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Filing date: **08/15/2014**

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

Proceeding	91216576
Party	Defendant Terressentia Corporation
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Submission	Motion to Dismiss - Rule 12(b)
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Date	08/15/2014
Attachments	TERR-24-TM-L Motion to dismiss in response to Opposition.pdf(240108 bytes)

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

CAROLINA MOON DISTILLERY, LLC,)	
)	
Opposer,)	
)	
)	Opposition No. 91216576
)	
v.)	
)	U.S. TM Appl. No. 86/011077
)	
TERRESSENTIA CORPORATION,)	
)	
Applicant.)	

APPLICANT’S MOTION TO DISMISS OPPOSITION

Terressentia Corporation (hereinafter “Applicant”) in the above-identified opposition proceeding, by and through its attorneys, hereby moves before the Trademark Trial and Appeal Board (hereinafter the “Board”), pursuant to Fed.R.Civ.P. 12(b)(6), for an order dismissing Opposition No. 91216576 filed by Carolina Moon Distillery, LLC (hereinafter “Opposer”).

Applicant respectfully contends that Opposer’s allegations in the Notice of Opposition dated May 28, 2014 and the Amended Notice of Opposition dated July 1, 2014 of the damage likely to accrue to it owing to Applicant’s registration are insufficient as a matter of law. As explained further in the accompanying memorandum, Opposer has failed to allege any factual basis for prior trademark rights, and therefore has not stated a claim under 15 U.S.C. § 1063. Accordingly, Applicant request the Board issue an order dismissing the present opposition proceeding.

Respectfully submitted.

DATED: August 15, 2014

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CERTIFICATE OF SERVICE

I, J. Rhoades White, Jr., hereby certify that a true and complete copy of this **APPLICANT'S MOTION TO DISMISS OPPOSITION** regarding opposition no. 91216576 was served on Opposer's counsel of record via first class mail on August 15, 2014 as follows:

Pao Lin Hatch
22988 Fairgale Farm Lane
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Terressentia Corporation

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MEMORANDUM IN SUPPORT OF APPLICANT’S MOTION TO DISMISS OPPOSITION

Introduction

Carolina Moon Distillery, LLC (hereinafter “Opposer”) has opposed Terressentia Corporation’s (hereinafter “Applicant”) Trademark Application No. 86/011077 for CAROLINA MOON (hereinafter “Applicant’s Mark”). Pursuant to Fed.R.Civ.P. 12(b)(6), which is applicable pursuant to 37 C.F.R. § 2.116(a), Applicant hereby moves to dismiss Opposition No. 91216576. Briefly, it is Applicant’s contention that Opposer has not sufficiently pleaded prior trademark rights.

The present Opposition Proceeding concerns Applicant’s Trademark Application No. 86/011077, filed on July 16, 2013 as an intent-to-use application under 15 U.S.C. §1051(b). Accordingly, Applicant’s effective date of first use is July 16, 2013. Zirco Corp. v. American Telephone and Telegraph Co., 21 U.S.P.Q.2d 1542, 1544, 1991 WL 332553 (T.T.A.B. 1991) (“[T]here can be no doubt but that the right to rely upon the constructive use date comes into existence with the filing of the intent-to-use application and that an intent-to-use applicant can rely upon this date in an opposition brought by a third party asserting common law rights.”); accord, Life Zone Inc. v. Middleman Group, Inc., 87 U.S.P.Q.2d 1953, 2008 WL 2781162 (T.T.A.B. 2008) (because Opposer’s pending use-based application was filed later than Applicant’s ITU application and Opposer presented no evidence of prior use, Applicant had priority and prevailed).

Opposer filed a Notice of Opposition initiating the present Opposition Proceeding on May 28, 2014 (hereinafter “Notice of Opposition”), and subsequently filed an Amended Notice of Opposition on July 1, 2014 (hereinafter “Amended Notice of Opposition”).

In Opposer’s Notice of Opposition, Opposer alleged that: “As of Oct[.] 17, 2011, Carolina Moon [Distillery], LLC has been in existence under S.C. State Law.” (Opposer’s Notice of Opposition, Page 1, ¶ 1). No further

actions or allegations were alleged in the Notice of Opposition prior to Applicant's filing date of July 16, 2013. See id.

In Opposer's Amended Notice of Opposition, Opposer further alleged that Opposer began the process of obtaining a Federal Alcohol and Tobacco License on or about October 17, 2011. (Opposer's Amended Notice of Opposition, Page 2, ¶ 1). Moreover, Opposer further alleged that it "began its presence to the world via the social media site, FaceBook, on April 11, 2011." Id. at ¶ 5. No further actions are alleged prior to Applicant's filing date of July 16, 2013. However, Opposer further alleged that Carolina Moon Distillery, LLC was subsequently licensed on August 8, 2013 and that on December 14, 2013, it began "selling various licensed alcoholic beverages," and that "a separate business . . . , dba Pao Lin's Pretty Gifts, has been selling Carolina Moon Distillery logo products" Id. at ¶¶ 8-9. In light of these alleged actions, Opposer alleges that it established a common law right to use "the trademark" (presumably the name "Carolina Moon Distillery"). (Opposer's Amended Notice of Opposition, Page 4, Part II).

In Opposer's Amended Notice of Opposition, Opposer alleges that it would be damaged by the registration of Applicant's Mark, as it would "create confusion." (Opposer's Amended Notice of Opposition, Page 4, Part II).

