

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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wbc

Mailed: August 28, 2014

Opposition Nos. 91211662 (parent)
91215411

Ninkasi Brewery, LLC

v.

Derek S. T./Tracy, Derek

Cancellation No. 92057771

Derek Scott T.

v.

Ninkasi Brewery, LLC

By the Trademark Trial and Appeal Board:

This case now comes before the Board on the following:¹

1. Derek Scott T.'s ("DST") amended petition to cancel filed March 23, 2014 with a second amended petition to cancel filed April 14, 2014 in Cancellation No. 92057771;
2. Ninkasi Brewery, LLC's ("Ninkasi") motion to dismiss, filed April 24, 2014 in lieu of an answer, the amended petitions to cancel in Cancellation No. 92057771; and
3. DST's motion to consolidate Opposition No. 91211662 and Cancellation No. 92057771 filed August 26, 2013 in Opposition No. 91211662.

¹ The Board, in its July 24, 2014 order in Opposition No. 91215411, suspended that proceeding pending disposition of the motions noted above. The Board will address whether Opposition No. 91215411 should be consolidated with the proceedings herein below.

The Board has considered the parties' submissions and presumes the parties' familiarity with the factual bases for the motions, and does not recount them here except as necessary to explain the Board's decision.

Amended Petitions to Cancel in Cancellation No. 92057771

As a preliminary matter, DST filed an amended petition to cancel on March 28, 2014 in response to the Board's March 3, 2014 order. Thereafter, DST filed a motion to file another amended petition to cancel on April 14, 2014.

Although a party may amend its pleading once as a matter of course pursuant to Fed. R. Civ. P. 15(a), thereafter, a party may amend its pleading only by written consent of every adverse party or by leave of the Board; and leave must be freely given when justice so requires. *See* Fed. R. Civ. P. 15(a); TBMP § 507.02 (2014). The Board liberally grants leave to amend pleadings at any stage of the proceeding when justice requires, unless entry of the proposed amendment would violate settled law or be prejudicial to the rights of the adverse party or parties. *See, e.g., Commodore Electronics Ltd. v. CBM Kabushiki Kaisha*, 26 USPQ2d 1503, 1505 (TTAB 1993); and *United States Olympic Committee v. O-M Bread Inc.*, 26 USPQ2d 1221, 1222 (TTAB 1993). A proposed amendment need not set forth a new claim or defense; a proposed amendment may serve simply to amplify allegations already included in the moving party's pleading. *See Avedis Zildjian Co. V. D.H. Baldwin Co.*, 180 USPQ 539, 541 (TTAB 1973).

Insofar as DST was granted leave by the Board to amend its petition to cancel, the Board accepts the petition to cancel filed March 28, 2014. With regard to the second

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amended petition to cancel filed April 14, 2014, inasmuch as DST seeks to amplify its already asserted claims, the motion to file a second amended petition is **granted**. The second amended petition is the operative pleading in Cancellation No. 92057771.

Ninkasi's motion to dismiss argues that both DST's amended petition to cancel and the second amended petition to cancel both fail to properly plead a claim upon which relief may be granted. Inasmuch as DST's second amended petition to cancel is the operative pleading, the Board now considers Ninkasi's motion to dismiss as it applies to the second amended petition to cancel.

Motion to Dismiss in Cancellation No. 92057771

Ninkasi's April 24, 2014 motion to dismiss under Fed. R. Civ. P. 12(b)(6) for failure to state a claim is contested by DST. A motion to dismiss under Rule 12(b)(6) is a test of the sufficiency of a complaint. *See* TBMP § 503.02 (2014). To survive such a motion, a plaintiff need only allege sufficient factual matter that would, if proved, establish that (1) the plaintiff has standing to maintain the proceeding, and (2) a valid ground exists for opposing or cancelling the mark. *Young v. AGB Corp.*, 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998); *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 187 (CCPA 1982). Specifically, "a complaint must contain sufficient factual matter, accepted as true, to state a claim to relief that is plausible on its face." *Ashcroft v. Iqbal*, 556 U.S. 662, 129 S.Ct. 1937, 1949-50 (2009), quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007). In the context of *inter partes* proceedings before the Board, a claim has facial plausibility when the opposer or petitioner pleads factual content that allows the Board to draw a rea-

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sonable inference that the opposer or petitioner has standing and that a valid ground for the opposition or cancellation exists. *Young v. AGB Corp.*, 47 USPQ2d at 1754; see *Twombly*, 550 U.S. at 556, 127 S.Ct. at 1955; TBMP § 503.02. In particular, a plaintiff need only allege "enough factual matter ... to suggest that [a claim is plausible]" and "raise a right to relief above the speculative level." *Totes-Isotoner Corp. v. U.S.*, 594 F.3d 1346, 1354 (Fed. Cir. 2010).

