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

Proceeding	91207365
Party	Defendant Hatch Chile Company, Inc.
Correspondence Address	KEVIN LYNN WILDENSTEIN SOUTHWEST INTELLECTUAL PROPERTY SERVICES 9400 HOLLY AVE NE BLDG 4 ALBUQUERQUE, NM 87122-2969 UNITED STATES
Submission	Motion to Dismiss - Rule 12(b)
Filer's Name	Kevin Lynn Wildenstein
Filer's e-mail	klw@swiplaw.com
Signature	/Kevin Lynn Wildenstein/
Date	10/10/2012
Attachments	Motion to Dismiss 85556144.pdf ( 5 pages )(63677 bytes )

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

EL ENCANTO, INC.	}	
Opposer,	}	
	}	<b>Opposition Proceeding No. 91207365</b>
v.	}	
	}	U.S. Trademark Application No. 85/556,144
HATCH CHILE COMPANY, INC.	}	
Applicant.	}	Mark:



**APPLICANT HATCH CHILE COMPANY, INC.’S  
MOTION TO DISMISS**

Pursuant to Fed. R. Civ. P. 12(b)(1) and/or (6), Applicant Hatch Chile Company, Inc. (“HCC”) hereby submits this Motion to Dismiss the pending opposition proceeding for lack of standing.

The present trademark application is for the stylized design mark “HATCH” covering “processed jalapenos, processed green chile, green chile stew, processed tomatoes and green chile, processed tomatoes and jalapenos, snack mix consisting primarily of processed peanuts, processed almonds, sesame sticks and seasonings” in International Class 29, and “sauces, namely, salsa and taco sauce; enchilada sauce” in International Class 30. The Opposer El Encanto Inc. (“El Encanto”) openly acknowledges that the present application is for a stylized design mark. *See* Notice of Opposition, ¶ 7.

As basis for this Motion to Dismiss, HCC submits that El Encanto lacks standing to pursue this opposition because it entered into an agreement with HCC long ago which specifically allows HCC to file the present application and claim exclusive rights to the mark. In particular, this Agreement is attached as Exhibit A to El Encanto’s Notice of Opposition. The

Agreement was formed between a predecessor company to HCC and El Encanto. Steve Dawson, the current President of HCC, was the person signing the Agreement on behalf of the predecessor company Hatch Farms, Inc.

In the Agreement, El Encanto expressly allows HCC to “use a combination of the word HATCH with a design ... as a trademark for chile ... and may assert exclusive rights in the combination” (*see* Notice of Opposition, Ex. A, ¶ 2) (*emphasis added*). The Agreement further states that “The parties and Steve Dawson will never use the word ‘HATCH,’ as a trademark for chile ... except as part of such combination” (*Id.*) (*emphasis added*), and concludes “This Agreement binds the parties, their successors and assigns, may not be modified except in writing signed by the parties[.]”

Thus, under the binding Agreement, HCC has the right to claim exclusive rights to the combination of the word HATCH in a stylized design format as a trademark for chile. El Encanto cannot rebut this fact, as the language of the Agreement is clear. In sum, there is no real controversy between the El Encanto and HCC. Moreover, in light of how long the Agreement has been in effect,<sup>1</sup> El Encanto has either waived its rights to contest the present application, or has otherwise acquiesced to HCC’s rights to file a stylized design trademark covering “processed jalapenos, processed green chile, green chile stew, processed tomatoes and green chile, processed tomatoes and jalapenos, snack mix consisting primarily of processed peanuts, processed almonds, sesame sticks and seasonings” and “sauces, namely, salsa and taco sauce; enchilada sauce”.

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<sup>1</sup> The Agreement is undated, but has been in existence since at least Jan. 30, 1991. As evidence to show that the Agreement is more than twenty years old, the Agreement states that El Encanto agrees to withdraw Trademark Application No. 73/727,882 (*see* Agreement, ¶ 3), an application which was abandoned on Jan. 30, 1991.

