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

Proceeding	91213097
Party	Plaintiff Luxco, Inc.
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Date	09/03/2014
Attachments	Rebelde Supp. Exhibits.PDF(569351 bytes)

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

LUXCO, INC.,)	
)	
Opposer,)	
)	
v.)	Opposition No. 91213097
)	
RADILLO, JOSE ADRIAN CORONA,)	Serial No. 77/752453
)	Mark: GENERACION REBELDE
)	
Applicant.)	

**LUXCO’S SUPPLEMENTAL EXHIBITS IN SUPPORT OF LUXCO’S PRIOR
OPPOSITION TO APPLICANT’S MOTION TO SUSPEND**

Opposer Luxco, Inc. (“Luxco”), by and through its undersigned attorneys and pursuant to 37 C.F.R. §2.116(a), in further support of its opposition brief to Applicant Jose Adrian Corona Radillo (“Radillo” or “Applicant”)’s Motion to Suspend filed in this matter on April 3, 2014 [Dkt. 11], states as follows:

1. Luxco filed the above-referenced opposition proceeding over eight months ago on October 21, 2013. (*See* Notice of Opposition [Dkt. 1].) Pursuant to the Board’s prior Scheduling Order, discovery opened on December 30, 2013. (*See* Scheduling Order [Dkt. 2], p. 2.)
2. On April 3, 2014, Applicant filed a Motion to Suspend this proceeding, alleging therein that counterclaims in an unrelated Action before the Board, Cancellation Action No. 92058411 (the “Cancellation Action”) would purportedly “impact” Luxco’s allegations in this proceeding. (*See* Motion to Suspend [Dkt. 11], at p. 1.)

3. As more fully set forth in Luxco's prior opposition brief, Luxco moved to dismiss the referenced counterclaims in the Cancellation Action, as they failed to state any valid claim under the Lanham Act. (*See* Opposition Br. [Dkt. 12], p. 6.)

4. On May 24, 2014, the Board previously entered its order suspending this matter pending the Board's resolution of the matters and further instructing that any paper filed "during the pendency of this motion which is not relevant thereto will be given no consideration." (*See* Order [Dkt. 14], p. 1.)

5. On or about July 29, 2014, the Board in the Cancellation Action entered its order granting Luxco's Motion to Dismiss. The Board dismissed each of Respondent's counterclaims without prejudice, and provided thirty (30) days leave to submit amended counterclaims, "if possible, justified and appropriate." (*See* Order in Cancellation No. 92058411, a copy of which is attached hereto as Ex. A, at p. 8.)

6. In its subsequent order denying the Respondent's Motion to Clarify the Board's July 29 Order, the Board acknowledged that Respondent would not file amended counterclaims on or before the deadline set forth in the July 29, 2014 order. (*See* August 28 Order in Cancellation No. 92058411, attached hereto as Ex. B, at p. 3.) To-date no amended counterclaims have been filed in the Cancellation Action.

7. As the Board's rulings in the subject Cancellation Action are relevant to—and indeed, moot—Applicant's assertions in the present Motion, Luxco asks that the attached materials be made of record for purposes of the Board's consideration of Applicant's Motion to Suspend, consistent with 37 C.F.R. 2.127(a).

CONCLUSION

For the foregoing reasons, Luxco asks that the attached Exhibits be made of record for purposes of the Board's consideration of Applicant's Motion to Suspend, that the Board deny Applicant's Motion to Suspend as moot, resume this proceeding as soon as practical and enter an amended scheduling order to further guide the completion of discovery and trial in this matter.

Respectfully submitted,

Dated: September 3, 2014

By: /s/ Andrew R. Gilfoil

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CERTIFICATE OF SERVICE

The undersigned counsel hereby certifies that a copy of the foregoing was served via U.S. mail and electronic mail on this 3rd day of September, 2014 upon:

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WINTER

Mailed: July 29, 2014

Cancellation No. 92058411

Luxco, Inc.

v.

