

ESTTA Tracking number: **ESTTA613073**

Filing date: **07/01/2014**

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

Proceeding	92059080
Party	Defendant Karen Shelton
Correspondence Address	JOSEPH F CLEVELAND JR BRACKETT & ELLIS PC 100 MAIN STREET FORT WORTH, TX 76102 UNITED STATES jcleland@belaw.com
Submission	Answer and Counterclaim
Filer's Name	Joseph F. Cleveland, Jr.
Filer's e-mail	jcleland@belaw.com
Signature	/Joseph F. Cleveland, Jr./
Date	07/01/2014
Attachments	Respondent's Answer and Counterclaim.pdf(156291 bytes)

Registration Subject to the filing

Registration No	3402102	Registration date	03/25/2008
International Registration No.	NONE	International Registration Date	NONE
Registrant	ARCOS Die Haarprofis Handels GmbH Am Wolfsmantel 8 GERMANY		
Grounds for filing	The registration was obtained fraudulently.		

Goods/Services Subject to the filing

Class 026. First Use: 0 First Use In Commerce: 0
All goods and services in the class are requested, namely: False hair; hair extensions, namely, plaited hair; toupees; hair extensions consisting of a plastic carrier with hair attached; hair ornaments

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

In the matter of Trademark Registration No. 4,106,943 Mark: HAIRTALK Date Registered: Feb. 28, 2012	Proceeding No. 92059080
INTERNATIONAL DESIGNS CORPORATION and ARCOS DIE HAARPROFIS HANDELS GMBH, Petitioners v. KAREN SHELTON Respondent	

**RESPONDENT'S ANSWER TO PETITION FOR CANCELLATION AND
COUNTERCLAIM**

Respondent KAREN SHELTON ("Respondent"), by her attorneys, hereby answer the allegations set forth in the Petition for Cancellation filed by INTERNATIONAL DESIGNS CORPORATION and ARCOS DIE HAARPROFIS HANDELS GMBH ("Petitioners") as follows:

ANSWER

Respondent lacks knowledge or information sufficient to form a belief about the truth of the averments related to the Petitioners' names, addresses, and entity information set forth in the introductory paragraph and, therefore, they are denied. Respondent denies the allegation set forth in the introductory paragraph that Petitioners will be damaged by Respondent's registration. Respondent admits that she is the owner of the identified trademark registration, Reg. No. 4,106,943 and that the trademark is for "Providing an on-line forum to post questions

and answers for a variety of topics from hair and beauty to fashion, music and entertainment.” Respondent’s correct address is 1846 East Rosemeade Parkway, #293, Carrollton, Texas 75007.

The following numbers correspond to the paragraph numbers in Petitioners’ Petition for Cancellation.

1. Respondent lacks knowledge or information sufficient to form a belief about the truth of the averments contained in Paragraph 1 of the Petition for Cancellation and, therefore, they are denied.

2. Respondent lacks knowledge or information sufficient to form a belief about the truth of the averments contained in Paragraph 2 of the Petition for Cancellation and, therefore, they are denied.

3. Respondent denies the averments contained in Paragraph 3 of the Petition for Cancellation.

4. Respondent lacks knowledge or information sufficient to form a belief about the truth of the averments contained in Paragraph 4 of the Petition for Cancellation and, therefore, they are denied.

5. Respondent lacks knowledge or information sufficient to form a belief about the truth of the averments contained in Paragraph 5 of the Petition for Cancellation and, therefore, they are denied.

6. Respondent lacks knowledge or information sufficient to form a belief about the truth of the averments contained in Paragraph 6 of the Petition for Cancellation and, therefore, they are denied.

7. Respondent lacks knowledge or information sufficient to form a belief about the truth of the averments contained in Paragraph 7 of the Petition for Cancellation and, therefore, they are denied.

8. Respondent lacks knowledge or information sufficient to form a belief about the truth of the averments contained in Paragraph 8 of the Petition for Cancellation and, therefore, they are denied.

9. Respondent lacks knowledge or information sufficient to form a belief about the truth of the averments contained in Paragraph 9 of the Petition for Cancellation and, therefore, they are denied.

10. Respondent denies the averment in Paragraph 10 that Registration No. 3402102 (the “102 Registration”) “has a priority date of July 24, 2006.” Respondent otherwise lacks knowledge or information sufficient to form a belief about the truth of the averments contained in Paragraph 10 of the Petition for Cancellation and, therefore, they are denied.

11. Respondent admits Respondent’s trademark filing date is June 11, 2009. Except as so admitted, Respondent denies the remaining averments contained in Paragraph 11 of the Petition for Cancellation.

12. Respondent denies the averments contained in Paragraph 12 of the Petition for Cancellation.

13. Respondent denies the averments contained in Paragraph 13 of the Petition for Cancellation.

14. Respondent denies the averments contained in Paragraph 14 of the Petition for Cancellation.

15. Respondent denies the averments contained in Paragraph 15 of the Petition for Cancellation.

16. Respondent denies the averments contained in Paragraph 16 of the Petition for Cancellation.

17. Respondent denies the averments contained in Paragraph 17 of the Petition for Cancellation.

18. Respondent denies the averments contained in Paragraph 18 of the Petition for Cancellation.

19. Respondent denies the averments contained in Paragraph 19 of the Petition for Cancellation.

20. Respondent denies the averments contained in Paragraph 20 of the Petition for Cancellation.

Respondent denies that registration No. 4,106,943 should be cancelled.

