7 West Seventh Street, Cincinnati, Ohio 45202) is
11 identified as the last listed owner of the Service Mark “FILENE’S” (for Retail Department Store
12 Services), U.S. Trademark Registration No. 1,960,415, registered March 5, 1996.

13 c. Macy’s, Inc. (located at 7 West Seventh Street, Cincinnati, Ohio 45202) is
14 identified as the last listed owner of the Service Mark “MAY” (for Retail Department Store Services),
15 U.S. Trademark Registration No. 1,728,405, registered October 27, 1992.

16 Defendant denies the remaining allegations in ¶ 16 of the Complaint.

17 17. Responding to ¶ 17 of the Complaint, Defendant admits “Jordan Marsh,” “Bullock’s,”
18 “Robinsons-May,” “Filene’s,” “Abraham & Straus,” “The Broadway” and “The Bon Marché” were
19 well-known names of well-loved department stores of the 20th century. Defendant denies the
20 remaining allegations in ¶ 17 of the Complaint.

21 18. Defendant denies the allegations in ¶ 18 of the Complaint.

22 19. Responding to ¶ 19 of the Complaint, Defendant is informed and believes and on that
23 basis denies that Macy’s makes bona fide or authorized use of the “Jordan Marsh,” “Bullock’s,”
24 “Robinsons-May,” “Filene’s,” “Abraham & Straus,” “The Broadway” and “The Bon Marché” marks
25 in commerce in the United States or within its Macys.com website. Defendant is without knowledge
26 or information sufficient to form a belief as to the truth or falsity of the remaining allegations in ¶ 19 of
27 the Complaint and on that basis denies them..

28 20. Defendant denies the allegations in ¶ 20 of the Complaint.

1 21. Defendant admits that the relevant consuming public recognizes the “Jordan Marsh,”
2 “Bullock’s,” “Robinsons-May,” “Filene’s,” “Abraham & Straus,” “The Broadway” and “The Bon
3 Marché” marks as indicating the Retro Department Stores chain owned and operated by Strategic
4 Marks as a single source of origin. Defendant denies the remaining the allegations in ¶ 21 of the
5 Complaint.

6 22. Defendant is without knowledge or information sufficient to form a belief as to the truth
7 or falsity of the allegations in ¶ 22 of the Complaint and on that basis denies them.

8 23. Responding to ¶ 23 of the Complaint, Defendant admits “Jordan Marsh,” “Bullock’s,”
9 “Robinsons-May,” “Filene’s,” “Abraham & Straus,” “The Broadway” and “The Bon Marché” were
10 well-known names of well-loved department stores of the 20th century. Defendant denies that it seeks
11 to usurp goodwill associated with any marks that are owned and/or enforceable by Macy’s, or to dilute
12 any such marks. Defendant is without knowledge or information sufficient to form a belief as to the
13 truth or falsity of the allegations in ¶ 23 of the Complaint and on that basis denies them.

14 24. Responding to ¶ 24 of the Complaint, Defendant admits that it applied in September,
15 2010 for the U.S. registrations referenced in ¶ 25 (applications to register the “Allegedly Infringing
16 Marks”), but denies the remaining allegations in ¶ 24 of the Complaint.

17 25. Responding to ¶ 25 of the Complaint, Defendant admits that it applied for the U.S.
18 trademark registrations listed in ¶ 25 of the Complaint, but denies that the scope of the goods and
19 services listed in ¶ 25 accurately reflects the scope of goods and services identified in Defendant’s
20 applications. Defendant also denies the Allegedly Infringing Marks are infringing.

21 26. Responding to ¶ 26 of the Complaint, Defendant admits that it offers T-shirts for sale in
22 its virtual stores (which can be accessed through links on its website, www.retrodepartmentstores.com)
23 which bear upon them stylized versions of the names of the virtual stores by which they are offered,
24 i.e.: “Bullock’s TM,” “May Company TM,” “Robinsons TM,” “Jordan Marsh TM,” “Filene’sTM,” “The
25 Broadway ®,” “The Bon Marché TM,” and “Abraham & Straus TM.” Defendant also admits the
26 tpestyles used for printing the names of the virtual stores herein referenced on the T-shirts are similar
27 to some of the correlating tpestyles reflected in ¶ 27 of the Complaint. Defendant also admits that the
28 document attached to the Complaint as Exhibit B accurately reflects content from an old version of the

1 home page for Defendant’s www.retrodepartmentstores.com website. Defendant denies all remaining
2 allegations in ¶ 26 of the Complaint.

