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

Proceeding	92048732
Party	Defendant Ronald Beckenfeld
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Submission	Motion for Summary Judgment
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
TRADEMARK TRIAL AND APPEAL BOARD

ALTVATER GESSLER – J.A. BACZEWSKI INTERNATIONAL (USA) INC. and ALTVATER GESSLER – J.A. BACZEWSKI GMBH,	:	**Cancellation 92048732**
Petitioners,	:	**Registration No.: 2,731,948**
v.	:	
RONALD BECKENFELD,	:	
Respondent	:	**Attorney Docket No. B1001-9001**

RESPONDENT'S MOTION FOR SUMMARY JUDGMENT AND MEMORANDUM IN SUPPORT

Respondent Ronald Beckenfeld ("Beckenfeld") moves for summary judgment against Petitioners Altvater Gessler – J.A. Baczewski International (USA) Inc. and Altvater Gessler – J.A. Baczewski GMBH ("Petitioners") and dismissing the instant cancellation proceeding.

This motion is supported by the following Memorandum in Support:

I. STATEMENT OF THE ISSUE

The issue presented is whether Petitioners' petition to cancel Beckenfeld's registration of the trademark "MONOPOLOWA" (the "Mark") should be dismissed as a matter of law based on the contractual agreement between the parties which transferred ownership of the Mark from Petitioners to Respondent's predecessor in interest and title.

II. PROCEDURAL BACKGROUND

On July 1, 2003, Respondent's predecessor in interest, Mutual Wholesale Liquor Inc. ("Mutual"), obtained a registration on the Principal Register for the mark MONOPOLOW, Registration No. 2,731,948 for "vodka" (the "Registration"). On October 4, 2007, Mutual assigned

the Registration to Petitioner, which assignment was recorded in the U.S. Patent and Trademark Office on December 27, 2007.

On January 14, 2008, Petitioners filed a Petition for Cancellation of the Registration. The Petition is based on the grounds that Petitioners claims it produces and has sold MONOPOLOWA vodka in the United States since the late 1960s, and that Mutual is a mere importer of the MONOPOLOWA vodka and therefore was not entitled to obtain the Registration now owned by Respondent.

Registrant filed its Answer to the Petition on March 27, 2008, and the parties have conducted extensive discovery in this proceeding.

III. MATERIAL FACTS NOT SUBJECT TO DISPUTE

On September 16, 2002, Mutual filed an application for registration of the mark "MONOPOLOWA" for vodka (the "Application"), which application matured to registration on July 1, 2003. Declaration of Michael L. Lovitz, attached hereto, at ¶ 4(a).

Mutual was incorporated in 1962 (see, May 8, 2008 deposition of Mickey Beckenfeld (the "M. Beckenfeld Dep."), excerpts of which are attached to Lovitz Dec. as Exhibit C, at 9:4-6), and is an importer, marketer and distributor of alcoholic beverages (see, November 18, 2011 deposition of John Wilson (the "Wilson Dep.") excerpts of which are attached to Lovitz Dec. as Exhibit D, at 10:14-16). Mutual does business under the name International Import Export. Wilson Dep. at 10:17-21.

At some time after its incorporation, Mutual was approached by Altavter Gessler / J.A. Baczewski ("AGJAB") to carry the MONOPOLOWA line of products. M. Beckenfeld Dep. at 21:17-22:2. In or around November, 1972, Mutual began selling and/or distributing the MONOPOLOWA products in the United States. Wilson Dep. at 110:7-20. With the hope of increasing the sales and exposure of the MONOPOLOWA vodka product in the U.S., on August

27, 1992, Mickey Beckenfeld, president of Mutual, had a conversation with Elek Gessler, president of AGJAB[1], about the steps that Mutual would take in an effort to increase sales of the MONPOLOWA vodka products in the United States, including hiring a national sales manager, working with state controlled stores, and discounts. M. Beckenfeld Dep. at 26:5-15. Mutual also needed to address issues concerning the flow of products, which were hampered by financial issues between AGJAB and the vodka producer/bottler. Wilson Dep. at 114:18-115:22; 121:10-22. Thus, the parties agreed that, in exchange for Mutual's increased sales and marketing efforts, and Mutual's assistance in addressing the financial issues between AGJAB and the vodka producer/bottler, AGJAB would transfer the MONOPOLOWA vodka brand to Mutual and that Mutual would place a large order and continue to build the sales. M. Beckenfeld Dep. at 26:15-22.