## I. Argument

Standing is a threshold issue that must be proven in every inter partes case. *See Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982) (“The facts regarding standing . . . must be affirmatively proved. Accordingly, [the opposer] is not entitled to standing solely because of the allegations in its [pleading].”). The purpose of the standing requirement, which is directed solely to the interest of the opposer, is to prevent litigation when there is no real controversy between the parties. *Lipton Industries, Inc.*, 213 USPQ at 189. In order to establish standing in an opposition, El Encanto must show both “a real interest in the proceedings as well as a ‘reasonable’ basis for his belief of damage.” *See Ritchie v. Simpson*, 170 F.3d 1092 (Fed. Cir. 1999).

The Federal Circuit stated in *Ritchie v. Simpson*, 170 F.3d 1092, 1095 (Fed. Cir. 1999):

Section 13 of the Lanham Act establishes a broad class of persons who are proper opposers; by its terms the statute only requires that a person have a belief that he would suffer some kind of damage if the mark is registered. However, in addition to meeting the broad requirements of §13, an opposer must meet two judicially-created requirements in order to have standing--the opposer must have a “real interest” in the proceedings and must have a “reasonable” basis for his belief in damage. [...] However, our precedents suggest something more – that the “belief of damage” required by Section 13 of the Lanham Act is more than a subjective belief. The belief must have a “reasonable basis in fact.”

*(citation omitted).*

For the purposes of this Motion, HCC will concede that El Encanto has a real interest in this opposition proceeding, and therefore, will likely meet the first “standing” prong identified in *Ritchie*. However, it is clear that through the Agreement, El Encanto can never meet the second prong of *Ritchie*. *See Universal Oil Products Co. v. Rexall Drug and Chemical Co.*, 463 F.2d 1122, 174 USPQ 458, 459-60 (CCPA 1972). (“When pleading allegations relative to standing, the plaintiff’s belief in damage must have some reasonable basis in fact.”). In accordance with

*Ritchie*, El Encanto's belief that it will be damaged by the registration of the present application must be more than subjective – rather, El Encanto must have a reasonable basis in fact. But, El Encanto can never have a reasonable basis in fact that it will be damaged because it already expressly agreed to allow HCC to claim exclusive rights to the present stylized mark.

In *Ritchie*, the Federal Circuit stated that there are several other ways to show the reasonableness of an opposer's basis for his belief of damage, including:

- if an opposer alleges that he possesses a trait or characteristic that is clearly and directly implicated by the proposed trademark;
- to specifically allege that others also share the same belief of harm from the proposed trademark; or
- to submit affidavits from public interest groups representing people who allegedly share the damage caused by the mark may also supply this objective evidence.

*Ritchie*, 170 F.3d at 1098. None of these elements are found in El Encanto's Notice of Opposition. Even if these elements were present in the Notice of Opposition, the mark in the present application is within the purview of the Agreement, and in the Agreement, El Encanto expressly allows HCC to claim exclusive rights to the combination of the word HATCH in a stylized design format as a trademark for chile. HCC has complied with the terms of the Agreement and has exercised its rights under the Agreement.

Accordingly, pursuant to the Agreement, the Trademark Trial and Appeal Board should find that El Encanto lacks standing to oppose the registration of HCC's application, and find that the present trademark application is entitled to proceed to registration.

Dated: October 10, 2012

Respectfully submitted,

By: /s/ Kevin Lynn Wildenstein.

Kevin Lynn Wildenstein

**SOUTHWEST INTELLECTUAL PROPERTY SVCS., LLC**

9400 Holly Avenue NE, Building 4

Albuquerque, New Mexico 87122

Telephone: (505) 944-2500

Facsimile: (505) 944-2501

***CERTIFICATE OF SERVICE***

I hereby certify that a copy of the foregoing pleading was mailed by first class mail to the following counsel of record this 10<sup>th</sup> day of October, 2012:

Ms. Ashley Krause

Brownstein Hyatt Farber Schreck

410 Seventeenth Street, Suite 2200

Denver, Colorado 80202-4432

**Southwest Intellectual Property Services, LLC**

By: /s/ Kevin Lynn Wildenstein.