

UNITED STATES PATENT AND TRADEMARK OFFICE  
Trademark Trial and Appeal Board  
P.O. Box 1451  
Alexandria, VA 22313-1451

Mailed: January 22, 2014

Opposition No. 91212861

Fairmont Holdings, Inc.

v.

Bacardi & Company Limited

**George C. Pologeorgis,  
Interlocutory Attorney:**

Pursuant to Fed. R. Civ. P. 26(f) and Trademark Rules 2.120(g)(1) and (2), the parties to this proceeding conducted a discovery conference with Board participation.<sup>1</sup>

The parties agreed to hold the telephonic discovery conference with Board participation at 10:00 a.m. Eastern time on Thursday, January 9, 2014. The conference was held as scheduled among Kim Kolback, as counsel for opposer, Janice Housey, as counsel for applicant, and George C. Pologeorgis, as a Board attorney responsible for resolving interlocutory disputes in this case.

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<sup>1</sup> A request for Board participation in the discovery conference was received telephonically from applicant's counsel on December 29, 2013.

This order memorializes what transpired during the conference.

During the discovery conference, the parties advised the Board that although applicant has provided a proposed settlement to opposer for its consideration, settlement has not been reached. The parties further advised that there are no related Board proceedings, federal district court actions, or third-party litigation concerning the parties' respective marks.

### **Pleadings**

The Board reviewed the pleadings herein and indicated that opposer has alleged the following claims as grounds for opposition: (1) priority of use and likelihood of confusion under Section 2(d) of the Trademark Act, (2) deceptiveness under Section 2(a) of the Trademark Act, (3) false suggestion of a connection under Section 2(a) of the Trademark Act, (4) dilution, and (5) the registration of applicant's mark would give applicant color and exclusive statutory rights in its involved mark in violation to opposer's superior rights in its pleaded mark. Although the Board found opposer's allegations regarding its standing, as well as its claim of priority and likelihood of confusion, sufficiently pleaded, the Board nonetheless found that opposer's asserted claims of deceptiveness, false suggestion of a connection, dilution and that registration of applicant's will provide applicant exclusive statutory rights in the mark deficiently pleaded.

In order to assert properly a ground of false suggestion of a connection under Section 2(a) of the Trademark Act, opposer must plead that (1) applicant's mark is the same or a close approximation of opposer's previously used name or

identity (not its pleaded mark); (2) that the mark would be recognized as such, in that it points uniquely and unmistakably to opposer; (3) that opposer is not connected with the goods sold by applicant under the mark; and (4) that opposer's name or identity is of sufficient fame or reputation that when applicant's mark is used on its goods, a connection with opposer would be presumed. *Petróleos Mexicanos V. Intermix SA*, 97 USPQ2d 1403, 1405 (TTAB 2010); *Boston Red Sox Baseball Club LP v. Sherman*, 88 USPQ2d 1581, 1593 (TTAB 2008).

Opposer's pleading, however, is devoid of any allegations which would properly set forth a claim of false suggestion of a connection.

Similarly, opposer has failed to plead properly a claim of deceptiveness under Section 2(a) of the Trademark Act. To state a claim of deceptiveness under Section 2(a), an opposer need only allege facts from which it may be inferred that opposer has a reasonable belief that it would be damaged by use of applicant's allegedly deceptive mark and facts that, if proved, would establish that purchasers would be deceived in a way that would affect materially their decision to purchase applicant's services. An opposer asserting such a claim need not allege prior use, or any use at all, of a mark or trade name similar to applicant's mark.

Furthermore, a proper pleading of "deceptiveness" under Section 2(a) requires the plaintiff to do more than parrot the language of Section 2(d). The latter provision of the Trademark Act prohibits registration of marks which are

likely to deceive a consumer as to the source or origin of goods or services. By contrast, Section 2(a) of the Act prohibits registration of marks which lead a consumer to draw a false conclusion about **the nature or quality of goods or services** under circumstances where such a conclusion will be material to the consumer's deliberations regarding purchase of the goods or services. (emphasis added). *See, e.g. Consorzio del Prosciutto di Parma v. Parma Sausage Products Inc.*, 23 USPQ2d 1894 (TTAB 1992)(issue was whether use of PARMA for meat products not made in Parma, Italy deceived consumers in regard to geographic origin of goods).

