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

Proceeding	91197089
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pleaded counterclaims each still fail to state a claim upon which relief can be granted and the only new affirmative defense - that of unclean hands - is based on the same faulty theory underlying the original counterclaims that Applicant has now, essentially, conceded should be stricken and thus is insufficient as pled and improper as an attack on the validity of Opposer's BROOKLYN Registrations.

**OPPOSER'S REPLY BRIEF IN SUPPORT OF ITS MOTIONS  
TO DISMISS AND TO STRIKE**

Applicant's arguments relating to the only remaining contested issue raised in Opposer's motions, i.e., whether the affirmative defense set forth in paragraph 16 of the Answer should be stricken, provide no cognizable support for its position. Applicant's purported defense that Opposer's BROOKLYN Marks are entitled only to a narrow scope of protection is based solely on a citation to a vacated decision—*Major League Baseball Properties, Inc. v. Sed Non Olet Denarius*, 817 F. Supp. 1103 (S.D.N.Y. 1993), *vacated pursuant to settlement*, 859 F. Supp. 80 (S.D.N.Y. 1994). Applicant's reliance on a vacated decision suffers from numerous flaws.

First, Applicant relies on three cases that either cite the *Sed Non Olet* decision or that state that courts may cite to vacated decisions for whatever persuasive authority they may have.<sup>1</sup> The ability to cite a decision is not in question here. However, Applicant contends that the vacated *Sed Non Olet* decision is the basis for its defense, and that contention ignores the well-settled principle recognized by the Board that vacated decisions, such as the one relied upon in Applicant's Answer, lack any precedential effect whatsoever. *University Book Store v. Board of Regents of the University of Wisconsin System*, 33 USPQ2d 1385, 1394 (TTAB 1994) (Board refused to rely on vacated decision), *citing Durning v. Citibank N.A.*, 950 F.2d 1419, 1424 n.2

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<sup>1</sup> Interestingly, one of the two cases relied upon by Applicant as cases that cite the *Sed Non Olet* decision does not mention that the decision was vacated. *See McKay v. Mad Murphy, Inc.* 899 F. Supp. 872, 881 (D. Conn. 1995). Applicant fails to mention this salient point.

(9<sup>th</sup> Cir. 1991) ([“a vacated decision has no precedential authority whatsoever”]); *In re Intelligent Medical Systems, Inc.*, 5 USPQ2d 1674, 1675 n.2 (TTAB 1987) (Board noted that a vacated decision “is not precedent”). Therefore, a prior vacated decision certainly cannot serve as the basis for an affirmative defense to narrow the scope of Opposer’s BROOKLYN Registrations.

Moreover, Applicant appears to argue that the vacated *Sed Non Olet* decision from 18 years ago could somehow serve as a basis for collateral estoppel because Opposer was a party in the case. Such a contention flies in the face of the Board’s recognition that vacated decisions not only carry no precedential effect but also do not serve as the basis for collateral estoppel in future, unrelated cases. Applicant relies on a lone district court decision, *Russell-Newman, Inc. v. The Robeworks, Inc.*, 2003 U.S. Dist. LEXIS 7771 (S.D.N.Y. May 3, 2003), which not only has not been subsequently cited by any other courts, but also is clearly in direct contradiction of the law of its reviewing Circuit. The Second Circuit (which is also the reviewing appellate court of the *Sed Non Olet* court) has noted that when judgments in the past were vacated through settlement, “there was ...no collateral estoppel effect.” *In re Tamoxifen Citrate Antitrust Litigation*, 466 F.3d 187, 203 n. 15 (2d Cir. 2006); *see also Major League Baseball Properties, Inc. v. Pacific Trading Cards, Inc.*, 150 F.3d 149, 150-51 (2d Cir. 1998) (court considered need of plaintiff to be able to assert mark against future infringers in allowing preliminary injunction to be vacated to permit parties to settle); *Royal Insurance v. Kirksville College of Osteopathic Medicine, Inc.*, 304 F.3d 804, 808 (8<sup>th</sup> Cir. 2002) (“had the settling parties agreed to vacate [the ruling] as part of the settlement, the ruling would not give rise to collateral estoppel”).<sup>2</sup>

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<sup>2</sup> Even if the *Russell-Newman* case was not erroneous authority as made clear by the contrary law of the Second Circuit, the facts in that case are clearly distinguishable from those here. The *Russell-Newman* decision was referring to a decision made in the same year in which another court had found the exact same trade dress asserted by the same party against a different party functional. Here, by contrast, Applicant is relying upon a decision based on different facts and issues rendered 18 years ago to try to estop Opposer in 2011. *Cf. Midwest Plastic Fabricators, Inc. v. Underwriters Laboratories Inc.*, 12 USPQ2d 1267, 1270 n.6 (TTAB 1989) (conclusion in District Court

