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

Proceeding	91207867
Party	Defendant Grenade Beverage LLC
Correspondence Address	SUSAN M. NATLAND KNOBBE MARTENS OLSON & BEAR LLP 2040 MAIN ST FL 14 IRVINE, CA 92614-8214 efiling@knobbe.com
Submission	Motion to Suspend for Civil Action
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Date	06/14/2013
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

E. & J. Gallo Winery,	)	Opposition No.: 91207867
Opposer,	)	Serial No.: 85/436,336
v.	)	
Grenade Beverage LLC,	)	Mark: EL GALLO — ENERGÍA —
Applicant.	)	

CONSENTED MOTION TO SUSPEND PROCEEDING

Commissioner for Trademarks
P.O. Box 1451
Alexandria, VA 22313-1451

Dear Sir or Madam:

Pursuant to 37 CFR § 2.117(a), and Fed. R. Civ. P. 15(a), Applicant, Grenade Beverage LLC ("Applicant") hereby moves for a suspension of the above-captioned opposition proceeding ("Opposition") pending the determination of a pending federal lawsuit between Applicant and Opposer, E. & J. Gallo Winery ("Opposer"). *See E. & J. Gallo Winery v. Grenade Beverage LLC*, Civil Action No. CV-00770-AWI-SAB ("the Lawsuit"). Copies of the relevant pleadings from the Lawsuit are attached for the Board's review and evaluation. Opposer's counsel, Steven M. Weinberg, consented to suspension of the Opposition pending the Lawsuit via email on May 31, 2013.

It is proper for the Board to exercise its discretion and suspend an opposition proceeding where there is a co-pending civil action involving the same parties that may have a bearing on an

issue in the proceeding. *See* 37 CFR § 2.117(a) ("Whenever it shall come to the attention of the Trademark Trial and Appeal Board that a party or parties to a pending case are engaged in a civil action . . . which may have a bearing on the case, proceedings before the Board may be suspended until termination of the civil action."). "The only question for determination [by the Board], therefore, is whether the outcome of the civil action will have a bearing on the issues involved in the opposition proceeding." *The Other Tel. Co. v. Conn. Nat'l Tel. Co.*, 181 USPQ 125, 126 (T.T.A.B. 1974); *see also Softbelly's, Inc. v. Ty, Inc.*, Opposition No. 150771, 2002 TTAB LEXIS 529, at *6 (T.T.A.B. Aug. 13, 2002) ("Because we determine that the civil action has not been finally determined and that it will directly affect the resolution of the issue of genericness in this case, it would be appropriate to suspend the Board proceedings in this case.").

A copy of the complaint from the civil action is usually sufficient for the Board to make that determination. *The Other Tel. Co.*, 181 USPQ at 126 (Based on the allegations in the complaint, "[i]t is clear . . . that the final determination of the civil suit will directly affect the resolution of the issue of likelihood of confusion which is involved in the proceeding before the Trademark Trial and Appeal Board.").

Applicant respectfully asserts that the Board should suspend the Opposition until the Lawsuit is resolved because the Lawsuit may have a bearing on, if not definitively resolve, the legal and factual issues in this Opposition proceeding.

Opposer filed the Lawsuit seeking, among other relief, damages and alleges that Applicant is infringing Opposer's trademarks, which are the subject of Registration Nos. 0,891,339 and 4,101,939. (*see* Exhibit A attached hereto). In view of the related nature of the legal and factual issues present in the Lawsuit and this Proceeding, resolution of the Lawsuit may dispose of the issues in this Proceeding. *See generally* Trademark Trial and Appeal Board

Manual of Procedure ("TBMP") § 510.02(a) ("To the extent that a civil action in a Federal district court involves issues in common with those in a proceeding before the Board, the decision of the Federal district court is often binding upon the Board, while the decision of the Board is not binding upon the court."); *See also, Daimler Chrysler Corp. v. Maydak*, 86 U.S.P.Q.2d 1945, 1950 (T.T.A.B. 2008). Where this is the case, "[o]rdinarily, the Board will suspend proceedings in the case before it if the final determination of the other proceeding will have a bearing on the issues before the Board." TBMP § 510.02(a); *see also Gen. Motors Corp. v. Cadillac Club Fashions Inc.*, 22 U.S.P.Q.2d 1933, 1936-37 (T.T.A.B. 1992).

