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

Proceeding	91209303
Party	Plaintiff Carriage House Imports Ltd.
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Attachments	Memorandum in Opposition to Motion to Dismiss.pdf(116614 bytes )



SPUMANTE alcoholic brewed malt beverages containing natural flavors in the United States and in June of 2004 expanded that product line to include wines. (Notice of Opposition, ¶ 4.) Opposer imported such products into the United States pursuant to an Exclusive Distribution Agreement with Bosca Cora S.p.A. entered into on August 14, 1993, and amended on October 14, 2000. (*Id.*, ¶ 4.)

On November 15, 2011, Applicant filed Application Serial No. 85/470,074 to register the mark VERDI SPUMANTE for goods described as “wines and alcoholic beverages except beer, based on an alleged date of first use in commerce<sup>1</sup> of June 1, 1993 (hereinafter the “opposed application”). (*Id.*, ¶ 5.) The application, as filed, did not claim ownership of Registration No. 2,228,600 of the mark VERDI SPUMANTE, for alcoholic brewed malt beverages containing natural flavors, which issued on March 2, 1999 to a different Italian company, namely, Bosca Cora S.p.A.

On February 13, 2013, Opposer filed a Notice of Opposition against the opposed application which alleges, *inter alia*, that Bosca Cora S.p.A. -- not Applicant -- is the owner of the mark VERDI SPUMANTE for an alcoholic brewed malt beverage containing natural flavors and Registration No. 2,228,600 of that mark and that Applicant and Bosca Cora S.p.A. are not the same corporate entity. (*Id.*, ¶ 3.) The specific grounds for opposition are summarized as follows:

- (1) Confusion is likely to result from the use of the mark VERDI SPUMANTE in connection with the goods described in the opposed application. This ground for opposition is predicated on: (a) the fact that Applicant’s name

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<sup>1</sup> The opposed application does not specify whether the “commerce” in which the mark was purportedly used on June 1, 1993 was interstate commerce or foreign commerce between Italy and the United States.

Bosca S.p.A. may be an abbreviated form of the corporate name Luigi Bosca & Figli S.p.A. rather than Bosca Cora S.p.A.; (b) the fact that the identical mark VERDI SPUMANTE is the subject of the opposed application and Registration No. 2,228,600 owned by Bosca Cora S.p.A.; and (c) the goods described in the opposed application and Registration No. 2,228,600 are obviously commercially related. Opposer would be damaged by the issuance of such a registration because it would undercut Opposer's exclusive right to distribute VERDI SPUMANTE alcoholic beverages in the United States and its other contractual rights under the Exclusive Distribution Agreement. (*Id.*, ¶¶ 9 and 13-15.)

- (2) The opposed application contains false and material representations regarding the date of first use of the mark VERDI SPUMANTE in connection with wines and by including "alcoholic beverages except beers" in the description of goods which were made with the intent to deceive the U.S. Patent and Trademark Office (hereinafter the "USPTO") into believing that Applicant had met the statutory requirements for a use-based application to register VERDI SPUMANTE for all the goods in the opposed application. The issuance of a registration of VERDI SPUMANTE under these circumstances would damage Opposer. (*Id.*, ¶¶ 11 and 17-20.)

To the extent that either of the grounds for opposition are based on the predicate assertion that Applicant and Bosca Cora S.p.A. are either the same or different Italian

corporate entities,<sup>2</sup> such contingent allegations are permitted under Rule 8(d)(2) Fed. R. Civ. P. in *inter partes* proceedings before the Board. See, e.g., *Humana Inc. v. Humanomics Inc.*, 3 USPQ2d 1696 (TTAB 1987); TBMP § 309.03(a)(2). Moreover, alternative and even inconsistent claims are also permitted in a notice of opposition and the sufficiency of such claims are to be determined independently. TBMP § 309.03(a)(2).