The oral agreement between Mutual and AGJAB was then memorialized in a letter agreement dated August 27, 1992 and signed by both Mickey Beckenfeld and Elek Gessler (the "Letter Agreement"). Lovitz Dec. at ¶ 4(b). The Letter Agreement confirmed and outlined the arrangement reached between the parties, including that AGJAB would immediately fax its letter declaring the transfer of brand ownership of MONOPOLOWA to Mutual. Exhibit A to Lovitz Dec. at p.16 (ALT00462). The Letter Agreement also required Mutual to split payments between AGJAB and the product bottler, the bottler payments supported by a letter of credit. Id. Mutual understood that this payment arrangement would allow AGJAB to address its financial issues with the vodka producer/bottler, and allow the producer/bottler to respond more quickly to future orders. Wilson Dep. at 114:18-115:22.

In addition to the Letter Agreement, Elek Gessler signed a transfer agreement, also dated August 27, 1992, confirming the agreement to transfer ownership of the vodka MONOPOLOWA

[1] Respondent notes that both Mickey Beckenfeld and Elek Gessler have since passed away.

brand and label to Mutual for $1.00. Exhibit A to Lovitz Dec. at p.17 (ALT00464). AGJAB also signed a Power of Attorney, dated August 27, 1992, which contained the following statement:

> It is also confirmed herewith that, by a separate agreement, brand ownership of MONOPOLOWA VODKA (Distilled from Potatoes) in the U.S.A. has already been transferred to MUTUAL WHOLESALE LIQUOR, INC. Dba INTERNATIONAL IMPORT EXPORT.

Exhibit B to Lovitz Dec. at p.1-4 (M 07297-7300). Mutual was the exclusive importer and distributor of MONOPOLOWA products in the United States. Exhibit A to Lovitz Dec. at p.21 (ALT00542).

The existence and validity of the transfer agreement pertaining to the MONOPOLOWA brand and trademark was confirmed by Rasiel Gessler, Esq., the current president of AGJAB, in a letter dated September 18, 1996 (the "1996 Letter). Exhibit A to Lovitz Dec. at p.18-19 (ALT00466-7). The 1996 Letter was placed on letterhead from Rasiel Gessler, Law Offices, indicated the author is a "Member Israel and California, U.S. Bars". The 1996 Letter refers to and requests changes to "the August 27, 1992 letter Agreement between Mutual Wholesale Liquor Inc. ('Mutual') and Altvater Gessler/J.A. Baczewski ('Altvater')." Specifically, Mr. Gessler raised a concern that the 1992 letter Agreement contained "no provision with regards to the reversion of ownership of the brand" in the event Mutual ceases to distribute or promote the MONOPOLOWA vodka product. Id. Mickey Beckenfeld never signed the 1996 Letter, and Mutual never agreed to the terms contained therein regarding the ownership of the brand.

IV. ARGUMENT

A. SUMMARY JUDGMENT IS APPROPRIATE IN THIS PROCEEDING

Rule 56 of the Federal Rules of Civil Procedure, which relates to summary judgments, also applies to proceedings before the Board. Trademark Rules of Practice, 37 C.F.R. §2.116(a). The purpose of summary judgment is judicial economy; that is, to save the time and expense of a useless trial where no genuine issues of material fact remain and more evidence than is already available in

connection with the motion for summary judgment could not reasonably be expected to change the result. See, e.g., *Pure Gold, Inc. v. Syntex (U.S.A.), Inc.*, 739 F.2d 624 (Fed. Cir. 1984). The summary judgment procedure is regarded as a salutary method of disposition, and the Trademark Trial and Appeal Board (the "Board") disposes of cases through summary judgment without hesitation when appropriate. See, e.g., *Sweats Fashions. Inc. v. Pannill Knitting Co.*, 833 F.2d 1560 (Fed. Cir. 1987) (citations omitted).

