

ESTTA Tracking number: **ESTTA732818**

Filing date: **03/10/2016**

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

Proceeding	91224932
Party	Plaintiff Sazerac Brands, LLC
Correspondence Address	THOMAS M HADID COOLEY LLP 1299 PENNSYLVANIA AVE NW, STE 700 WASHINGTON, DC 20004 UNITED STATES trademarks@cooley.com, thadid@cooley.com, vbadolato@cooley.com, pwillsey@cooley.com, smobley@cooley.com
Submission	Opposition/Response to Motion
Filer's Name	Thomas M. Hadid
Filer's e-mail	thadid@cooley.com, pwillsey@cooley.com, vbadolato@cooley.com
Signature	/Thomas M. Hadid/
Date	03/10/2016
Attachments	Sazerac - Opp. No. 91224932 - Reply to Opposition to Motion to Dismiss Counterclaims.pdf(35361 bytes)

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

In the Matter of Application Serial No. 86/523,184
For the Trademark PLATTE VALLEY FIRESHINE
Published in the *Official Gazette* on July 14, 2015

SAZERAC BRANDS, LLC,)	
)	
Opposer,)	
)	Opposition No. 91224932
v.)	
)	
MCCORMICK DISTILLING CO., INC.,)	
)	
Applicant.)	
<hr style="border: 0.5px solid black;"/>		

REPLY TO OPPOSITION TO MOTION TO DISMISS COUNTERCLAIMS

Opposer Sazerac Brands, LLC (“Opposer” or “Sazerac”) hereby replies to Applicant McCormick Distilling Co., Inc.’s (“McCormick” or “Applicant”) opposition to Sazerac’s Motion to Dismiss Applicant’s Counterclaims. For the reasons set forth below, Applicant’s opposition is unfounded and Sazerac submits that its motion to dismiss should accordingly be granted.

I. INTRODUCTION

On November 11, 2015, Sazerac filed a Notice of Opposition (Opposition No. 91224932) against McCormick’s application U.S. Serial No. 86/523,184 seeking to register the trademark PLATTE VALLEY FIRESHINE (the “PLATTE VALLEY FIRESHINE Mark”) in connection with “alcoholic beverages except beers; [w]hiskey.” *See* Dkt. No. 1. On December 28, 2015, Applicant filed an Answer to the Opposition, which included two counterclaims. *See* Dkt. No. 4. The first counterclaim (“Counterclaim One”) asserts that Sazerac’s FIREBALL mark has become generic because “the primary significance of ‘fireball’ to the relevant purchasing public is as an identification of a drink being an alcoholic beverage, including one comprised of

whiskey or liqueur, and including a spicy flavoring element such as cinnamon or hot sauce.” Dkt. No. 4 at ¶ 7. Applicant’s second counterclaim (“Counterclaim Two”) asserts that Sazerac has abandoned its rights in the asserted marks forming the basis for the Opposition because, *inter alia*, Sazerac has failed to police its FIREBALL trademarks such that it does not “enjoy substantially exclusive use of the word ‘fireball’ for the goods registered or for unregistered uses” on the basis of “[widespread use by] merchandisers, retailers, bartenders, book publishers, and many other channels in the related fields.” Dkt. No. 4 at ¶ 14-15. On February 24, 2016, Applicant filed an Opposition to Sazerac’s Motion to Dismiss, asserting that Applicant had met the factual pleading standard (i.e., plausibility) and alleging that Sazerac’s inclusion of pertinent evidence referenced in the Complaint was improper. Dkt. No. 8. Because both Counterclaims One and Two (together the “Counterclaims”) are implausible in that they rely on threadbare assertions of fact for which Applicant has provided virtually no support, the Opposition should be denied and Sazerac’s Motion to Dismiss should be granted in its entirety.