### III. RELEVANT STANDARDS APPLICABLE TO THE RULE 12(b)(6) PORTION OF APPLICANT'S MOTION

#### A. LEGAL STANDARD APPLICABLE TO RULE 12(b)(6) MOTION TO DISMISS

Rule 12(b)(6) provides that a party-defendant may assert a defense to a pleading in the form of a motion dismiss the pleaded claim on the ground that it fails to state a claim upon which relief can be granted. A Rule 12(b)(6) motion tests only the legal sufficiency of the challenged pleading. See, e.g., *Corporacion Habanas SA v. Rodriquez*, 99 USPQ2d 1873 (TTAB 2011). Thus, the basic legal test applicable to a Rule 12(b)(6) motion is whether the challenged pleading sets forth allegations of the necessary elements of the ground for relief, not whether evidence can be presented to establish those claims at the appropriate stage of the opposition proceeding. See, e.g., *Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536 (TTAB 2007).

Accordingly, a Rule 12(b)(6) motion to dismiss should not be granted unless it is certain beyond any doubt that the party whose pleading is being challenged cannot, under any circumstances, prevail on the allegations in issue. See, e.g., *Stanspec Co. v.*

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<sup>2</sup> Specifically, Opposer notes that Count 1 (Likelihood of Confusion) asserts that Applicant and Bosca Cora S.p.A. are different entities, while Count 2 (Fraud) relies on certain information that assumes that Applicant and Bosca Cora S.p.A. are not different entities. These contingent or alternative pleadings are permitted and do not diminish the strength of either independent argument.

*American Chain & Cable Co.*, 189 USPQ 420, 422 (CCPA 1976) (“[T]he petition for cancellation should not be dismissed for insufficiency unless it appears to a certainty that [petitioner] is entitled to no relief under any state of facts which could be proved in support of the claim.”) To defeat a Rule 12(b)(6) motion to dismiss, the opposer needs only to have alleged: (1) such facts that, if proven, would show that it has standing, and (2) a recognized ground(s) for opposition. See, e.g. *Corporacion Habanas SA v. Rodriquez, supra*; *Order of Sons of Italy in America v. Profumi Fratelli Nostra AG*, 36 USPQ2d 1221 (TTAB 1995); *Western Worldwide Enterprises Group, Inc. v. Qinqdao Brewery*, 17 USPQ2d 1137 (TTAB 1990). The allegations of the pleading should be construed liberally in opposer’s favor to determine whether the pleading contains any allegations which, if proven, would entitle the opposer to the relief sought. *Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536 (TTAB 2007).

Thus, the basic issue presented by Applicant’s Rule 12(b)(6) Motion to Dismiss is the sufficiency of the allegations of standing, likelihood of confusion and fraudulent procurement in the Notice of Opposition. As discussed below, the Notice of Opposition contains allegations sufficient to preclude granting Applicant’s motion.

**B. APPLICANT’S IMPROPER RELIANCE ON MATTER OUTSIDE THE NOTICE OF OPPOSITION**

In support of its Rule 12(b)(6) motion, Applicant relies upon both the Second Declaration of Pia Bosca (Exhibit A) and the Declaration of Pia Bosca submitted in support of Applicant’s earlier Motion for Disqualification, which was dismissed by the Board on April 18, 2013. Rule 12(d) Fed. R. Civ. P. provides that if a Rule 12(b)(6) motion to dismiss for failure to state a claim relies on matter outside the challenged pleading, it is to be treated as a motion for summary judgment subject to the procedures

of such a motion, including the ability of the opposing party to seek some limited discovery.

However, Rule 12(d) does not apply in this instance because Rule 2.127(e)(1) of the Trademark Rules of Practice, 37 C.F.R. § 2.127(e)(1), provides that in an opposition proceeding filed on or after November 1, 2007, a party cannot file a summary judgment motion before it serves its initial disclosures. TBMP § 503.04. Applicant has not filed its initial disclosures in this proceeding. Consequently, the Board should not exercise its discretion to convert Applicant's Rule 12(b)(6) motion to dismiss into a motion for summary judgment.

