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

Proceeding	91195509
Party	Plaintiff Denise Snacks, Inc., Denise Distribution Corp.
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

DENISE SNACKS, INC. and DENISE DISTRIBUTION CORPORATION,	)	OPPOSITION NO. 91195509
Opposers,	)	
v.	)	
THE INTERNATIONAL GROUP, INC.,	)	
Applicant.	)	

OPPOSERS' BRIEF IN OPPOSITION TO APPLICANT'S MOTION TO DISMISS

Opposers Denise Snacks, Inc. and Denise Distribution Corporation (collectively, "Opposers"), by and through their undersigned counsel and in accordance with the Trademark Rules of Practice and the Federal Rules of Civil Procedure, file this brief in opposition to the "Motion To Dismiss Pursuant To FRCP 12(b)(1), 12(b)(6) And 12(b)(7)" ("Applicant's Motion"), filed herein by Applicant on August 9, 2010.

INTRODUCTION

Applicant's Motion is flawed both procedurally and substantively, and appears to be premised on a misunderstanding of the governing rules and precedents relating to motions to dismiss under Rule 12. Applicant's Motion is based on numerous factual allegations and documents that are unsupported by any competent evidence, that are in dispute, and that are inconsistent with the well-pleaded allegations of Opposers' Opposition. Applicant's Motion also raises issues that are at best premature and at

worst inapplicable in an opposition proceeding. Under well-settled authorities, none of Applicant's counsel's unsupported factual assertions may be considered in connection with a motion to dismiss, and all of the allegations of the Opposition must be taken as true for purposes of the motion.

Opposers' Opposition plainly asserts proper grounds for opposition against the application at issue and asserts a proper basis for standing on the part of each of the Opposers. Applicant's Motion should therefore be denied.

ARGUMENT AND CITATION OF AUTHORITIES

It is longstanding, black letter law – recently reaffirmed by the Board – that in an opposition proceeding:

> In order to withstand a motion to dismiss under Fed. R. Civ. P. 12(b)(6) for failure to state a claim, a plaintiff need only allege such facts as would, if proved, establish that (1) the plaintiff has standing to maintain the proceedings, and (2) a valid ground exists for opposing the mark.

Fiat Group Automobiles S.p.A. v. ISM Inc., 2010 TTAB LEXIS 70 at 3, 94 U.S.P.Q.2d 1111, 1112 (TTAB 2010); see also Compagnie Gervais Danone v. Precision Formulations LLC, 2009 TTAB LEXIS 1 at 9, 89 U.S.P.Q.2d 1251, 1254-55 (TTAB 2009); TBMP § 503.02.

It is also longstanding, black letter and recently re-affirmed law that:

> For purposes of determining a Rule 12(b)(6) motion to dismiss, all of plaintiff's well-pleaded allegations must be accepted as true, and the complaint must be construed in the light most favorable to plaintiff.

Fiat Group Automobiles, 2010 TTAB LEXIS at 3-4, 94 U.S.P.Q.2d at 1112; see also Compagnie Gervais Danone, 2009 TTAB LEXIS at 10, 89 U.S.P.Q.2d at 1255; TBMP § 503.02.

Consistent with these guiding principles, matters outside the pleading cannot be considered in connection with a Rule 12 motion to dismiss. The viability of the claims must be determined based on the face of the pleading itself, without resort to extraneous materials. See also Compagnie Gervais Danone, 2009 TTAB LEXIS at 14, 89 U.S.P.Q.2d at 1255-56.[1]

Applicant's Motion ignores these core principles of Rule 12 jurisprudence. In support of its motion, Applicant proffers as an exhibit an alleged contract between Applicant and a third party, offers unsupported speculation regarding numerous issues, and has submitted a brief that addresses – and seeks to rely on – numerous alleged "facts" that are not properly of record and cannot be considered on a motion to dismiss.

Opposers' Opposition alleges, in detail, the bases for Opposers' opposition to registration of the mark at issue. The Opposition alleges:

- that both Opposers believe they will be damaged by registration of the mark shown in the application (Opposition Preamble and ¶ 10);

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[1] As the recent Compagnie Gervais Danone decision makes clear, the Board will no longer exercise its discretion to convert a motion to dismiss into a motion for summary judgment. All the Board may do is exclude from consideration the matters outside the pleadings submitted by the movant and "consider the motion for whatever merits it may present as a motion to dismiss." Compagnie Gervais Danone, 2008 TTAB LEXIS at 13-14, 89 U.S.P.Q.2d at 1255. As shown herein, Applicant's Motion presents no merits whatsoever as a motion to dismiss under Rule 12, and is based entirely on Applicant's unsupported alleged facts, all of which are outside the pleadings and none of which would be adequately supported for purposes of a motion for summary judgment.

