

ESTTA Tracking number: **ESTTA647243**

Filing date: **12/29/2014**

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

Proceeding	91217792
Party	Defendant ACP IP, LLC
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Date	12/29/2014
Attachments	OPP - Mtn to Dismiss - AS FILED.pdf(158920 bytes)

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

Andale Energy Drink Co., LLC,
Opposer,

v.

ACP IP, LLC,
Applicant.

Opposition No.: 91217792
Application Serial No.: 85/891,919

Date of Publication: April 15, 2014
Mark: **DALÉ**

**APPLICANT’S OPPOSITION TO OPPOSER’S MOTION TO DISMISS APPLICANT’S
FIRST COUNTERCLAIM FOR LIKELIHOOD OF CONFUSION**

Applicant ACP IP, LLC (“ACP” or “Applicant”) respectfully submits this memorandum of law in Opposition to the Motion to Dismiss Applicant’s First Counterclaim (the “Motion to Dismiss”)(Doc. No. 7), filed by Opposer Andale Energy Drink Co., LLC (“Andale” or “Opposer”).

I. INTRODUCTION

ACP is the trademark holding company for Armando Pérez p/k/a as Pitbull, a commercially successful and critically-acclaimed entertainer who performs and sells music and related merchandise throughout the United States and the world in connection with the mark **DALÉ**. As a result of ACP’s extensive use, the **DALÉ** trademark is extremely strong and has garnered international recognition among the consuming public.

Andale opposed ACP’s captioned trademark application to register **DALÉ** on the basis of likelihood of confusion with its purported ANDALE! trademark and ACP’s alleged “lack of *bona fide* intent to use” the **DALÉ** trademark. In response to Andale’s Notice of Opposition, filed two Counterclaims based on (i) likelihood of confusion as the senior user of the **DALÉ** trademark, and (ii) and Opposer’s abandonment of ANDALE! though non-use. (Doc. No.

4)(ACP's "Counterclaims"). Andale subsequently filed the Motion to Dismiss ACP's First Counterclaim¹ on the basis that ACP's allegations "do not state a plausible claim for relief." (Motion to Dismiss, p. 1). As set forth herein, an application of the relevant legal standards to the allegations in Applicant's First Counterclaim, which must be taken as true for the purpose of ruling on the Motion to Dismiss, reveals that Andale's position is meritless and the Motion to Dismiss should be **DENIED** by the Board.

II. ARGUMENT AND CITATION OF LEGAL AUTHORITY

A. APPLICABLE LEGAL STANDARDS

In order to withstand a motion to dismiss for failure to state a claim, a plaintiff need only allege such facts that would, if proved, establish that (1) the plaintiff has standing to maintain the proceeding, and (2) a valid ground exists for opposing or cancelling registration of the mark. *Ritchie v. Simpson*, 170 F.3d 1092, 50 U.S.P.Q.2d 1023 (Fed. Cir. 1999); *IdeasOne, Inc. v. Nationwide Better Health, Inc.*, 89 U.S.P.Q.2d 1952, 1953 (TTAB 2009). Because the function of the pleading is simply to provide formal notice to Andale, ACP is allowed reasonable latitude in its statement of claims. *Harsco Corp. v. Electrical Sciences, Inc.*, 9 U.S.P.Q.2d 1570, 1571 (TTAB 1988). Contrary to repeated suggestions in Andale's misguided Motion to Dismiss, evidentiary matters should not be pled in a motion to dismiss, as these are matters for proof, not for the pleadings. TBMP 309.03(a)(2); *see also McCormick and Co. v. Hygrade Food Products Corp.*, 124 U.S.P.Q. 16, 17 (TTAB 1959).

Consistent with these liberal pleading requirements, a motion to dismiss must be denied "unless it appears **beyond doubt** that the plaintiff can prove no set of facts in support of his

¹ Andale concurrently filed a Motion to Strike ACP's First Counterclaim (Doc. No. 6). The Motion to Dismiss parrots many of the same arguments raised in the Motion to Strike as to ACP's Counterclaim.

claim which would entitle him to relief.” *Advanced Cardiovascular Sys. Inc. v. SciMed Life Sys. Inc.*, 988 F.2d 1157, 1160, 26 U.S.P.Q.2d 1038 (Fed. Cir. 1993)(emphasis added); *Fair Indigo LLC v. Style Conscience*, 85 U.S.P.Q.2d 1536, 1538 (TTAB 2007). The purpose of a 12(b)(6) motion is to challenge “the legal theory of the complaint, not the sufficiency of any evidence that might be adduced” and “to eliminate actions that are fatally flawed in their legal premises and destined to fail...” *Fair Indigo*, 85 U.S.P.Q.2d at 1539 (quoting *Advanced Cardiovascular Systems*, 26 U.S.P.Q.2d at 1041).