A motion for summary judgment is appropriate when there is no genuine issue as to any material fact. *Pure Gold v. Syntex*, 739 F.2d at 625 (Fed. Cir. 1984), Fed.R.Civ.P. 56.

Respondent submits that Petitioners' Petition for Cancellation fails to state a ground on which Marvel may prevail because Petitioners previously entered into a written agreement with Mutual (Respondent's predecessor in interest) transferring the "MONOPOLOWA" brand and name to Mutual. Because Petitioners have transferred all U.S. rights in the "MONOPOLOWA" trademark, Mutual rightly obtained the Registration, the rights in which have been assigned to Respondent. As a result, Petitioners lack standing to bring the instant cancellation proceeding, and such proceeding should be dismissed.

B. STANDARD FOR CONSIDERATION OF SUMMARY JUDGMENT MOTIONS

A motion for summary judgment shall be granted "if the pleadings... and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law." Fed.R.Civ.P.56(c).

Respondent submits that the lack of any material factual dispute mandates grant of summary judgment dismissing the cancellation.

The Federal Circuit encourages motions for summary judgment. See, e.g., *Pure Gold. Inc. v. Syntex (U.S.A.), Inc.*, 739 F.2d 624, 627, n.2 (Fed. Cir. 1984). The Board similarly has found that "the resolution of *inter partes* proceedings by means of summary judgment is to be encouraged." *Phoenix*

Closures, Inc. v. Yen Shaing Corp. Ltd., 9 U.S.P.Q.2d 1981, 1982 (T.T.A.B. 1988) (citing Pure Gold, 739 F.2d at 627).

C. THE MATERIAL FACTS NOT SUBJECT TO DISPUTE ESTABLISH THAT PETITIONERS CANNOT PREVAIL AS A MATTER OF LAW IN THEIR PETITION TO CANCEL RESPONDENT'S REGISTRATION OF THE TRADEMARK "MONOPOLOWA"

1. Contractual Provisions Control on Question of Trademark Ownership as Between Foreign Manufacturer and Exclusive U.S. Distributor

In the case of a dispute regarding the ownership of a trademark between a foreign manufacturer and an exclusive distributor of that product, the courts presume that contractual provisions as to trademark ownership are determinative. "It is well-settled that the question of ownership of a trademark as between the manufacturer of a product to which the mark is applied and the exclusive distributor of that product is a matter of agreement between them." *Hank Thorp, Inc. v. Minilite, Inc.*, 474 F. Supp. 228, 236, 205 U.S.P.Q. 598 (D. Del. 1979); see also, *Energy Jet, Inc. v. Forex Corp.*, 589 F. Supp. 1110, 223 U.S.P.Q. 643 (E.D. Mich. 1984), *Far-Best Corporation v. Die Casting "Id" Corporation*, 165 U.S.P.Q. 277, 1970 ("[t] is well settled that the question of ownership of a mark as between the manufacturer of a product to which a mark is applied and the exclusive distributor of the product is a matter of agreement between them, ..."); Premier Dental Products Co. v. Darby Dental Supply Co., Inc., 794 F.2d 850, 854, 230 U.S.P.Q. 233 (3d Cir. 1986) ("The ownership of a trademark as between a manufacturer and an exclusive distributor is largely determined by the parties' agreement.").

Thus, where there exists a contractual relationship between the parties, it would take considerable weight of evidence of contrary customer perception to overcome the parties' legitimate contractual expectations. *TMT N. Am., Inc. v. Magic Touch GmbH*, 124 F.3d 876, 43 U.S.P.Q.2D 1912 (7th Cir. 1997).