Opici IP Holdings, LLC

**Before Kuhlke, Ritchie, and Adlin,
Administrative Trademark Judges.**

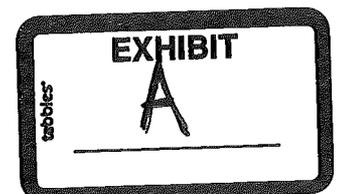
By the Board:

This case now comes up for consideration of Petitioner's fully briefed motion (filed March 28, 2014) to dismiss two of Respondent's three counterclaims for failure to state a claim upon which relief can be granted under Fed. R. Civ. P. 12(b)(6).

For purposes of this order, we presume the parties' familiarity with the parties' arguments in connection with the referenced motion.

By way of background, Petitioner seeks to cancel Respondent's registration of the mark REBELLION¹ on the ground of priority and likelihood of confusion. In support thereof, Petitioner pleads, *inter alia*,

¹ U.S. Reg. No. 4407601, issued September 24, 2013, for "Distilled Spirits; Liquor; Whiskey."



ownership of two trademark registrations for the marks REBEL YELL² and REBEL RESERVE.³ By its counterclaims, Respondent seeks to cancel both of Petitioner's pleaded registrations on the following grounds:

"26. As and for a first counterclaim, the Petitioner has abandoned its use of Petitioner's Alleged Mark in the United States by engaging in naked licensing of REBEL and/or REBELLION marks used by other parties.

27. As and for a second counterclaim, the Petitioner and/or its alleged predecessor-in-interest have failed to police the use [sic] Petitioner's Alleged Mark by unrelated third parties.

28. As and for a third counterclaim, the Petitioner and/or its alleged predecessor-in-interest have failed to police the use [sic] REBELLION by unrelated third parties."

Petitioner requests that the Board dismiss the counterclaims set forth in paragraphs 27 and 28 on the grounds that they fail to set forth claims upon which relief can be granted. In particular, Petitioner argues that "failure to police use" is not a ground for cancellation. Further, Petitioner contends that, even if the Board finds that "failure to police use" is a proper ground for cancellation, because U.S. Reg. No. 727786 is over five years old, it is not subject to cancellation on that ground. In the alternative, Petitioner requests

² U.S. Reg. No. 727786, issued February 20, 1962, for "Straight Bourbon Whiskey." Sections 8 & 15 affidavits accepted; renewed February 20, 2012.

³ U.S. Reg. No. 3633812, issued June 2, 2009, for "liquors and distilled spirits."

that the Board require Respondent to replead its second and third counterclaims with sufficient factual allegations rather than mere conclusory statements so as to allow Petitioner to understand and respond to the counterclaims.

To withstand a motion to dismiss for failure to state a claim upon which relief can be granted, a plaintiff (here, Respondent as the counterclaim-plaintiff) need only allege sufficient factual content that, if proved, would allow the Board to conclude, or to draw a reasonable inference, that (1) the plaintiff has standing to maintain the proceeding, and (2) a valid ground exists for opposing or cancelling the registration. *Doyle v. Al Johnson's Swedish Restaurant & Butik Inc.*, 101 USPQ2d 1780 (TTAB 2012), *citing Young v. AGB Corp.*, 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998); *Order of Sons of Italy in Am. v. Profumi Fratelli Nostra AG*, 36 USPQ2d 1221, 1222 (TTAB 1995); and TBMP § 503.02 (2014). 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, 678 (2009), *quoting Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007). In particular, the claimant must allege well-pleaded factual matter and more than “[t]hreadbare recitals of the elements of a cause of action, supported by mere conclusory statements.” *Iqbal*, 556 U.S. 662, *citing Twombly*, 550 U.S. at 555.

- *Standing*

Although standing is not a basis for the motion to dismiss, we note that inasmuch as Respondent is the defendant in the involved cancellation, it has inherent standing to bring counterclaims to cancel Petitioner's pleaded registrations. See *Board of Regents, The University of Texas System v. Southern Illinois Miners, LLC*, 110 USPQ 1182 (TTAB 2014); *Johnson & Johnson v. Obschestvo s Ogranitchennoy*, 104 USPQ2d 2037, 2038 (TTAB 2012); *Doyle v. Al Johnson's Swedish Restaurant & Butik Inc.*, 101 USPQ2d 1780, 1782 (TTAB 2012); and *Ohio State University v. Ohio University*, 51 USPQ2d 1289, 1293 (TTAB 1999).

