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Filing date: **10/24/2013**

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

Proceeding	92048732
Party	Plaintiff Altvater Gessler - J.A. Baczewski International (USA) Inc. and Altvater Gessler - J.A. Baczewski GmbH
Correspondence Address	PETER S SLOANE LEASON ELLIS LLP ONE BARKER AVE, FIFTH FL WHITE PLAINS, NY 10601 UNITED STATES sloane@leasonellis.com, reuber@leasonellis.com, tmdocket@leasonellis.com
Submission	Motion to Amend Pleading/Amended Pleading
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Date	10/24/2013
Attachments	Motion for Leave to Amend Petition for Cancellation.PDF(625336 bytes )

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

In the Matter of Registration No. 2,731,948

-----X	:	
ALTVATER GESSLER – J.A. BACZEWSKI	:	
INTERNATIONAL (USA) INC. and ALTVATER	:	
GESSLER – J.A. BACZEWSKI LIKÖRERZEUGUNG	:	
GESELLSCHAFT M.B.H. d/b/a	:	
ALTVATER GESSLER – J.A. BACZEWSKI GMBH,	:	
	:	
Petitioners,	:	Cancellation No. 92048732
	:	
v.	:	
	:	
RONALD BECKENFELD,	:	
	:	
Registrant.	:	
-----X	:	

**PETITIONERS’ MOTION FOR LEAVE TO  
AMEND THE PETITION FOR CANCELLATION**

Petitioners Altvater Gessler – J.A. Baczewski International (USA) Inc. and Altvater Gessler – J.A. Baczewski Likörerzeugung Gesellschaft m.b.H. d/b/a Altvater Gessler – J.A. Baczewski GmbH (collectively, the “Petitioners”), by and through their undersigned counsel, hereby move this Honorable Board for an Order permitting them to amend their Petition for Cancellation to amplify and clarify the original claims and to include additional claims conforming with the discovery produced and obtained to date in the instant action, as well as the documents replied upon in summary judgment proceedings.<sup>1</sup>

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<sup>1</sup> Petitioners have also amended the caption of the case to conform their trade name with their full legal name.

Pursuant to 37 CFR § 2.115, a signed copy of Petitioners' proposed First Amended Petition for Cancellation is attached hereto as **Exhibit 1**, and a redlined copy showing the proposed changes from their original Petition for Cancellation is attached hereto as **Exhibit 2**.

**I. STATEMENT OF PERTINENT FACTS**

**a. Pertinent Timeline of the Instant Action**

This action commenced on January 14, 2008, when Petitioners filed a Petition for Cancellation against Respondent Ronald Beckenfeld ("Respondent") alleging that Respondent is not, and has never been, the owner of the mark MONOPOLOWA, or any of the goodwill associated with the mark, for the vodka identified in U.S. Registration No. 2,731,948.

Respondent denied the salient claims of the Petition for Cancellation and the parties engaged in discovery. Discovery has been exchanged and depositions have been taken. The parties have extended the discovery and trial dates on consent several times for various reasons, including settlement discussions and the need for additional time to complete discovery.

On March 18, 2013, well before the opening of the first trial testimony period then set for June 3, 2013, and on the deadline to respond to Petitioners' outstanding discovery requests, Respondent moved for summary judgment and to suspend proceedings. Petitioners opposed the motion to suspend on the ground that Respondent had not yet responded to outstanding discovery requests and filed the motion in an effort to delay further discovery. Nevertheless, by Order dated April 13, 2013, the Board granted the motion to suspend.

On May 31, 2013, Petitioners timely filed their summary judgment opposition papers, concurrent with a motion for leave to amend their Petition for Cancellation. In its Order denying

Respondent's motion for summary judgment, dated September 27, 2013, the Board noted that, because proceedings were suspended, it would not consider Petitioners' motion for leave to amend insofar as same was "not germane to [Respondent's] motion for summary judgment." However, the Board then held that "Petitioners are free to refile the motion [for leave to amend] at a later date."

Accordingly, Petitioners hereby re-file their Motion for Leave to Amend the Petition for Cancellation. The facts set forth below are fully contained in Respondent's summary judgment moving and reply papers, Petitioners' summary judgment opposition papers, and the various declarations submitted in support therewith.