This motion is timely filed under 37 CFR § 2.117 as the Board does not usually require that an issue be joined (that an answer be filed) in one or both proceedings before the Board will consider suspending a Board proceeding pending the outcome of another proceeding, and here it is possible for the Board to ascertain, prior to the filing of an answer in the Opposition, whether the final determination of the Lawsuit may have a bearing on the issues before the Board. TBMP § 510.02(a). Here, Opposer's claims in the Lawsuit show that the determination of the Lawsuit may have a bearing on the issues before the Board in the Opposition.

Accordingly, in the interests of avoiding the burden associated with maintaining two parallel proceedings involving issues that may have a bearing on one another, Applicant respectfully requests suspension of the Opposition until resolution of the Lawsuit. Proceeding with this Opposition during the pendency of the Lawsuit will waste the resources of the parties and the Board. Therefore, it is in the best interest of the parties and the Board to suspend this Opposition pending the outcome of the Lawsuit. Opposer consented to this suspension request via email on May 31, 2013.

For the reasons set forth above, Applicant respectfully requests, with Opposer's consent, that the Board suspend all proceedings in this Opposition pending the outcome of the Lawsuit.

Please charge Deposit Account No. 11-1410 to cover any additional fees which may be required, or credit any overpayment to this account.

Respectfully submitted,
KNOBBE, MARTENS, OLSON & BEAR, LLP

Dated: June 13, 2013

By: _____

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Attorneys for Applicant,
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CERTIFICATE OF SERVICE

I hereby certify that I served a copy of the foregoing **CONSENTED MOTION TO SUSPEND PROCEEDING** upon E. & J. Gallo Winery's counsel by depositing one copy thereof in the United States Mail, first-class postage prepaid, on June 14, 2013, addressed as follows:

Steven M. Weinberg
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30765 Pacific Coast Highway, Suite 411
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Lisa Helmle

15570788
061013

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UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF CALIFORNIA - FRESNO DIVISION

E. & J. GALLO WINERY, a California corporation, Plaintiff, v. GRENADE BEVERAGE LLC, a California limited liability company, Defendant.	Case No. **COMPLAINT FOR:** **(1) TRADEMARK INFRINGEMENT UNDER SECTION 32(1) OF THE LANHAM ACT** **(2) FALSE REPRESENTATIONS IN COMMERCE AND FALSE DESIGNATION OF ORIGIN UNDER SECTION 43(A) OF THE LANHAM ACT** **(3) FEDERAL UNFAIR COMPETITION UNDER SECTION 43(A) OF THE LANHAM ACT** **(4) COMMON LAW TRADEMARK INFRINGEMENT AND UNFAIR COMPETITION UNDER CALIFORIA**

LAW

DEMAND FOR JURY TRIAL

Plaintiff E. & J. GALLO WINERY ("Gallo") for its complaint against Defendants Grenade Beverage LLC (collectively, the "Defendant"), alleges as follows:

NATURE OF THE ACTION

1. Gallo is the largest family-owned winery in the world, and is the owner of the famous GALLO trademark for wines, which trademark has been used for decades. In addition to wines, Gallo offers other alcoholic beverages throughout the United States including brandy, tequila, vodka, rum and gin. Defendants recently have started marketing an energy drink under the name EL GALLO, which is promoted as a mixer for alcoholic beverages, and is marketed to consumers of alcoholic beverages in channels of trade in which GALLO wines and other alcoholic beverages are offered and sold to consumers. In light of Defendants' intentional violation of Gallo's rights in the GALLO mark, Gallo has brought this action seeking injunctive and monetary relief.

JURISDICTION

2. This Court has subject matter jurisdiction under 28 USC §§ 1331, 1338 and 2201 because this case involves an actual controversy arising under the Lanham Act, 15 USC §1051, et seq. The Court has supplemental jurisdiction over Gallo's state law claim under 28 USC § 1367.

DISTRICT AND INTRADISTRICT VENUE

3. Venue is proper in the Eastern District of California under 28 USC §§ 1391(b) because

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Defendants reside in and/or may be found in this judicial district, or a substantial part of the events or omissions giving rise to this action occurred in this judicial district, or a substantial part of the property that is the subject of this action is situated in this judicial district. Intradistrict venue is proper in the Fresno Division of this judicial district under Local Rule 120(d) because this action arises in Stanislaus County, California.

THE PARTIES

4. Plaintiff E. & J. Gallo Winery is a California corporation with its principal place of business in Modesto, California.

