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

Proceeding	92052559
Party	Defendant Innex, Inc.
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Attachments	Motion In Response to Amended Petition for Cancellation-Retroduo.pdf (68 pages)(1957680 bytes)

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

Hyperkin, Inc.)	Cancellation No.: 92052559
)	Registration No.: 3,666,553
Petitioner,)	Mark: RETRODUO
)	
v.)	
)	
Innex, Inc.)	
)	
Respondent.)	

Trademark Trial and Appeal Board
United States Patent and Trademark Office
P.O. Box 1451
Alexandria, Virginia 22313-1451

**MOTION IN RESPONSE TO AMENDED PETITION FOR CANCELLATION
OF U.S. REGISTRATION NO. 3,666,553**

Respondent Innex, Inc. (hereinafter "Respondent" or "Innex"), by its undersigned attorneys, hereby files its response to the amended petition for cancellation of U.S. registration no. 3,666,553, requesting that the Board not accept the amended petition and dismiss this proceeding in its entirety with prejudice, or in the alternative, suspend this cancellation proceeding during the pendency of a district court proceeding that involves the same RETRODUO mark.

This cancellation proceeding should be dismissed because Petitioner Hyperkin Inc. (hereinafter "Petitioner" or "Hyperkin") continues to fail to allege appropriate grounds for cancellation. Moreover, this cancellation proceeding should be dismissed or suspended because there is pending district court litigation involving the mark at issue. In further support of its Motion, Respondent alleges as follows:

Motion in Response to Amended Petition for Cancellation

I. STATEMENT OF FACTS.

Respondent has used the mark RETRODUO since at least February 2007, and has prominently displayed the mark in advertising and marketing its goods. Respondent applied for registration of the mark RETRODUO with the United States Patent and Trademark Office (“PTO”) on February 2, 2009. Registration of the RETRODUO mark with the PTO was finalized on August 11, 2009, as Registration No. 3666553.

The RETRODUO mark is registered for the following goods: “Video game consoles for use with an external display screen or monitor; video game controllers.” These goods include twin video game systems. Respondent is the owner of this registration and all rights thereunder.

In or about April/May 2010, Respondent became aware that Petitioner was using the designations RETRON and RETRO TWIN in connection with gaming consoles, controllers and accessories. On or about May 11, 2010, Respondent sent a letter to Petitioner, notifying Petitioner of Respondent’s rights in its trademarks and demanding that Petitioner cease using RETRO TWIN and RETRON in connection with its gaming consoles, controllers and accessories.

On or about June 15, 2010, Petitioner filed this cancellation proceeding. Then, on or about June 16, 2010, Petitioner responded to Respondent’s May 11 letter. Respondent filed a lawsuit for trademark infringement in July 2010. Respondent also filed a motion to dismiss, or alternatively suspend, this cancellation proceeding.

In the Board’s decision of November 23, 2010, it provided Petitioner 30 days to file its response to the amended petition for cancellation. The Board also stated as follows in connection with the motion to dismiss/suspend this cancellation proceeding: “To aid the Board in ascertaining whether suspension would be appropriate, at such time as the parties file their respective amended pleadings, they should also file a copy of any further pleadings which have been filed in the pending civil action.”

On or about December 23, 2010, Petitioner filed an amended petition for cancellation, purporting to correct the deficiencies in its original petition for cancellation.

Respondent files this motion in response to the amended petition for cancellation within the 30-day period allotted by the Board.

Moreover, Respondent submits herewith as Exhibit A a copy of the documents filed in the pending District Court proceeding. These documents include but are not limited to, Defendant/Counter-plaintiff's Answer and Counterclaims, Plaintiff's/Counter-defendant's Rule 26(a)(1) Initial Disclosures, and Defendant/Counter-plaintiff's Rule 26(a)(1) Initial Disclosures that were filed in the District Court proceeding.

II. ARGUMENT.

A. THIS CANCELLATION PROCEEDING SHOULD BE DISMISSED TO THE EXTENT THAT IT FAILS TO STATE A CLAIM UPON WHICH RELIEF MAY BE GRANTED.

Petitioner continues to advance the improper theory of trademark misuse as a ground for cancellation of the RETRODUO mark. The theory of trademark misuse based on overextending trademark rights as a ground for trademark cancellation has been rejected. *See Helene Curtis Indus. v. Milo Corp.*, No. 84 C 5217, 1985 WL 1282, at *3 (N.D. Ill. May 2, 1985). Accordingly, to the extent that Petitioner has not advanced a cognizable theory for cancellation of Respondent's federal trademark registration, Respondent requests that the proceeding be dismissed.

Petitioner purports to advance the theories of fraud and descriptiveness as grounds for cancellation of the RETRODUO mark. Since Petitioner was spoon-fed the appropriate allegations to make based on the Board's November 23, 2010 decision, it has attempted to parrot those allegations in its Amended Petition. However, it is clear that these new assertions are merely restatements of its improper trademark misuse allegations. For example, in paragraph 3, Petitioner attempts to parrot the grounds for descriptiveness set forth by the Board. However, if we get to the gist of Petitioner's complaint in paragraph 7, we see that the real ground for the complaint is trademark misuse. More particularly, Petitioner provides as follows: "Respondent is attempting to misuse this registration to prevent others in the same industry from using the descriptive term 'RETRO.'" Moreover, in connection with paragraph 11, Petitioner provides as follows: "Respondent is attempting to misuse this registration to prevent others in the same industry from using the descriptive term 'DUO.'"

Petitioner should not be permitted to waste the Board's resources and Respondent's resources through an improper cause of action—no matter how it tries to disguise its claims.

As for Petitioner's remaining claim of fraud, it is basically a regurgitation of the above-referenced misuse/descriptiveness claim. More particularly, Petitioner provides in paragraph 13 that "[b]y failing to disclose the descriptive nature of Respondent's RETRODUO mark and the true nature of Respondent's goods, Respondent intentionally withheld material information from the PTO that would otherwise bar registration of the RETRODUO mark."

Because Petitioner unsuccessfully attempts to cloak its improper trademark misuse allegations under the guise of a proper cause of action, the Amended Petition does not correct the deficiencies of the original petition and should therefore, not be accepted. This proceeding should be dismissed with prejudice in its entirety.

B. RESPONDENT REQUESTS DISMISSAL BECAUSE THIS CANCELLATION PROCEEDING CAN BE HEARD IN THE PENDING DISTRICT COURT LITIGATION.

Assuming Petitioner stated appropriate grounds for cancellation in its Amended Petition, its claims could be heard in the pending district court litigation. Section 14 of the Lanham Act permits an administrative proceeding within the USPTO where a party can petition to cancel a registered trademark. See 15 U.S.C. 1064. However, federal courts have concurrent jurisdiction with the USPTO to hear proceedings to cancel a mark, so long as the challenge arises from an existing trademark-related proceeding, as a result of Sec. 37 of the Lanham Act. See 15 U.S.C. 1119. Section 37 provides that a court may order the cancellation of a trademark registration "[i]n any action involving a registered trademark." Accordingly, the present cancellation issues can be heard in the pending district court litigation.

A trademark infringement lawsuit between Innex and Hyperkin involving the RETRODUO mark at issue has been filed in the United States District Court, Central District of California, Western Division. (A copy of the Complaint was attached to Respondent's Motion to Dismiss Cancellation Proceeding for U.S. Registration No. 3,666,553 and in the Alternative, Motion to Suspend Cancellation Proceedings. A file-stamped front page for the Complaint was attached thereto; it showed the case number as CV10 5449-RGK (VBKx)).

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