Therefore, in such a dispute between parties, the courts must first ask whether any agreement between the parties exists which defines trademark ownership. *Sengoku Works Ltd. v. RMC Int'l, Inc.*, 96 F.3d 1217, 40 U.S.P.Q.2d 1149 (9th Cir. 1996) ("When disputes arise between a manufacturer and distributor, courts will look first to any agreement between the parties regarding trademark rights."); *Watec Co., Ltd. v. Liu*, 403 F.3d 645, 74 U.S.P.Q.2d 1128 (9th Cir. 2005) ("[C]ourts typically look first to any agreement between the parties regarding trademark rights.").

2. AGJIB Transferred the MONOPOLOWA Brand to Mutual in 1992

As set forth above, the facts not subject to dispute clearly establish that an agreement does exist between the parties specifically addressing the ownership of the MONOPOLOWA trademark, namely that in the United States ownership of such Mark properly rests with Respondent.

Specifically, AGJIB transferred the MONOPOLOWA brand and trademark to Mutual on August 27, 1992, as evidenced by the three separate documents signed by Elek Gessler as president of AGJIB, namely (a) the August 27, 1992 letter agreement (ALT 00462), (b) the confirmation of transfer of brand (ALT 00464), (c) the August 27, 1992 Power of Attorney confirming brand ownership has been transferred to Mutual.

Under the relevant case law, the Board should look first to this understanding between the parties, as established in the agreements between them. Given the clear understanding set forth in the afore-mentioned documents, there is no doubt that AGJIB intended, and did, transfer to Mutual all rights in the United States in the MONOPOLOWA brand for its vodka products. Under such circumstances, AGJIB can have no claim to rights in the mark MONOPOLOWA in the United States as applied to vodka. Absent such a claim of rights, AGJIB lacks the standing necessary to seek to cancel the Registration.

Further, the validity of this transfer agreement was confirmed by Rasiel Gessler, the current president of AGJIB and an attorney admitted to practice in the United States, in the 1996 Letter. In

the 1996 Letter, Mr. Gessler specifically identifies the "August 27, 1992 letter Agreement" and requests that certain changes be made to such Agreement.

This admission by AGJIB that the parties did in fact enter into an Agreement concerning the ownership of the MONOPOLOWA brand supports Respondent's position that the Registration was lawfully obtained and that Petitioners lack the standing to contest it.

Respondent has submitted clear and concise evidence in support of the existence of a written agreement between the parties assigning rights from AGJIB to Respondent's predecessor in interest and title. Further, there has been no abandonment of those rights since the assignment in 1992, and so no legal grounds exist on which Petitioners may claim that the Registration should be cancelled. *TMT North America*, 124 F.3d 876 [fn 4] ("With [the U.S. exclusive distributor's] initial ownership of the marks established by the agreement, [the U.S. distributor] could lose its rights by assignment or by abandonment, but not by some nebulous balancing test.").

V. CONCLUSION

Petitioner's predecessor in title and interest obtained all rights in the MONOPOLOWA trademark in the United States from Petitioners in August 1992. There has been no cessation in use of the Mark since it was acquired in 1992, thus leaving Petitioners without any basis on which they may prevail in the instant proceeding.

Under the facts not subject to dispute, and the supporting evidence provided therewith, Petitioners cannot support a claim that Mutual was a "mere importer", that Mutual required Petitioners' permission to file for the Registration, or that Respondent is not entitled to own the Registration. As Petitioners relinquished all rights in the United States pursuant to the 1992 agreement of transfer, Petitioners have no standing to seek to cancel the Registration.

Under the material facts not subject to dispute, Respondent is therefore entitled to maintain its registration of the "MONOPOLOWA" trademark.

In light of the foregoing, Respondent respectfully requests that the instant Cancellation proceeding be dismissed.

Respectfully submitted,

Dated: March 18, 2013

By: _____

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