**b. The Original Petition for Cancellation**

As alleged in the original Petition for Cancellation, Petitioners' history dates back several centuries to when their predecessors-in-interest started producing alcoholic beverages in Europe. In the 1950's, one of the patriarchs of Petitioners introduced MONOPOLOWA brand vodka to the United States. MONOPOLOWA is outstanding dry vodka produced in accordance with an old family recipe from special varieties of high quality potatoes.

In the 1980's, Petitioners started using a distributor called Mutual Wholesale Liquor, Inc. d/b/a International Import Export ("Mutual") to import MONOPOLOWA brand vodka into the U.S. At all relevant times, Mutual has operated as a mere importer of the goods. The labels for the vodka state "imported by International Import Export" in very small letters.

Unbeknownst to Petitioners, and without their authority, Mutual applied to register the mark MONOPOLOWA for vodka with the U.S. Patent and Trademark Office on or about

September 16, 2002. Also unbeknownst to Petitioners, and without their approval, Mutual assigned the registration which issued to Respondent on December 27, 2007. The original Petition for Cancellation alleges that Petitioners will be seriously damaged and injured by the continued registration of the mark MONOPOLOWA for vodka because they are the true owners of the mark for the designated goods.

**c. The Proposed First Amended Petition for Cancellation**

During discovery, the parties exchanged written discovery and took various depositions. As a result of such discovery, as well as issues raised by Respondent in his summary judgment papers, Petitioners seek to amend the original Petition for Cancellation to amplify and clarify the original claims, and include additional claims. Respondent can demonstrate no prejudice as he should have all relevant information in hand, especially to the extent that issues relating thereto were raised in his summary judgment papers.

For example, in his motion for summary judgment, Respondent stated that Petitioners transferred the mark at issue to Mutual by agreement in 1992. The proposed First Amended Petition for Cancellation clarifies that Mutual did not take possession of the mark due to various infirmities in the alleged agreement such as that the writing failed to identify the owner in interest, the transfer of goodwill, or sufficient consideration.

To take another example, discovery has revealed a license agreement from Respondent to Mutual. Testimony from Respondent and others in this proceeding demonstrates that the license back is nothing more than a sham without sufficient quality control to prevent abandonment from naked licensing. Accordingly, the proposed First Amended Petition for Cancellation includes a

claim that the registration should be cancelled due to naked licensing. However, this is nothing more than an amplification of the original claim that Respondent is not the real owner of the mark.

To take yet another example, Petitioners have recently learned that Respondent just filed a renewal application in the registration with an outdated specimen of use. On or about January 24, 2013, Respondent submitted a label design which has not been used in nine years and verified under penalty of perjury that it is a current specimen of use. Such reckless disregard for the truth and willful ignorance of the facts renders the registration void. *Torres v. Cantine Torresella S.r.l.*, 808 F.2d 46, 1 U.S.P.Q.2d 1483 (Fed. Cir. 1986). Accordingly, Petitioners have asserted a new claim that Respondent committed fraud in the renewal of the registration.

## II. LEGAL STANDARDS

Pursuant to § 2.107 of the Trademark Rules of Practice and TBMP § 507.02, pleadings in a proceeding before the Board may be amended in the manner provided under Fed.R.Civ.P. 15. Under Fed.R.Civ.P. 15(a)(2), “a party may amend its pleading only with the opposing party’s consent or the court’s leave [...] [and] [t]he court should freely give leave when justice so requires. *See Foman v. Davis*, 371 U.S. 178, 182, 83 S.Ct. 227, 230, 9 L.Ed. 222 (1962). Following the Board’s September 27, 2013 decision, Petitioners again sought Respondent’s consent to amend the pleadings and Respondent has again denied such consent. Nevertheless, for the reasons set forth, *infra*, justice so requires granting Petitioners leave to amend the Petition for Cancellation in order to provide them with a full and fair opportunity to pursue their claims at trial.