3 27. Responding to ¶ 27 of the Complaint, Defendant admits it has used all the timesteps
4 included therein, except for the “A&S” timestep shown at 8:11-13 of the Complaint and the “Filene’s”
5 timestep shown at 9:01-05 of the Complaint. Defendant denies all remaining allegations in ¶ 27 of the
6 Complaint.

7 28. Defendant is without knowledge or information sufficient to form a belief as to the truth
8 or falsity of the allegations in ¶ 28 of the Complaint and on that basis denies them.

9 ¶¶

10 29. Responding to ¶ 29 of the Complaint, Defendant admits “Jordan Marsh,” “Bullock’s,”
11 “Robinsons-May,” “Filene’s,” “Abraham & Straus,” “The Broadway” and “The Bon Marché” were
12 well-known names of well-loved department stores of the 20th century. Defendant also admits the
13 following content appears on the “Home” page of its www.retrodepartmentstores.com website:
14 “Strategic Mark LLC’s goal is to bring back the old shopping experiences and brands you remember.”
15 Defendant is without knowledge or information sufficient to form a belief as to the truth or falsity of
16 the remaining allegations in ¶ 29 of the Complaint and on that basis denies them.

17 30. Responding to ¶ 30 of the Complaint, Defendant admits “Jordan Marsh,” “Bullock’s,”
18 “Robinsons-May,” “Filene’s,” “Abraham & Straus,” “The Broadway” and “The Bon Marché” were
19 well-known names of well-loved department stores of the 20th century. Defendant also admits that the
20 document attached to the Complaint as Exhibit C accurately reflects content from an old version of
21 Defendant’s “Bullock’s” virtual store. Defendant denies that it seeks to usurp goodwill associated with
22 any marks that are owned and/or enforceable by Macy’s, or to dilute any such marks. Defendant is
23 without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining
24 allegations in ¶ 30 of the Complaint and on that basis denies them.

25 31. Responding to ¶ 31, Defendant admits Macy’s has not expressly consented to
26 Defendant’s use of any of the Allegedly Infringing Marks, but denies the remaining allegations in ¶ 31
27 of the Complaint.

28 32. Defendant denies the allegations in ¶ 32 of the Complaint.

1 33. Defendant denies the allegations in ¶ 33 of the Complaint.

2 34. Defendant denies the allegations in ¶ 34 of the Complaint.

3 35. Responding to ¶ 35 of the Complaint, Defendant admits the following content appears
4 on the “About” page of its www.retrodepartmentstores.com website:

5 **Bringing Back Nine Stores**

6 Now, through Retro Departmentsores.com, we brought back nine of the great
7 department stores of the 20th century: Joseph Magnin, Bullock’s, May,
8 Robinson’s May, Jordan Marsh, Filene’s, The Broadway, The Bon Marche, and
Abraham & Strauss, and re-build and restore these well-loved brands.

9 Defendant denies that it seeks to usurp goodwill and secondary meaning of any marks that are owned
10 and/or enforceable by Macy’s. Defendant is without knowledge or information sufficient to form a
11 belief as to the truth or falsity of the remaining allegations in ¶ 35 of the Complaint and on that basis
12 denies them.

13 FIRST CLAIM FOR RELIEF

14 INFRINGEMENT OF FEDERALLY REGISTERED TRADEMARKS

15 36. Defendant incorporates herein by references, its responses to ¶s 1 through 35 as if fully
16 set forth and reinstated herein.

17 37. Defendant denies the allegations in ¶ 37 of the Complaint.

18 38. Defendant denies the allegations in ¶ 38 of the Complaint.

19 39. Defendant denies the allegations in ¶ 39 of the Complaint.

