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

Mailed: December 22, 2014

Opposition No. 91214312

Diageo Brands B.V.

v.

Midway Trading Corp.

By the Trademark Trial and Appeal Board:

Midway Trading Corp. ("Applicant") seeks to register the mark TANDUAY, in standard characters, for "rum" in International Class 33.[1]

Diago Brands B.V. ("Opposer") has opposed the registration of Applicant's TANDUAY mark on the ground of priority and likelihood of confusion under Section 2(d) of the Trademark Act, as well as dilution. In support of its asserted claims, Opposer has pleaded ownership of numerous registrations for the mark TANQUERAY for various liquor products, including Registration Nos. 3369110, used in association with "distilled spirits."

On February 17, 2014, Applicant filed its answer to the notice of opposition. On March 7, 2014, Applicant filed a motion for leave to amend its answer to assert a counterclaim against Opposer's pleaded Registration No.

[1] Application Serial No. 85834409, filed on January 28, 2013, based upon an allegation of use in commerce under Section 1(a) of the Trademark Act, claiming March 29, 2012 as both the date of first use and the date of first use in commerce.

3369110 under Section 18 of the Trademark Act. Specifically, by way of its counterclaim, Applicant seeks to restrict the goods identified in Opposer's pleaded Registration No. 3369110 to "gin and vodka" in order to avoid a likelihood of confusion with its subject mark.

On June 4, 2014, the Board granted Applicant's motion for leave to amend its answer to assert the counterclaim noted above. By the same order, the Board found that Applicant's asserted counterclaim provides Respondent with sufficient notice of the claim asserted.

In lieu of filing an answer to the counterclaim, Opposer, on September 8, 2014, filed a motion to dismiss Applicant's counterclaim for failure to state a claim upon which relief may be granted. This case now comes before the Board for consideration of Opposer's motion to dismiss. Opposer's motion is fully briefed.[2]

Initially, the Board notes that is unclear why Opposer has filed a motion to dismiss for failure to state a claim when the Board has already found that Applicant's counterclaim has been sufficiently pleaded. *See* Board order dated June 4, 2014, at p. 2. Notwithstanding and in the interest of thoroughness, the Board will entertain Opposer's motion.

The Board carefully considered the arguments raised by the parties in their respective motion papers, as well as the supporting correspondence and the record of this case, in coming to a determination regarding Opposer's

[2] Opposer's change of correspondence address and appointment of new counsel filed on September 8, 2014 are noted. Board records have been updated accordingly.

motion to dismiss. Based on the foregoing, the Board makes the following findings and determinations:

Decision

To survive a motion to dismiss, "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). A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw a reasonable inference that the defendant is liable for the misconduct alleged. *Twombly,* 550 U.S. at 556, 127 S.Ct. at 1955. However, the plausibility standard does not require that a plaintiff set forth detailed factual allegations. *Id.* 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." *Totes-Isotoner Corp. v. U.S.,* 594 F.3d 1346 (Fed. Cir. 2010). Moreover, it is well established that whether a plaintiff can actually prove its allegations is not a matter to be determined upon motion to dismiss, but rather at final hearing or upon summary judgment, after the parties have had an opportunity to submit evidence. *See Libertyville Saddle Shop Inc. v. E. Jeffries & Sons, Ltd.,* 22 USPQ2d 1594, 1597 (TTAB 1992) ("A motion to dismiss does not involve a determination of the merits of the case …").

For purposes of determining such motion, all of the plaintiff's well-pleaded allegations must be accepted as true, and the complaint must be construed in the light most favorable to the plaintiff. *See Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc.,* 988 F.2d 1157, 26 USPQ2d 1038 (Fed. Cir. 1993). Dismissal for insufficiency is appropriate only if it appears certain that the plaintiff is entitled to no relief under any set of facts which could be proved in support of its claim. *See Stanspec Co. v. American Chain & Cable Company, Inc.,* 531 F.2d 563, 189 USPQ 420 (CCPA 1976).

A. **Standing**

We initially note that Opposer does not directly attacked Applicant's standing to assert its counterclaim. The Board nonetheless finds that Applicant's standing to assert its counterclaim arises from Applicant's position as defendant in this opposition proceeding. *See Ohio State University v. Ohio University*, 51 USPQ2d 1289, 1293 (TTAB 1999).