Here, opposer's pleading does not assert any allegations which properly set forth a claim of deceptiveness.

Likewise, the Board found opposer's claim of dilution was not properly pleaded. In order to plead a sufficient claim of dilution, a plaintiff must affirmatively plead both that (1) its pleaded mark is famous, and (2) the fame was acquired prior to the filing date of applicant's application and/or prior to applicant's first use in commerce of its subject mark. *Toro Co. v. ToroHead Inc.*, 61 USPQ2d 1164, 1172-73 (TTAB 2001). Here, opposer fails to plead affirmatively that its pleaded mark is famous and that such fame was acquired prior to the filing date of applicant's application and/or prior to applicant's first use in commerce of its subject mark.

Finally, opposer's claim that the registration of applicant's mark will provide applicant with exclusive statutory rights in its subject mark in violation

of opposer's superior rights in its pleaded mark is deficient inasmuch as the claim is not predicated on any violation of any section of the Trademark Act. Instead, the claim appears to be a mere amplification of opposer's pleaded likelihood of confusion claim. Accordingly, this claim is hereby stricken.

In view of the foregoing, opposer will be allowed the time set forth below in which to file and serve an amended notice of opposition which sets forth proper claims of false suggestion of a connection, deceptiveness and dilution, failing which these claims will be dismissed with prejudice.

The Board then reviewed applicant's answer to opposer's notice of opposition and noted that applicant has denied the salient allegations therein. The Board also noted that applicant has asserted various affirmative defenses. With regard to applicant's affirmative defense that the notice of opposition fails to state a claim upon which relief may be granted, said defense is deemed moot in light of this order. With regard to applicant's second affirmative defense that the "DEWARS" portion of applicant's involved mark is famous and therefore there can be no likelihood of confusion, the Board construes this defense as a mere amplification of applicant's denial to the corresponding allegations in the notice of opposition and, therefore, the Board sees no harm in allowing this defense to remain since it provides opposer more complete notice of applicant's position regarding opposer's asserted claim of likelihood of confusion .

Furthermore, the Board noted that applicant has asserted a counterclaim seeking to cancel opposer's pleaded registration on the ground

that opposer did not have *bona fide* use of its mark as of the filing date of opposer's underlying use-based application and still does not have valid use. Alternatively, applicant seeks to cancel opposer's pleaded registration on the ground of abandonment through non-use. The Board finds that applicant's counterclaim is properly pleaded, including allegations regarding applicant's standing to pursue the counterclaim.<sup>2</sup>

Finally, the Board reviewed opposer's answer to applicant's counterclaim and noted that opposer has denied the salient allegations therein. The Board further noted that opposer has asserted various affirmative defenses in response to applicant's counterclaim. Specifically, opposer has asserted the affirmative defenses of (1) estoppel, (2) waiver, and (3) that, by virtue of applicant's conduct, applicant is barred from asserting its counterclaim, and permitting applicant to prevail in this proceeding would be contrary to public policy. Opposer, however, has failed to set forth a factual foundation to support each of these aforementioned affirmative defenses. Accordingly, these affirmative defenses are stricken from opposer's answer to applicant's counterclaim. Opposer has also asserted an affirmative defense that applicant has failed to state a claim upon which relief may be granted. The Board, as set forth above, has already found that applicant's counterclaim is properly pleaded. Accordingly, this affirmative defense is

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<sup>2</sup> Applicant also has standing to assert its counterclaim by virtue of being a defendant to the main proceeding. *See Anthony's Pizza & Pasta International, Inc. v. Anthony's Pizza Holding Company, Inc.*, 95 USPQ2d, 1271, 1274 (TTAB 2009).

also stricken from opposer's answer. Finally, opposer asserts the affirmative defense that opposer was and is in compliance with all federal statutory requirements and obligations in relation to its pleaded registration. The Board construes this last affirmative defense as a mere amplification of opposer's denial to the corresponding allegations in applicant's counterclaim and the Board sees no harm in allowing this defense to remain since it provides applicant more complete notice of opposer's position regarding the grounds for applicant's counterclaim.

