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

Proceeding	92065390
Party	Defendant ASCAYA, Inc. C/O CTF Development, Inc.
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
TRADEMARK TRIAL AND APPEAL BOARD

*In re Matter of Reg. Nos. 3,588,458 and
3,558,276 for the trademark ASCAYA in
Classes 36 and 37*

HomeFed Corporation,

Petitioner,

v.

ASCAYA, INC., C/O CTF DEVELOPMENT,
INC.,

Registrant.

Proceeding No. 92065390

Mark: ASCAYA
Reg. Nos. 3,588,854
3,558,376

ANSWER TO PETITION TO CANCEL

Registrant Ascaya, Inc. (“Registrant”) denies the allegation that Petitioner HomeFed Corporation (“Petitioner”) will be damaged by the continued registration of Registrant’s ASCAYA marks and hereby responds to Petitioner’s allegations in its petition to cancel as follows.

ANSWER TO BACKGROUND AND PETITIONER’S ALLEGATIONS

A. Petitioner and its ESCAYA and ESCAYA AT OTAY RANCH Applications

ALLEGATION NO. 1:

Petitioner is a developer and owner of residential and mixed-use real estate projects in California, Virginia, South Carolina, Florida, Maine and New York. Petitioner operates real estate or entitled land ready for sale, and investigates and pursues the acquisition of new residential and commercial real estate projects. Most recently, Petitioner has started the planning and development of a village-style community located in an area of southern San Diego County known as Otay Ranch (the “Escaya Project”). The village will include both commercial and residential real estate.

ANSWER:

Registrant lacks knowledge or information sufficient to form a belief as to the truth of this allegation and on this basis denies the same.

ALLEGATION NO. 2:

On July 12, 2016, Petitioner, pursuant to 15 U.S.C. § 1051(b), filed an application to register the ESCAYA mark for certain services in International Class 36 on the Principal Register of the U.S. Patent & Trademark Office (“PTO”). The application was assigned Serial Number 87/101,635. On July 12, 2016, Petitioner, pursuant to 15 U.S.C. § 1051(b), also filed an application to register the ESCAYA AT OTAY RANCH mark for certain services in International Class 36 on the Principal Register of the PTO. The application was assigned Serial Number 87/101,643. On December 22, 2016, Petitioner, pursuant to 15 U.S.C. § 1051(b), also filed an application to register the ESCAYA mark for certain services in International Class 37 on the Principal Register of the PTO. The application was assigned Serial Number 87/279,027. On December 22, 2016, Petitioner, pursuant to 15 U.S.C. § 1051(b), also filed an application to register the ESCAYA AT OTAY RANCH mark for certain services in International Class 37 on the Principal Register of the PTO. The application was assigned Serial Number 87/279,042 (together with Serial Numbers 87/101,635, 87/101,643, and 87/279,027, “Petitioner’s Applications”).

ANSWER:

Registrant admits that the publicly available records of the United States Patent and Trademark Office indicate that Petitioner filed the trademark applications described in this allegation.

ALLEGATION NO. 3:

Petitioner has a bona fide intent to use the ESCAYA and ESCAYA AT OTAY RANCH trademarks in commerce in connection with the Escaya Project, and specifically in connection with the services identified in Petitioner’s Applications. Petitioner has already made a considerable financial investment in preparing to use the ESCAYA and ESCAYA AT OTAY RANCH trademarks in connection with the Project, and will suffer considerable financial harm of a yet to be determined amount if the refusals to register Petitioner’s Applications are maintained.

ANSWER:

Registrant lacks knowledge or information sufficient to form a belief as to the truth of this allegation and on this basis denies the same.

ALLEGATION NO. 4:

On October 20, 2016 the PTO issued office actions refusing registration of the Petitioner's Applications in International Class 36 because of an alleged likelihood of confusion with Registrant's ASCAYA mark in U.S. Registration Nos. 3,588,854 and 3,558,376 ("Registrant's Registrations") pursuant to 15 U.S.C. § 1052(d).

