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

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Schiedmayer Celesta GmbH,

Petitioner,

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Piano Factory Group, Inc.,

Respondent.

Cancellation No. 92/061,215 Reg. No. 3,340,759 Mark: SCHIEDMAYER Registration Date: 11/20/2007

PETITIONER'S REPLY TO RESPONDENT'S RESPONSE TO PETITIONER'S MOTION TO FILE FIRST AMENDED PETITION FOR CANCELLATION

February 2, 2016

Petitioner, Schiedmayer Celesta GmbH (Petitioner), hereby submits this reply to Respondent's Response to Petitioner's Motion to File a First Amended Petition for Cancellation.

FACTS

The subject Petition for Cancellation was filed with the Trademark Trial and Appeal Board (TTAB) on April 1, 2015.

On May 29, 2015, Respondent caused to be filed an Answer to the Petition which was not timely filed as it was not filed within 40 days from the date of filing of the Petition for Cancellation.

On June 23, 2015, Petitioner caused to be filed a Motion for Default Judgment. Proceedings were thereafter suspended and on September 29, 2015, Petitioner's Motion was denied and trial dates were reset.

Promptly thereafter, Petitioner caused to be filed discovery requests for the production of documents, and interrogatories.

On December 15, 2015, Respondent responded to the discovery requests served by Petitioner.

In a few days thereafter, on January 7, 2016, Petitioner caused to be filed its Motion to Amend its Petition for Cancellation.

No depositions have been taken by either party and Respondent has not issued any discovery of any type whatsoever.

The discovery phase of this proceeding is still open and will not close until March 25, 2016.

Thus, it will be seen that this proceeding is truly still within its infancy, as the discovery phase is still open for a considerable period of time; neither party has yet taken depositions and respondent has not issued any discovery whatsoever.

PETITIONER'S MOTION TO AMEND IS TIMELY

Respondent argues that Petitioner's Motion to Amend is not timely because "Petitioner filed the present Motion to Amend its pleadings over nine months after filing the original cancellation proceeding."

However, Respondent fails to mention the fact that Respondent did not timely file its Answer to the original Petition for Cancellation, thereby triggering a Motion for Default Judgment which resulted in a substantial suspension of proceedings. Trial dates were not reset until September 29, 2015 and Petitioner did not have its responses to its discovery requests until December 15, 2015. Within days thereafter, Petitioner caused to be filed its Motion for Leave to Amend its Petition for Cancellation. Accordingly, it will be seen that Petitioner's Motion is timely. Additionally, it will in no way prejudice the Respondent because this proceeding is still in its infancy and the discovery term will not even close until March 25, 2016.

In its amended Petition, Petitioner seeks to perfect its claim of fraud, and add counts of abandonment and false association which could not have been reasonably alleged prior to receipt of Respondent's discovery responses.

<u>FRAUD</u>

Petitioner originally alleged fraud in the acquiring of the subject trademark registration by the respondent, as well as the maintenance of the trademark registration through the filing of a Declaration under Sections 8 and 15.

Upon receipt of Respondent's response to discovery, Petitioner ascertained that it appears that Respondent filed the subject trademark application for the mark SCHIEDMAYER upon the mistaken belief that the mark had been abandoned by others. Accordingly, Petitioner seeks to amend the claim to fraud by dropping the allegation that the mark was fraudulently acquired. However, it also appears clear from the discovery responses received by Petitioner, that Respondent has not used the trademark SCHIEDMAYER. The documents submitted by Respondent failed to disclose a single purchaser of a Schiedmayer product or a single promotional article or any evidence that Respondent has over the past years ever used the mark Schiedmayer for any product. Accordingly, Petitioner now seeks to perfect its claim to fraud by emphasizing its allegation that the Section 15 Five Year Continuous Use Declaration by Respondent was intentionally fraudulently submitted.

ABANDONMENT

From the discovery responses received from Respondent, it affirmatively appears that the Respondent has apparently never used the mark SCHIEDMAYER for

any product. Respondent has failed to submit any invoices or any names of purchasers and has not submitted or described any promotional material of any type relating to a Schiedmayer product.

When the Petition was originally filed, Petitioner could not have filed an abandonment claim because Petitioner had assumed that some use of the Schiedmayer name was improperly being used. The discovery responses submitted by Respondent, however, indicate clearly that the mark is abandoned and there is no evident use of intent to resume. Accordingly, adding a claim to abandonment is appropriate and could not have been filed when the Petition was originally filed.

FALSE ASSOCIATION

Similarly, when Petitioner's Petition was originally filed, Petitioner assumed that the mark was being used (albeit improperly), by the Respondent to at least some extent. Accordingly, it was believed that a claim of false association could not responsibly be made. However, upon receipt of the discovery responses and the total absence of any proof of use of the Schiedmayer name such as invoices or names of purchasers, etc., Petitioner found that a claim to false association can clearly be made.

It is believed that the allegations relating to false association are sufficient to allege that the mark points uniquely to the Petitioner and that the mark is of sufficient fame and reputation that a connection with Petitioner by others will be presumed.

Petitioner did submit examples thereof, such as allegations relating to the fame of the Schiedmayer product, its historical significance and the use of Schiedmayer products by famous orchestras and symphonies throughout the United States.

If, however, the TTAB is of the belief that the claim to false association need be alleged through specific reference to the fact that the mark points uniquely to the Petitioner, Petitioner then requests leave to perfect its false association claim.