20 40. Defendant denies the allegations in ¶ 40 of the Complaint.

21 SECOND CLAIM FOR RELIEF

22 FALSE DESIGNATION OF ORIGIN AND UNFAIR COMPETITION

23 41. Defendant incorporates herein by references, its responses to ¶s 1 through 40 as if fully
24 set forth and reinstated herein.

25 42. Defendant admits Plaintiffs are asserting in this action provisions of the Trademark Act
26 of 1946, 15 U.S.C. § 1051 et seq., and in particular 15 U.S.C. § 1125(a), and are alleging the use in
27 commerce of false designations of origin and false descriptions and representations.

28 43. Defendant denies the allegations in ¶ 43 of the Complaint.

1 44. Defendant denies the allegations in ¶ 44 of the Complaint.

2 45. Defendant denies the allegations in ¶ 45 of the Complaint.

3 46. Defendant denies the allegations in ¶ 46 of the Complaint.

4 THIRD CLAIM FOR RELIEF

5 FEDERAL TRADEMARK DILUTION

6 47. Defendant incorporates herein by references, its responses to ¶s 1 through 46 as if fully
7 set forth and reinstated herein.

8 48. Defendant admits Plaintiffs are asserting in this action provisions of the Trademark Act
9 of 1946, 15 U.S.C. § 1051 et seq., and in particular 15 U.S.C. § 1125(a), and are alleging the use in
10 commerce by Defendant of the Heritage Marks and dilution thereof.

11 49. Defendant denies the allegations in ¶ 49 of the Complaint.

12 50. Responding to ¶ 50, Defendant admits “Jordan Marsh,” “Bullock’s,” “Robinsons-May,”
13 “Filene’s,” “Abraham & Straus,” “The Broadway” and “The Bon Marché” were well-known names of
14 well-loved department stores of the 20th century. Defendant is without knowledge or information
15 sufficient to form a belief as to the truth or falsity of the remaining allegations in ¶ 50 of the Complaint
16 and on that basis denies them.

17 51. Defendant denies the allegations in ¶ 51 of the Complaint.

18 52. Responding to ¶ 52, Defendant admits “Jordan Marsh,” “Bullock’s,” “Robinsons-May,”
19 “Filene’s,” “Abraham & Straus,” “The Broadway” and “The Bon Marché” were well-known names of
20 well-loved department stores of the 20th century. Defendant also admits that its first use in commerce
21 of the Allegedly Infringing Marks occurred with the launch of its www.retrodepartmentstores.com
22 website, which occurred in 2011. Defendant denies that the “Heritage Marks” are famous (as that term
23 is defined in 15 U.S.C. § 1125(c)(2)(A)). Defendant also denies that Macy’s made continuous bona
24 fide use of the “Heritage Marks” in commerce after first making use of such marks. Defendant is
25 without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations
26 in ¶ 52 of the Complaint and on that basis denies them.

27 53. ¶ Defendant denies the allegations in ¶ 53 of the Complaint.

28 54. Defendant denies the allegations in ¶ 54 of the Complaint.

1 55. Defendant denies the allegations in ¶ 55 of the Complaint.

2 56. Defendant denies the allegations in ¶ 56 of the Complaint.

3 FOURTH CLAIM FOR RELIEF

4 COMMON LAW TRADEMARK INFRINGEMENT AND UNFAIR COMPETITION

5 57. Defendant incorporates herein by references, its responses to ¶s 1 through 56 as if fully
6 set forth and reinstated herein.

7 58. Defendant admits Plaintiffs are asserting common law trademark infringement and
8 unfair competition in this action.

9 59. Defendant denies the allegations in ¶ 59 of the Complaint.

10 60. Defendant denies the allegations in ¶ 60 of the Complaint.

11 FIFTH CLAIM FOR RELIEF

12 STATE STATUTORY DILUTION

13 61. Defendant incorporates herein by references, its responses to ¶s 1 through 60 as if fully
14 set forth and reinstated herein.

15 62. Defendant denies the allegations in ¶ 62 of the Complaint.

16 63. Defendant denies the allegations in ¶ 63 of the Complaint.