5. Upon information and belief, Defendant Grenade Beverage LLC is a California limited liability company with its principal place of business in Orange, California, which does and transacts business in this District.

FACTS

6. Gallo is a leader in the alcoholic beverage industry. It is the largest family-owned winery in the world. In addition to wines, Gallo offers other alcoholic beverages throughout the United States including brandy, tequila, vodka, rum and gin. Products with its GALLO trademark have been sold continuously since 1933, and its GALLO trademark has been held to be "famous."

7. Gallo is the exclusive owner in the United States, *inter alia*, of the following federally registered GALLO® word marks, and other word and design marks that incorporate the GALLO® word mark (collectively, the "GALLO® Marks"):

Reg. Number	Reg. Date	Trademark	International Class
0891339	05/19/1970	GALLO (stylized word mark)	033
4101939	02/21/2012	GALLO (word mark)	033

8. These registrations are valid and enforceable, and Gallo's exclusive rights in Reg. No. 0891339 are incontestable.

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9. Gallo has used the GALLO® Marks in the United States since at least the 1950's. Thus, for more than fifty years, Gallo has produced, advertised, promoted, distributed and sold wine and other products in interstate commerce under its GALLO® Marks.

10. The GALLO® Marks are distinctive, have acquired secondary meaning, and are "strong" and by virtue of their long and continuous use, and the extensive advertising and promotion of products under the GALLO® Marks, and the extraordinary consumer acceptance and recognition of the GALLO® Marks and products sold under the GALLO® Marks, the consuming public exclusively associates beverages sold under a GALLO name with Gallo.

11. Upon information and belief, Defendant Grenade Beverage LLC ("Defendant Grenade Beverage ") recently began marketing an energy drink under the trademark EL GALLO, which has been and is being sold in interstate commerce in bars, restaurants and online.

12. Defendant Grenade Beverage markets the EL GALLO beverage as being a mixer for alcoholic beverages, primarily tequila. Examples of the advertising it has employed for this primary marketing theme are shown in Exhibit "A" to this Complaint and as of the date of the filing of this Complaint were found on the El Gallo Facebook page found at https://www.facebook.com/ElGalloEnergyDrink?sk=wall&filter=1 and on its website, www.elgalloenergy.com.

13. Upon information and belief, Defendants adopted and began using and are using the EL GALLO trademark with full knowledge of Gallo's prior and exclusive rights in the GALLO® Marks and in an effort to borrow from the goodwill, reputation and fame of the GALLO® Marks.

14. The EL GALLO mark is virtually identical to the GALLO® Marks in appearance, sound and meaning, is used for commercially related goods, is marketed and sold to the same class of consumers in the same channels of trade, and the EL GALLO product is promoted as a mixer for

tequila, and Gallo markets tequila. Both Gallo and Defendant use illustrations of roosters in connection with their respective products.

15. Defendants' use of the EL GALLO mark is without the consent of Gallo.

16. Upon information and belief, Defendant Grenade Beverage intends to use the trademark EL GALLITO, for "beverages, namely, carbonated and non-carbonated energy or sports drinks." Said defendant has filed an application for registration of this mark in the United States Patent and Trademark Office, which application has been assigned Serial No. 85/419,031. Gallo filed an opposition proceeding against registration of that mark, which has been assigned Opposition No. 91203928. Said proceeding is pending before the Trademark Trial and Appeal Board of the U.S. Patent and Trademark Office.

17. Upon information and belief, Defendants intend to use the EL GALLITO trademark, which is confusingly similar to Gallo's GALLO® Marks, with full knowledge of Gallo's prior and exclusive rights in the GALLO® Marks, and to borrow from the goodwill, reputation and fame of the GALLO® Marks.

FIRST CLAIM FOR RELIEF

(Trademark Infringement Under Section 32(1) of the Lanham Act)

18. Plaintiff Gallo hereby realleges and incorporates all previous allegations of this Complaint.

19. Defendants' unauthorized use in commerce of the EL GALLO mark as alleged herein is a use in commerce of a reproduction, copy, and colorable imitation of the federally registered GALLO® Marks in connection with the sale, offering for sale, distribution, or advertising of goods on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive.

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20. Defendants' use of the EL GALLO mark creates the likelihood that members of the relevant public will be confused into mistakenly believing that the products sold under the EL GALLO mark is in some manner associated or connected with Gallo and its GALLO® Marks and products sold under the GALLO® Marks.