Standing

As noted in the Board's March 3, 2014 order found in Cancellation No. 92057771, DST has adequately pleaded its standing and Ninkasi, in its motion to dismiss filed April 24, 2014, does not dispute DST's standing.

Count I – Geographical Indication of Wine or Spirits

DST alleges Ninkasi's mark, BABYLON DOUBLE IPA is geographically descriptive of wine and spirits in violation of 15 U.S.C. § 1052(a). DST's claims in Count I, although referencing 15 U.S.C. § 1052(a) rely on allegations related to an analysis of primarily geographically deceptively misdescriptive under Section 2(e)(3), which DST also discusses in Count V. Inasmuch as Count I alleges that Ninkasi's mark identifies a geographic location, that the origin of Ninkasi's goods is not identified by BABYLON and that the origin of the goods would materially affect the purchaser's decision – all factors involved in a primarily geographically deceptively misdescriptive analysis under Section 2(e)(3) – the Board treats Count I as part of Count V, discussed below. See *April 14, 2104 Amended Petition to Cancel*, p. 2.

Count II – Descriptive

A mark is descriptive under Trademark Act § 2(e) if, when used on or in connection with the goods or services of the defendant, it describes an ingredient, quality, characteristic, function, feature, purpose, or use of the specified goods or services. *See e.g., In re Gyulay*, 820 F.2d 1216, 3 USPQ2d 1009 (Fed. Cir. 1987); *In re Bed & Breakfast Registry*, 791 F.2d 157, 229 USPQ 818 (Fed. Cir. 1986). DST does not allege that Ninkasi's mark describes an ingredient, quality, characteristic, function, feature, purpose or use of Ninkasi's goods. Rather, DST alleges that Ninkasi's mark's "primary significance ... is geographic." *April 14, 2104 Amended Petition to Cancel*, p.3.

Accordingly, although set out as a separate count, because Count II specifically refers to and makes allegations related to geographic descriptiveness, the Board herein treats Count II as part of Count III – primarily geographically descriptive. *Counts II & III and Counts I & V – Primarily Geographically Descriptive, Geographically Deceptively Misdescriptive*

The distinction between a mark that is primarily geographically descriptive or primarily geographically deceptively misdescriptive is whether the geographic origin of the goods is in the place named in the mark. *United States Playing Card Co. v. Harbro LLC*, 81 USPQ2d 1537, 1541 (TTAB 2006) (citing *In re Jacques Bernier Inc.*, 894 F.2d 394, 13 USPQ2d 1725, 1726 (Fed. Cir. 1990)).

With respect to Counts II and III, Section 2(e)(2) bars the registration of a mark if the mark is primarily geographically descriptive of the goods or services named in the application. *See* TMEP § 1210.01(a). The test for determining whether a term is

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primarily geographically descriptive is whether (1) the primary significance of the term in the mark sought to be registered is the name of a place generally known to the public, and (2) the public would make an association between the goods or services and the place named in the mark (a “goods or services/place association”), that is, believe that the goods or services for which the mark is sought to be registered originate in that place. *In re Hollywood Lawyers Online*, 110 USPQ2d 1852, 1853 (TTAB 2014) (citing *In re Societe Generale des Eaux Minerals de Vittel S.A.*, 824 F.2d 957, 3 USPQ2d 1450 (Fed. Cir. 1987); *In re JT Tobacconists*, 59 USPQ2d 1080 (TTAB 2001); *University Book Store v. University of Wisconsin Board of Regents*, 33 USPQ2d 1385 (TTAB 1994); and *In re California Pizza Kitchen, Inc.*, 10 USPQ2d 1704 (TTAB 1988)). A mark is geographically descriptive if it describes the geographic source of a product. *See Tea Board of India v. Republic of Tea Inc.*, 80 USPQ2d 1881, 1899 (TTAB 2006). A particular, identifiable region is a geographic location. *In re Pan-O-Gold Baking Co.*, 20 USPQ2d 1761 (TTAB 1991); *see also* TMEP § 1210.02(a). “Finally, ‘the presence of generic or highly descriptive terms in a mark which also contains a primarily geographically descriptive term does not serve to detract from the primary geographical significance of the mark as a whole.’” *Hollywood Lawyers Online*, 110 USPQ2d at 1843-54 (citing *JT Tobacconists*, 59 USPQ2d at 1082)).