**Board's Standard Protective Order**

The Board then advised the parties of the automatic imposition of the Board's standard protective order in this case and further indicated that the parties would control which tier of confidentiality applies. Additionally, the Board stated that if the parties wished to modify the Board's standard protective order, they could do so by filing a motion for Board approval.

Further, under the Board's standard protective order, once a proceeding before the Board has been finally determined, the Board has no further jurisdiction over the parties thereto. According to the terms of the Board's protective order, within thirty days following termination of a proceeding, the parties and their attorneys must return to each disclosing party the protected information disclosed during the proceeding, including any briefs, memoranda, summaries, and the like, which discuss or in any way refer to such information. Alternatively, the disclosing party or its attorney

may make a written request that such materials be destroyed rather than returned.

It is not necessary for the parties to sign copies of the Board's protective order for it to take effect, although it may be desirable to do so.

It is unclear, however, whether the Board can order parties to enter into a contract that will govern the protection of information after the Board proceeding is concluded. *See* Miscellaneous Changes to Trademark Trial and Appeal Board Rules, 72 Fed. Reg. 42242, 42251 (August 1, 2007). Thus, it may be advisable for both the parties and their attorneys to sign a stipulated protective order, so that it is clear that they are all bound thereby; that they have created a contract which will survive the proceeding; and that there may be a remedy at court for any breach of that contract which occurs after the conclusion of the Board proceeding. Nonetheless, any determination of whether the agreement establishes contractual rights or is enforceable outside of the Board proceeding is for a court to decide should such matter come before it. *Id.*

### **Discovery and Motion Practice**

Furthermore, the Board noted that the exchange of discovery requests could not occur until the parties made their initial disclosures as required by Fed. R. Civ. P. 26(f). The parties are limited to seventy-five interrogatories, including subparts. *See* Trademark Rule 2.120(d)(1); TBMP Section 405.03 (3d ed. rev. 2 2013). There is no rule limiting the number of document

requests or requests for admission that a party may serve, but the parties are reminded that each party "has a duty to make a good faith effort to seek only such discovery as is proper and relevant to the issues in the case." TBMP Section 408.01 (3d ed. rev. 2 2013).

Additionally, the Board advised the parties that if either party plans to file a motion to compel discovery, the moving party must first contact the Board by telephone (with the adverse party on the line) so that the Board can ascertain whether the moving party has demonstrated a good faith effort in resolving the discovery dispute before filing its motion.<sup>3</sup> The Board also noted that a motion for summary judgment may not be filed until initial disclosures were made by the parties, except for a motion asserting issue or claim preclusion or lack of jurisdiction by the Board.

The Board also provided the parties instruction as to what the required initial disclosures entail under Fed. R. Civ. P. 26(a). In such disclosures, the parties should provide to each other:

the name and, if known, the address and telephone number of each individual likely to have discoverable information — along with the subjects of that information — that the disclosing party may use to support its claims or defenses, unless the use would be solely for impeachment [and] a copy — or a description by category and location — of all documents, electronically stored information, and tangible things that the disclosing party has in its possession, custody, or control and may use to support its claims or defenses, unless the use would be solely for impeachment.

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<sup>3</sup> The Board expects parties and/or their attorneys to cooperate with one another in the discovery process and looks with disfavor on those who do not so cooperate. *See* TBMP Section 408.01 (3d ed. rev. 2 2013).

Fed. R. Civ. P. 26(a)(1)(A)(i) and (ii). The parties should not file their respective initial disclosures with the Board.

The Board also noted that, to the extent either party retains an expert witness, such party must make their expert witness disclosure by the set deadline, as well as provide the Board with notification that the party will be employing an expert. Depending upon when such notification is made with the Board, the Board, in its discretion, may suspend proceedings for the sole purpose of allowing the parties to take discovery of a designated expert witness.