17 SIXTH CLAIM FOR RELIEF

18 STATE STATUTORY UNFAIR COMPETITION

19 64. Defendant incorporates herein by references, its responses to ¶s 1 through 63 as if fully
20 set forth and reinstated herein.

21 65. Defendant admits Plaintiffs are asserting statutory unfair competition pursuant to
22 California Business and Professions Code § 17200 *et seq.* in this action

23 66. Defendant denies the allegations in ¶ 66 of the Complaint.

24 67. Defendant denies the allegations in ¶ 67 of the Complaint.

25 AFFIRMATIVE DEFENSES

26 Defendant, while reserving the right to assert all other applicable defenses in this action, asserts
27 the following affirmative defenses to the Complaint:

28 FIRST AFFIRMATIVE DEFENSE

1 [Statutory Bar Under 15 U.S.C. 1125(c)(6)(A)]

2 Plaintiffs' Fourth, Fifth and Sixth Claims for Relief are barred by 15 U.S.C. 1125(c)(6)(A) in
3 connection with Defendant's use of the following marks: "The Broadway" and "The Bon Marché."

4 SECOND AFFIRMATIVE DEFENSE

5 [Statutory Bar Under 15 U.S.C. 1125(c)(6)(B)]

6 Plaintiffs' Third, Fourth, Fifth and Sixth Claims for Relief is barred by 15 U.S.C. 1125(c)(6)(B)
7 in connection with Defendant's use of the following marks: "The Broadway" and "The Bon Marché."

8 THIRD AFFIRMATIVE DEFENSE

9 [Failure to State a Claim]

10 Plaintiffs' Complaint, and each purported claim asserted therein, fails to allege facts sufficient
11 to state a claim for relief against Defendant.

12 FOURTH AFFIRMATIVE DEFENSE

13 [Fair Use]

14 Plaintiffs' Complaint, and each purported claim asserted therein, is barred in whole or in part
15 on the grounds that Defendant's use of the allegedly infringing marks is protected under the doctrine of
16 nominative fair use.

17 FIFTH AFFIRMATIVE DEFENSE

18 [Good Faith]

19 Plaintiffs' Complaint, and each purported claim asserted therein, is barred in whole or in part
20 on the grounds that Defendant at all times relevant hereto used the allegedly infringing marks in good
21 faith.

22 SIXTH AFFIRMATIVE DEFENSE

23 [Waiver]

24 Plaintiffs have engaged in conduct and activates sufficient to constitute a waiver and/or a
25 release of any and all claims that Plaintiffs may have or may have had against Defendant arising from
26 the transactions and occurrences set forth in the Complaint.

27 SEVENTH AFFIRMATIVE DEFENSE

28 [Estoppel]

1 Plaintiffs' claims are barred by the doctrine of estoppel.

2 EIGHTH AFFIRMATIVE DEFENSE

3 [Laches]

4 Plaintiffs' claims are barred by the doctrine of laches.

5 NINTH AFFIRMATIVE DEFENSE

6 [Unclean Hands]

7 Plaintiffs' claims are barred by the doctrine of unclean hands.

8 TENTH AFFIRMATIVE DEFENSE

9 [Invalidity]

10 The federally registered marks allegedly owned by Macy's are invalid for failure to comply
11 with the Trademark Act, 15 U.S.C. § 1051 *et seq.*

12 ELEVENTH AFFIRMATIVE DEFENSE

13 [Prosecution Estoppel]

14 Plaintiffs' claims are barred as they rest on an assertion of scope of its alleged mark that is
15 inconsistent with its representations to the United States Patent and Trademark Office in prosecution of
16 the claimed marks.

17 TWELFTH AFFIRMATIVE DEFENSE

18 [Failure to Mitigate Damages]

19 Any amount of recovery must be offset for Plaintiffs' failure to mitigate its damages. Because
20 Plaintiffs knew or should have known about the alleged infringement years ago, they should have
21 taken action to stop the alleged misconduct at the time. If Plaintiffs had done so, their alleged damages
22 would be reduced.