### III. ARGUMENT

The “Board liberally grants leave to amend pleadings at any stage of the proceeding when justice so requires, unless entering the proposed amendment would violate settled law or be prejudicial to the rights of the adverse party.” T.B.M.P. § 507.02 (emphasis added); *see also Commodore Electronics, Ltd. v. CBM Kabushiki Kaisha*, 26 U.S.P.Q. 1503 (T.T.A.B. 1993). For the reasons set forth, *infra*, “justice so requires” that Petitioners’ motion for leave to amend their Petition for Cancellation be granted at this stage in the instant proceeding because (i) Petitioners’ motion is timely and (ii) granting Petitioners’ motion will not result in any prejudice to the Respondent.

#### **A. Petitioners’ Motion for Leave to Amend Their Petition for Cancellation at This Stage in the Proceeding is Timely**

A motion for leave to amend is timely if it is filed before the first testimony period in the proceeding commences. *See Caron Corp. v. Helena Rubenstein*, 193 U.S.P.Q. 113, 114 (T.T.A.B. 1976); *see also Anheuser-Busch, Inc. v. Martinez*, 185 USPQ 434, 435 (T.T.A.B. 1975). Here, pursuant to the Board’s Order of September 27, 2013, Petitioners’ first testimony period does not begin until December 22, 2013. Accordingly, Petitioners’ motion for leave to amend their Petition for Cancellation at this stage in the proceeding is timely insofar as it is filed well in advance of the opening of their first testimony period.

**B. Petitioners' Motion for Leave to Amend Their Petition for Cancellation Should be Granted Because Respondent Does Not Require Additional Discovery on the Claims Therein**

The Board “liberally grants leave to amend pleadings at any stage of a proceeding [...] [t]his is so even when a [party] seeks to amend its [pleading] to plead a claim other than those stated in the original [pleading].” T.B.M.P. § 507.02. Moreover, T.B.M.P. § 507.02 further provides that additional discovery “may not be necessary when the proposed additional claim or allegations concern a subject on which the non-moving party can be expected to have relevant information in hand”). *Id.*; *see also Hurley Int'l, LLC v. Volta*, 82 USPQ 1339, 1341 (T.T.A.B. 2007).

Here, Respondent requires no additional discovery on the additional facts or claims contained in Petitioners' proposed First Amended Petition for Cancellation. Indeed, all of the salient allegations therein concern the activities of Respondent and his purported predecessor-in-interest, Mutual. Thus, Respondent (the non-moving party) “can be expected to have relevant information in hand” concerning the allegations in Petitioners' proposed First Amended Petition for Cancellation.

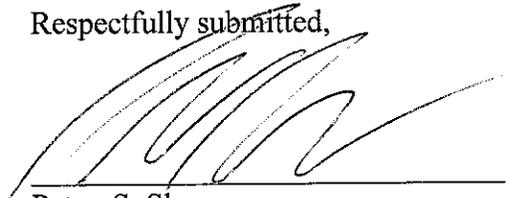
Accordingly, Petitioners' motion for leave to amend their Petition for Cancellation should be granted because Respondent will suffer no prejudice as he does not require additional discovery on the new facts or claims set forth therein.

IV. CONCLUSION

Based on the foregoing, Petitioners respectfully request that the Board grant their motion for leave to amend their Petition for Cancellation and enter the signed copy of the First Amended Petition for Cancellation attached hereto as **Exhibit 1**.

Dated: October 24, 2013  
White Plains, New York

Respectfully submitted,



Peter. S. Sloane  
Cameron S. Reuber

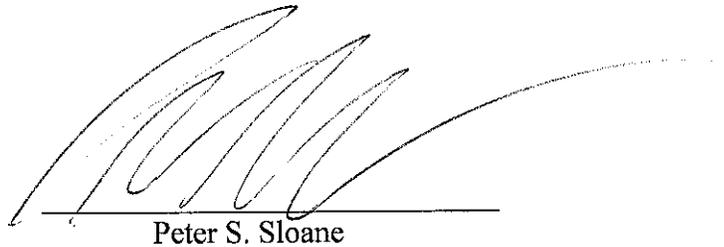
LEASON ELLIS LLP  
One Barker Avenue, Fifth Floor  
White Plains, New York 10601  
Tel.: (914) 821-9073