Although alleging that BABLYON is a geographic location, Petitioner does not allege that Respondent’s goods originate from BABYLON. Indeed, Petitioner alleges that Respondent’s goods come from Oregon, not Babylon. *See April 14, 2014 Petition to Cancel* at p.2. Insofar as Petitioner is not alleging that the geographic origin of the

goods is in the place named in the mark, Counts II and III are not properly pleaded. *See In re Hollywood Lawyers Online*, 110 USPQ2d 1852, 1858-59 (TTAB 2014); *United States Playing Card Co.*, 81 USPQ2d at 1541.

In view thereof, Petitioner's claim that Respondent's mark is primarily geographically descriptive is not sufficiently pleaded and Respondent's motion to dismiss on this claim is **granted**.

With regard to Counts I and V, the test for determining whether a mark is geographically deceptive under Section 2(a) is the same as determining whether a mark is primarily geographically deceptively misdescriptive under Section 2(e)(3). *United States Playing Card Co.*, 81 USPQ2d at 1540. The elements of a primarily geographically deceptively misdescriptive refusal under Section 2(e)(3) are as follows:

- (a) the primary significance of the mark is a generally known geographic location;
- (b) the consuming public is likely to believe the place identified by the mark indicates the origin of the goods bearing the mark (i.e., that a goods-place association exists), when in fact the goods do not come from that place; and
- (c) the misrepresentation would be a material factor in the consumer's decision to purchase the goods.

Corporacion Habanos S.A. v. Guantanamera Cigars Co., 102 USPQ2d 1085 (TTAB 2012) (citing *In re California Innovations*, 329 F.3d 1334, 66 USPQ2d 1853, 1856-57 (Fed. Cir. 2003)).

Petitioner alleges that the term BABYLON is "a geographic location" and it "immediately displays the quality or characteristic of the goods, including: geographic," *see April 14, 2014 Petition to Cancel*, pp. 2-3; that "the primary significance of the relevant term ... is geographic," *id.* at p. 2; that the "relevant public would likely per-

ceive the mark as a material factor,” *id.* at p. 3; that “the public associates the goods with the place the mark names, which is a material factor in the public’s decision to purchase the goods,” *id.*; and that the goods to be sold under Respondent’s marks “are made in the state of Oregon, not Babylon,” *id.* at p. 2. In view thereof, Petitioner has properly set forth the elements of a claim of geographically deceptive and primarily geographically deceptively misdescriptive and therefore, Respondent’s motion to dismiss Count I and V for failure to state this claim is **denied**.

Count IV – Generic

The ultimate test for determining whether a term is generic is the primary significance of the term to the relevant public. *See* Trademark Act § 14(3); *see also, In re American Fertility Society*, 51 USPQ2d 1832; *Magic Wand Inc. v. RDB, Inc.*, 940 F.2d 638, 19 USPQ2d 1551 (Fed. Cir. 1991); *Tea Board of India v. Republic of Tea, Inc.*, 80 USPQ2d 1881, 1887 (TTAB 2006). DST alleges that BABYLON is known as “a large, bustling diverse city” or for “wine, and other classes, such as: audio/video recordings, search engine, electronic gaming machines, cartoon character, clothing, footwear, head gear, teas, wine, etc.” but does not allege that the primary significance of the term to the relevant public is Ninkasi’s goods – beer.

In view thereof, DST’s pleading is legally insufficient. DST has failed to allege that the mark is generic to the relevant purchasing public, i.e., that the relevant public would understand BABYLON DOUBLE IPA to refer to the genus of goods at issue, namely beer. *See* Trademark Act § 14(3); *In re Dial-A-Mattress Operating Corp.*, 240 F.3d 1341, 57 USPQ2d 1807, 1810 (Fed. Cir. 2011); *In re American Fertility Soci-*

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ety, 188 F.3d 1341, 51 USPQ2d 1832 (Fed. Cir. 1999). Accordingly, Ninkasi's motion to dismiss this ground for cancellation is **granted**.

Count VI – Other

It is unclear if DST is attempting to assert additional claims in Count VI or if the allegations made are merely amplifications of the claims already asserted. Inasmuch as Count VI alleges that Ninkasi's mark is "weak," "generic" and "descriptive and geographic," Count VI appears to be amplifications of DST's already asserted claims of geographically deceptive and primarily geographically deceptively misdescriptive. Therefore, to the extent the allegations contained in Count VI are amplifications of the allegations of geographically deceptive and primarily geographically deceptively misdescriptive, Ninkasi's motion to dismiss is **denied**.

Notwithstanding the foregoing, to the extent DST believes that it can state a claim for primarily geographically descriptive or genericness, DST is allowed until **September 15, 2014** to replead those claims, absent which Cancellation No. 92057771 will proceed on the remaining claims only. Ninkasi will be given until **October 15, 2014** to file an answer or otherwise respond to the April 14, 2014 petition to cancel or the amended petition to cancel, if any.

