

**THIS DISPOSITION
IS NOT AS PRECEDENT
OF THE T.T.A.B.**

**UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451**

Lykos

Mailed: September 10, 2008

Cancellation No. 92048154

Sierra Sunrise Vineyards

v.

MontelvinI S.P.A.

Before Hohein, Zervas and Bergsman, Administrative Trademark Judges.

By the Board:

On September 20, 2007, petitioner filed a petition to cancel respondent's registration for the mark displayed below

MONTELVINI
VENEGAZZÙ

for "wines, spirits and liqueurs" in International Class

33.¹ Petitioner seeks to cancel respondent's registration on the ground that respondent was not using its mark on all the goods listed in its registration at the time it filed its combined Section 8 and 15 affidavit on September 8, 2005, and therefore fraudulently deceived the USPTO into maintaining its registration. In the petition to cancel, petitioner alleges ownership of the registered mark MONTEVINA for "wine" in International Class 33, and that it has been selling wine in the United States under the mark beginning in 1974.² Respondent, in its amended answer, denied the salient allegations therein, and asserted various affirmative defenses.

This case now comes before the Board for consideration of (1) respondent's combined motion for summary judgment³ on petitioner's claim of fraud and motion to amend the

¹ Registration No. 2293853, issued on November 23, 1999; combined Section 8 and 15 affidavit acknowledged and accepted on November 3, 2005. The underlying application was originally filed under Section 44(d) of the Trademark Act based on Community Trademark Application No. 237,073 (filed April 19, 1996 in Italy) and was subsequently amended to Section 44(e) based on Foreign Registration No. 237,073.

² Registration No. 1853780, issued on September 13, 1994, alleging July 1, 1974 as the date of first use of the mark anywhere and December 1, 1974 as the date of first use of the mark in commerce.

³ Although respondent captioned its motion as a motion to dismiss, insofar as respondent has submitted matters outside of the pleadings and petitioner has construed respondent's motion as one for summary judgment, the Board is treating the motion as one for summary judgment as well. See TBMP § 504.03 (2d ed. rev. 2004).

identification of goods in its registration, and (2) petitioner's cross-motion for summary judgment. The motions are fully briefed.

For the reasons set forth below, petitioner's cross-motion for summary judgment is granted, and respondent's combined motion to amend its registration and for summary judgment is denied.⁴

Respondent has moved for summary judgment, arguing that the statements made in connection with its combined Section 8 and 15 affidavit were not false, and that it lacked the requisite intent to commit fraud. Petitioner, relying on *Medinol Ltd. v. Neuro Vasx Inc.*, 67 USPQ2d 1205 (TTAB 2003) ("*Medinol*"), has cross moved for summary judgment on its claim of fraud, contending that respondent knew or should have known that it was not using its mark on "spirits and liqueurs" at the time it filed its combined Section 8 and 15 affidavit on September 8, 2005.

⁴To the extent respondent has moved to dismiss this proceeding on the grounds that petitioner lacked the requisite standing to bring this case, respondent's motion is denied. A party may properly plead its standing to petition to cancel a registration by alleging that it has a "real interest" in the case, that is, a personal interest in the outcome of the proceeding sufficient to constitute a "reasonable basis for its belief in damage." See *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999). Petitioner, in its complaint, has pleaded ownership of a federal registration for a similar mark for use on identical goods (wine). We find this pleading suffices to allege standing to bring this case. See *Liberty Trouser Co. v. Liberty & Co.*, 222 USPQ 357 (TTAB 1983).

Summary judgment is an appropriate method of disposing of cases in which there are no genuine issues of material fact in dispute, thus leaving the case to be resolved as a matter of law. See Fed. R. Civ. P. 56(c). A party moving for summary judgment has the burden of demonstrating the absence of any genuine issue of material fact, and that it is entitled to summary judgment as a matter of law. See *Celotex Corp. v. Catrett*, 477 U.S. 317, 106 S.Ct. 2548 (1986). The nonmoving party must be given the benefit of all reasonable doubt as to whether genuine issues of material fact exist, and the evidentiary record on summary judgment, and all inferences to be drawn from the undisputed facts, must be viewed in the light most favorable to the nonmoving party. See *Opryland USA, Inc. v. Great American Music Show, Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992).