*Attorneys for Petitioners*

**CERTIFICATE OF SERVICE**

It is hereby certified that a copy of the foregoing **PETITIONERS' MOTION FOR LEAVE TO AMEND THE PETITION FOR CANCELLATION** was served upon counsel for Registrant, this 24th day of October, 2013, by First-Class mail, postage prepaid, addressed as follows:

Michael L. Lovitz, Esq.  
LOVITZ IP LAW, PC  
9701 Wilshire Blvd., Suite 1000  
Beverly Hills, California 90212



Peter S. Sloane

# EXHIBIT 1

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

In the Matter of Registration No. 2,731,948

-----X	:	
ALTVATER GESSLER – J.A. BACZEWSKI	:	
INTERNATIONAL (USA) INC. and ALTVATER	:	
GESSLER – J.A. BACZEWSKI LIKÖRERZEUGUNG	:	
GESELLSCHAFT M.B.H. d/b/a	:	
ALTVATER GESSLER – J.A. BACZEWSKI GMBH,	:	
	:	
Petitioners,	:	Cancellation No. 92048732
	:	
v.	:	
	:	
RONALD BECKENFELD,	:	
	:	
Registrant.	:	
-----X	:	

**FIRST AMENDED PETITION FOR CANCELLATION**

Petitioners Altvater Gessler – J.A. Baczewski International (USA) Inc., a corporation organized and existing under the laws of the State of New Jersey, having its principal business address at 2179 South Street, Fort Lee, New Jersey 07024, and Altvater Gessler – J.A. Baczewski Likörerzeugung Gesellschaft m.b.H. d/b/a Altvater Gessler – J.A. Baczewski GmbH, a limited liability company organized and existing under the laws of Austria, having its principal business address at Strobelgasse 2/6, A-1010 Vienna, Austria (hereinafter collectively referred to as “Petitioners”), believe that they will be damaged by the continued existence of Registration No. 2,731,948 of the trademark MONOPOLOWA, issued July 1, 2003, for “vodka” in Class 33, and therefore petition to cancel the same. As grounds for their cancellation, Petitioners, by their attorneys Leason Ellis LLP, allege as follows:

1. The history of Petitioners dates back several centuries.
2. Petitioners, by and through their predecessors in-interest, have produced high quality alcoholic beverages since at least as early as the 1700's.
3. One of those products is vodka, previously made in Poland, and now made in Austria, sold under the trademark MONOPOLOWA.
4. MONOPOLOWA brand vodka is outstanding dry vodka that is very popular in Poland and the United States.
5. MONOPOLOWA is produced in accordance with an old family recipe from high quality rectified potato spirits obtained from special varieties of potatoes.
6. MONOPOLOWA brand vodka has won numerous awards for its taste and quality.
7. Eduard Gessler, a patriarch of Petitioners, introduced MONOPOLOWA brand vodka in the United States in the 1950's.
8. Toward the end of his life, Eduard Gessler experienced tremendous financial difficulty. He passed away in 1979.
9. Elek Gessler, the son of Eduard Gessler, assumed his father's financial liabilities.
10. In 1980, Elek Gessler formalized the family business by establishing an Austrian corporation named Altvater Gessler – J.A. Baczewski Likörerzeugung Gesellschaft m.b.H., which does business as Altvater Gessler – J.A. Baczewski GmbH (hereinafter referred to as the "AGJAB-Austria").

11. In 1983, Elek Gessler established Altwater Gessler – J.A. Baczewski International (USA), a New Jersey corporation (hereinafter referred to as the “AGJAB-USA”), to manage United States operations.

12. In 1983, AGJAB-Austria assigned all of its trademark rights, including rights in and to the mark MONOPOLOWA, to AGJAB-USA.

13. In 1991, due in large part to the legacy of debt assumed from his father, and as a means to mitigate losses in the event of personal bankruptcy, Elek Gessler assigned all his shares in AGJAB-USA to a third party.

14. Over the years, Petitioners have used many importers and distributors to sell their products in the U.S. One of those companies is Mutual Wholesale Liquor Inc. d/b/a International Import Export (hereinafter referred to as “Mutual”). Until his death in 2008, Mickey Beckenfeld owned, operated and was president of Mutual.