21. Defendants' conduct complained of herein was and is intentional and willful. Defendants' acts complained of herein have damaged Gallo and, unless enjoined, will continue to damage and cause irreparable injury to Gallo's reputation and goodwill. Gallo has no adequate remedy at law.

SECOND CLAIM FOR RELIEF

(Use of False Designations of Origin and False Representations in Commerce Under Section 43(a) of the Lanham Act)

22. Gallo hereby realleges and incorporates all previous allegations of this Complaint.

23. Defendants' use of the EL GALLO mark as alleged herein constitutes the use of false designations of origin in commerce and false representations in commerce that are likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of Defendants with Gallo or its GALLO® Marks, or as to the origin, sponsorship, or approval of Defendants' goods.

24. Defendants' conduct complained of herein was and is intentional and willful. Defendants' acts complained of herein have damaged Gallo and, unless enjoined, will continue to damage and cause irreparable injury to Gallo's reputation and goodwill. Gallo has no adequate remedy at law.

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THIRD CLAIM FOR RELIEF

(Federal Unfair Competition Under Section 43(a) of the Lanham Act)

25. Gallo hereby realleges and incorporates all previous allegations of this Complaint.

26. Defendants' use of the EL GALLO mark constitutes unfair competition in that such activities create the likelihood that members of the relevant public will be confused into mistakenly believing that this use and Defendants and their EL GALLO products are in some manner associated or connected with Gallo its GALLO® Marks and products sold under the GALLO® Marks.

27. Defendants' conduct complained of herein was and is intentional and willful. Defendants' acts complained of herein have damaged Gallo and, unless enjoined, will continue to damage and cause irreparable injury to Gallo's reputation and goodwill. Gallo has no adequate remedy at law.

FOURTH CLAIM FOR RELIEF

(Common Law Unfair Competition and Trademark Infringement)

28. Gallo hereby realleges and incorporates all previous allegations of this Complaint.

29. Defendants' unlawful conduct as alleged herein has violated and infringed Gallo's common law rights in its GALLO® Marks, and has otherwise competed unfairly with Gallo in violation of the common law of the State of California.

30. Defendants' conduct complained of herein was and is intentional and willful. Defendants' acts complained of herein have damaged Gallo and, unless enjoined, will continue to damage and cause irreparable injury to Gallo's reputation and goodwill. Gallo has no adequate remedy at law.

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PRAYER FOR RELIEF

WHEREFORE, Gallo prays:

A. For judgment that Defendants and each of them:

(1) have violated Section 32(1) of the Lanham Act;

(2) have violated Section 43(a) of the Lanham Act; and

(3) have engaged in unfair competition and service mark infringement under the common law;

B. For temporary, preliminary and permanent injunctions, restraining and enjoining each of the Defendants, and their respective and common agents, employees, representatives, servants, successors, assigns, and all those acting under their control or the control of any of the foregoing persons and/or on their behalf and/or in concert with them, from continuing to use the EL GALLO mark, from using the EL GALLITO mark, and from otherwise unfairly competing with Gallo.

C. That Defendants be required to pay Gallo such damages as Gallo has sustained by reason of the aforementioned violations to the full extent provided for by Sections 32(1) and 43(a) of the Lanham Act, and that those damages be trebled pursuant to 15 U.S.C. §1117 in view of the willfulness of Defendants' actions.

D. Directing Defendants or their attorneys to file with this Court and serve upon Gallo's counsel within 30 days of entry of judgment a report in writing under oath setting forth in detail the manner and form in which the Defendants have complied with the requirements of the injunction and order.

E. That Gallo be awarded all of Gallo's costs in this action, including Gallo's reasonable attorneys' fees and expenses;

F. That Gallo be awarded such other and further relief as may be deemed just and proper by this Court.

DATED: May 22, 2013

HOLMES WEINBERG, PC

By: _____

Steven M. Weinberg
Attorneys for Plaintiff
E. & J. Gallo Winery

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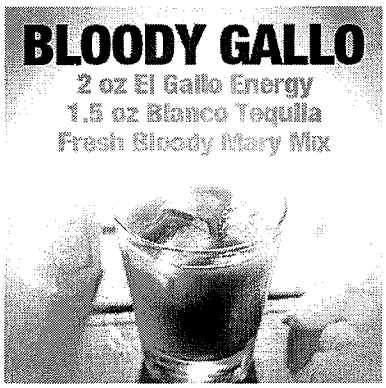
Exhibit A



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