ANSWER:

Registrant admits that the records of the United States Patent and Trademark Office indicate that Office Actions refusing Petitioner's trademark application serial nos. 87/101,635 and 87/101,643 were issued on October 20, 2016.

B. Registrant's Registrations of ASCAYA

ALLEGATION NO. 5:

On July 27, 2007, Ascaya, Inc. C/O CTF DEVELOPMENT, INC. (formerly W.L. OF NEVADA, INC.) ("Registrant") applied to register, pursuant to 15 U.S.C. § 1051(b), the mark ASCAYA for certain services in International Class 36. The application was assigned Serial Number 77/241,119. On December 11, 2008, Registrant filed a Request to Divide and Statement of Use in International Class 36 for "Real estate management services for residential communities; real estate brokerage; and operation of a planned residential community". The "child" application was assigned Serial Number 77/976,428. The Statement of Use claimed a date of first use in connection with the services at least as early as September 15, 2008. The application subsequently matured into Registration No. 3,588,854 on March 10, 2009. A printout of the PTO database record detailing the particulars of Registration No. 3,588,854 is attached hereto as Exhibit A.

ANSWER:

Registrant admits the allegation above. With respect to Exhibit A, Registrant lacks knowledge or information sufficient to form a belief as to the truth or authenticity of Exhibit A and on this basis denies the same.

ALLEGATION NO. 6:

On July 31, 2007, Ascaya, Inc. C/O CTF DEVELOPMENT, INC. (formerly W.L. OF NEVADA, INC.) ("Registrant") applied to register, pursuant to 15 U.S.C. § 1051(b), the mark ASCAYA for certain services in International Class 37. The application was assigned Serial Number 77/241,120. On November 25, 2008, Registrant filed a Statement of Use in International Class 37 for "Residential real estate development, residential land development services, namely, planning and laying out of residential communities; residential real estate site selection;

residential construction planning; residential construction supervision”. The Statement of Use claimed a date of first use in connection with the services at least as early as September 15, 2008. The application subsequently matured into Registration No. 3,558,376 on July 6, 2009 (together with Registration No. 3,588,854, the Ascaya Registrations). A printout of the PTO database record detailing the particulars of Registration No. 3,558,376 is attached hereto as Exhibit B.

ANSWER:

Registrant denies that it filed the application on July 31, 2007. Registrant admits the remaining allegations above. With respect to Exhibit B, Registrant lacks knowledge or information sufficient to form a belief as to the truth or authenticity of Exhibit B and on this basis denies the same.

ALLEGATION NO. 7:

As of the date of this Petition, the Ascaya Registrations are subsisting on the Principal Register.

ANSWER:

Admitted.

ALLEGATION NO. 8:

To the best of Petitioner’s knowledge, the current email address in the registrations is ipdocket@mayerbrown.com.

ANSWER:

Registrant admits that the email in the allegation above is the email listed in the Attorney/Correspondence Information section of the Ascaya Registrations in the records of the United States Patent and Trademark Office.

BASIS FOR CANCELLATION – FRAUD

ALLEGATION NO. 9:

Although Registrant’s sworn Statements of Use in both Ascaya Registrations claim first use in commerce of the Ascaya mark at least as early as September 15, 2008, Petitioner is informed and believes that the mark was not actually used in commerce in connection with the services identified in the Ascaya Registrations until November 7, 2014, over five years later. Petitioner is further informed and believes that Registrant knew that the it was not using its

Ascaya trademark in commerce in connection with the services identified in the Ascaya Registrations when Registrant filed its respective Statements of Use in those applications. For example, Subsequent to the issuance of both Ascaya Registrations, Registrant advertised on www.luxuryhomesofhenderson.com/ascaya/ that “[t]he first phase of Ascaya lots is [sic] will go on sale in the summer of 2014.” A true and correct copy of this advertisement is attached hereto as Exhibit C.

ANSWER:

Denied.