Fraud in procuring or maintaining a trademark registration occurs when an applicant for registration or a registrant in a declaration of use or renewal application knowingly makes false, material representations of fact in connection with an application to register or post registration document. See *Torres v. Cantine Torresella S.r.l.*, 808 F.2d 46, 1 USPQ2d 1483 (Fed. Cir. 1986); *Standard Knitting, Ltd. v. Toyota Jidosha Kabushiki Kaisha*, 77 USPQ2d 1917 (TTAB 2006); *Medinol*, 67 USPQ2d at 1208. A

party making a fraud claim is under a heavy burden because fraud must be proved by clear and convincing evidence, leaving nothing to speculation, conjecture, or surmise. Any doubt must be resolved against the party making the claim. *Smith International, Inc. v. Olin Corp.*, 209 USPQ 1033 (TTAB 1981).

Based on the submissions of the parties, we find that petitioner has met its burden of demonstrating that there are no genuine issues of material fact that respondent was not using its mark on "liqueurs" at the time it filed its combined Section 8 and 15 affidavit on September 8, 2005, and that petitioner is entitled to judgment as a matter of law on its fraud claim.⁵ We further find that respondent

⁵ Our finding of fraud is specifically limited to false statements of use with regard to "liqueurs" and not "spirits." We find that a genuine issue of material fact exists with regard to whether respondent's allegation of use of its mark in connection with "spirits" in its combined Section 8 and 15 affidavit was indeed false. See Paragraph 13, Declaration of Mr. Armando Serena, President of respondent, ("Serena Declaration") ("[respondent] has made minimal sales of grappa in the United States from 1999 through the date of this declaration").

It is undisputed by the parties that "limoncello" is the only "liqueur" at issue in this case. "Limoncello" is defined as "[a]n Italian *liqueur* made by steeping lemon peels in alcohol and adding a sugar syrup." (emphasis added). See *Webster's New World Dictionary of Culinary Arts* (2nd ed. 2001). By contrast, "grappa" does not fall within the category of a "liqueur" but rather a "spirit." See *Random House Webster's Unabridged Dictionary* (2nd ed. 2001) wherein "grappa" is defined as "an unaged brandy, originally from Italy, distilled from the pomace of a wine press," and "brandy" is defined as "a *spirit* distilled from wine or from the fermented juice of grapes or of apples, peaches, plums etc." (emphasis added). See, e.g., *Marcac Paper Mills, Inc. v. American Can Co.*, 212 USPQ 852, 860 n.7 (TTAB 1981) (the Board may take judicial notice of dictionary definitions).

has failed to raise a genuine issue of material fact as to the veracity of the statements it made in its combined Section 8 and 15 affidavit, as well as its intent to deceive the USPTO.

A. Materiality

It is well established that statements regarding the use of a mark on the identified goods and/or services are material to the issuance or maintenance of a registration. *First International Services Corp. v. Chuckles Inc.*, 5 USPQ2d 1628 (TTAB 1988) ("We find that applicant committed fraud in its statement regarding the use of the mark on goods for which it only intended to use the mark. There is no question that this statement was material to the approval of the application by the Examining Attorney"); see also *Standard Knitting, Ltd. v. Toyota Jidosha Kabushiki Kaisha*, 77 USPQ2d 1917 (TTAB 2006) (applicant's counterclaim petition to cancel granted because of fraud by opposer in procuring its pleaded registrations, specifically, fraud found because of misrepresentations regarding extent of use of the marks on the goods identified in the applications which resulted in issuance of opposer's pleaded registrations); *Medinol*, 67 USPQ2d at 1208 ("There is no question that the statement of use would not have been accepted nor would registration have issued but for respondent's misrepresentation, since the USPTO will not

issue a registration covering goods upon which the mark has not been used").

It is undisputed that a material misrepresentation of fact with regard to use of respondent's registered mark on particular goods was made and sworn to by respondent, and that statement was relied upon by the USPTO in determining respondent's rights to maintain its Section 44(e) registration. Specifically, respondent's combined Section 8 and 15 affidavit clearly states that its MONTELVINI VENEGAZZU mark was in use in commerce on all the goods listed in the registration, including "liqueurs." Respondent's registration for "liqueurs" would not have been maintained but for respondent's statement in its Section 8 and 15 affidavit regarding use of its mark on all of the goods identified in its registration. As such, the allegations made in respondent's combined affidavit regarding use of its mark in connection with "liqueurs" were material.