23 THIRTEENTH AFFIRMATIVE DEFENSE

24 [Abandonment]

25 Plaintiffs have abandoned the alleged marks and/or the goodwill associated therewith, and have
26 no rights in the alleged marks. Therefore, Defendant is free to register and use the alleged marks.

27 FOURTEENTH AFFIRMATIVE DEFENSE

28 [Reservation of Defenses]

1 Defendant presently has insufficient knowledge or information on which to form a belief as to
2 whether there may be additional as yet unstated affirmative defenses. Thus, subject to discovery in this
3 action, Defendant expressly reserves its right to assert additional affirmative defenses.

4 COUNTERCLAIMS

5 NATURE OF THE ACTION

6 1. This is an action for trademark infringement, false designation of origin and unfair
7 competition arising under the Lanham Act, 15 U.S.C. § 1051 *et seq.* and federal and state common
8 law, as well as an action for statutory unfair competition arising under California Business and
9 Professions Code § 17200. Counter-Defendants have willfully and unlawfully infringed Defendant's
10 Service Marks (as defined below) with the clear and unmistakable intent and effect of causing
11 confusion, mistake and deception among customers and potential customers.

12 2. Strategic Marks is the owner and user of the following service marks for retail
13 department store and on-line retail department store services, retail and on-line retail clothing
14 boutiques and stores for clothing, apparel, and related products: ABRAHAM AND STRAUS,
15 ABRAHAM & STRAUS, THE BON MARCHÉ, THE BROADWAY, BULLOCK'S DEPARTMENT
16 STORE, BULLOCK'S, FILENE'S, JORDAN MARSH, MAY COMPANY, ROBINSON'S and
17 ROBINSON'S MAY (collectively and individually, the "Defendant's Service Marks").

18 3. Macy's is using the following marks in commerce ("Macy's Infringing Marks") without
19 Strategic Marks' consent:: BULLOCK'S, BULLOCKS, BULLOCK'S WILSHIRE, JORDAN
20 MARSH, ROBINSONS-MAY, ROBINSONS, THE BON MARCHE, ABRAHAM & STRAUS,
21 FILENE'S, AND THE BROADWAY. These marks are all either are identical to, or confusingly
22 similar to, the Defendants' Service Marks.

23 4. These counterclaims assert claims against the Counter-Defendants arising from their
24 trademark infringement and unfair competition related to Defendant's Service Marks.

25 5. Strategic Marks asks this Court to enjoin the infringement, false designation of origin
26 and unfair competition caused by Counter-Defendants' wrongful use of the Macy's Infringing Marks,
27 and to compensate Strategic Marks for the damages which Counter-Defendants have caused and the
28 unjust enrichment they have received.

1 FACTUAL BACKGROUND

2 12. Strategic Marks is a leading company that provides new products and services that
3 employ old, abandoned, and long-lost brand names. Strategic Marks is the owner of various on-line
4 retail stores (the “On-line Retro Department Stores”) bearing names which pay homage to several of
5 the now defunct, but once great, department stores from the 20th century. Strategic Marks’ On-line
6 Retro Department Stores include, but are not limited to, on-line department stores bearing the
7 following names: ABRAHAM & STRAUS, THE BON MARCHÉ, THE BROADWAY,
8 BULLOCK’S, FILENE’S, JORDAN MARSH, MAY COMPANY and ROBINSONS. The names of
9 its On-line Retro Department Stores (and their respective “brick and mortar” locations which Strategic
10 Marks is working toward opening (the “Brick and Mortar Retro Department Stores”)) evoke nostalgia
11 in the minds of American consumers for something that can no longer be found in today’s nation-wide
12 department store chains – a shopping experience that is highly personalized and localized, with an old-
13 world and opulent feel (the “Old World Shopping Experience”). Strategic Marks seeks to provide new
14 retail and on-line retail store services using these long-abandoned retail department store brands, with
15 the intent of offering its customers high quality, contemporary products through its On-line Retro
16 Department Stores and Brick and Mortar Retro Department Stores in a manner consistent with the
17 shopping experiences that could once be found in the great retail department stores from America’s
18 past.

