

ESTTA Tracking number: **ESTTA738157**

Filing date: **04/05/2016**

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

Proceeding	91223456
Party	Defendant t & beer, inc
Correspondence Address	GREGORY J WINSKY ARCHER & GREINER PC ONE CENTENNIAL SQUARE, PO BOX 3000 HADDONFIELD, NJ 08033 UNITED STATES trademarks@archerlaw.com, t.simone@prodigy.net
Submission	Other Motions/Papers
Filer's Name	Gregory J. Winsky
Filer's e-mail	gwinsky@archerlaw.com, kchewning@archerlaw.com
Signature	/Gregory J. Winsky/
Date	04/05/2016
Attachments	Reply Brief.pdf(47586 bytes)

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

In the Matter of Trademark Application No.: 86/566,095

	:	Opposition No. 91223456
Brouwerij Nacional	:	
Balashi N.V.,	:	Serial No. 86/566,095
	:	MARK: BALASHI SPIRITS
Opposer,	:	
	:	I hereby certify that this submission and
v.	:	all marked attachments, if any, is being electronically
	:	filed with the Trademark Trial and Appeal Board
t & beer, inc.,	:	through their website located at http://estta.uspto.gov
	:	on April 5, 2016.
	:	
Applicant.	:	<u> /s/ Gregory J. Winsky </u>
	:	GREGORY J. WINSKY, ESQUIRE

**REPLY BRIEF IN FURTHER SUPPORT OF APPLICANT t & beer, inc.’s MOTION
FOR JUDGMENT ON THE PLEADINGS**

Applicant, t & beer, inc., by and through its undersigned counsel, submits this Reply Brief in further support of its Motion for Judgment on the Pleadings as to the Notice of Opposition filed by Opposer Brouwerij Nacional Balashi N.V. (“Opposer”) to Applicant’s application for registration of the trademark “Balashi Spirits.”

Opposer’s submission in opposition to this motion fails to refute an essential issue: that Opposer does not have any registrations or rights to any potential registrations that would provide it with priority over Applicant’s mark and has no basis to oppose the underlying application. Accordingly, this Notice of Opposition must be dismissed.

Specifically, Opposer does not dispute that its Section 44(e) applications for U.S. Trademark registrations based upon its foreign marks are out of time and do not create a basis for opposing the application that is the subject of these proceedings.

The only argument Opposer presents regarding its application for registration relates to its purported “use in commerce” dating back to 2004. As Opposer acknowledges, it bases this claim solely on its use in Aruba. This argument fails as a matter of law.

Finally, even if Opposer could establish that it has some statutory interest, Opposer fails address the fact that the Notice of Opposition relies exclusively on Opposer’s “information and belief.” Allowing opposition proceedings on the basis of an intent to use standard based upon nothing more than the Opposer’s “information and belief” belies the purpose of a Section 1(b) application. Consistent with Supreme Court precedent, Opposer must allege facts that make the relief sought in these proceedings “plausible.” Doing nothing more than alleging upon information and belief is insufficient.

For these reasons, the Notice of Opposition should be dismissed with prejudice.

ARGUMENT

A. Opposer Cannot Maintain a Challenge to the Application Because Opposer Cannot Establish Any Priority.

1. Opposer Admits It Cannot Establish Priority Based on Foreign Trademarks.

Opposer makes no argument to rebut the lack of timeliness with respect to its Section 44(e) applications thus conceding that its applications for registration based on its foreign trademark registrations are out of time. *See* Opposer’s Br. at 3-4 (addressing only Opposer’s ‘984 Application). Thus, Opposer offers no explanation for ‘463, ‘470, and ‘475 Applications, which do not satisfy the requirements imposed by Section 44(d). In any event, these foreign

registrations do not provide Opposer with any basis for a challenge to Applicant's current application for the Balashi Spirits mark.