B. False Statements

Next, we note that there is no genuine issue of material fact that the allegations made in the combined Section 8 and 15 affidavit with regard to "liqueurs" were indeed false. Respondent has admitted that it has never sold or shipped liqueurs under its registered mark in the

United States.⁶ See Petitioner's Requests for Admission, Admission No. 2. According to the declaration of Mr. Armando Serena, President of respondent, ("Serena Declaration") Paragraph No. 13:

Despite past and present efforts, Montelvini has not consummated any sales of limoncello in the United States.

Thus, it is undisputed that the statement in respondent's Section 8 and 15 affidavit made on September 5, 2005 that the MONTELVINI VENEGAZZUE mark was in use in interstate commerce on all of the goods listed in the registration, including liqueurs, was false.

Respondent's advertising and marketing efforts of liqueurs does not create a genuine issue of material fact as to the veracity of respondent's allegation of use made in its combined Section 8 and 15 affidavit. Although respondent attempted to sell liqueurs in the United States as evidenced by its 2003, 2004, and 2006 advertising, it was unsuccessful. Such advertising (e.g. web sites and price lists) does not create a genuine issue of fact, because mere

⁶ Insofar as respondent's registration issued under Section 44(e), no actual use of the mark was required prior to the date of registration (November 23, 1999).

advertising does not constitute technical trademark use.⁷ Technical trademark use occurs when the mark is applied to goods that are sold in commerce. In this case, because no liqueurs were ever sold in the United States, technical trademark use could not take place. Respondent therefore has failed to sustain its burden of proof on summary judgment by showing that there is no genuine issue of material fact that the statements made by respondent in its combined Sections 8 and 15 affidavit in 2005 were truthful.

C. Intent

Finally, there is no genuine issue of material fact that respondent knew or should have known at the time it filed its Section 8 and 15 affidavit that its allegations of use were false. As *Medinol* makes clear, "proof of specific intent is not required, rather, fraud occurs when an applicant or registrant makes a false material representation that the applicant or registrant knew or should have known was false." *Medinol*, 67 USPQ2d at 1209 (quoting *General Car and Truck Leasing Systems, Inc. v. General Rent-A-Car Inc.*, 17 USPQ2d 1398, 1400-01, (S.D. Fla. 1990), *aff'g General Rent-A-Car Inc. v. General*

⁷ We also find that in this particular case, such advertising also fails to rise to the level of analogous trademark use. See *T.A.B. Systems v. PacTel Teletrac*, 77 F.3d 1372, 37 USPQ2d 1879 (Fed. Cir. 1996), *vacating PacTel Teletrac v. T.A.B. Systems*, 32 USPQ2d 1668 (TTAB 1994).

Leaseways, Inc., Canc. No. 14,870 (TTAB May 2, 1998). 17 USPQ2d at 1400-1401). "The appropriate inquiry is ... not into respondent's subjective intent, but rather objective manifestations of that intent." *Id.*

Respondent attempts to raise a genuine issue of material fact as to its intent by blaming its false statement on a misunderstanding between itself and its U.S. and Italian trademark counsel. Prior to the filing of the affidavit, respondent's U.S. counsel wrote the following letter to respondent's Italian counsel to advise of the need to file a combined affidavit of use and incontestability in order to maintain the registration. The relevant text of the letter is as follows:

At your earliest convenience, please advise us as to the following:

1. Whether the above-referenced mark is still in use in the U.S. in connection with the goods listed in the Certificate of Registration.
2. Whether the mark has been in continuous use in the U.S. for the five years since registration.
3. If the mark is still in use, whether your client would like us to prepare the combined Declaration of Use and Incontestability Under Section 8 & 15 to avoid cancellation of the registration.

If you would like us to proceed, please forward two specimens of the mark as currently used in the U.S. in connection with the goods. Product labels, packaging, or a photograph in which the mark is clearly

displayed on the goods or packaging would probably be acceptable.

