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

Proceeding	92058899
Party	Defendant Macy's West Stores, Inc.
Correspondence Address	MACYS WEST STORES INC 50 OFARRELL STREET, SAN FRANCISCO, CA 94102 UNITED STATES
Submission	Reply in Support of Motion
Filer's Name	David P. Goldberg
Filer's e-mail	ptodocket@arelaw.com
Signature	/David P. Goldberg/
Date	05/13/2014
Attachments	Reply in Further Support of Motion to Suspend - 92058899.pdf(649674 bytes )

In the Matter of:

33765/1269

Registration No.: 4,364,626  
Registered: July 9, 2013  
Service Mark: LAZARUS  
International Classes: 18 & 25

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

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Strategic Marks, LLC,	:
	:
Petitioner,	: <b>Cancellation No. 92058899</b>
	:
v.	: <b>REGISTRANT’S REPLY IN</b>
	: <b>FURTHER SUPPORT OF ITS</b>
Macy’s West Stores, Inc.,	: <b>MOTION TO SUSPEND</b>
	:
Registrant.	:
	:
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Registrant Macy’s West Stores, Inc. (“Macy’s”) hereby submits this Reply in further support of its Motion to Suspend the instant Cancellation No. 92058899 until final resolution of civil action no. 11-6198 SC, captioned *Macy’s, Inc. and Macys.com, Inc. v. Strategic Marks, LLC*, currently pending in San Francisco in the U.S. District Court for the Northern District of California among Petitioner, Macy’s parent company Macy’s, Inc., and Macys.com, Inc. (“the Civil Action”).

**Introduction**

Although Petitioner Strategic Marks, LLC (“Strategic Marks”) on page 2 of its Opposition correctly points out that the LAZARUS mark is not directly involved in the Civil Action, Strategic Marks’ allegations that there is no overlap in the goods and services involved in the Civil Action and this Cancellation, or that the issues litigated in the Civil Action are “wholly unrelated” to the issues in this proceeding, are patently untrue.

In fact, even though the marks at issue in the Civil Action do not include LAZARUS, the goods and services involved in the Civil Action are either identical or closely related to the goods at issue in the instant Cancellation, and the Civil Action will resolve key issues of use and ownership that will have a bearing on this proceeding, including: (i) whether Macy's activities—which are essentially the same for the marks in the Civil Action and LAZARUS—have retained and fostered the goodwill of the marks; (ii) whether Macy's activities—which are essentially the same for the marks in the Civil Action and LAZARUS—have generated in the marks “a secondary meaning indicative of origin;” (iii) whether Macy's activities—which are essentially the same for the marks in the Civil Action and LAZARUS—constitute abandonment of the marks; and (iv) whether Strategic Marks' activities—which are essentially the same for the marks in the Civil Action and LAZARUS—constitute “use in commerce.” *See* Mot. to Suspend at 3, 5.

Accordingly, the Civil Action will have a bearing on this Cancellation and suspension is appropriate. *See* 37 C.F.R. § 2.117(a) (“Whenever it shall come to the attention of the Trademark Trial and Appeal Board that a party or parties to a pending case are engaged in a civil action or another Board proceeding *which may have a bearing on the case*, proceedings before the Board may be suspended until termination of the civil action or the other Board proceeding.”) (emphasis added); *see also* T.B.M.P. § 510.02(a); *New Orleans Louisiana Saints LLC v. Who Dat?, Inc.*, Opposition No. 91198708, 2011 TTAB LEXIS 208, at \*6-8 (T.T.A.B. July 22, 2011); 6 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 32:47 (4th ed. 2014).

### **The Goods and Services at Issue Are Identical or Closely Related**

There is significant overlap in the goods and services involved in the Civil Action and this Cancellation. A basic premise of the Civil Action is that Macy's built a nationwide business

in part by acquiring a number of famous regional department stores, including their trademarked names, by developing the goodwill in those trademarked names until they generated “a secondary meaning indicative of origin,” and by continuing to maintain those now famous marks both as brand names for clothing and bags, and also as the historical heritage of Macy’s Department Stores. *See generally*, Complaint at ¶¶ 13-35 (attached as Ex. A to Mot. to Suspend). The Civil Action thus involves “retail department store services, online retail store services, *and related goods and services.*” *Id.* at ¶¶ 44-45, 50, 59 (emphasis added).