2. The Notice of Opposition Does Not Plead Any Use of Opposer's Mark in United States Commerce.

Contrary to Opposer's argument, Applicant readily acknowledged that Opposer's '984 application purports to have a use date in 2004. *See* App. Moving Br. at 3. The critical issue, however, is Opposer's failure to address the fact that its Notice of Opposition does not allege that any of Opposer's "production, offering and sale of beer" occurred in United States commerce. *See* Notice of Opposition ¶¶ 14-15, 17-19. Rather, as noted in Applicant's opening brief, at best, Opposer contends it has conducted business outside of the United States with individuals it assumes are United States citizens. *See id.* ¶¶ 19-26. This is a fatal deficiency in the Notice of Opposition and requires its dismissal as a matter of law.

To address its lack of any priority, Opposer contends, without presenting any legal argument to support its conclusory position, that because U.S. citizens consume its product abroad, it has used its mark "in United States commerce" because it constitutes trade between a foreign entity and U.S. citizens. In support of its position, Opposer relies exclusively on *Int'l Bancorp, LLC v. Societe Des Bains De Mer Et Du Cercle Des Etrangers a Monaco*, 329 F.3d 359 (4th Cir. 2003) (allowing a finding of trademark infringement in favor of a foreign owner of a service mark). Opposer does not provide any legal analysis or argument to support application of the *Bancorp* case to the facts at issue in this proceeding.

Additionally, Opposer simply ignores the great weight of contrary authority contradicting the *Bancorp* case and explicitly acknowledging the territoriality requirement that use of the mark occur in the United States. *ITC Ltd. v. Punchgini, Inc.*, 482 F.3d 135, 155 (2d Cir. 2007) ("Precisely because a trademark has a separate legal existence under each country's laws,

ownership of a mark in one country does not automatically confer upon the owner the exclusive right to use that mark in another country. Rather, a mark owner must take the proper steps to ensure that its rights to that mark are recognized in any country in which it seeks to assert them.”).

Cases are legion requiring use in commerce in the United States in accord with this principle. *See id* at 155; *see also*, *Grupo Gigante S.A. de C.V. v. Dallo & Co.*, 391 F.3d 1088, 1093 (9th Cir. 2004) (acknowledging that “priority of trademark rights in the United States depends solely upon priority of use in the United States, not on priority of use anywhere in the world,” (quoting 4 McCarthy, *supra*, § 29:2, at 29-6)); *Person’s Co., Ltd. v. Christman*, 900 F.2d 1565, 1568-69 (Fed. Cir. 1990) (“T-shirt sales in Japan are not “use in United States commerce”); *La Societe Anonyme des Parfums Le Galion v. Jean Patou*, 495 F.2d 1265, 1270 n.4 (2d Cir. 1974) (“It is well settled that foreign use [of a trademark] is ineffectual to create trademark rights in the United States.”); *Financial Matters, Inc. v. Pepsico, Inc.*, 806 F. Supp. 480, 484 (S.D.N.Y. 1992) (rejecting challenge to U.S. registration based upon cancellation of foreign mark under Russian law).

In addition to the weight of judicial authority, the Board has long rejected the theory that any foreign trade regulated by Congress constitutes “use in commerce” under the Lanham Act. Thus, the weight of authority of cases proceeding before the Board has concluded that “priority of right in a trademark in the United States depends on priority of use in the United States and is not affected by priority of use in a foreign country.” *Sterling Drug Inc. v. Knoll A.-G. Chemische Fabriken*, 159 U.S.P.Q. 628, 630 (TTAB 1968) (emphasis added); *see also*, *Rivard v. Linville*, 133 F.3d 1446 (Fed. Cir. 1998), *aff’g* 41 U.S.P.Q.2d 1731 (TTAB 1997); *Techex Ltd. v. Dvorkovitz*, 220 U.S.P.Q. 81, 83 (TTAB 1983); *Mother’s Restaurants Inc. v. Mother’s Other*

Kitchen, Inc., 218 U.S.P.Q. 1046, 1048 (TTAB 1983); *Stagecoach Properties, Inc. v. Wells Fargo & Co.*, 199 U.S.P.Q. 341, 349 (TTAB 1978).