Rule 12(b)(6), Fed.R.Civ.P., must be read along with Rule 8(a), made applicable by Trademark Rule 2.116(a), which requires only a short and plain statement of the claim showing that the Plaintiff is entitled to relief. *See McDonnell Douglas Corporation v. National Data Corporation*, 228 U.S.P.Q. 45 (TTAB 1985). In deciding a motion to dismiss, the Board must accept all of an opposer’s well-pled allegations as true, and the notice of opposition must be construed liberally and in the light most favorable to opposer. Fed.R.Civ.P. 8(f); *see also* 5A Wright & Miller, Federal Practice and Procedure: Civil 2d Section 1357 (1990). The factual allegations must simply “be enough to raise a right to relief above the speculative level.” *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555 (2007). Furthermore, if, on a motion to dismiss for failure to state a claim upon which relief can be granted, matters outside the pleading are submitted, the Board may exclude the items from its consideration. *See, e.g., Wellcome Foundation Ltd. v. Merck & Co.*, 46 USPQ 1478, 1479 n.2 (TTAB 1998) (matters excluded); *Internet Inc. v. Corporation for National Research Initiatives*, 38 USPQ2d 1435, 1436 (TTAB 1996) (matters excluded).

B. ACP’S COUNTERCLAIMS SUFFICIENTLY PLEADS A VALID CLAIM FOR LIKELIHOOD OF CONFUSION

Under 37 C.F.R. 11.18(b)(2)(iii), the factual basis for a pleading requires either that the pleader know of facts that support the pleading or that evidence showing the factual basis is “likely” to be obtained after a reasonable opportunity for discovery or investigation. Because the purpose of pleadings is to give fair notice to a claim, a party is allowed reasonable latitude in its statement of its claims. *Harsco*, 9 U.S.P.Q.2d at 1571. To state a claim for likelihood of confusion under Section 2(d) of the Trademark Act, 15 U.S.C. § 1052(d), a party must first plead that it has proprietary rights in its mark(s) that are superior to those of the other party. *See Otto Roth & Co. v. Universal Foods Corp.*, 640 F.2d 1317, 209 U.S.P.Q. 40 (C.C.P.A. 1981). In the case of an applicant relying on common law rights, the party must also plead priority of use or “use analogous to trademark use”² and either the inherent or acquired distinctiveness of its mark. *See Wella Corp. v. Clairol, Inc.*, 169 U.S.P.Q. 190 (T.T.A.B. 1971). The pleading should then set forth the basic facts supporting its claim of likelihood of confusion. *See In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 U.S.P.Q. 563 (C.C.P.A. 1973).

There can be no dispute that ACP has a “real interest” in the proceeding and therefore has standing to seek cancellation of Andale’s trademark registration. *See Black Entm’t TV, Inc. v. Youth Servs. Int’l, Inc.*, 1998 TTAB LEXIS 191, *9 (TTAB Apr. 16, 1998)(“In the instant case, applicant's standing is inherent in its position as defendant in the original proceeding. Furthermore, after a careful review of the counterclaim, we find that applicant has made legally

² “There is no doubt that opposer has sufficiently stated a claim of likelihood of confusion based upon an allegation of use analogous to trademark use. In particular, opposer has sufficiently alleged that it has heavily promoted PURPLE HAZE in connection with a mixed alcoholic beverage consisting of sake and opposer's CHAMBORD liqueur.” *Chatam Int’l Inc. v. Abita Brewing Co.*, 1998 TTAB LEXIS 527, *6 (TTAB Sept. 22, 1998).

sufficient allegations to support cancellation in the counterclaim.”)(citing *See Syntex (U.S.A.) Inc. v E.R. Squibb & Sons Inc.*, 14 USPQ2d 1879 (TTAB 1990); *Bankamerica Corp. v. Invest America*, 5 USPQ2d 1076 (TTAB 1987)); *General Mills, Inc. v. Nature’s Way Products, Inc.*, 202 U.S.P.Q. 840, 841 (TTAB 1979) (holding that “where...a counterclaim to cancel an opposer’s pleaded registration is filed in an opposition which itself was based upon opposer’s allegation of likelihood of confusion between applicant’s mark and the mark in opposer’s pleaded registration, it is clear from the counterclaimant’s position as defendant in the opposition that he has a personal stake in the controversy”).