Nevertheless, it remains inappropriate for the Board to consider matters outside the challenged pleading. Accordingly, the Board should exclude from consideration both of the Pia Bosca Declarations and any other documents or matters that are outside the Notice of Opposition, and consider Applicant's Rule 12(b)(6) motion simply as a motion to dismiss which focuses only on the sufficiency of the pleadings in the Notice of Opposition. *Compagnie Gervais Danone v. Precision Formulations LLC*, 89 USPQ2d 1251, 1256 (TTAB 2009) ("If a motion to dismiss is filed that references matters outside the pleadings, the Board may exclude from consideration the matters outside the pleadings and may consider the motion for whatever merits it may present as a motion to dismiss"). Accordingly, Opposer respectfully requests the Board to exclude any consideration of the two Declarations executed by Pia Bosca which are relied upon by Applicant in support of the present motion and any other documents or matters beyond the Notice of Opposition.

#### IV. ARGUMENT

##### A. CONTRACTUAL ESTOPPEL

Applicant's motion to dismiss based on contractual estoppel grounds is predicated on ¶ 11.a. of the Exclusive Distribution Agreement which provides in pertinent part that "any claim brought by Carriage House or Bosca against the other party pursuant to this Agreement shall be brought before a single arbitrator in New York . . . ." However, as discussed below, there are substantial flaws in this contractual estoppel defense.

A key point bearing on the applicability of any contractual estoppel defense is that the Exclusive Distribution Agreement is between Opposer and Bosca Cora S.p.A. As alleged in ¶ 3 of the Notice of Opposition, there is a genuine issue as to whether Bosca Cora S.p.A. and Applicant are the same entity. Accordingly, ¶ 11.a. of the Agreement does not preclude the instant opposition filed against Applicant (Bosca S.p.A.) – an entity different than Bosca Cora S.p.A., the party to the Exclusive Distribution Agreement.

But even if ¶ 11.a. of the Exclusive Distribution Agreement were applicable in this context, the arbitrator referred to in that provision does not have jurisdiction to decide the issues of trademark registrability presented by the Notice of Opposition and impose his or her findings on the Board. While Applicant's Memorandum in support of this motion, at p. 3, cites a number of cases for the proposition that claims arising under the Federal Trademark Act are arbitrable, none of the cited cases involve issues of trademark registrability, but rather deal with infringement and unfair competition claims.

Applicant also relies on § 32:197 of the *McCarthy on Trademarks and Unfair Competition* treatise for the proposition that “[a]rbitration is also appropriate for out-of-court resolution of disputes before the Patent and Trademark Office Trademark Trial and Appeal Board.” However, the only authority cited by the McCarthy treatise for that proposition is the law review article “A Place for Arbitration in Proceedings Before the Trademark Trial and Appeal Board,” 72 *Trademark Rep.* 275 (1982), which advocates that parties to Board proceedings consider *voluntarily* to resolve their dispute through arbitration. But that 1982 article fails to discuss the power of an arbitrator to direct the Board or the USPTO to take action pursuant to an arbitrator’s decision. The exercise of any such action by an arbitrator would be contrary to § 37 of the Federal Trademark Act, 15 U.S.C. § 1119, which grants concurrent power to adjudicate trademark registrability issues only to the U.S. District Courts. See, e.g., *W & G Tennessee Imports, Inc. v. Esselte Pendaflex Corp.*, 769 F. Supp. 264, 266 (M.D. Tenn. 1991) (“This Court, along with the TTAB, has concurrent jurisdiction over registration and cancellation of trademarks under 15 U.S.C.A. §1119.”).<sup>3</sup>

## B. LICENSEE ESTOPPEL

The factual predicate for Applicant’s motion to dismiss based on licensee estoppel is that Applicant is the licensor under the Exclusive Distribution Agreement. However, as previously indicated there is a genuine issue as to whether Applicant and Bosca Cora S.p.A. are in fact the same entity or two different names for the same entity.