No Likelihood of Confusion/ No Prior Common Law Trademark Rights

The difficulty with the above allegations, however, is that they are insufficient to support Opposer's belief that Opposer has common law trademark rights to, e.g., "Carolina Moon Distillery, LLC" originating prior to Applicant's filing date. For example, Opposer makes no allegations of any use of, e.g., the Opposer's name, or a derivation thereof, as a trademark on or before Applicant's filing date of July 16, 2013.

In order to establish a likelihood of confusion claim, the Opposer must establish that Applicant's mark is likely to cause confusion with Opposer's prior trademark rights. As the Board stated in Life Zone Inc.:

In an opposition, the opposer bears the burden of proving by a preponderance of the evidence a substantive ground for refusal to register the subject trademark. In a likelihood of confusion case under Trademark Act § 2(d), this burden requires an opposer to prove that it has some prior trademark right and that applicant's mark is likely to cause confusion with that trademark.

Life Zone Inc., 87 U.S.P.Q.2d 1953.

Further, it is well established that a user must use the mark in connection with the sale of the goods in order for common law trademark rights to arise. See, e.g., Blisscraft of Hollywood v. United Plastics Co., 294 F.2d 694, 700 (2d Cir. 1961) ("A technical trademark, consisting of a coined or fanciful expression, comes into being as soon as it is affixed to the goods and the goods are sold.") (citing Wallace & Co. v. Repetti, 2 Cir., 1920, 266 F. 307, 308, cert denied 254 U.S. 639, 41 S.Ct. 13; 1 Nims, Unfair Competition & Trademarks § 218 at 633 (4th Ed. 1947); Restatement, Torts § 716, comment a (1938)).

Moreover, pre-sale activities are not sufficient to establish common law trademark rights. See, e.g., Cullman Ventures, Inc. v. Columbian Art Works, Inc., 717 F. Supp. 96, 113, 13 U.S.P.Q.2d 1257, 1268 (S.D.N.Y. 1989) (“Mere advertisement of a product by use of a mark would not constitute common law trademark use Common law trademark rights develop when goods bearing the mark are placed in the market and followed by continuous commercial utilization.”); Silberstein v. Fox Entertainment Group, Inc., 424 F. Supp. 2d 616, 75 U.S.P.Q.2d 1086 (S.D.N.Y. 2004), judgment aff’d, 82 U.S.P.Q.2d 1958, 2007 WL 1725506 (2d Cir. 2007) (pre-sales promotion of a licensing concept did not establish priority of use for a character name); Lucent Information Management, Inc. v. Lucent Technologies, Inc., 986 F. Supp. 253, 45 U.S.P.Q.2d 1019 (D. Del. 1997), aff’d, 186 F.3d 311, 51 U.S.P.Q.2d 1545 (3d Cir. 1999) (“[T]he court concludes that no reasonable trier of fact could find the advertising and promotional activities of LIM to qualify as prior use.”).

Accordingly, Applicant respectfully submits that, based on the pleadings, the Opposer has failed to state a claim upon which relief can be granted. As clearly evidenced by the well-established case law above, the Opposer does not allege any actions or activities that would be sufficient to establish common law trademark rights prior to Applicant’s filing date. Therefore, Opposer’s claim of likelihood of confusion is insufficient as a matter of law.

Claim of Unfair Competition Is Irrelevant

Opposer further alleges, presumably in equity and/or as a derivation of unfair competition, that it should not be harmed for failing to use Carolina Moon Distillery, LLC as a trademark prior to Applicant’s filing date since it was not licensed to make sales of distilled spirits prior to Applicant’s filing date.

Applicant respectfully submits, however, that this argument is not persuasive for at least two reasons. Firstly, Opposer had the opportunity to obtain prior trademark rights by filing a trademark application. Specifically, if the Opposer had a genuine good faith intention to use a particular mark prior to Applicant’s filing date, Opposer had the opportunity to file an “intent-to-use” trademark application for such mark under 15 U.S.C. §1051(b), just as Applicant has done.

Secondly, it is well established that the Board has no jurisdiction over unfair competition claims. Menzies v. International Playtex, Inc., 204 U.S.P.Q. (BNA) 297, 306 n.11, 1979 WL 24887 (T.T.A.B. 1979). Instead, the Board’s role is to determine whether the Applicant has a right to register a specific trademark. Wallpaper Mfrs., Ltd. v. Crown Wallcovering Corp., 680 F.2d 755, 767 (C.C.P.A. 1982) (“The board's function is to determine whether there is a right to secure or to maintain a registration.”). The Board will consider only pleadings bearing on a cancellation or opposition of Applicant’s right to register and actual or potential damage to petitioner from such registration. See, e.g., Knickerbocker Toy Co. v. Faultless Starch Co., 467 F.2d 501 (C.C.P.A. 1972); Holiday, Inc. v. Holiday Magic, 174 U.S.P.Q. (BNA) 242, 1972 WL 17759 (T.T.A.B. 1972); Rock of Ages Corporation v. Hudak Bros. Monument Works, 128 U.S.P.Q. (BNA) 346, 1961 WL 8038 (T.T.A.B. 1961) (citations omitted).

Conclusion

For at least the reasons set forth above, Applicant submits that Opposer's allegations of the damage likely to accrue to it owing to Applicant's registration are insufficient as a matter of law and thus should be dismissed pursuant to Fed.R.Civ.P. 12(b)(6).

Respectfully submitted.

DATED: August 15, 2014

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