II. APPLICANT’S UNSUPPORTED CLAIMS ARE NOT PLAUSIBLE ON THEIR FACE AND THEREFORE WARRANT DISMISSAL

Applicant states that, “to meet the [relevant] standard, a pleading must allow for at least a ‘reasonable inference’ of legally relevant facts.” Dkt. No. 8 at * 2; citing to *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544 (2007); *Aschroft v. Iqbal*, 556 U.S. 662 (2009). Applicant asserts that Sazerac’s Motion to Dismiss improperly holds it to a “fact-pleading standard” that Applicant describes as being expressly rejected by the Supreme Court in *Twombly/Iqbal*. Dkt. No. 8 at * 2-3. Applicant ignores the qualifying language of the Supreme Court’s holding, which requires claims to be pled with more than “threadbare recitals of the elements of a cause of action” in the formation of a *plausible* claim. *Bell Atlantic Corp.*, 550 U.S. at 570. Sazerac’s Motion to Dismiss centers on the insufficiency of the alleged facts supporting Applicant’s counterclaims, in

that both counterclaims are completely implausible and therefore should not be allowed to proceed to the next stage of the litigation. Because Applicant's arguments are factually unsupported and consist merely of threadbare recitals of genericness and abandonment, both fail to constitute claims upon which relief should be granted and accordingly should be dismissed.

III. APPLICANT'S ALLEGED FACTS IN SUPPORT OF ITS GENERICNESS ARGUMENT ARE INSUFFICIENT TO MEET THE LEGAL STANDARD

Applicant contends that the relevant purchasing public does not associate Sazerac's FIREBALL mark with Sazerac's alcoholic beverage products, but instead associates the term "fireball" with *any* whiskey or liqueur-based drink that includes a "spicy flavoring element such as cinnamon or hot sauce." Dkt. No. 4 at ¶ 7. Applicant contends that Sazerac ignores the *Twombly/Iqbal* standard, which Applicant misunderstands as requiring that it "need only allege sufficient facts that, taken as true, establish" genericness. Dkt. No. 8 at 3. Applicant's focuses on "only" and ignores the qualifying term "sufficient." Applicant's assertion that "fireball" is generic for distilled spirits, when based on minimal evidence related to cocktail recipes, falls well short of the applicable standard.

Specifically, Applicant's counterclaim states that: "fireball is a generic term for alcoholic cocktails that include or feature a hot or spicy flavor element." Dkt. No. 7 at ¶ 4. Applicant's citation to an Exhibit containing *cocktail recipes*, a type of product separate and distinct from the subject of Sazerac's FIREBALL registrations for whiskeys and liqueurs, cannot and does not plausibly support a conclusion that Sazerac's FIREBALL mark is understood by the public at large to be generic for what it is: a distilled spirit. *Id.* at ¶¶ 4-7. Applicant confuses pleading simply *any* fact with a "well-pled fact" that, backed by a *reasonable* inference, supports the overall conclusion posited by the claim. It is not reasonable to assume that ten cocktail recipes support a conclusion of genericness for distilled spirits. Sazerac's contention is that Applicant's

factual allegations are insufficient to meet the legal standard because they merely recite the elements of genericness, without providing facts to support a reasonable inference of the same. Because Counterclaim One lacks sufficient facts in support of a reasonable inference that Sazerac's FIREBALL mark is generic, it should be dismissed.

IV. APPLICANT'S ALLEGED FACTS IN SUPPORT OF ITS ABANDONMENT ARGUMENT ARE INSUFFICIENT TO MEET THE LEGAL STANDARD

Applicant mischaracterizes Sazerac's argument to suggest that its Motion to Dismiss improperly focuses on the merits of Applicant's abandonment counterclaim. Dkt. No. 8 at 5. However, Sazerac specifically contends that "Applicant[] does not adequately plead facts to support" abandonment, including in its assertion that Applicant fails to plead, much less provide facts to support, facts that plausibly show Sazerac *intended* to relinquish its rights in the FIREBALL mark. Dkt. No. 6 at ¶ 5. Again, Applicant mistakenly assumes its threadbare recitals of the elements of abandonment constitute well-plead claims. For example, Applicant's counterclaim asserts that "Sazerac has failed to police the [FIREBALL] mark . . . as demonstrated by widespread use of similar marks by non-related parties that postdate Sazerac's trademark registration." Dkt. No. 4 at ¶ 15. Applicant concludes on this basis that "Sazerac does not enjoy substantially exclusive use of the word 'fireball' for the goods registered or for unregistered uses." *Id.* at ¶ 14. Applicant misapplies the standard for abandonment by instead advancing arguments that assess a possible *weakening* of Sazerac's FIREBALL mark, but not abandonment.