DEFENSES

First Defense: No Priority or Likelihood of Confusion

1. Petitioners' Petition for Cancellation is barred by the prior and continuous use of the HAIRTALK mark by Respondent.

2. Petitioners' Petition for Cancellation is barred because Petitioners' registration is subject to Respondent's superior common law rights in the HAIRTALK mark Respondent acquired through actual use of the mark long prior to any priority date that Petitioners can claim.

3. Petitioner's Petition for Cancellation is barred because there is no actual confusion or likelihood of confusion despite the concurrent use of the HAIRTALK mark by Petitioners and Respondent.

Second Defense: Laches

4. Upon information and belief, Petitioners have long known or should have known that Respondent's Registration No. 4106943 issued.

5. Despite the actual or constructive knowledge of Registration No. 4106943, Petitioners took years to institute this cancellation proceeding, failing to assert their rights promptly.

6. During Petitioners' unreasonable delay and silence, Respondent continued to use and invest in its registered mark and accordingly built up valuable business and goodwill in association with the mark.

7. Petitioners' Petition for Cancellation is therefore barred under the doctrine of laches.

Third Defense: Unclean Hands

8. Respondent incorporates by reference the allegations of paragraphs 1-10 of its counterclaim.

9. The conduct of ARCOS before the USPTO in seeking to obtain incontestable status for the '102 Registration constitutes unclean hands, which bars the Petition for Cancellation.

COUNTERCLAIM

1. On January 14, 2014, Petitioner ARCOS DIE HAARPROFIS HANDELS GMBH ("ARCOS"), through its agents, represented to the United States Patent and Trademark Office ("USPTO") under oath that it has continuously used the mark HAIR TALK in commerce "for five consecutive years after the date of registration in the United States."

2. Upon information and belief, at the time of making the representation referenced in ¶ 1 of this counterclaim, ARCOS had not continuously used the mark HAIR TALK in commerce for five consecutive years after the date of registration in the United States.

3. One factual basis for the belief stated in ¶ 2 of this counterclaim is ARCOS' admissions in its Petition to Cancel that it entered into its license agreement for North American distribution of products under the HAIR TALK mark only in 2010 in which IDC became the "exclusive U.S. distributor" for ARCOS' HAIR TALK products. See Petition at ¶¶ 2, 5. Thus, at most only 4 years could have elapsed between the time that HAIR TALK products were first sold in the United States and the time that ARCOS made the representation to the USPTO of its continuous use of the mark in the United States for 5 years.

4. Further information concerning the belief stated in ¶ 2 of this counterclaim is likely to be uncovered through discovery, as such information is within the control of ARCOS and its affiliates, not Respondent.

5. Upon information and belief, at the time of making the representation mentioned in ¶ 1 of this counterclaim, ARCOS knew that it had not continuously used the HAIR TALK mark in commerce for five consecutive years after the date of registration in the United States.

6. One factual basis for the belief mentioned in ¶ 5 of this counterclaim is the prominent statements by ARCOS in its Petition to Cancel that it entered into its exclusive license agreement for North American distribution of products under the HAIR TALK mark only in 2010 and that its use of the HAIR TALK mark in the United States has been "exclusively" through Petitioner International Designs Corporation. See Petition at ¶¶ 2, 5. These statements indicate that ARCOS is well aware of the extent of its international use, that it is aware that its

use in commerce of the HAIR TALK mark in the United States has been exclusively through International Designs Corporation, and that such use began, at its earliest, in 2010.

7. Further information concerning the belief stated in ¶ 6 of this counterclaim is likely to be uncovered through discovery, as such information is within the control of ARCOS and its affiliates, not Respondent.

8. Nevertheless, ARCOS falsely stated to the USPTO that it had continuously used the HAIR TALK mark in commerce “for five consecutive years after the date of registration in the United States” to make the ’102 Registration appear incontestable under Section 15 of the Lanham Act.

9. If ARCOS had not made the aforementioned false representation to the USPTO, the USPTO would not have issued its acceptance of ARCOS’ Section 15 affidavit for the ’102 Registration on February 1, 2014.

10. The conduct of ARCOS before the USPTO with respect to the ’102 Registration constitutes fraud, and the ’102 Registration should therefore be canceled.

11. Respondent is damaged by the false statements of ARCOS to the USPTO concerning the ’102 Registration because the statements purport to give ARCOS rights in the mark HAIR TALK to which it is not entitled.

PRAYER

WHEREFORE, Respondent requests that the Trademark Trial and Appeal Board deny the Petition for Cancellation, sustain Respondent’s Counterclaim, and cancel Registration No. 3402102.

This Answer is being filed electronically along with the fee for asserting a cancellation counterclaim as required by 37 C.F.R. § 2.6(a)(16).

Dated: July 1, 2014

Respectfully submitted,

/s/Joseph F. Cleveland, Jr.

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ATTORNEY FOR RESPONDENT
KAREN SHELTON

CERTIFICATE OF SERVICE

Pursuant to the agreement of the parties, I hereby certify that on the 1st day of July, 2014, a copy of the foregoing Answer to Petition for Cancellation was e-mailed to counsel of record for petitioners per the agreement of the parties as follows:

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