Opposer asks this Board to accept the sharp criticism set out by the Fourth Circuit in *Bancorp* regarding the “simplistic” nature of this Board’s analysis in its prior precedent. *See Bancorp*, 329 F.3d at 372, 379 (“But great weight [to be accorded to TTAB decisions] certainly does not mean obeisance, and it does not even mean deference.”). The Fourth Circuit’s critical and unsupported view of foreign use of a service mark in United States commerce does not erase the great weight of authority set forth in prior precedential decisions of the Board.

Importantly, Applicant’s argument is not that Opposer failed to adequately plead the meaning of “use in commerce” in its Notice of Opposition. Rather, as a matter of law, the admissions Opposer makes in its Notice of Opposition regarding its lack of use in commerce in the United States, *see* Notice of Opposition ¶¶14-15, 17-26, preclude any finding that Opposer will be able to establish priority. Opposer’s claim of use beginning in 2004 in the context of its ‘984 Application irrefutably references only foreign use in light of its admissions.

For the reasons cogently expressed by the dissent in the *Bancorp* case, *see* 329 F.3d at 383-398, and in light of the substantial judicial and Board precedent, Opposer’s claim of priority based on its admittedly foreign use of a Balashi mark must be rejected as a matter of law.

Accordingly, dismissal is required as a matter of law because of Opposer’s lack of priority.

B. Opposer's Pleading Regarding Applicant's Bona Fide Intent Is Insufficient to Establish a Plausible Claim for Relief.

Opposer's lack of any priority of us in commerce in the United States forecloses its opposition to Applicant's application. Even if Opposer's lack of priority issue did not require dismissal, the Notice of Opposition still fails to allege sufficient facts to sustain a challenge to Applicant's 1(b) application. Indeed, the Notice of Opposition does nothing more than set forth a bare recital of the law in the guise of factual allegations. This does not satisfy the pleading requirements set forth in *Ashcroft v. Iqbal*, 556 U.S. 663, 678 (2009) and *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555 (2007).

Opposer argues that it should not be required to plead facts which it contends are exclusively within Applicant's knowledge. See Opposer's Br. at 2-3. This argument essentially admits that Opposer has nothing more than its own suspicions about Applicant's intent. Such supposition is not sufficient basis for a Notice of Opposition. Further, whether Opposer believes Applicant has made a sufficient investment is of no importance because no action is required for use of the mark until a notice of allowance is issued. See *Aktieselskabet AF 21 November 2001 v. Fame Jeans Inc.*, 525 F.3d 8, 18 (D.C. Cir. 2008) ("The Lanham Act does not require an intent-to-use applicant to begin using his mark until he receives a notice of allowance, which can happen only after the end of all opposition proceedings on the application."). Other applications are inapposite to Applicant's intent and actions with respect to this mark. Allowing a challenge to Applicant's 1(b) application based solely on Opposer's assumptions is an incorrect application of the pleading requirements and it must be rejected.

CONCLUSION

For all these reasons, and those asserted in Applicant's moving brief, the Notice of Opposition should be dismissed.

Respectfully submitted,

ARCHER & GREINER
A Professional Corporation
Attorneys for Applicant, t & beer, inc.

By: /s/ Gregory J. Winsky Reg. No. 30,435
GREGORY J. WINSKY, ESQUIRE
KERRI E. CHEWNING, ESQUIRE

Dated: April 5, 2016.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing **Reply Brief in Further Support of Applicant’s Motion for Judgment on the Pleadings** was served on counsel for the Opposer, this 5th day of April, 2016, by sending the same via U.S. First Class mail, postage prepaid, and emailed to:

Jeffrey D. Feldman
Susan J. Latham
Ashley G. Kessler
Feldman Gale, P.A.
One Biscayne Tower, 30th Floor
2 South Biscayne Blvd.
Miami, FL. 33131

jfeldman@feldmangale.com
slatham@feldmangale.com
akessler@feldmangale.com

By: /s/ Gregory J. Winsky
GREGORY J. WINSKY, ESQUIRE