"In the typical trademark litigation, the relevance of failure to prosecute others is not to 'abandonment,' but to 'strength.'" 3 McCarthy on Trademarks and Unfair Competition § 17:17 (4th ed.). The issue can "hardly ever [be] 'abandonment,' because that requires proof that the mark has lost *all* significance as an indication of origin," meaning that "the mark is *completely*

without signs of life.” *Id* (emphasis added). Even then, relying on failure to prosecute as an indicator of strength is “tenuous” because it really serves “only as an explanation of how [the] market became so crowded with similar marks.” *Id*. Accordingly, “[t]here is . . . a line to be drawn between the insufficient defense that [an] opposer may not prevail because it has failed to object to applications for registration of, or the use of, third party marks which are allegedly confusingly similar to the marks in issue and the proper defense -- if established -- that numerous registrations and uses of marks containing a common element, by a number of different entities, tend to show that no single business owns an exclusive right therein.” *Angelica Corp. v. Collins & Aikman Corp.*, 192 U.S.P.Q. (BNA) ¶ 387 (TTAB 1976). Applicant’s argument discerns no such line because it fails to plead facts that support the conclusion that consumers are unable to draw a connection between the FIREBALL mark and Sazerac.

“[T]o establish abandonment it is imperative that the Defendants show both an intent to abandon as well as the loss of all indication as to the source of the mark's origin.” *Bd. of Governors of U. of N. Carolina v. Helpingstine*, 714 F. Supp. 167, 171 (M.D.N.C. 1989); . In *Helpingstine*, for example, the court found that the University of North Carolina, Chapel Hill had not abandoned trademark rights in its initials, UNC-CH, even where it had, for a period, licensed the mark in an uncontrolled fashion and failed to police infringers. *Id*. Noting that “the University had never discontinued its use of the marks” and that “continuous use indicates *a lack of intent to abandon*,” *id* (emphasis added), the *Helpingstine* court concluded that abandonment could not have occurred because “it is clear that [the University’s] marks would still be regarded by the public as having originated with the University.” *Id*. Barring Applicant’s failure to plead facts in support of a conclusion that Sazerac has intended to abandon trademark rights in FIREBALL, Applicant misconstrues both the implications of third party use and misstates the

amount of such use necessary to constitute an abandonment of rights, instead of the possibility of mere weakening.

Instead of implicating abandonment, “[t]he proper inquiry is whether the unauthorized third-party uses significantly diminish the public's perception that the mark identifies items connected with the owner of the mark.” *U. of Georgia Athletic Ass'n v. Laite*, 756 F.2d 1535, 1546 (11th Cir. 1985). Although Applicant conclusorily states that FIREBALL has “lost all trademark significance,” Dkt. No. 4 at ¶ 16, Applicant pleads no facts to plausibly support a conclusion that no consumers could possibly associate FIREBALL with its alcoholic beverage products. If anything, Applicant’s counterclaim for abandonment merely re-states its deficient first counterclaim for genericness – but it does not adequately plead facts to support that Sazerac has abandoned its mark through a failure to police. Accordingly, Applicant’s counterclaim for abandonment should be dismissed.

V. CONCLUSION

For the reasons set forth above and in Sazerac’s Motion to Dismiss, Applicant has failed to meet the legal standard in support of its asserted counterclaims for genericness and abandonment. Accordingly, both should be dismissed.

COOLEY LLP

Date: March 10, 2016

By: /s/ Thomas M. Hadid

Peter J. Willsey, Esq.

Vincent J. Badolato, Esq.

Thomas M. Hadid, Esq.

1299 Pennsylvania Ave., NW

Suite 700

Washington, DC 20004

(650) 843-5000

Attorneys for Opposer,

Sazerac Brands, LLC

CERTIFICATE OF SERVICE

I hereby certify that on March 10, 2016, I mailed the foregoing REPLY TO OPPOSITION TO MOTION TO DISMISS COUNTERCLAIMS regarding *Sazerac Brands, LLC. v. McCormick Distilling Co., Inc.* to correspondent for Applicant by depositing a true and correct copy of the same with the United States Postal Service, first class mail, postage prepaid, in an envelope addressed to:

Mr. Michael Elbein
Hovey Williams LLP
10801 Mastin Street, Suite 1000
Overland Park, Kansas 66210-1697
United States

Date: March 10, 2016

By: /s/ Thomas M. Hadid
Thomas M. Hadid

128489042