The goods and services involved in the Civil Action are either identical or closely related to the goods at issue in the instant Cancellation, namely, T-shirts and tote bags. *See* Pet. for Cancellation at ¶ 1. These goods are closely related to “retail department store services” in that T-shirts and tote bags are commonly sold at retail department stores, and department stores commonly provide house brands of clothing and bags marketed under the same mark that identifies their stores. *See Wal-Mart Stores v. Loufrani*, Oppositions No. 91150278, 91154632, 91152145, 2009 TTAB LEXIS 113, at \*28-30 (T.T.A.B. Mar. 20, 2009) (finding department store services related to a variety of goods sold in department stores including clothing and bags); *cf. In re Hyper Shoppes (Ohio), Inc.*, 837 F.2d 463, 464 (Fed. Cir. 1988) (affirming TTAB’s refusal to register mark for retail store services that was similar to preexisting mark for goods since applicant’s mark involved only “general merchandising—that is to say *selling*”).

Indeed, the Complaint in the Civil Action even specifically alleges that Strategic Marks “offers for sale and sells *products bearing the Infringing Marks* on its website . . . using timesteps which are intentionally identical to those used by Macy’s” and makes it clear that those products include, at the very least, “*clothing.*” Complaint at ¶¶ 26, 28 (emphasis added). In response to these allegations, Strategic Marks explicitly admits “that it offers *T-shirts* for sale

. . . which bear upon them stylized versions [of the marks at issue].” First Am. Answer at ¶ 26 (attached as Ex. B to Mot. to Suspend).

Given this, Strategic Marks’ claim that there is no overlap in the goods and services involved in the Civil Action and this Cancellation lacks credibility and should be discounted.

**The Civil Action Will Resolve Issues That Have a Bearing on This Cancellation**

More importantly, the Civil Action will resolve key legal issues that will have a bearing on this Cancellation. Strategic Marks’ claim that the legal issues in the Civil Action are “wholly unrelated” because there is no allegation of ornamental use is a red herring. The determination of whether a design is merely ornamental does **not** involve a special test. Instead, it is part of “the key enquiry as to whether a given design is or is not perceived by customers as a symbol of origin.” 1 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 7:24 (4<sup>th</sup> ed. 2014).

In other words, because it is well established that the name of a university, a sports team’s emblem, or commercial firm’s mark used on clothing or memorabilia such as bags can signify that the entity authorizes, endorses, or licenses the sale of those goods, the key inquiry to be made in such cases—and here—is whether the “word, name, symbol, or device” on the clothing has trademark significance. *Univ. of Pittsburgh v. Champion Prods., Inc.*, 686 F.2d 1040 (3d Cir. 1982) (finding university’s name and logo on clothing has secondary source significance); *Nat’l Football League Props., Inc. v. Wichita Falls Sportswear, Inc.*, 532 F. Supp. 651 (W.D. Wash. 1982) (finding sports team’s name and logo on clothing has secondary source significance); *In re McDonald’s Corp.*, 199 U.S.P.Q. 702 (T.T.A.B. 1978) (finding corporate logo on clothing has secondary source significance); *In re Olin Corp.*, 181 U.S.P.Q. 182 (T.T.A.B. 1973) (same; “The matter sought to be registered is an

arbitrary symbol and can and does function as a trademark. As used on the T-shirts, we conclude that the mark serves as an identifier of a secondary source and as such is registerable.”).

However, this means that the issues involved in the instant Cancellation include ***the very same issues*** that will be resolved by the Civil Action, such as: (i) whether Macy’s activities—which are essentially the same for the marks in the Civil Action and LAZARUS—have retained and fostered the goodwill of the marks; (ii) whether Macy’s activities—which are essentially the same for the marks in the Civil Action and LAZARUS—have generated in the marks “a secondary meaning indicative of origin;” (iii) whether Macy’s activities—which are essentially the same for the marks in the Civil Action and LAZARUS—constitute abandonment of the marks; and (iv) whether Strategic Marks’ activities—which are essentially the same for the marks in the Civil Action and LAZARUS—constitute “use in commerce.” In other words, in order to resolve the dispute presented in this Cancellation, the Board will have to try the same key issues that the U.S. District Court will soon adjudicate.