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<sup>3</sup> Applicant’s reliance on TBMP § 510.02(a) for the proposition that the Board should stay this proceeding pending the disposition of an arbitration proceeding also is misplaced because § 510.02(a) deals with a suspension of proceedings only where there is an appropriate civil action or some other Board proceeding which addresses the same issue as that before the Board. There is no specific reference in § 510.02(a) to a stay of proceedings predicated on an arbitration.

As explained above, the Board should disregard any evidence outside the pleadings submitted by Applicant on this issue, given the present posture of this proceeding and the limited nature of the Motion to Dismiss as a test of the sufficiency of the pleadings.

To the extent that the Board elects to review matters outside the pleadings, it is clear that the material submitted by Applicant purporting to show that it and Bosca Cora S.p.A. are the same entity is subject to challenge. First, there is no translation of purported Italian corporate document submitted during the prosecution of the opposed application which apparently has been doctored by some unknown person who inserted the English wording "COMPANY NAME" and "SHORT FORM" on that paper. Accordingly, there is insufficient evidence on which to evaluate Applicant's claim that this document proves that Applicant and Bosca Cora S.p.A. are the same entity.

Second, ¶ 4 of the Declaration of Pia Bosca, submitted in support of the prior Motion for Disqualification of Opposer's Counsel, asserts that the formal name for Applicant Bosca S.p.A. is Bosca Cora S.p.A. and that Bosca S.p.A. is an accepted abbreviation under Italian law. However, that Declaration has little, if any probative value, because it does not set forth any facts attesting to the expertise of the Declarant in Italian corporate law and/or interpreting Italian corporate or legal documents. Nor does that Declaration address Opposer's point that Bosca S.p.A. may be an abbreviation for another entity, namely, Luigi Bosca & Figli S.p.A.

Accordingly, there is a genuine issue as to whether Applicant is the licensor in the Exclusive Distribution Agreement. That issue precludes a dismissal at this stage of the proceeding based on the concept of licensee estoppel.<sup>4</sup>

C. MOTION TO DISMISS FOR FAILURE TO STATE A CLAIM

Applicant's Rule 12(b)(6) motion is predicated on the assertions that Opposer does not have standing to maintain the opposition and that the fraud and likelihood of confusion grounds for opposition do not have an adequate factual or legal basis. As discussed below, the relevant allegations set forth in the Notice of Opposition are sufficient as a matter of law to establish standing and plead the necessary elements of the grounds for opposition. Whether evidence can be presented in the testimony stage of this proceeding to establish those claims is not before the Board in a Rule 12(b)(6) context. *Fair Indigo LLC v. Style Conscience*, *supra* ("The purpose of a Rule 12(b)(6) motion is to challenge 'the legal sufficiency of the complaint, not the sufficiency of any evidence that might be adduced.'").

1. Standing to Maintain Opposition

Under the liberal standing provisions of § 13 of the Federal Trademark Act, "[a]ny person who believes he would be damaged by registration of a mark" has standing to oppose an application for registration. There is ample authority for the proposition that a trademark licensee and exclusive distributor has standing to file an opposition that

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<sup>4</sup> Applicant may rely on the allegation in ¶ 6 of the Notice of Opposition which states that "Opposer and Applicant are parties to an exclusive Distribution Agreement which was first entered into on August 14, 1992, amended October 18, 2000" to support its licensee estoppel defense. While that allegation may be inconsistent with one of the predicate assertions underlying the opposition, it is permitted under Rule 8(d)(2) Fed. R. Civ. P. which permits a party to make alternative and inconsistent allegations in connection with different claims and such allegations are considered independently. TBMP § 309.03(a)(2).

would result in a registration that would injure or impair its rights under the license agreement. See, e.g., *Chicago Bears Football Club, Inc. v. 12th Man/Tennessee LLC*, 83 USPQ2d 1073 (TTAB 2007); *J.L. Prescott Co. v. Blue Cross Laboratories Inc.*, 216 USPQ 1127 (TTAB 1982).

