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

Proceeding	91169312
Party	Plaintiff Swatch AG
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
TRADEMARK TRIAL AND APPEAL BOARD

SWATCH S.A.,

Opposer,

v.

AMY T. BERNARD and
BEEHIVE WHOLESALE, L.L.C.,

Applicant.

Mark: SWAP
Opp. No.: 91169312
Serial No.: 78/459,527

OPPOSER'S REPLY IN SUPPORT OF ITS MOTION TO STRIKE

Opposer Swatch S.A. ("Opposer") hereby submits its reply in support of its Motion To Strike those portions of Applicant's Notice of Reliance which relate to the discovery deposition of a non-party witness.

I. APPLICANT HAS FAILED TO MEET ITS BURDEN TO SHOW THAT A THIRD PARTY, THE SWATCH GROUP (U.S.) INC., OR ITS PRESIDENT, IS A MANAGING AGENT OF THE OPPOSER.

Applicant, as the party seeking discovery, is the party that carries the burden to prove the managing agent status. *Proseus v. Anchor Line Ltd.*, 26 F.R.D. 165, 167 (S.D.N.Y. 1960).

Nearly all of the cases determining a proper managing agent involve whether an employee or former employee of a corporation should be a managing agent. See *Founding Church of Scientology v. Webster,* 802 F.2d 1448, 1452 (D.C. Cir. 1986) *citing*, 4A J. Moore,

Moore's Federal Practice para. 30.55 at 30-72 n. 15 (2d ed. 1984).

Every case cited by Applicant on the issue of "managing agent" involve employees or former employees of the party in an action, and not the status of third parties. See *In re Honda Am. Motor Co. Dealership Relations Litig.*, 168 F.R.D. 535, 541 (D. Md. 1996) (proposed deponent was the General Manager of Public Relations for defendant; the court also denied deposition of a former employee); *Rubin v. General Tire & Rubber Co.*, 18 F.R.D. 51, 55 (S.D.N.Y. 1955) (all three proposed deponents were employees of defendant); *Kolb v. A.H. Bull S.S. Co.*, 31 F.R.D. 252, 253 (E.D.N.Y. 1962) (proposed deponent was Vice President of Operations for defendant; the court also denied deposition of a former employee.); *Sugarhill Records Ltd. v. Motown Record Corp.*, 105 F.R.D. 166, 170 (proposed deponent was Director of Creative Administration of defendant); and *Boston Diagnostics Devel. Corp. Inc. v. Kollsman Mfg. Co.*, 123 F.R.D. 415, 415 (D. Mass. 1988) (proposed deponent was an employee of one of the defendants); see also *Proseus v. Bay Ridge Operating Co.*, 26 F.R.D. 165, 167 (S.D.N.Y. 1960) (a pier superintendent not employed by third party plaintiff does not qualify as an officer or managing agent).

In general, a managing agent is a person who:

> 1. Acts with superior authority and is invested with general powers to exercise his judgment and discretion in dealing with his principal's affairs;
>
> 2. Can be depended upon to carry out his principal's directions to give testimony at the demand of a party engaged in litigation with his principals; and
>
> 3. Can be expected to identify himself with the interests of his principal rather than those of the other party.

See *Luther v. Kia Motors, Inc.*, 2009 U.S. Dist. LEXIS 53494, *6-*7 (W.D. Pa. June 18, 2009). Most telling in this definition are the references to the principal. Ms. Faivet and The

Swatch Group (U.S.) Inc. are not employees of Opposer. They do not control Opposer. Opposer reminds the Board that although the business names of both companies contain the word "Swatch", the Opposer, Swatch S.A. is not a subsidiary of The Swatch Group (U.S.) Inc., or vice versa. The Swatch Group (U.S.) Inc., is a Delaware corporation which distributes many brands of watches in this country, including OMEGA, RADO, LONGINES, BREGUET, TISSOT, HAMILTON, SWATCH and others. Swatch S.A. is a Swiss company and a subsidiary of The Swatch Group S.A. of Biel, Swtzerland. Swatch S.A. is a manufacturer and designer of wristwatches, jewelry and other goods. Its management is completely different from that of the Delaware corporation. There is no evidence submitted by Applicant to contradict this nor which would tend to show that Ms. Faivet or The Swatch Group (U.S.) Inc. can be considered managing agents of Opposer Swatch S.A.for any purpose.

Applicant impliedly admits that Ms. Faivet and The Swatch Group (U.S.) Inc. are not managing agents of Opposer, as Applicant, recognized the need to subpoena the witness under Fed. R. Civ. P. 45. See Exhibit A to Applicant's Opposition to the Motion to Strike. If the person to be deposed is an officer, director or managing agent, a subpoena is not required. *Luther,* 2009 U.S. Dist LEXIS 53494 at *4. Otherwise, a subpoena is required. See *id.* Applicant knew that it had to issue a subpoena to obtain the attendance of the witness. Applicant deposed the third party witness pursuant to the subpoena, yet now seeks to use the deposition as if it were the deposition of a party or a managing agent of the party. The subpoena commanded the testimony of "The Swatch Group (U.S.) Inc. by and through Caroline Faivet." It did not seek testimony of Opposer, Swatch S.A.. See Exhibit A to Applicant's Opposition to the Motion to Strike.

While The Swatch Group (U.S.) Inc. may be expected to have substantial information

regarding the sale of SWATCH brand products in the United States, as would any distributor, this does not mean that the U.S. distributor is *de facto* a managing agent with power to bind, and there is absolutely no evidence to the contrary provided by Applicant. As explained previously, and contrary to Applicant's assertion, The Swatch Group (U.S.) Inc. does not control Opposer and Opposer does not control The Swatch Group (U.S.) Inc. Any assertion that The Swatch Group (U.S.) Inc. is wholly owned by Opposer is false. See Applicant's Opposition at page 7.

If Applicant wanted the third parties, Ms. Faivet, or The Swatch Group (U.S.) Inc., to testify for the purposes of trial, Applicant could have taken testimony during its testimony period. Applicant does not allege that anything prevented Applicant from deposing The Swatch Group (U.S.) or other third parties during its testimony period. Applicant further conceded that it could have take Opposer's deposition on written questions, but declined to do so. See Applicant's Opposition to the Motion To Strike at page 5. Applicant has provided no reason why a third party discovery deposition should be used at trial in its Notice of Reliance and thus, it should be stricken.

II. APPLICANT CANNOT RELY ON A MANAGING AGENT UNDER FED. R. CIV. P. 4 FOR SERVICE TO FIT THE DEFINITION OF A MANAGING AGENT UNDER 37 C.F.R. § 2.120(j)(1).

The cases cited by Applicant analogizing a managing agent for service of process under F.R.C.P. 4(h)(1) are misguided. Applicant's citation to *Allegue* and *Kristinius* both involve cases where the term "managing agent" is being defined under state law and not the Federal Rules. See *Allegue v. Gulf & South American S.S. Co., Inc.* 103 F Supp. 34, 35 (S.D.N.Y. 1952)(determining a managing agent for service of process based on New York Civil Practice

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