B. **Section 18 Cause of Action**

To set forth a cause of action to partially restrict a registration under Section 18 of the Trademark Act, a party must plead (and later prove) that (1) the entry of the proposed restriction to the goods or services in its opponent's application or registration will avoid a finding of likelihood of confusion, and (2) the opponent is not using its mark on those goods or services that will be effectively excluded from the application or registration if the proposed restriction is entered. *Eurostar Inc. v. "Euro-Star" Reitmoden GmbH & Co., KG*, 34 USPQ2d 1266, 1271 (TTAB 1994).

In its counterclaim, Applicant alleges the following:

Paragraph 1

Opposer is the owner of record of Registration No. 3,369,110 for the mark TANQUERAY, claiming use on "distilled spirits" in International Class 33 since 1986.

Paragraph 2

Opposer uses the TANQUERAY mark only on gin, and the TANQUERAY STERLING mark only on vodka. Opposer does not use the TANQUERAY mark or any formative thereof on any other distilled spirits.

Paragraph 3

Opposer does not currently use and has never used the mark TANQUERAY on rum.

Paragraph 4

Applicant's pending Application Serial No. 8534409 seeks registration of the mark TANDUAY for "rum."

Paragraph 5

Opposer has asserted its Registration No. 3,369,110 in support of its claim of likelihood of confusion with respect to Applicant's pending Application Serial No. 85834409.

Paragraph 6

Applicant believes and contends that there is no likelihood of confusion between Applicant's mark and Opposer's mark as described in Oppoer's cited registrations, including Registration No. 3,369,110. In the alternative, however, 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.

The Board finds that the foregoing allegations are sufficient to set forth a claim under Section 18 of the Trademark Act and provide Opposer fair notice of said claim. The Board also notes that most of Opposer's motion to dismiss argues, in part, the merits of Applicant's asserted counterclaim and not whether Applicant has sufficiently pleaded its Section 18 claim. As noted above, however, whether a plaintiff can actually prove its allegations is not a matter to be determined upon a motion to dismiss. Additionally, Opposer argues that Applicant's counterclaim fails to allege that partial cancellation of Opposer's pleaded Registration No. 3369110 would in any way affect Opposer's asserted claim of dilution. Opposer's argument is without merit. A claim of partial restriction of a registration or application under Section 18 of the Trademark Act only concerns the claim of likelihood of confusion. The fact that such a claim does not affect Opposer's potential entitlement to relief pursuant to a dilution claim is irrelevant. Indeed, the Board is not aware of any legal authority, nor has Opposer cited to any such authority, which would preclude Applicant from asserting a counterclaim under Section 18 of the Trademark Act in order to avoid a finding of likelihood of confusion when other additional grounds for opposition have also been asserted against the registration of Applicant's subject mark.

In view thereof, Opposer's motion to dismiss Applicant's counterclaim for failure to state a claim is **DENIED**.

Trial Schedule

Proceedings are resumed. Trial dates, beginning with the deadline to file an answer to Applicant's counterclaim, are reset as follows:

Answer to Counterclaim Due	**January 12, 2015**
Deadline for Discovery Conference	**February 11, 2015**
Discovery Opens	**February 11, 2015**
Initial Disclosures Due	**March 13, 2015**
Expert Disclosures Due	**July 11, 2015**
Discovery Closes	**August 10, 2015**
Plaintiff's Pretrial Disclosures Due	**September 24, 2015**
30-day testimony period for plaintiff's testimony to close	**November 8, 2015**
Defendant/Counterclaim Plaintiff's Pretrial Disclosures Due	**November 23, 2015**
30-day testimony period for defendant and plaintiff in the counterclaim to close	**January 7, 2016**
Counterclaim Defendant's and Plaintiff's Rebuttal Disclosures Due	**January 22, 2016**
30-day testimony period for defendant in the counterclaim and rebuttal testimony for plaintiff to close	**March 7, 2016**
Counterclaim Plaintiff's Rebuttal Disclosures Due	**March 22, 2016**
15-day rebuttal period for plaintiff in the counterclaim to close	**April 21, 2016**
Brief for plaintiff due	**June 20, 2016**
Brief for defendant and plaintiff in the counterclaim due	**July 20, 2016**
Brief for defendant in the counterclaim and reply brief, if any, for plaintiff due	**August 19, 2016**
Reply brief, if any, for plaintiff in the counterclaim due	**September 3, 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.l25.

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