### **Service of Papers**

Moreover, the parties agreed to accept service of papers by e-mail, except for service of documents responsive to document requests which may be served by first-class mail via hard copy. For service of papers other than responses to document requests, opposer indicated that it may be served at the following email addresses: [kim@kkolbacklaw.com](mailto:kim@kkolbacklaw.com) and that applicant may be served at the following email address: [jhousey@symbus.com](mailto:jhousey@symbus.com) The Board noted that since the parties have agreed to service by email, the parties may no longer avail themselves of the additional 5 days for service provided under Trademark Rule 2.119(c) that is afforded to parties when service is made by first-class of express mail.

Additionally, it is recommended that the parties file papers via the Board's electronic filing system, i.e., ESTTA. The parties should not file

consented motions to extend time prior to the deadline for initial disclosures by employing the “consented motion forms” in ESSTA. Instead, the parties should use the “general filing forms” option.

### **ACR**

Finally, the Board advised the parties of the Board’s accelerated case resolution (“ACR”) process. While the parties declined to pursue ACR at this time, the parties may reserve the right to pursue ACR at a future date, if appropriate.<sup>4</sup>

### **Trial Schedule**

As noted above, opposer has failed to plead properly claims of false suggestion of a connection, deceptiveness and dilution. In view thereof, opposer is allowed until **twenty (20) days** from the mailing date of this order in which to file and serve an amended notice of opposition which sets forth proper claims of false suggestion of a connection, deceptiveness and dilution, pursuant to the guidelines provided above, failing which these claims will be dismissed with prejudice and the opposition will move forward only on the claim of priority and likelihood of confusion.<sup>5</sup>

In turn, applicant is allowed until **twenty (20) days** from the date indicated on the certificate of service of opposer’s amended pleading in which

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<sup>4</sup> Information concerning the Board's Accelerated Case Resolution (ACR) procedure is available online at the Board’s website. See

<http://www.uspto.gov/trademarks/process/appeal/index.jsp>

<sup>5</sup> Opposer should re-assert its allegations regarding its standing and its claim of priority and likelihood of confusion in its amended pleading.

to file and serve an answer to the amended notice of opposition, including its counterclaim. Opposer is allowed until **twenty (20) days** from the date indicated on the certificate of service of applicant's answer and counterclaim in which to file and serve its answer to applicant's counterclaim, as well as any affirmative defenses pursuant to the guidelines set forth above.

Remaining trial dates are reset as follows:

Initial Disclosures Due	<b>March 30, 2014</b>
Expert Disclosures Due	<b>July 28, 2014</b>
Discovery Closes	<b>August 27, 2014</b>
Plaintiff's Pretrial Disclosures	<b>October 11, 2014</b>
30-day testimony period for plaintiff's testimony to close	<b>November 25, 2014</b>
Defendant/Counterclaim Plaintiff's Pretrial Disclosures	<b>December 10, 2014</b>
30-day testimony period for defendant and plaintiff in the counterclaim to close	<b>January 24, 2015</b>
Counterclaim Defendant's and Plaintiff's Rebuttal Disclosures Due	<b>February 8, 2015</b>
30-day testimony period for defendant in the counterclaim and rebuttal testimony for plaintiff to close	<b>March 25, 2015</b>
Counterclaim Plaintiff's Rebuttal Disclosures Due	<b>April 9, 2015</b>
15-day rebuttal period for plaintiff in the counterclaim to close	<b>May 9, 2015</b>
Brief for plaintiff due	<b>July 8, 2015</b>
Brief for defendant and plaintiff in the counterclaim due	<b>August 7, 2015</b>

Brief for defendant in the counterclaim and reply  
brief, if any, for plaintiff due

**September 6, 2015**

Reply brief, if any, for plaintiff in the  
counterclaim due

**September 21, 2015**

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.

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.

The Board would like to thank counsel for their professional decorum during the discovery conference.