Par. 4 of the Notice of Opposition alleges that “Carriage House is the exclusive importer and distributor, on behalf of Bosca Cora S.p.A. in the United States, of the Products and sells the Products throughout the United States.” Par. 9 of the Notice of Opposition alleges the nature of the damage that Opposer would sustain if Applicant could claim that the VERDI SPUMANTE goods covered by the opposed application are not subject to the exclusive license agreement. And ¶ 13 of the Notice of Opposition sets forth the basis for the damage that Opposer would sustain as a result of the likelihood of confusion asserted in the Notice.

Opposer clearly has a personal interest in the outcome of the opposed application beyond that of the general public, and the above-referenced allegations are sufficient to establish the Opposer’s standing to maintain the opposition.

## 2. Likelihood of Confusion

The predicate for the alleged likelihood of confusion stated in ¶ 14 of the Notice of Opposition is that if Applicant’s name Bosca S.p.A. refers to Luigi Bosca & Figli S.p.A. rather than Bosca Cora S.p.A, then the same mark, as used in connection with closely related goods, is owned by two different companies. The concurrent use of the identical marks VERDI SPUMANTE for “wines and alcoholic beverages except beers” as described in the opposed application and for “alcoholic brewed malt beverages containing natural flavors” as described in Registration No. 2,228,600 is likely to cause

confusion within the meaning of § 2(d) of the Federal Trademark Act to the extent, as asserted in the Notice of Opposition, that such marks are owned by different entities.

Opposer's contingent pleading of likelihood of confusion, which asserts different identities of Applicant and the owner of Registration No. 2,228,600, is clearly acceptable under Rule 8(d)(2) Fed. R. Civ. P. Accordingly, Opposer's allegation of likelihood of confusion is sufficient to withstand a motion to dismiss for failure to state a claim which focuses only on whether the pleading in question legally sufficient.<sup>5</sup>

### 3. Fraud

Applicant's fraud claim is based on the following allegations of false and material misrepresentations regarding the following which were made by Applicant with the requisite intent to deceive the USPTO in the context of the opposed application:

- (1) The asserted June 1, 1993 date of first use of the mark VERDI SPUMANTE in connection with wines set forth in the opposed application (Notice of Opposition, ¶¶ 6, 11 and 17); and
- (2) The allegation that the mark VERDI SPUMANTE has been used in the United States in connection with "alcoholic beverages except beer" when in fact the mark has only been used on: (a) wines, and (b) an alcoholic brewed malt beverage containing natural flavors. (*Id.*, ¶¶ 5, 6, 11 and 17.)

These allegations are sufficient to set forth a claim that Applicant committed fraud in the context of the opposed application and thus are not subject to dismissal pursuant to Rule 12(b)(6).

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<sup>5</sup> As noted above, ¶ 6. of the Notice of Opposition states that "Opposer and Applicant are parties to an exclusive Distribution Agreement". Because this contingent allegation is permitted by Rule 8(d)(2) which permits alternative, inconsistent pleadings, Applicant cannot rely on this statement as grounds to challenge the likelihood of confusion claim.

## V. CONCLUSION

For all the reasons stated above, Opposer respectfully submits that the Notice of Opposition sets forth sufficient allegations of standing and the necessary elements of the grounds for opposition, and that Applicant's estoppel by license and estoppel by contract defenses are unfounded as a matter of law and/or fact. Accordingly, Applicant's motion to dismiss should be denied.

Dated: June 6, 2013

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Certificate of Service

It is hereby certified that a true copy of the foregoing Memorandum in Opposition to Applicant's Motion to Dismiss Opposition Proceeding was served on the following counsel for Applicant by depositing the same in the U.S. mail, first class postage prepaid, this 6th day of June, 2013, and that said Memorandum was also filed electronically on the same day via ESTTA with the Trademark Trial and Appeal Board:

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