- that Opposers are related companies that are under common control and ownership with respect to the use of the marks DENISE and DENISE SNACKS (Opposition ¶ 2);

- that Opposers have used the DENISE and DENISE SNACKS marks for a variety of food products since at least as early as 1983 (Opposition ¶ 3) and have priority with respect to Applicant (Opposition ¶ 6);

- that Opposers' goods and the goods for which Applicant seeks to register the mark are the same or at least related; are offered through the same or substantially the same channels of trade to the same or substantially the same classes of purchasers; and are promoted through the same media channels (Opposition ¶ 7);

- that Applicant's use of the mark has caused and is likely to cause confusion, mistake and deception (Opposition ¶¶ 8-9);

- that Applicant's use of the mark falsely suggests a connection or affiliation with Opposers (Opposition ¶ 11); and

- that Applicant in fact had not made use of the mark on at least some of the goods recited in Applicant's use-based application at the time it filed the application (Opposition ¶ 12).[2]

These allegations – ***which must be taken as true for purposes of a motion to dismiss*** – state several cognizable bases for an opposition and establish Opposers' standing to assert their claims against Applicant.

In addition to the above allegations, however, Opposers also have pleaded in detail that during the period 2003 through 2008, Applicant and its related companies manufactured certain products for and on behalf of Opposers, and served as a contract manufacturer for Opposers – and that Opposers never granted Applicant or any related

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[2] Applicant's Motion does not mention this separate ground for Opposers' Opposition, which alleges that Applicant's application was false, was made with intent to deceive, was fraudulent, and was therefore void ab initio.

entity any ownership rights in Opposers' DENISE or DENISE SNACKS marks. (Opposition ¶ 5). As the case law cited above makes clear, these allegations must be accepted as true for purposes of Applicant's Motion.[3] The facts are that the DENISE and DENISE SNACKS marks were valuable, pre-existing marks of Opposers that Opposers had used for many years prior to entering into a business relationship with Applicant and related entities, pursuant to which Applicant manufactured products for Opposers and was authorized to use Opposers' marks for the benefit of Opposers.

Applicant's Motion in effect ignores the allegations of the Opposition and instead improperly asks the Board to dismiss the opposition based on several pages of alleged "facts" that are unsupported and are inconsistent with the well-pleaded allegations of the Opposition.[4] Applicant argues four points, namely (1) that the Board lacks subject matter jurisdiction; (2) that the Opposition should be dismissed for failure to join a necessary party; (3) that the Opposition, as pleaded, fails to state a claim for relief; and (4) that the Opposition is barred by laches. While Opposers believe that each of these arguments is on its face improper in view of the contents of the Opposition, Opposers will briefly address each of them in turn.

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[3] Opposers strenuously dispute Applicant's assertions regarding the alleged "contract" that Applicant attaches to its brief as Exhibit A. The record will show that no valid contract was ever signed by the parties, and that the version of the alleged contract improperly submitted by Applicant ***was altered by Applicant***, without the knowledge of Mr. Hernandez, after Mr. Hernandez signed an earlier version of it. Those issues, however, are plainly premature and will be the subject of appropriate discovery.

[4] The pages of Applicant's brief in support of its motion are not numbered. Opposers observe, however, that none of the "facts" contained in Applicant's alleged "Statement Of Facts" beginning on the first page of the brief are supported by any affidavits, declarations or other proper evidentiary materials.

1. Subject Matter Jurisdiction.

Applicant's first argument is that the Board lacks jurisdiction because – according to Applicant – the Opposition "seeks a determination of the rights to use of" the mark at issue. There is no basis for this argument.

Like all well-pleaded oppositions, the Opposition in this case prays that registration of the mark at issue be denied to Applicant, nothing more. See Opposition at 5-6 (prayer for relief). The Opposition seeks no determination regarding rights to use the mark, and Applicant cites to no portion of the Opposition that allegedly does so. The Opposition does allege that Applicant's use of the mark is likely to and has caused confusion (Opposition ¶¶ 8-9), but those standard allegations are a required part of pleading a claim under section 2(d).[5] See 15 U.S.C. § 1052(d) ("as to be likely, *when used* on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive") (emphasis added).