19 13. Strategic Marks is the owner and user of, *inter alia*, the following U.S. service mark
20 registrations for certain of Defendant’s Service Marks (collectively and individually, Defendant’s
21 Registered Service Marks”):

- 22 a. THE BROADWAY, U.S. Trademark Registration No. 4,099,878, issued February
23 14, 2012 for retail department store and on-line retail department store services,
24 retail and on-line retail clothing boutiques and stores for clothing, apparel, and
25 related products.
- 26 b. THE BON MARCHÉ, U.S. Trademark Registration No. 4,136,284, issued May 1,
27 2012 for retail department store and on-line retail department store services, and
28 retail and on-line retail clothing boutiques and stores for clothing, apparel, and

1 related products.

- 2 c. ROBINSON’S, U.S. Trademark Registration No. 4,165,969, issued June 26, 2012
3 for retail department store and on-line retail department store services, retail and on-
4 line retail clothing boutiques and stores for clothing, apparel, and related products.

5 14. Strategic Marks has also filed the following applications for U.S. service mark
6 registrations for the following Defendant’s Service Marks (collectively and individually, Strategic
7 Mark’s Pending Applications”) for retail department store and on-line retail department store services,
8 and retail and on-line retail clothing boutiques and stores for clothing, apparel, and related products:

- 9 a. ABRAHAM AND STRAUS, U.S. Trademark Application Serial Number
10 85,137,194, filed September 24, 2010;
11 b. BULLOCK’S DEPARTMENT STORE, U.S. Trademark Application Serial
12 Number 85,136,164, filed September 23, 2010;
13 c. FILENE’S, U.S. Trademark Application Serial Number 85,137,196, filed
14 September 24, 2010;
15 d. JORDAN MARSH, U.S. Trademark Application Serial Number 85,137,183, filed
16 September 24, 2010; and
17 e. MAY COMPANY, U.S. Trademark Application Serial Number 85,137,181, filed
18 September 24, 2010.

19 15. Strategic Marks is using the Defendant’s Service Marks in commerce in the United
20 States, including but not limited to within its www.retrodepartmentstores.com website.

21 16. Defendant’s Service Marks naturally bring to mind the Old World Shopping
22 Experience associated in American lore with the great department stores of the 20th century.
23 Defendant’s Service Marks, by reason of Strategic Marks’ use and promotion of Defendant’s Service
24 Marks, have also come to be known to the purchasing public as retail stores within the new “Retro
25 Department Stores” family, a chain which seeks to differentiate itself from other nation-wide retail
26 chains by providing its customers with high quality, cutting edge products in an atmosphere designed
27 to emulate the Old World Shopping Experience traditionally associated with the great department
28 stores of the past.

1 and does falsely creates the impression that Macy's is associated with certain of Strategic Marks' On-
2 line Retro Department Stores, and that Macy's goods and services are conducted by or in association
3 with Strategic Marks and/or its On-Line Retro Department Stores.

4 27. Upon information and belief, Macy's infringement has been willful and intentional.

5 28. As a direct and proximate result of Macy's illegal activities as alleged above, Strategic
6 Marks has been severely damaged. Macy's acts in infringing Strategic Marks' registrations has caused
7 and will continue to cause, irreparable harm to Strategic Marks unless enjoined by this Court.

8 SECOND CLAIM FOR RELIEF

9 FALSE DESIGNATION OF ORIGIN AND UNFAIR COMPETITION – 15 U.S.C. § 1125(a)

10 29. Strategic Marks incorporates by reference as if fully set forth herein the averments
11 contained within the preceding paragraphs 1 through 28, inclusive.

12 30. This Claim arises under the provisions of the Trademark Act of 1946, 15 U.S.C. § 1051
13 et seq., particularly under U.S.C. § 1125(a), and alleges the use in commerce of false designations of
14 origin and false descriptions and representations.

15 31. Macy's use of the Macy's Infringing Marks is likely to create confusion, or to cause
16 mistake, or to deceive the consumers in regards to whether Macy's is affiliated, connected, or
17 associated with Strategic Marks.