It is equally clear that ACP has pled facts that, if proved, would warrant cancellation of Andale’s registration based on likelihood of confusion. Specifically, ACP has pled that (i) it owns superior rights to those of Andale and priority of use of **DALÉ** (Counterclaims, ¶¶ 3-6); and (ii) Andale’s continued use of its ANDALE! mark will cause ACP harm (Counterclaims, ¶¶ 7-9). These facts – taken as true in considering Andale’s Motion to Dismiss³ – support ACP’s claim of likelihood of confusion which, if proven, would warrant cancellation of Andale’s registration.

Andale has taken the position, in its Motion to Strike, that ACP’s goods and services offered in connection with its **DALÉ** trademark “are simply too different” from Andale’s “energy drinks...to state a plausible claim for likelihood of confusion” and “allegations that these disparate goods ‘overlap’ is [sic] implausible and insufficient.” (Motion to Strike, p. 4). While Andale throws around the terms “implausible” and “insufficient” throughout its brief, Andale is, in reality, asking the Board to prematurely determine the substance of ACP’s

³ See Fed.R.Civ.P. 8(f); see also 5A Wright & Miller, Federal Practice and Procedure: Civil 2d Section 1357 (1990).

Counterclaims. Such a determination is not appropriate at this juncture. *See Wiscon Corp. v. ACH Food Cos.*, 2004 TTAB LEXIS 724, *12 (TTAB Dec. 15, 2004)(“In this case, applicant has pleaded an available statutory ground for cancellation of opposer's pleaded registration under Trademark Act § 2(e)(4)...Thus, the pleading is sufficient. Opposer's arguments in its motion go to the substance of the counterclaim complaint, not to its sufficiency.”). The issue at this stage of the case is not whether ACP’s counterclaim ultimately will succeed, but whether ACP is entitled to offer evidence to support its claim. *See Fair Indigo*, 85 U.S.P.Q.2D (BNA) 1536 at *5 (quoting *Advanced Cardiovascular Systems*, 988 F.2d at 1157); *see also Black Entm't TV*, 1998 TTAB LEXIS 191 at*10 (“While opposer admits that applicant has made the statutorily required assertions..., it further states that these assertions are unsupported and unwarranted deductions of fact and, as such, are entitled to no weight. **Contrary to this position, applicant need not submit proof of its allegations; proof instead being a matter for trial.**”)(citing *Caron Corp. v. Helena Rubinstein, Inc.*, 193 USPQ 113 (TTAB 1976); *Anheuser-Busch, Inc. v. Martinez*, 185 USPQ 434 (TTAB 1975)) (emphasis added).

The case of *The Alliance Manufacturing Company, Inc. v. Bentley Lighter Corporation*, 174 U.S.P.Q. 248 (TTAB 1972), is instructive. In *Alliance Manufacturing*, the Board held that the question of likelihood of confusion is not of such a character that it may be determined by way of a motion to dismiss without at least affording opposer an opportunity to submit additional proofs in support of its claim. *Id.* at 248. The Board observed that the applicant was “apparently confusing pleadings with proofs:”

In ruling on a motion to dismiss, it is only necessary to determine whether opposer has set forth a claim which, if proved, may entitle it to the relief which it is seeking. Thus, applicant's assertion that there is nothing in the notice of opposition to indicate use by opposer of the term “GENIE” in a trademark sense is an improper basis for seeking dismissal on the ground

of its failure to state a claim. That is to say, opposer is entitled to its day in court. In view of the foregoing, applicant's motion to dismiss is denied.

Id. at 249. The Board determined that the opposer had alleged sufficient facts giving rise to the inference that its mark was confusingly similar to Applicant's mark. *Id.* This inference was sufficient to withstand a motion to dismiss the claim. The result should be no different in the instant case. Thus, ACP respectfully submits that granting Andale's Motion to Dismiss at this early stage would be improper based on the allegation set forth in ACP's First Counterclaim.

III. CONCLUSION

ACP respectfully submits that Andale has failed to meet its burden necessary for its Motion to Dismiss to succeed. As set forth above, ACP unequivocally pleads a valid counterclaim for cancellation of the ANDALE! registration based on likelihood of confusion. For all of the foregoing reasons, ACP respectfully requests that the Motion to Dismiss be **DENIED**.

Date: December 29, 2014

Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the foregoing **APPLICANT'S OPPOSITION TO OPPOSER'S MOTION TO DISMISS APPLICANT'S FIRST COUNTERCLAIM FOR LIKELIHOOD OF CONFUSION** was served upon the Opposer by delivering true and correct copies of same to Opposer via First class U.S. mail on December 29, 2014 as follows:

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