- *Failure to Police Use*

Under Trademark Act Section 45(2), 15 U.S.C. § 1127, a mark is deemed to be abandoned when the course of conduct of the owner of the mark causes the mark to lose its significance as an indication of origin. See *Woodstock's Enterprises Inc. (California) v. Woodstock's Enterprises Inc. (Oregon)*, 43 USPQ2d 1440, 1445-46 (TTAB 1997). Cf. *University Book Store v. University of Wisconsin Board of Regents*, 33 USPQ2d 1385, 1393 (TTAB 1994), citing *Wallpaper Manufacturers, Ltd. v. Crown Wallcovering Corp.*, 680 F.2d 755, 214 USPQ 327, 336 (CCPA 1982) ("If there are numerous products in the marketplace bearing the alleged mark, purchasers may learn to ignore the 'mark' as a source indication. When that occurs, the conduct of the former owner, by failing to police its mark, can be said to have caused the mark to

lose its significance as a mark.”) (emphasis added). Thus, “failure to police” one’s mark is a type of abandonment of a mark. In view thereof, we construe applicant’s second and third counterclaims as being claims of abandonment. The question remains, however, whether applicant has sufficiently pleaded those abandonment claims.

To properly plead an abandonment claim, the plaintiff must allege the underlying facts pertaining to the alleged abandonment. *Cf. Clubman's Club Corp. v. Martin*, 188 USPQ 455, 456 (TTAB 1975). With regard to an abandonment claim based on “failure to police,” in order to state a claim upon which relief can be granted, the plaintiff must plead facts which show a course of conduct by the owner of the mark which has caused its mark to lose its trademark significance. *Tbc Corp. v. Grand Prix Ltd.*, 12 USPQ2d 1311, 1314 (TTAB 1989), *citing Colgate-Palmolive Company v. Colton Razor Blade Company*, 153 USPQ 370 (TTAB 1966). *See also Wallpaper Manufacturers, Ltd. v. Crown Wallcovering Corp.*, 214 USPQ at 332 and 334.

As regards the second counterclaim, there are no allegations that Petitioner failed to properly police its marks *by allowing numerous, much less specified third parties to use its marks without objection* or that Petitioner’s marks *have as a result lost their significance as indications of origin*. Further, Respondent’s allegation only refers to a single unidentified mark, not to both of Petitioner’s pleaded marks, and we are therefore left to guess as to which mark Respondent refers to in its pleading. In view of the foregoing, we find

that Respondent's second counterclaim fails to state a claim upon which relief can be granted and accordingly Petitioner's motion is **granted** with respect to this counterclaim, which is dismissed, without prejudice. An abandonment counterclaim should provide significantly more detail as to the circumstances giving rise to the claim, such as by identifying the third parties allegedly using the mark(s) at issue, when Petitioner discovered these uses and how Respondent is aware that Petitioner failed to challenge those uses.

With respect to Respondent's third counterclaim, Respondent has alleged that "the Petitioner and/or its alleged predecessor-in-interest have failed to police the use [*sic*] REBELLION by unrelated third parties." Insofar as Petitioner did not plead that it owns a registration for the mark REBELLION in support of its likelihood of confusion claim, we find that the third counterclaim fails on its face.⁴ However, to the extent Respondent seeks to allege that Petitioner's pleaded marks are weak because there exists numerous REBEL-formative marks, such as REBELLION (see Respondent's fourth affirmative defense which states in part that "the petition is barred by Petitioner's failure to challenge the use of REBEL ... marks on related goods and services by unrelated third parties"), we find Respondent's third "counterclaim" to in fact be a mere amplification of Respondent's denial of Petitioner's likelihood of confusion claim. As such, Petitioner's motion is

⁴ Likewise, Respondent's fourth affirmative defense, to the extent Respondent alleges that the petition is barred by "Petitioner's failure to challenge the use of ... REBELLION marks on related goods and services by unrelated third parties," is insufficient and is hereby stricken. See Fed. R. Civ. P. 12(f).

granted with respect to the third counterclaim, which is dismissed, without prejudice.