The Board clearly has jurisdiction to decide whether a registration should be issued to Applicant based on its application. Applicant's claim of lack of subject matter jurisdiction is frivolous. Applicant's subject matter jurisdiction argument is based purely on Applicant's counsel's speculation and unsupported version of the "facts." That argument is therefore not cognizable at this stage of the proceedings. As noted above, Opposers strenuously disagree with Applicant that the alleged "contract" proffered by Applicant as its Exhibit A was ever in effect, and the Board could not possibly determine

[5] Applicant's counsel's unsupported speculation regarding why the entity named Denise Snacks, LLC did not join the Opposition is nothing more than that – unsupported speculation. The two entities that have opposed are, in fact, the proper parties to bring the Opposition herein, based on the facts as alleged in the Opposition.

at this stage of the proceedings whether ***any*** party was ever bound by any such alleged agreement.

2. Necessary Parties.

Applicant's argument based on Rule 19 regarding proper parties is also misplaced. The issues in this proceeding will be whether Opposers in fact have the prior rights asserted in the Opposition and whether Applicant is entitled to a registration based on its application – not whether a different party may have certain rights. Whether a third party could have also filed an opposition or could have joined in the Opposition filed by Opposers is irrelevant.

There is, moreover, no risk of inconsistent obligations. The Board's decision in this matter will relate only to whether – after discovery has been taken, and all the testimony and proof is of record – Opposers have proven one or more of the asserted bases of the Opposition and whether Applicant is entitled to a registration. What an unidentified federal court might someday decide in a non-existent case between either different parties or the same parties has no bearing on whether Opposers' Opposition should proceed at this time.[6]

Finally, Applicant cites in connection with this argument a Federal Circuit decision relating to declaratory judgment actions that is not on point. This is not a

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[6] Although Applicant presents speculation regarding what it is allegedly "likely" that "a Federal Court will decide" in the future, there are at the present time no actions pending in any federal court between the parties (or any related parties) relating to the marks at issue in this Opposition. Applicant's speculation is therefore irrelevant, and the pendency of any such federal court action – when and if such an action is filed – would only support suspension of this proceeding, not its dismissal. See Trademark Rule 2.117, 37 C.F.R. § 2.117(a).

declaratory judgment action, and the issues herein are totally dissimilar from those at issue in the case cited by Applicant.

3. Alleged Failure to State a Claim.

As outlined above, the allegations of the Opposition plainly allege priority of use by Opposers of the same mark and a closely related, similar mark for at least related or similar types of goods – and states a claim under section 2(d), among others. Opposers specifically allege that the marks DENISE and DENISE SNACKS are valuable proprietary marks of Opposers (Opposition ¶ 4); specifically allege that they have used the marks in commerce for snack food and other products since at least as early as 1993 (Opposition ¶¶ 2-4); and specifically allege that Applicant served as Opposers' contract manufacturer for certain goods during the years 2003 through 2009. (Opposition ¶ 5).

Applicant appears to be arguing that the mark DENISE "is a generic or merely descriptive mark." Applicant itself, however, has applied to register the mark DENISE SNACKS with the word "snacks" disclaimed – and is therefore estopped from arguing that Opposers' DENISE and DENISE SNACKS marks are generic or descriptive. In any event, moreover, such a claim is a matter of defense for Applicant to raise should it desire to so argue.[7]

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[7] Applicant also makes the surprising – and unsupportable – argument that the mark DENISE for snack foods is "unrelated" to the mark DENISE SNACKS for snack foods, and that Opposers' Opposition should be dismissed because Opposers do not have a federal registration. These arguments are inconsistent with the language of section 2(d) (referring to a prior "mark or trade name previously used in the United States by another") as well as longstanding case law to the effect that an opposer need not have a federal registration in order to have standing to oppose. See, e.g., Fiat

Beyond the above, certain of Applicant's assertions are impossible to reconcile with the allegations of the Opposition. Applicant claims that "Opposers have not pleaded when they first used the Applicant's Mark in commerce" – yet paragraphs 3 and 4 of the Opposition clearly and unequivocally assert that Opposers have used the DENISE and DENISE SNACKS marks since at least as early as 1993. Applicant also claims that "Opposers have not pleaded that the Opposers have proprietary rights in the 'Denise' mark" – yet paragraph 4 of the Opposition states that the DENISE SNACKS Marks "are distinctive of Opposers' Goods, [and] identify and distinguish Opposers' Goods from the goods, services and businesses of others." (Opposition ¶ 4).