Respondent has argued at page 13 of its motion for summary judgment that "[w]hile the correspondence between the American counsel, Mr. DeBarba and Montelvini does not demonstrate any specific errors or miscommunications, there was a failure on the part of the Italians to appreciate the USPTO's requirement to demonstrate specific actual use of the mark on each of the various goods contained within the larger class."⁸ Respondent further maintains that had its legal counsel done so, it would have responded that respondent "had not made any successful sales of limoncello and only minimal sales of grappa, which might have led to further discussions between" respondent's U.S. and Italian legal counsel. Serena Declaration, Paragraph No. 16.

We are not persuaded by respondent's arguments. Respondent had an obligation to work with its legal counsel to ensure that no false statements were made before the USPTO. See *Hachette Filipacchi Presse v. Elle Belle, LLC* 85 USPQ2d 1090, 1094 (TTAB 2007) ("*Hachette*") (Board, in finding fraud, stated "[i]nasmuch as counsel represented respondent during the application process, respondent and

⁸ Trademark Rule 2.161(g) provides that the Section 8 declarant or affiant must "[i]nclude a specimen showing current use of the mark for each class of goods or services, unless excusable nonuse is claimed under § 2.161(f)(2)."

its attorney shared the duty to ensure the accuracy of the application and the truth of its statements."). Clearly, respondent should have known that its allegation of use of its registered mark in connection with "liqueurs" in U.S interstate commerce was false.

Respondent suggests that language and cultural differences in the U.S. and European viewpoint of wine in relation to other alcoholic beverages contributed to the submission of a false statement, thereby raising a genuine issue of material fact as to respondent's intent. We are not persuaded. In *Hchette*, the Board found that distinctions in language and culture did not negate a finding of fraud. As with the Board's analysis in *Hchette*, "respondent's president's misunderstanding in the case before us does not now shield respondent from our finding that it knew or should have known that a representation of fact in its application was false. [Respondent's president] was obligated to confirm the meaning and accuracy of the statements contained in the application before signing the declaration and prior to submission to the USPTO." *Id.* at 1094.

Moreover, respondent's U.S. counsel inquired whether respondent was still using the mark "in connection with the goods listed in the Certificate of Registration." Counsel did not limit its inquiry to any of the goods listed in the

registration. Assuming, as respondent does, that the inquiry by U.S. counsel is ambiguous, that ambiguity is even more reason for respondent to have made an inquiry.

Similarly, respondent's contention that it was confused by legal differences in U.S. and European trademark practices is equally of no avail. Respondent, in signing its combined declaration and attesting to the truthfulness thereof, is under an obligation to investigate and thoroughly understand the applicable laws in the jurisdiction in which it is operating. As explained by the Board in *Hurley International LLC v. Volta*, 82 USPQ2d 1339, 1345 (TTAB 2007):

Although applicants held an "honest belief" that their use of a similar mark in commerce in Australia warranted their filing their application under Section 1(a) in the U.S., they were under an obligation to investigate thoroughly the validity of such a belief before signing their application under certain penalties. Moreover, applicants' asserted misunderstanding regarding the meaning of "use in commerce" was not reasonable. At the time they filed their application, they knew they were seeking a registration for their mark in the United States. It was unreasonable for them to believe, however "honest" such a belief, that the term "use in commerce" on a trademark application in the United States meant anything other than use of the mark in commerce in or with the United States, or even that use in commerce in Australia was the legal equivalent of use in commerce in the United States.

Based on these undisputed facts, we find that respondent has failed to raise a genuine issue of material fact as to the intent element for fraud.

D. Respondent's Motion to Amend

Respondent, in an effort to defeat petitioner's fraud claim, has moved to amend its registration to delete "spirits and liqueurs" from the identification of goods. Previously in *Medinol*, the Board was confronted with this identical tactic and ruled that it was expressly prohibited:

[D]eletion of the goods upon which the mark has not yet been used does not remedy an alleged fraud upon the Office. If fraud can be shown in the procurement of a registration, the entire resulting registration is void. Allowing respondent's amendment would be beside the point; even if "stents" were deleted from the registration, the question remains whether or not respondent committed fraud upon the Office in the procurement of its registration.

Medinol, 67 USPQ2d at 1208; see also *Hachette*, 85 USPQ2d at 1094-95 (amendment would not serve to cure fraud; motion to amend denied). As such, respondent's motion to amend is denied.

In view of the foregoing, judgment is hereby entered against respondent, the petition to cancel is granted and the involved registration will be cancelled in due course.