Accordingly, Opposer's Motion to Strike the defense set forth in paragraph 16 of the Answer should be granted.<sup>3</sup>

**OPPOSER'S BRIEF IN OPPOSITION TO APPLICANT'S CROSS-MOTION  
TO FILE AMENDED ANSWER AND COUNTERCLAIMS**

Similarly, Applicant's cross motion for leave to amend its answer and counterclaims also should be denied. Applicant argues that it has cured the deficiencies in its initial pleadings simply by adding bald allegations of elements of the claims that were previously missing, such as stating that Opposer's goods do not originate in Brooklyn, that consumers would believe that they do and that this belief would be material to their purchase. Not only are these allegations completely unsupported by any factual allegations, Applicant has also failed to appreciate that its allegations of no connection between Opposer and Brooklyn, New York fail on their face because of the significant connection between Opposer and its predecessor teams that were located in Brooklyn.

Similarly, Applicant's addition of the new affirmative defense of unclean hands is based upon the same faulty logic that Opposer is acting in a deceptive manner with its BROOKLYN Marks because Opposer is no longer located in Brooklyn – an allegation that is wholly inconsistent with Opposer's continued use of the marks and the continued interest of fans in such vintage or nostalgia inspired merchandise. Moreover, the defense constitutes an improper attack on the validity of Opposer's registrations. Accordingly, this new defense should not be allowed, and Applicant's cross motion should be denied in its entirety.

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decision that party was licensee of respondent and was estopped from seeking cancellation of its licensor's mark "is not binding on this Board in a different case involving a different party and a different record"). Indeed, at trial, Opposer will show an expanded licensing program for vintage marks such as the well-known BROOKLYN DODGERS marks since the *Sed Non Olet* decision was rendered.

<sup>3</sup> As sur-reply briefs are not permitted by the Board, TBMP § 502.02(b), Applicant should not be allowed any further briefing on this issue.

**1. Applicant's Request For Leave To Amend Its Counterclaims Should Be Denied**

While Applicant's proposed amended counterclaims arguably allege some elements of the claims missing in its original counterclaims, albeit in a starkly conclusory manner, Applicant has still failed to allege an essential element—that a “substantial portion of the relevant consumers is likely to be deceived,” a requirement of the claim articulated by the Federal Circuit. *In re Spirits International, N.V.*, 563 F.3d 1347, 1353, 90 USPQ2d 1489 (Fed. Cir. 2009). It is hard to imagine that Applicant in good faith could make such an allegation since the relevant consumers would be people seeking products celebrating or commemorating the Opposer's predecessor Brooklyn teams of the past and such consumers would know that the teams were no longer located there.

Moreover, Applicant's argument that its proposed amended counterclaims cure any prior defect erroneously overlooks the importance of the connection of Opposer to Brooklyn, New York, where former predecessor teams played home games for many decades prior to the relocation to Los Angeles in the late 1950s. An essential and missing element of Applicant's counterclaims is an allegation that the goods “have no significant connection” with Brooklyn at all, J. Thomas McCarthy, 2 *McCarthy on Trademarks* § 14:33 (4th ed. 2010) (key to rejection on geographically deceptively misdescriptive ground is “that the goods have no significant connection with the place named”), which Applicant cannot allege, and indeed, Applicant's amended counterclaims in fact acknowledge this prior connection. Amended Answer ¶ 23. Indeed, this connection is not merely historical but has continued through licensed merchandise to commemorate the famous BROOKLYN DODGERS predecessor team.

To try to save this claim, Applicant, nevertheless, alleges that the marks are geographically deceptive or geographically deceptively misdescriptive because the goods

themselves do not originate in Brooklyn. These allegations are insufficient to state a claim under the law. Instead, the relevant inquiry into whether goods originate in a named place includes consideration of other connections than the place of manufacture. *See, e.g., In re Spirits of New Merced*, 85 USPQ2d 1614 (TTAB 2007)(YOSEMITE beer brewed 80 miles away from Yosemite Park had a connection); *In re Joint-Stock Company Baik*, 80 USPQ2d 1305 (TTAB 2006)(water from Lake Baikal as ingredient in BAIKALSKAYA vodka established a connection); *In re JT Tobacconists*, 59 USPQ2d 1080 (packaging and shipping of MINNESOTA CIGAR COMPANY cigars from Minnesota established a connection); *In re Opryland USA, Inc.*, 1 USPQ2d 1409 (NASHVILLE NETWORK for broadcasting content substantially relating to Nashville a connection). For example, the Board in *Merced* explained that the city of Merced, where applicant’s YOSEMITE BEER was brewed, had a “significant relationship” to Yosemite because its economy and identity were centered around Yosemite Park located 80 miles away.

