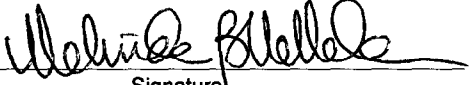


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*Registration No. 1,664,665*  
*Mark: VILLA D'ESTE and design.*  
*Registered: November 19, 1991*

03 OCT 10 PM 9:44  
 TRADEMARK TRIAL AND APPEAL BOARD

<p><b>GIORGIO BORLENGHI,</b></p> <p style="text-align: center;">Petitioner,</p> <p>v.</p> <p><b>VILLA D'ESTE, S.p.A.,</b></p> <p style="text-align: center;">Registrant.</p>	<div style="text-align: right;">             10-02-2002  <small>U.S. Patent &amp; TMO/c/TM Mail Rcpt Dt. #77</small> </div> <p style="text-align: center;">Cancellation No. 40,761</p>
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**REPLY IN FURTHER SUPPORT OF REGISTRANT'S MOTION TO  
 SUSPEND PROCEEDINGS PENDING OUTCOME OF FEDERAL COURT  
 LITIGATION**

Registrant Villa d'Este S.p.A. ("Registrant") hereby respectfully submits this reply in further support of its motion, pursuant to 37 C.F.R. § 2.117(a) and TBMP § 510.02, to suspend this cancellation proceeding, pending resolution of ongoing Federal court litigation between the parties concerning the registration at issue in this proceeding.

## ARGUMENT

Petitioner's Opposition Brief does not attempt to argue that the federal trademark action will not "have a bearing on [this] case." See 37 C.F.R. § 2.117(a).

Nor could Petitioner do so, in light of Petitioner's failure to even attempt to refute any of the following facts:

- (1) that Petitioner and his company, Interfin Corporation ("Petitioner's Company"), are involved in a trademark infringement lawsuit with Registrant in Federal Court;
- (2) that in the Federal trademark action Registrant claims that Petitioner and his company infringe and dilute the '665 Registration;
- (3) that in its Answer to Registrant's Counterclaims in the Federal trademark action, Petitioner's Company has specifically asserted an affirmative defense that Registrant's U.S. trademarks and service marks (including the '665 Registration) are void and unenforceable, and not otherwise protected by law;
- (4) that in the *Joint Discovery/Case Management Plan Under Rule 26(f) Federal Rules of Civil Procedure* filed by the parties in the Federal trademark action, Petitioner's Company specifically told the Court that it anticipated filing dispositive motions "that the federally-registered trademarks of [Registrant] are subject to cancellation . . . because [Registrant] has not offered or sold goods and/or services in the United States under the alleged marks, as required by U.S. trademark law"; or
- (5) that Petitioner and Petitioner's Company have requested virtually identical information, through similar discovery requests, designed to obtain evidence to support the same alleged invalidity issue, in both the Federal trademark action and this proceeding.

Even more significantly, Petitioner fails to disclose to the Board that his company, since the filing of this motion to suspend, has taken *additional steps to have the Federal District Court address the same alleged invalidity issue Petitioner asserts in this*

*proceeding*. Specifically, Petitioner’s Company has recently filed a motion to “bifurcate” discovery in the Federal trademark action. In that motion, Petitioner’s Company represented to the District Court that it plans to file a “dispositive motion” on its alleged non-use/validity defense— the same issue in this cancellation proceeding— *before the end of this year* (see **Exh. A**, Pl. Motion to Bifurcate Discovery at p. [11]), in order to seek a “speedy resolution of [the federal trademark] suit.” (*Id.* at [9].) Instead of forthrightly disclosing this recent additional step to have the Federal District Court rule on Petitioner’s alleged invalidity argument early in the case, Petitioner misleadingly suggests to the Board that the District Court will not address the issue of alleged invalidity and cancellation until sometime after November 2003. (See Pet. Opp. at ¶¶ 9-11.)

Petitioner further advances the novel argument that suspension is “premature” because Petitioner hasn’t *yet* specifically asked the Federal District Court *in a pleading* to cancel this registration “*at this time.*” (See *id.* at 2.) Significantly, Petitioner carefully avoids committing to *not* filing a pleading seeking cancellation in the Federal trademark action. Petitioner also carefully limits its statement to “pleadings,” in order to avoid having to disclose the other court filings in which Petitioner’s Company has asked the District Court for an early determination of its alleged non-use/invalidity defense.

It is therefore apparent that what Petitioner wants is to pursue cancellation in *both* the Federal district court and the TTAB, perhaps to see which tribunal will reach

Petitioner's invalidity argument first— and Petitioner admits as much in his opposition (*see* Pet. Opp. at ¶ 12)— or, more likely, to double its chances of a favorable ruling and to double the costs on Registrant. Such wasteful and expensive tactical ploys plainly are contrary to 37 C.F.R. § 2.117(a) and the Board's rules and precedents applying that regulation.

Indeed, none of the purported authorities cited by Petitioner even suggests that the Board should permit such gamesmanship. In *Harod v. Sage Products, Inc.*, 188 F. Supp. 2d 1369 (S.D. Ga. 2002), the district court mentioned, without elaborating, that the TTAB had previously, in an unpublished opinion, denied a motion to suspend. *See id.* at 1373. Neither the decision nor Petitioner explains why the Board denied suspension in that case and what, if anything, that decision has to do with the instant case. And in *Sea-Roy Corp. v. Parts R Parts, Inc.*, No. 1:94CV00059, 1997 WL 1046282 (M.D.N.C. Dec. 2, 1997), the Court noted that the Board *had in fact suspended* the related cancellation proceeding. That case, therefore, provides no support for Petitioner.<sup>1</sup>

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<sup>1</sup> Petitioner also cites the *nonprecedential* decision of the Board in *E. & J. Gallo Winery v. Kendall-Jackson Winery, Ltd.*, Cancellation No. 25,965, 2000 TTAB Lexis 150 (March 16, 2000). Citation of nonprecedential decisions of the Board is improper, even if a copy is provided, which Petitioner did not do. *See, e.g.*, Trademark Board Manual of Procedure § 101.03; *General Mills Inc. v. Health Valley Foods*, 24 USPQ2d (BNA) 1270, 1275 n.9 (TTAB 1992). If the Board wishes to consider nonprecedential opinions in this case, Registrant would request leave to file a supplemental brief citing unpublished Board decisions ordering suspension despite arguments that the issue before the TTAB was not squarely raised in a concurrent Federal district court action.

## CONCLUSION

It is undisputed that the legal basis for suspension— that the Federal trademark action “may have a bearing” on this case— is present in this case. Without an argument to the contrary, Petitioner’s efforts to try to rationalize why it should be able to litigate the same issue against the same party amount to transparent efforts to hide Petitioner’s attempt to double its odds of winning and double the costs on Registrant. For the reasons set forth above and in Registrant’s original motion, the Board should not countenance such unfair tactics at the expense of the Board’s valuable judicial resources. The motion to suspend should be granted.

Respectfully submitted,

Dated: October 2, 2002



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