18 32. Macy's use of the Macy's Infringing Marks is likely to create confusion, or to cause
19 mistake, or to deceive the consumers as to the source of origin, sponsorship and/or authorization of
20 certain of Macy's products.

21 33. Macy's use of the Macy's Infringing Marks in its commercial advertising misrepresents
22 the nature of Strategic Marks' goods, services and commercial activities in that it suggests Strategic
23 Marks is associated and cooperating with Macy's, one of the national retail chains which Strategic
24 Marks expressly differentiates itself from.

25 34. As more fully set forth above, Defendant's Service Marks have come to have a
26 secondary meaning indicative of origin, relationship, sponsorship, and/or association with Strategic
27 Marks. The purchasing public is likely to infer from Macy's use of the Macy's Infringing Marks an
28 affiliation, connection and/or association between Strategic Marks and Macy's which belies Strategic

1 Marks' attempts to distinguish itself and its Retro Department Stores from such national retail chains,
2 and to, therefore, discourage consumers from using Strategic Marks' services and/or purchasing
3 Strategic Marks' products in that erroneous belief. The purchasing public is also likely to mistakenly
4 attribute to Strategic Marks the use by Macy's of the Macy's Infringing Marks as an indication of
5 source of origin, authorization, affiliation, and/or sponsorship for Macy's certain retail department
6 store services, online retail store services, and related goods and services and, therefore, to use Macy's
7 services and purchase Macy's products in that erroneous belief.

8 35. Macy's adoption and continued willful use of the Macy's Infringing Marks as herein
9 above alleged, constitutes (i) a use in interstate commerce, (ii) a false designation of origin and/or false
10 and misleading description and/or representation of facts and/or goods and/or services in commerce,
11 with knowledge of falsity, and deceptive misdescription, which is likely to cause confusion, mistake
12 and deception as to the relationship between Strategic Marks and Macy's, and as to the source of
13 origin, sponsorship and/or authorization of certain of Macy's products, and (iii) in commercial
14 advertising and/or promotion, a misrepresentation of the nature, characteristics, qualities and origin of
15 Macy's and Strategic Marks' retail store services and commercial activities, within the meaning of and
16 in violation of 15 U.S.C. § 1125(a).

17 36. As a direct and proximate result of Defendant's illegal activities as alleged above,
18 Strategic Marks has been severely damaged. Macy's complained of acts have caused, and will
19 continue to cause, irreparable harm to Strategic Marks unless enjoined by this Court.

20 THIRD CLAIM FOR RELIEF

21 COMMON LAW TRADEMARK INFRINGEMENT AND UNFAIR COMPETITION

22 37. Strategic Marks incorporates by reference as if fully set forth herein the averments
23 contained within the preceding paragraphs 1 through 36, inclusive.

24 38. This Claim arises under the common law of the state of California and alleges willful
25 and intentional common law trademark infringement and unfair competition by Macy's.

26 39. On information and belief, Macy's began making use in commerce of the Macy's
27 Infringing Marks in 2011 after discovering Strategic Marks was using Defendant's Service Marks in
28 commerce, and)for the sole purpose of trying to strip Strategic Marks of its rights in marks Macy's

1 had long-ago abandoned.

2 40. The use by Macy's of the Macy's Infringing Marks constitutes passing off, unfair
3 methods of competition, unconscionable acts and practices, and unfair and deceptive acts and practices
4 wherein Macy's conduct is likely to cause confusion in commerce as to the source of Strategic Marks'
5 goods and services. Macy's acts are in violation of the common law of the state of California.

6 41. As a direct and proximate result of Macy's illegal activities as alleged above, Strategic
7 Marks has been severely damaged. Macy's aforesaid acts of unfair competition have caused, and will
8 continue to cause, irreparable harm to Strategic Marks unless enjoined by this Court.

9 **FOURTH CLAIM FOR RELIEF**

10 **STATE STATUTORY UNFAIR COMPETITION**

11 **CALIFORNIA BUSINESS AND PROFESSIONS CODE § 17200 et seq.**

12 42. Strategic Marks incorporates by reference as if fully set forth herein the averments
13 contained within the preceding paragraphs 1 through 41, inclusive.