Similarly, here, Opposer’s nostalgia goods clearly have a “connection” or “significant relationship” to Brooklyn as the place where Opposer’s predecessor teams and their players were located.<sup>4</sup> Like the NASHVILLE NETWORK mark that would be considered to have a connection to Nashville since a substantial portion of its content was about that city, the “content” of Opposer’s goods is about connecting to these former predecessor teams that were located in Brooklyn and are part of the language and history of the current Los Angeles Dodgers club. Interestingly, the vacated *Sed Non Olet* decision, relied upon by Applicant to support one of its affirmative defenses, denied that defendant’s counterclaims in that case challenging Opposer’s registrations to: “a) falsely and deceptively suggest and imply a connection ... [with]

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<sup>4</sup> Applicant’s reliance on *In re Bacardi & Co. Ltd.*, 48 USPQ2d 10311 (TTAB 1997) is misplaced. Consideration of geographic deceptiveness must be made in relation to the covered goods. The mark in that case was HAVANA CLUB for rum, which is in the category of wine and spirits given special protection. Nostalgia items linked to a former baseball team are clearly in a different category than rum, a product for which Cuba is noted.

Brooklyn which has not existed since 1958 and b) inherently and directly misrepresent the origin of plaintiffs' goods and services." *Major League Baseball Properties, Inc. v. Sed Non Olet Denarius*, 817 F. Supp. 1103, 1109, 1136 (S.D.N.Y. 1993), *vacated pursuant to settlement*, 859 F. Supp. 80 (S.D.N.Y. 1994). Even the case that Applicant has relied upon recognized that Opposer's BROOKLYN Marks are not deceptive.

Additionally, Applicant's amended allegations that consumers would believe that Opposer's goods are made in Brooklyn and that this would be material to their purchasing decisions are completely conclusory and unsupported by any factual allegations and thus are insufficient. This omission renders the pleading inadequate in light of the acknowledged historical connection with Brooklyn and the fact that baseball fans are likely to be aware of it.

In summary, the Board should deny Applicant's motion to amend its counterclaims since the re-stated counterclaims in the Amended Answer fail to allege essential elements of geographic deceptiveness and geographically deceptive misdescriptiveness adequately and thus would not survive a motion to dismiss.

**2. Applicant's Motion for Leave To Add An Unclean Hands Defense Should Be Denied**

Applicant's newly articulated unclean hands defense would not survive a motion to strike, and thus Applicant's motion to amend its Answer to include this defense should be denied. The stated basis for Applicant's unclean hands defense is the same as Applicant's misplaced theory of geographic deceptiveness and geographically deceptive misdescriptiveness. Paragraph 14 of Applicant's Amended Answer contends that unclean hands applies "by virtue of Opposer's deceptive use of the word BROOKLYN in connection with the goods cited in the asserted trademark registrations, which goods do not originate in Brooklyn, New York." For the same reasons that Applicant's counterclaims fail, so does this defense.

Moreover, as set forth in Opposer's brief in support of its motion to strike, it is improper to attack the validity of registrations except via counterclaim. 37 CFR § 2.106(b)(1)(ii) ("An attack on the validity of a registration pleaded by an opposer will not be heard unless a counterclaim or separate petition is filed to seek the cancellation of such registration). As Applicant's unclean hands defense is redundant of its counterclaims on the same grounds and improperly brought before the Board, Applicant's motion for leave to amend its answer to include this new defense should be denied for this reason as well.

### **CONCLUSION**

For all of the foregoing reasons, Applicant's Motions to Dismiss Applicant's First, Second, Third, Fifth, Sixth, Seventh and Eighth Counterclaims should be granted as conceded by Applicant's Cross-Motion to Amend in which all of these counterclaims were re-pleaded. Additionally, Opposer's Motion to Strike Applicant's affirmative defenses set forth in paragraphs 13 through 17 of its Answer should be granted. Moreover, Applicant's Motion for Leave to submit an amended answer and counterclaims should be denied.

Dated: New York, New York  
February 14, 2011

Respectfully submitted,

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