- *Naked Licensing*

Although Petitioner did not move to dismiss the first counterclaim, to be complete, we also find *sua sponte* that Respondent's first counterclaim is insufficient. Specifically, Respondent has failed to allege how "naked licensing" occurred or the identity of the "licensee(s)." Instead, Respondent only alleges in conclusory fashion that "Petitioner has abandoned its use of Petitioner's Alleged Mark in the United States by engaging in naked licensing." In addition, the wording "used by other parties" creates an ambiguity in that it appears to reference the use by third parties not licensees, which goes to the issue of failure to police rather than naked licensing. In view thereof, Respondent's first counterclaim also fails to state a claim upon which relief can be granted, and is also, *sua sponte*, dismissed, without prejudice.

Accordingly, Petitioner's motion to dismiss Respondent's second and third counterclaims is granted; and Respondent's first counterclaim is also dismissed. It is the Board's policy, however, to allow amendment of pleadings found to be insufficient upon challenge under Fed. R. Civ. P. 12(b)(6), particularly where the challenged pleading is the initial pleading. See *Intellimedia Sports Inc. v. Intellimedia Corp.*, 43 USPQ2d 1203, 1208 (TTAB 1997). In view thereof, Respondent is allowed until **THIRTY DAYS** from the

Cancellation No. 92058411

mailing date of this order to submit amended counterclaims, if possible, justified and appropriate. Petitioner is allowed until **September 27, 2014**, to file an answer thereto.

Trial dates are reset as shown in the following schedule:

Answer to Amended Counterclaim Due	September 27, 2014
Deadline for Discovery Conference	October 27, 2014
Discovery Opens	October 27, 2014
Initial Disclosures Due	November 26, 2014
Expert Disclosures Due	March 26, 2015
Discovery Closes	April 25, 2015
Plaintiff's Pretrial Disclosures Due	June 9, 2015
30-day testimony period for plaintiff's testimony to close	July 24, 2015
Defendant/Counterclaim Plaintiff's Pretrial Disclosures	August 8, 2015
30-day testimony period for defendant and plaintiff in the counterclaim to close	September 22, 2015
Counterclaim Defendant's and Plaintiff's Rebuttal Disclosures Due	October 7, 2015
30-day testimony period for defendant in the counterclaim and rebuttal testimony for plaintiff to close	November 21, 2015
Counterclaim Plaintiff's Rebuttal Disclosures Due	December 6, 2015
15-day rebuttal period for plaintiff in the counterclaim to close	January 5, 2016
Brief for plaintiff due	March 5, 2016
Brief for defendant and plaintiff in the counterclaim due	April 4, 2016
Brief for defendant in the counterclaim and reply brief, if any, for plaintiff due	May 4, 2016

Reply brief, if any, for plaintiff in the counterclaim due	May 19, 2016
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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. See Trademark Rule 2.125, 37 C.F.R. § 2.125.

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b), 37 C.F.R. §§ 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129, 37 C.F.R. § 2.129.

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Mailed: August 28, 2014

Cancellation No. 92058411

Luxco, Inc.

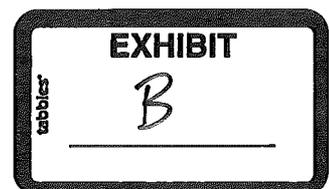
v.

Opici IP Holdings, LLC

ELIZABETH J. WINTER, INTERLOCUTORY ATTORNEY:

On August 27, 2014, the parties, represented by Andy Gilfoil (of Husch Blackwell LLP) for Petitioner and John Rannells and Jason DeFrancesco (of Baker and Rannells PA) for Respondent, and Elizabeth Winter, the assigned Interlocutory Attorney, held a teleconference to discuss Respondent's motion (filed August 6, 2014) for clarification of the Board's order mailed on July 29, 2014. This order summarizes the conference and sets forth a revised scheduling order. See Trademark Rule 2.120(i)(1); and TBMP § 502.06(a) (2014).

