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

Proceeding	91221453
Party	Defendant Tegol, Inc.
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Attachments	REBEL MOTORCYCLE BOOTS_Reply in Support of Motion and Opposition to Motion.pdf(1494594 bytes)

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

JAFRUM INTERNATIONAL INC.)	Opposition No. 91221453
)	Serial No. 86/145,216
Opposer,)	Mark: REBEL MOTORCYCLE BOOTS
)	
v.)	
)	
TEGOL, INC.,)	
)	
)	
Applicant.)	
)	
)	
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)	

**APPLICANT’S REPLY IN SUPPORT OF MOTION TO SUSPEND AND
OPPOSITION TO CROSS MOTION FOR SANCTIONS**

Applicant, TEGOL, INC., ("Applicant"), hereby submits this (1) Reply in support of its Motion to Suspend Pending Civil Litigation, filed on March 9, 2016 ("Motion to Suspend"); and (2) Opposition to Opposer’s Cross Motion for Sanctions filed on March 15, 2016 ("Motion for Sanctions"). Opposer, JAFRUM INTERNATIONAL INC. ("Opposer"), first argues that Applicant's Motion should be denied because Opposer “has a final judgment in the Federal District Court in California against Helmet Venture, Inc., and vacating that judgment will be difficult.” TTABVUE Dkt. # 10. Opposer further requests sanctions should be imposed on Applicant due to Applicant’s failure to comply with a Board order regarding discovery. *See id.*

FACTUAL BACKGROUND

Applicant and Opposer are parties in Civil Case No. 2:14-CV-01307, HELMET VENTURES, INC. v. JARFUM INTERNATIONAL, INC., filed in the United States District Court for the Central District of California (“Civil Action”). *See* TTABVUE Dkt. # 9. The

procedural background relevant to this proceeding is summarized in Applicant's Motion to Suspend. *See id.* However, there has been a very recent development in the Civil Action which bears directly on these motions.

Specifically, on March 29, 2016, the Motion to Set Aside the Civil Action was dismissed. A copy of district court's order is attached hereto as Exhibit A. Today, on March 30, 2016, Applicant filed a Notice of Appeal in the United States Court of Appeals for the Ninth Circuit, appealing the district court's dismissal. A copy of Applicant's Notice of Appeal is attached hereto as Exhibit B. Thus, the Civil Action is on appeal and still pending.

LEGAL STANDARD

It is the policy of the Board to suspend proceedings pursuant to Trademark Rule 2.117(a), 37 C.F.R. §2.117(a), when the parties are involved in a civil action that may be dispositive of or have a bearing on the Board proceeding. *See e.g. Dallas C. Brown Jr. v. Courtney L. Bishop*, Cancellation No. 92050965, 2010 WL 2946844, at *3 (TTAB 2010); *George Vais v. Vais Arms, Inc.*, Opposition No. 91154485, 2004 WL 390926, *1 (TTAB 2004) (suspending the opposition proceeding because it is the policy of the Board to do so when a civil action is pending, despite opposition from the other side). Suspension of a Board proceeding is appropriate even if the civil case may not be dispositive of the Board proceeding, so long as the ruling will have a bearing on the rights of the parties in the Board proceeding. *See Society of Mexican American*, Opposition No. 121723, 2002 WL 31488947, at *4 (TTAB 2002).

ARGUMENT

1. The Board Should Suspend this Proceeding Pending the Disposition of the Civil Action Currently on Appeal

Applicant and Opposer are parties in a pending civil action that has a bearing on this case

and the case should therefore be suspended. *See* 37 C.F.R. §2.117(a). While the Civil Action was initially dismissed for lack of prosecution, Applicant has appealed the district court's dismissal in the Ninth Circuit and the parties are awaiting a final decision. The Board should not accept Opposer's argument that suspension is inappropriate because re-opening the case "will be difficult" as the case must be suspended if there is a pending Civil Action. One party's likelihood of success is irrelevant to the question of suspension. Simply put, the Civil Action is pending because a Notice of Appeal is currently before the Ninth Circuit. If the Ninth Circuit reverses the district court's dismissal, the district court must re-open the case and turn to the merits of the claims and defenses that bear on this proceeding.

Accordingly, in the interest of judicial economy and to prevent potentially inconsistent rulings on the same issues presented in both the Civil Action and the opposition proceeding, and because the decisions of the Ninth Circuit and any potential decisions of the district court issued thereafter will be binding on the Board, Applicant respectfully requests that the Board grant Applicant's Motion to Suspend pending the disposition of the Civil Action, including the appeal.

2. The Cross Motion for Sanctions Should Be Denied or Deferred in Favor of Suspension

Despite the pendency of the Civil Action presenting the same issues in this case, Opposer argues the Board should sanction Applicant for failing to respond to a Board order regarding discovery. As stated above, when a district court action is pending, which involves the exact same issues, the Board should suspend the case pending the disposition of the civil action. *See* 37 C.F.R. §2.117(a). Applicant has already filed a Motion to Suspend this proceeding based on the pendency of a district court action. *See* TTABVUE Dkt. # 9. Opposer's Motion for Sanctions is inappropriate as the proceeding should be suspended and decision on the Motion for Sanctions

should be denied or deferred pending disposition of the Civil Action.

3. The Motion for Sanctions Should Be Denied Because Applicant's Failure to Comply with the Motion to Compel Was Inadvertent and Not Willful

In its Motion for Sanctions, Opposer requests “an order barring Applicant from providing any evidence (i) contrary to that asserted in the Notice of Opposition; or (ii) that would relate to the discovery requested by Opposer.”¹ TTABVUE Dkt. # 10. Applicant recognizes the Board has the discretion to impose sanctions based on Applicant's failure to comply with the Board's order compelling discovery. *See* 37 CFR § 2.120(g). However, the harsh sanctions Opposer requests would be inappropriate in this case because Applicant's failure to comply with the order was inadvertent and not willful.

Specifically, Applicant's prior counsel, Evan Anderson (“Prior Counsel”), failed to keep Applicant apprised about significant developments in this case regarding discovery. Applicant was not aware of the outstanding discovery requests or the Board's order compelling responses. Furthermore, Applicant has filed a malpractice lawsuit against Prior Counsel. A copy of Applicant's Complaint against Prior Counsel filed in a California state court is attached hereto as Exhibit C. Although Applicant did not comply with the Board's order, sanctions would be inappropriate because Applicant's non-compliance was inadvertent and not willful; and such sanctions would prevent the full and fair consideration of the arguments and evidence at trial.

Based on the foregoing, Applicant respectfully requests that the Board deny or defer decision on Opposer's Motion for Sanctions pending the disposition of the Civil Action. Further, Applicant requests suspension of this case pending disposition of the Civil Action.

¹ Opposer also makes reference to “summary judgment” in its Motion for Sanctions, but does not affirmatively request this extremely harsh remedy.

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