ARGUMENT

It is Black Book that leave to amend should be freely given:

"If the underlying facts or circumstances relied upon by a Plaintiff may be a proper subject of relief, he ought to be afforded an opportunity to test his claims on the merits. In the absence of any apparent or declared reason, such as undue delay, bad faith or dilitary motive on the part of the movant. repeated failure to cure deficiencies by amendments previously allowed, undue prejudice to the opposing party by virtue of the allowance of the Amendment, futility of the Amendment, etc. - the leave sought should, as the rules require, be 'freely given." -Foman v Davis, 371 US 178, 182 (1962)

"It has been generally held that amendments to pleadings should be allowed with great liberality at any stage of the proceeding where necessary to bring about a furtherance of justice..."

-American Optical Corp v American Olean Tile Co., Inc., 168 USPQ 471, 473 (TTAB 1970)

"Leave is more freely allowed when the proceeding is still in the discovery stage [as here], such that any resulting prejudice is lessened."

-Microsoft Corp. v Qantel Business Systems Inc., 16 USPQ 2d 1733, 1733-34 (TTAB 1990)

"...noting that undue prejudice will not result from amendment of cancellation petition where the proceeding [as here] is still in the discovery stage."

-Microsoft Corp. v Qantel Business Systems Inc., 16 USPQ 2d 1732 (TTAB 1990)

See also: Flatley v Trump, 11 USPQ 2d 1284, 1286 (TTAB 1989)

PETITONER'S PROPOSED AMENDMENTS ARE LEGALLY SUFFICIENT

Petitioner's proposed amendments to its Petition for Cancellation are legally sufficient and give due notice to the Respondent as to the claims being made in support of its attempt to cancel the subject registration.

Petitioner's proposed amendments are in no way futile, as each of the three counts in the amended Petition for Cancellation are recognized as valid and proper in respond to an incontestable registration. Accordingly, none of the allegations in the Petition for Cancellation are in any way futile. In the event that the TTAB is of the view that any of the allegations need in any way to be somewhat perfected, leave of 20 days is requested in order to so perfect any such claim:

LEAVE TO FURTHER AMEND IS REQUESTED IN THE EVENT THAT ANY CLAIM IS DEEMED INSUFFICIENTLY PLEADED

Petitioner is of the belief that the claims made in its Amended Petition are in all respects legally sufficient. However, in the unlikely event that the TTAB determines that any claim has not been sufficiently pleaded, leave is requested to further amend:

"However, because the Board liberally grants leave to amend Pleadings at any state of a proceeding when justice so requires, Petitioner motion for leave to amend its Petition for Cancellation is GRANTED to the extent that the Petitioner is allowed until TWENTY (20) DAYS from the mailing date of this order in which to file and serve an amended Petition to Cancel which sets forth a claim of fraud with sufficient particularity..."

-Saddle Springs, Inc. v. Mad Croc Brands Inc. 104 USPQd 1948 (TTAB 2012)

RESPONDENT'S RESPONSE TO PETITIONER'S MOTION TO AMEND SHOULD BE GIVEN NO CONSIDERATION DUE TO RESPONDENT'S INEQUITABLE CONDUCT

Attached hereto is a copy of Respondent's Certificate of Service relating to

its Response to Petitioner's Motion to Amend.

The Certificate bearing the signature of the attorney for the Respondent, states that the Respondent's Reply (sic) was mailed via first class mail to counsel for the Petitioner on January 21, 2016.

However, the envelope in which this document was received bears a postage date of January 26, 2016.

The document was not received by the counsel for the Petitioner until February 1, 2016. Thus, the Certificate is false and misleading. This represents unexplained inequitable conduct on behalf of Respondent.

<u>SUMMARY</u>

Petitioner's Motion to Amend its Pleadings was timely filed within less than three weeks after receipt of Respondent's discovery responses. This proceeding is still within its infancy as the discovery term is still open and Respondent has taken no discovery and neither party has taken any depositions. Accordingly, there has been no undue delay and Respondent is in no way prejudiced by the filing of this amended Petition.

The perfection of the fraud claim and the additional counts of abandonment and false association could not have reasonably been made at the time of filing of the original Petition because it was believed by Petitioner that Respondent was engaged in the use of the mark SCHIEDMAYER even though it was in fact fraudulently maintained and fraudulently being used.

In view thereof, it was believed that claims relating to abandonment and false association could not reasonably be made. Upon ascertaining that in fact the mark now appears to have not been used and apparently and possibly never have been used, it appears clear that an abandonment claim can be responsibly made and a false association claim can be made because Respondent has not built up any goodwill whatsoever in the mark SCHIEDMAYER over the years of its ownership of the subject registration and therefore the mark points uniquely to the Petitioner.

In view of all of the above, favorable consideration of Petitioner's Motion to Amend is respectfully requested.

Respectfully submitted,

Michael J. Striker Attorney for Petitioner Reg. No.: 27233 103 East Neck Road Huntington, New York 11743

CERTIFICATE OF SERVICE

It is hereby certified that one (1) copy of the foregoing RESPONDENT'S REPLY TO PETITIONER'S MOTION TO FILE FIRST AMENDED PETITION FOR CANCELLATION is being sent via email and U.S. Mail to Petitioner Schiedmayer Celesta GmbH's attorney of record as follows:

> Michael J. Striker Striker, Striker & Stenby 103 East Neck Road Huntington, NY 11743 striker@strikerlaw.com

Dated: January 21, 2015

/s/ Adam Stephenson____



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CERTIFICATE OF SERVICE

It is hereby certified that a true and complete copy of the attached Reply was served upon counsel for the Respondent at his address of record via first class mail and a courtesy copy via email on February 2, 2016 as follows:

Adam R. Stephenson LTD. 40 West Baseline Road Ste. 101 Tempe AZ 85283

adam@patentproblempro.com

Log J Consideration February 2, 2016

Michael Striker