Because the issues in the Civil Action are so clearly relevant to a number of T.T.A.B. Cancellations filed by Strategic Marks regarding marks not involved in the Civil Action, the parties even reached an agreement regarding use of discovery from the Civil Action during the August 20, 2013 consolidated Rule 26(f) Discovery Conference regarding KAUFMANN’S (T.T.A.B. No. 92057318), MARSHALL FIELD’S (T.T.A.B. Nos. 92057315), MEIER & FRANK (T.T.A.B. No. 92057278), HECHT’S (T.T.A.B. No. 92057277), BURDINES (T.T.A.B. No. 92057283), I. MAGNIN (T.T.A.B. No. 92057364), GOLDSMITH’S (T.T.A.B. No. 92057473), and FOLEY’S (T.T.A.B. No. 92057474). Mot. to Suspend at 5.

Given, then, that the Civil Action will resolve key legal issues that have a bearing on this Cancellation, suspension is appropriate under Trademark Rule 2.117(a). 37 C.F.R. § 2.117(a) (“Whenever it shall come to the attention of the Trademark Trial and Appeal Board that a party or parties to a pending case are engaged in a civil action or another Board proceeding *which may have a bearing on the case*, proceedings before the Board may be suspended until termination of the civil action or the other Board proceeding.”) (emphasis added); *General Motors Corp. v. Cadillac Club Fashions, Inc.*, Cancellation No. 18418, 22 U.S.P.Q.2d 1933 (T.T.A.B. May 14, 1992); *Martin Beverage Co., Inc. v. Colita Beverage Corp.*, 169 U.S.P.Q. 568, 570 (T.T.A.B. Apr. 30, 1971).

#### **Suspension Will Not Prejudice the Parties**

Finally, as was explained in Macy’s moving papers, suspension of this Cancellation would not be prejudicial since it is now in a very preliminary stage. Mot. to Suspend at 5. The discovery period has not even opened. The Civil Action, on the other hand, is concluded, save pre-trial motions and the trial itself. A pre-trial conference will be held on November 21, 2014, and the trial is scheduled to start on December 8, 2014. Furthermore, despite Strategic Marks’ assertions, Macy’s has no desire to delay trial.<sup>1</sup>

Thus, suspension pending disposition of the Civil Action will not cause undue delay or prejudice.

#### **Conclusion**

For the foregoing reasons as well as for the reasons stated in Macy’s Motion to Suspend, it is respectfully requested that the motion be granted and that this Cancellation be suspended pending final disposition of the Civil Action.

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<sup>1</sup>In fact, at the most recent Scheduling Conference in the Civil Action, Macy’s requested that the trial be held in July of this year, while counsel for Strategic Marks asked that it not be held before September. 575260.1

Respectfully submitted,

AMSTER, ROTHSTEIN & EBENSTEIN LLP  
Attorneys for Macy's West Stores, Inc.  
90 Park Avenue  
New York, New York 10016  
(212) 336-8000

Dated: New York, New York  
May 13, 2014

By: 

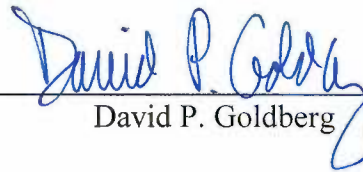
Anthony F. Lo Cicero  
Chester Rothstein  
David P. Goldberg



**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that he is one of the attorneys for Registrant Macy's West Stores, Inc. in the above-captioned Cancellation and that, on the date which appears below, he caused a copy of the foregoing REGISTRANT'S REPLY IN FURTHER SUPPORT OF ITS MOTION TO SUSPEND to be served on the attorneys for Petitioner Strategic Marks, LLC by e-mail, by having a scanned copy sent to [bashurov@kb-ash.com](mailto:bashurov@kb-ash.com), and by courier, by causing a copy thereof to be placed in the care and custody of Federal Express, postage prepaid, in a wrapper addressed as follows:

Benjamin Ashurov, Esq.  
KB-Ash Law Group  
7011 Koll Center Parkway, Suite 160  
Pleasanton, CA 94566.

  
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David P. Goldberg

Dated: New York, New York  
May 13, 2014