Respondent seeks clarification from the Board regarding the implications of the Board's order, which dismissed without prejudice Respondent's counterclaims and allowed Respondent thirty days to file amended counterclaims. Specifically, Respondent asks whether it is able to conduct discovery regarding issues related to abandonment and, upon a sufficient



showing, whether it will be permitted leave to amend its petition to include abandonment claims. Petitioner opposes the motion, arguing that to the extent said motion is one for reconsideration or one to extend the deadline for submitting an amended counterclaim, there is no basis for such relief. Petitioner also argued that Respondent's motion amounts to a request for an advisory opinion.

To the extent Respondent requested an advisory opinion on whether certain discovery would be acceptable or on whether it can file an amended answer to include abandonment counterclaims at a later date, Respondent's motion was *denied*. It is not the Board's practice to entertain motions *in limine* or to make prospective or hypothetical evidentiary rulings. *See Greenhouse Systems Inc. v. Carson*, 37 USPQ2d 1748, 1750 (TTAB 1995).

That being said, the Board reminded Respondent that there was no ruling in the July 29, 2014 order regarding discovery, nor did the Board state that Respondent could only amend its pleading during the time period allowed in the order. Rather, under the Trademark Rules and applicable Federal Rules of Civil Procedure, Respondent is allowed to take discovery on any non-privileged matter that is relevant to any party's claim or defense. *See Fed. R. Civ. P. 26(b)(1)*. Further, the general scope of discovery is broad, and a party may take discovery not only as to matters specifically raised in the pleadings, but also as to any matter which may serve as the basis for an additional claim, defense or counterclaim. *See id;* and TBMP § 402.01 (2014). *See also*

See J. B. Williams Co. v. Pepsodent G.m.b.H., 188 USPQ 577, 579 (TTAB 1975) (allowing interrogatories designed to elicit information concerning possible abandonment which, if revealed, may provide basis for counterclaim). As to the potential amended pleading, under applicable rules, Respondent may file a motion for leave to amend when appropriate. *See* Fed. R. Civ. P. 15(a); and Trademark Rule 2.114(b)(2)(i) (“If grounds for a counterclaim are learned during the course of the cancellation proceeding, the counterclaim shall be pleaded promptly after the grounds therefor are learned.”).

Trial Schedule Revised

The parties advised the Board that they had already conducted their discovery conference in accordance with the schedule set forth in the Board’s institution order. Further, both parties have served discovery on the adverse party (Petitioner on April 29, 2014¹; Respondent on August 27, 2014) in accordance with the Board’s scheduling order mailed on February 26, 2014, which indicated that discovery opened on April 27, 2014. Additionally, Respondent’s counsel has advised the Board that Respondent will not file an amended pleading on or before the August 28, 2014 deadline set forth in the Board’s July 29, 2014 order. In view of the foregoing, and because

¹ Insofar as Petitioner filed a motion to dismiss Respondent’s counterclaims on March 28, 2014, and the Board suspends proceedings upon the filing of a motion to dismiss, the better practice would have been to wait to serve discovery until after the Board had considered Petitioner’s motion.

Respondent's counterclaims were dismissed (without prejudice), the trial schedule is revised as follows:

Expert Disclosures Due	12/26/2014
Discovery Closes	1/25/2015
Plaintiff's Pretrial Disclosures Due	3/11/2015
Plaintiff's 30-day Trial Period Ends	4/25/2015
Defendant's Pretrial Disclosures Due	5/10/2015
Defendant's 30-day Trial Period Ends	6/24/2015
Plaintiff's Rebuttal Disclosures Due	7/9/2015
Plaintiff's 15-day Rebuttal Period Ends	8/8/2015

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. See Trademark Rule 2.125, 37 C.F.R. § 2.125.

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b), 37 C.F.R. §§ 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129, 37 C.F.R. § 2.129.