Motion to Consolidate

DST filed a motion to consolidate Opposition No. 91211662 and Cancellation No. 92057771 filed August 26, 2013 in Opposition No. 91211662. It has also come to the Board's attention that the parties are involved in Opposition No. 91215411.

The Board may consolidate pending cases that involve common questions of law or fact. Fed. R. Civ. P. 42(a); Trademark Rule 2.127(a); *see Regatta Sport Ltd. v. Telux-Pioneer Inc.*, 20 USPQ2d 1154 (TTAB 1991) and *Estate of Biro v. Bic Corp.*, 18 USPQ2d 1382 (TTAB 1991); *see also Ritchie v. Simpson*, 41 USPQ2d 1859, 1860 (TTAB 1996) (cases consolidated despite variations in marks and goods), *rev'd on other grounds*, 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999). Consolidation is discretionary with the Board, and may be ordered upon motion granted by the Board, or upon stipulation of the parties approved by the Board, or upon the Board's own initiative. *See* TBMP § 511 and cases cited therein.

Inasmuch as the parties are the same² in each proceeding and the proceedings involve common questions of law and fact, the motion to consolidate Opposition No. 91211662 and Cancellation No. 92057771 is hereby **granted**³ and consolidation with Opposition No. 91215411 is also appropriate. Opposition Nos. 91211662, 91215411 and Cancellation No. 92057771 are hereby consolidated and may be presented on the same record and briefs. The record will be maintained in Opposition No. 91211662 as the "parent" case.

Because the proceedings are consolidated, the parties should no longer file separate papers in connection with each proceeding, but should instead file only a single copy of each paper in the parent case. Notwithstanding the foregoing, Ninkasi should

² Although DST is identified as "Tracy, Derek" or "Derek S. T." or "Derek Scott T.," it is apparent from the record that these references are all to the same party.

³ The Board's August 29, 2013 order noted that time to respond to the motion to consolidate filed in Opposition No. 91211662 would be reset when the pleadings closed in both proceedings. Inasmuch as the Board, in its discretion and in part, on its own initiative, has determined that consolidation is appropriate, further responsive pleadings regarding the motion to consolidate is not necessary.

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file a separate answer for Cancellation No. 92057771,⁴ and DST should file a separate answer for Opposition No. 91215411. Thereafter, the parties should no longer file separate submissions in connection with each proceeding, but should instead file only a single copy of each paper in the parent case, Opposition No. 91211662. Each paper filed should bear the numbers of all consolidated proceedings in ascending order, and the parent case should be designated as the parent case by following it with: “(parent),” as in the case caption set forth above.

Consolidated cases do not lose their separate identity because of consolidation. Each proceeding retains its separate character and requires entry of a separate judgment. The decision on the consolidated cases shall take into account any differences in the issues raised by the respective pleadings and a copy of the final decision shall be placed in each proceeding file. *See* 9A Wright, Miller, Kane & Marcus, Fed. Prac. & Proc. Civ. § 2382 (3d ed. 2013).

Proceedings herein are resumed. Cancellation No. 92057771 shall be treated as DST’s counterclaim in this consolidated proceeding. Dates are hereby reset as follows:

Amended Petition to Cancel in Cancellation No. 92057771, if any, Due	September 15, 2014
Answer to Opposition No. 91215411 and Answer to Cancellation No. 92057771 Due	October 15, 2014
Deadline for Discovery Conference	November 14, 2014
Discovery Opens	November 14, 2014

⁴ Any amended petition to cancel should be separately filed in Cancellation No. 92057771.

Initial Disclosures Due	December 14, 2014
Expert Disclosures Due	April 13, 2015
Discovery Closes	May 13, 2015
Plaintiff's Pretrial Disclosures	June 27, 2015
30-day testimony period for plaintiff's testimony to close	August 11, 2015
Defendant/Counterclaim Plaintiff's Pretrial Disclosures	August 26, 2015
30-day testimony period for defendant and plaintiff in the counterclaim to close	October 10, 2015
Counterclaim Defendant's and Plaintiff's Rebuttal Disclosures Due	October 25, 2015
30-day testimony period for defendant in the counterclaim and rebuttal testimony for plaintiff to close	December 9, 2015
Counterclaim Plaintiff's Rebuttal Disclosures Due	December 24, 2015
15-day rebuttal period for plaintiff in the counterclaim to close	January 23, 2016
Brief for plaintiff due	March 23, 2016
Brief for defendant and plaintiff in the counterclaim due	April 22, 2016
Brief for defendant in the counterclaim and reply brief, if any, for plaintiff due	May 22, 2016
Reply brief, if any, for plaintiff in the counterclaim due	June 6, 2016

In each instance, a copy of the transcript of testimony, together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

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Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.