ALLEGATION NO. 10:

Furthermore, Registrant boasted on its own website in June 2014 and September 2014 about its plans to sell real estate under the Ascaya brand, demonstrating that as of those dates, Registrant still had not used the Ascaya mark in commerce. A true and correct copy of articles posted on Registrant’s own website, www.ascaya.com, are attached hereto as Exhibits D and E.

ANSWER:

Denied.

ALLEGATION NO. 11:

On November 12, 2014, Registrant bragged reposted an article from Vegas, Inc. bragging that “[d]evelopers of Ascaya, the long-delayed mountain-mansion project in Henderson, have sold their first lot—a 0.46-acre parcel for \$925,000. The sale closed Friday, property records show, and sales of two other lots are expected to close soon.” A true and correct copy of this post from Registrant’s own website, www.ascaya.com, is attached hereto as Exhibit F. Accordingly, the first use in commerce of the Ascaya mark in connection with the services identified in the Ascaya Registrations did not occur until Friday, November 7, 2014 at the earliest. Thus, it is clear that the Statements of Use filed in both Ascaya Registrations falsely claimed a first use in commerce date of September 15, 2008, when in reality, Registrant had not actually used the Ascaya marks in commerce as of that time, and, on information and belief, had no intention of doing so until at least as early as the summer of 2014. Moreover, Petitioner is informed and believes that, as of the time Registrant filed its Statement of Use in each of the Ascaya Registrations, Registrant knew or should have known that it was not using the Ascaya trademark in commerce.

ANSWER:

Registrant admits that its website at www.ascaya.com includes a link to an article from Vegas, Inc. Registrant lacks knowledge or information sufficient to form a belief as to the truth

or authenticity of Exhibit F and on this basis denies the same. Registrant denies the remainder the above allegation(s).

ALLEGATION NO. 12:

On November 16, 2016, Petitioner's representative, David Heisey, Esq. of Sheppard Mullin Richter & Hampton LLP, emailed Registrant's representative, Kristine Young of Mayer Brown LLP, to notify Registrant of its false first use in commerce claims stated in the sworn Statements of Use Registrant filed in its Ascaya Registrations. A true and correct copy of that email is attached hereto as Exhibit G. To date, Registrant has not taken any action to correct these false statements.

ANSWER:

Registrant admits that Petitioner's representative contacted Registrant's representative. Registrant denies the remainder of this allegation. Registrant lacks knowledge or information sufficient to form a belief as to the truth or authenticity of Exhibit G and on this basis denies the same.

DAMAGE CAUSED TO PETITIONER

ALLEGATION NO. 13:

Petitioner is damaged by the continued subsistence of the Ascaya Registrations on the Principal Register because the PTO has cited both marks as bars to registration of the Petitioner's Applications pursuant to 15 U.S.C. § 1052(d).

ANSWER:

Denied

ALLEGATION NO. 14:

Petitioner is damaged by the Ascaya Registrations because Petitioner is likely to be precluded from registering the ESCAYA and ESCAYA AT OTAY RANCH marks which are the subject of Petitioner's Applications because of the Ascaya Registrations' subsistence on the Principal Register.

ANSWER:

Denied.

ALLEGATION NO. 15:

Petitioner has already made a considerable financial investment in preparing to use the ESCAYA and ESCAYA AT OTAY RANCH trademarks and will suffer considerable financial harm of a yet to be determined amount if the refusals to register Petitioner's Applications are maintained.

ANSWER:

Registrant lacks knowledge or information sufficient to form a belief as to the truth or authenticity of this allegation and on this basis denies the same.

ALLEGATION NO. 16:

Petitioner therefore petitions to cancel the Ascaya Registrations pursuant to 15 U.S.C. § 1064(3) because the registrations were obtained fraudulently.

ANSWER:

Denied.

ALLEGATION NO. 17:

Please charge the required fee for this Petition to Cancel to our Deposit Account No. 50-4562.

ANSWER:

Registrant believes no answer is required to this statement.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that, on March 20, 2017, the foregoing ANSWER was caused to be served on the person(s) listed below via electronic mail and first class mail.

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