As the Board expressly noted in the recent Compagnie Gervais Danone decision, allegations relating to acquired distinctiveness "are subject to proof in an inter partes proceeding." Compagnie Gervais Danone, 2009 TTAB LEXIS at 15 n.8, 89 U.S.P.Q.2d at 1256 n.8. The two decisions relied on by Applicant in this section of its brief – Avtex Fibers Inc. v. Gentex Corp., 1984 TTAB LEXIS 66, 223 U.S.P.Q. 625 (TTAB 1984), and Fluid Energy Processing & Equipment Co. v. Fluid Energy, Inc., 212 U.S.P.Q. 28 (TTAB 1981) – were both decisions by the Board after a full record and did not address motions to dismiss. They therefore appropriately refer to what an opposer must "show" or "prove" through evidence, and do not purport to address the pleading requirements for an opposition.

Group Automobiles, 2010 TTAB LEXIS at 11-14, 94 U.S.P.Q.2d at 1114-15 (reviewing different types of use that can support a claim of prior rights).

4. Applicant's Alleged Laches Defense.

Finally, Applicant asserts that it is entitled to dismissal of the Opposition based on laches. This argument suffers from the same defects as Applicant's other arguments.

Laches is an equitable affirmative defense that must be pleaded and proven and that requires proof of several elements. See Fed. R. Civ. P. 8(c). Even if laches is applicable in an opposition such as this, Applicant is plainly not entitled to dismissal of the Opposition based on alleged laches under Rule 12. Applicant cites no case in any forum that has dismissed a claim of any kind under Rule 12 based on an unsupported assertion of laches, and there is no basis for the Board to do so here.

It is, moreover, worth noting in connection with Applicant's laches argument that Applicant only filed the application at issue on September 30, 2009, shortly after Applicant decided to terminate its relationship with Opposers and attempt to usurp Opposers' mark DENISE SNACKS. Prior to the filing of the application, Opposers had no idea that Applicant would claim ownership of the mark that Opposers had used for many years prior to the parties' business relationship. And, of course, the mark was only published on March 2, 2010 – and this proceeding is the first opportunity Opposers have had to challenge Applicant's unfounded claim of ownership of Opposers' mark. There is no basis for a laches defense of any kind.

Indeed, the one unpublished, non-precedential Board decision cited by Applicant in support of this argument is fully consistent with Opposers' position. In Klise Manufacturing Co. v. Braided Accents, LLC, Cancellation No. 92045607 (TTAB 2008)(non-precedential), the Board considered a petition for cancellation filed by a party

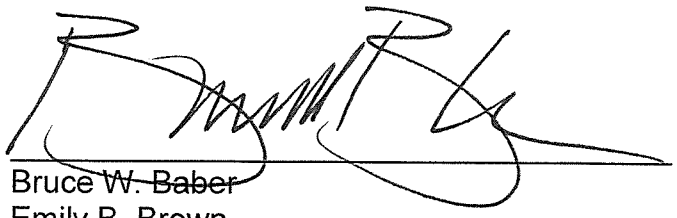
that was aware of the mark prior to the time it had been published for opposition several years earlier, but found that the period for laches only began to run "from the date the application . . . was published for opposition." Klise, Slip Op. at 15. Importantly, moreover, the Board also recognized in Klise that in an opposition or cancellation context, the relevant issue for purposes of laches is "the rights which flow from registration of the mark." Klise, Slip Op. at 14-15. In this case, there was no opportunity for Opposers to object to Applicant's attempt to obtain the benefits of federal registration before March 2, 2010 – and laches simply cannot be premised on the filing of an opposition during the opposition period, as extended in accordance with the Board's rules.

CONCLUSION

In view of the above, Opposers Denise Snacks, Inc. and Denise Distribution Corporation respectfully pray that Applicant's motion to dismiss the Opposition herein be denied in its entirety.

Respectfully submitted, this 13th day of September, 2010.

KING & SPALDING LLP



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CERTIFICATE OF SERVICE

This is to certify that I have this day served the foregoing Opposers' Brief In Opposition To Applicant's Motion To Dismiss on Applicant, by causing a true and correct copy thereof to be deposited in the United States Mail, postage prepaid, addressed to the attorney of record for Applicant as follows:

Mr. Harry Schochat
Law Office of Harry Schochat
8 Lunar Drive
Woodbridge, CT 06525

This 13th day of September, 2010.

Bruce W. Baber