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

Proceeding	91214312
Party	Defendant Midway Trading Corp.
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

DIAGEO BRANDS B.V.,

Opposer,

v.

MIDWAY TRADING CORP.,

Applicant

Opposition No. 91214312

RESPONSE IN OPPOSITION TO MOTION TO DISMISS COUNTERCLAIM

Applicant Midway Trading Corp., pursuant to 37 CFR §2.107(a), submits this response in opposition to the Motion To Dismiss Counterclaim For Partial Cancellation For Failure To State A Claim (“Motion”) filed by Opposer Diageo Brands B.V.

Procedural Background

Applicant timely filed its Answer To Notice Of Opposition on February 17, 2014, and then filed an Amended Answer And Counterclaim on March 7, 2014, within the time for amendment as a matter of course under Rule 15(a), F.R.Civ.P. The Counterclaim alleges that:

- Opposer is the owner of record of Registration No. 3,369,110 for the mark TANQUERAY claiming use on “distilled spirits.” Counterclaim ¶ 1.
- Opposer has cited that registration in support of its claim of likelihood of confusion with respect to the pending Application, which seeks registration of the mark TANDUAY for “rum.” *Id.* ¶¶ 4, 5.
- Opposer uses the mark TANQUERAY only on gin, uses the TANQUERAY STERLING mark only on vodka, and does not use any formative of the TANQUERAY mark on any other distilled spirits. *Id.* ¶ 2.
- Opposer has never used the mark TANQUERAY on rum. *Id.* ¶ 3.

- While Applicant believes there is no likelihood of confusion in any event, “should it be determined that there is a likelihood of confusion based on Opposer’s Registration No. 3,369,110 of TANQUERAY for ‘distilled spirits’ including rum, such likelihood of confusion will be avoided by a restriction of the goods claimed in Registration No. 3,369,110 to conform to Opposer’s actual use, namely, gin and vodka.” Counterclaim ¶ 6.

On June 4, 2014, the Board ordered Applicant’s Amended Answer And Counterclaim approved and entered, finding that the proposed Counterclaim “provides respondent with sufficient notice of the claim,” citing *Eurostar Inc. v. “Euro-Star” Reitmoden GmbH & Co. KG*, 34 USPQ2d 1266, 1271 (TTAB 1994).

Opposer now argues that the Counterclaim should nonetheless be dismissed for failure to state a claim, because Applicant “has advanced no factual recitations, threadbare or otherwise, supporting its claim that a likelihood of confusion can be avoided” by the requested relief, citing *Ashcroft v. Iqbal*, 556 U.S. 662 (2009), and *Bell Atl. Corp. v. Twombly*, 550 U.S. 544 (2007). Motion at 2-3.

Argument

The Board has explained that the *Iqbal* “plausibility” standard, as applied in proceedings before the Board, “does not require that a plaintiff set forth detailed factual allegations. Rather, 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.’” *Zoba Int’l Corp. v. DVD Format/Logo Licensing Corp.*, 98 USPQ2d 1106 (TTAB 2011), quoting *Totes-Isotoner Corp. v. U.S.*, 594 F.3d 1346 (Fed. Cir. 2010). Opposer cites no authority for its assertion that *Iqbal* should be applied to require the proponent of a claim under Section 18 to plead not only that the restriction of the registration will avoid a finding of likelihood of confusion, as required by *Eurostar* and as Applicant has done, but to plead the detailed evidentiary underpinnings of that factual element.

Earlier this year, the Board in *Covidien LP v. Masimo Corp.*, 109 U.S.P.Q.2d 1696, 1698

(TTAB 2014), considered a motion to dismiss a Section 18 claim under Rule 12(b)(6). The petition there made no detailed factual allegations about likelihood of confusion, but simply alleged that the requested restriction “would avoid a finding of likelihood of confusion between Applicant’s applied-for mark and Respondent’s registered mark.” 109 U.S.P.Q.2d at 1698. After citing *Iqbal*, the Board noted that this allegation was sufficient: “A § 18 claim must allege that the requested restriction would avoid a likelihood of confusion. Petitioner so alleged here. (see petition, para. 5.) Accordingly, this issue is not before the Board.” *Id.* at 1699 n. 6.

Applicant is not aware of any decision under Section 18 that has interpreted *Iqbal* to require detailed factual allegations underlying the allegation that likelihood of confusion would be avoided by the requested restriction.

After proposing its novel interpretation of Section 18 pleading requirements, Opposer offers a compendium of cases decided over the last eighty or more years that “have found that numerous alcoholic beverages are sufficiently related to other beverages, alcoholic or not, to support a finding of likely confusion.” Motion at 4. Opposer does not explain why these cases, all making factual determinations on a summary judgment or trial record, are in any way pertinent to the pleading question it has put before the Board. Logically, such cases could only be relevant here if they gave rise to some sort of *per se* rule that Applicant’s allegations are insufficient as a matter of law, i.e., that differences between rum and gin could never be material to likelihood of confusion regardless of the circumstances of the specific case.

That proposition has been squarely rejected. In *In re White Rock Distilleries, Inc.*, 92 USPQ2d 1282, 1285 (TTAB 2009), the Board declared:

There is no *per se* rule that holds that all alcoholic beverages are related. *See G. H. Mumm & Cie v. Desnoes & Geddes Ltd.*, 917 F.2d 1292, 16 USPQ2d 1635 (Fed. Cir. 1990) [RED STRIPE and design for beer was not confusingly similar to a design of a red stripe for wines and sparkling

wines]; *National Distillers and Chemical Corp. v. William Grant & Sons, Inc.*, 505 F.2d 719, 184 USPQ 34 (CCPA 1974) [DUET for prepared alcoholic cocktails, some of which contained brandy, and DUVET for French brandy and liqueurs not confusingly similar]. *See also*, TMEP § 1207.01(a)(iv) [“there can be no rule that certain goods or services are per se related, such that there must be a likelihood of confusion from the use of similar marks in relation thereto”].

See also, e.g., E.&J. Gallo Winery v. Malek, Opposition No. 91199089, 2012 TTAB LEXIS 368, *15-16 (TTAB 2012)(nonprecedential)(despite cases finding “a variety of different types of alcoholic beverages to be related to a significant degree,” nonetheless there “is no per se rule that holds that all alcoholic beverages are related,” *quoting White Rock Distilleries*). As the Board explained in *Malek*, “The result in each case is a matter of evidence, not a legal presumption that certain goods are or are not always related.” *Id.* at *16.

CONCLUSION

The question of whether a likelihood of confusion will be avoided by the requested restriction pursuant to Section 18 is a factual one, and Applicant has properly placed it in issue under the Board’s established pleading requirements under Section 18.

Should the Board for some reason accept Opposer’s invitation to depart from that precedent and require pleading to some more detailed standard, Applicant respectfully requests the opportunity to re-plead. *See IdeasOne Inc. v. Nationwide Better Health Inc.*, 89 USPQ2d 1952, 1955 (TTAB 2009)(“The Board freely grants leave to amend pleadings found, upon challenge under Fed. R. Civ. P. 12(b)(6), to be insufficient.”).

Dated September 26, 2014

Respectfully submitted,

/Rodrick J. Enns/

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CERTIFICATE OF SERVICE

I hereby certify that on this date I served the foregoing RESPONSE IN OPPOSITION TO MOTION TO DISMISS COUNTERCLAIM upon counsel of record by depositing a copy thereof in the United States mail, first class, postage prepaid and addressed to:

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This the 26th day of September, 2014.

/Rodrick J. Enns/

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