14 43. This Claim arises under California Business and Professions Code § 17200 et seq. and
15 alleges willful and intentional unfair competition by Macy's.

16 44. Macy's acts and conduct and use of the Macy's Infringing Marks as alleged above also
17 constitute "unlawful, unfair or fraudulent business act[s] or practice[s] and unfair, deceptive, untrue, or
18 misleading advertising" within the meaning of California Business and Professions Code § 17200 et
19 seq. Macy's acts complained of are wrongful, knowing, willing and malicious and constitute unfair
20 competition under California state law.

21 45. As a direct and proximate result of Macy's illegal activities, Strategic Marks has been
22 severely damaged. Macy's aforesaid acts of unfair competition have caused, and will continue to
23 cause, irreparable harm to Strategic Marks unless enjoined by this Court.

24 **DEMAND FOR JUDGMENT**

25 WHEREFORE, Strategic Marks demands judgment in its favor, including the following:

26 A. Dismissal of all of Macy's claims against Strategic Marks, in their entirety and with
27 prejudice.

28 B. A declaration that Strategic Marks does not infringe and has not infringed any of the

1 Heritage Marks, whether directly or indirectly.

2 C. A declaration that the Heritage Marks have been abandoned.

3 D. A declaration that Macy's take nothing by way of their Complaint.

4 E. That a preliminary and permanent injunction be issued enjoining Macy's and its agents,
5 servants, employees, and all persons in active concert or participation with them:

6 1. from using the Defendant's Service Marks, or any marks confusingly similar
7 thereto, in connection with sale or offering for sale of goods or services, including on goods which are
8 offered for sale or sold;

9 2. from using any logo, trade name, trademark, or service mark, which may be
10 calculated to falsely represent or which has the effect of falsely representing that Macy's is associated
11 in any with Strategic Marks, or that goods and/or services of Macy's are sponsored by, authorized by
12 or in any way associated with Strategic Marks;

13 3. from using the Macy's Infringing Marks or from otherwise infringing the
14 Defendant's Service Marks; and

15 4. from otherwise unfairly competing with Strategic Marks or infringing Strategic
16 Marks' rights in and to the Defendant's Service Marks.

17 F. That Macy's be required to remove from use any interior, exterior, physical, and
18 electrical display of the Defendant's Service Marks, including in-store and website/online display(s).

19 G. That Macy's be required to pay to Strategic Marks such damages as Strategic Marks has
20 sustained as a consequence of Macy's infringement, false designation and unfair competition, and to
21 account to Strategic marks for all gains, profits and advantages derived by them by virtue of their
22 infringement, and/or that Strategic Marks be awarded profits pursuant to 15 U.S.C. § 1117 and state
23 common and statutory law.

24 H. That the monetary award to Strategic Marks be increased based on willful infringement
25 pursuant to 15 U.S.C. § 1117.

26 I. That the Court find this case to be exceptional and award reasonable attorneys' fees to
27 Strategic Marks.

28 ///

1 J. For such other and further relief as the Court may deem just and proper.
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5 DATED: October 3, 2012.

KB ASH LAW GROUP

7 By _____
8 BENJAMIN ASHUROV
9 Attorneys for Defendant
STRATEGIC MARKS, LLC
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DEMAND FOR JURY TRIAL

Defendant and Counter-Claimant Strategic Marks, LLC, hereby demands a trial by jury of all claims so triable.

DATED: October 3, 2012.

KB ASH LAW GROUP

By _____
BENJAMIN ASHUROV
Attorneys for Defendant
STRATEGIC MARKS, LLC

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CERTIFICATE OF SERVICE

I hereby certify that on April 28, 2014, a true and correct copy of the foregoing PETITIONER'S RESPONSE IN OPPOSITION TO REGISTRANT'S MOTION TO SUSPEND has been duly served by depositing such copy with the U.S. Postal Service in an envelope addressed to:

MACY'S WEST STORES INC
50 O'FARRELL STREET
SAN FRANCISCO, CA 94102
UNITED STATES



Benjamin Ashurov