15. Upon information and belief, Mickey Beckenfeld was well aware of the financial difficulties of Elek Gessler. In or about August of 1992, Mickey Beckenfeld expressed concern to Elek Gessler about the fate of the brand MONOPOLOWA in the event that the latter filed for bankruptcy.

16. Mickey Beckenfeld suggested to Elek Gessler that he sign an executory transfer in the brand MONOPOLOWA in the U.S. to be effective only in the event of bankruptcy. The executory agreement was also intended to serve as collateral for Mutual’s purchase of the product directly from Petitioners’ contract manufacturer.

17. On or about August 27, 1992, Mickey Beckenfeld sent a fax to Elek Gessler which purportedly confirmed and outlined the substance of their conversation. Elek

Gessler immediately signed and returned the letter (hereinafter referred to as the “August 27, 1992 Letter”).

18. Elek Gessler, who had assigned away all right, title and interest in AGJAB-USA a year earlier, executed the August 27, 1992 Letter on behalf of “Altvater Gessler G.a.b.,” an entity that never existed and never held any rights in the trademark MONOPOLOWA.

19. The August 27, 1992 Letter was signed on the letterhead for AGJAB-Austria. However, AGJAB-Austria did not own any rights in the mark MONOPOLOWA for vodka in the U.S. in 1992.

20. Upon information and belief, Mutual rested its claim of ownership to the mark MONOPOLOWA for vodka in the U.S. upon the August 27, 1992 Letter.

21. Mutual has always been and remains a mere importer of the vodka produced by Petitioners and bottled under the label MONOPOLOWA.

22. Mutual has never produced a single drop of MONOPOLOWA brand vodka.

23. The labels and cartons for the vodka distributed and sold in the U.S. under the mark MONOPOLOWA state “imported by International Import Export, Los Angeles, California” in very small letters (International Import Export is a d/b/a of Mutual). A copy of a label for the vodka is attached as **Exhibit A**. On the other hand, they prominently state “PRODUCED AND BOTTLED BY J.A. BACZEWSKI” in very large letters (J.A. BACZEWSKI is a trademark of AGJAB-USA as it owns U.S. Reg. Nos. 1,952,832 of the mark ALTVATER GESSLER – J.A. BACZEWSKI and 3,486,879 of the mark J.A. BACZEWSKI).

24. The mark MONOPOLOWA symbolizes extensive goodwill and consumer recognition in Petitioners as developed through decades of continuous and exclusive use of the mark, substantial sales of goods under the mark, and considerable advertising and promotion of the MONOPOLOWA brand in the U.S. and worldwide.

### **CAUSES OF ACTION**

#### **I. At the Time of the Application, the Applicant was Not the Rightful Owner of the Mark**

25. Mutual took no rights to the mark MONOPOLOWA for vodka in the U.S. from the August 27, 1992 Letter.

26. At the time the August 27, 1992 Letter was signed, there was no entity called "Altwater Gessler G.a.b." as indicated in the signature block to said letter.

27. AGJAB-USA was not a signatory to the August 27, 1992 Letter.

28. Elek Gessler did not own any shares in AGJAB-USA when the August 27, 1992 Letter was signed.

29. The August 27, 1992 Letter failed to recite any transfer of goodwill or business associated with the mark and none was in fact transferred.

30. There was a failure of sufficient consideration in support of the August 27, 1992 Letter.

31. Upon information and belief, the purported consideration of \$1.00 recited in the August 27, 1992 Letter was never paid.

32. Any consideration contemplated in the August 27, 1992 Letter would have been ongoing in perpetuity so as to make the purported transaction void on the ground of impossibility and imprecision.

33. The Registration has never been identified as an asset on the books of Mutual or Mickey Beckenfeld, and neither Mutual nor Mickey Beckenfeld reported the transfer of the Registration as a specific taxable event or paid any taxes specifically related to the purported transfer of the Registration. It is therefore evident that there was no legally cognizable assignment as any legitimate transfer would have been expressed in the necessary corporate paperwork and governmental filings.

34. In view of the foregoing, Mutual never obtained any ownership interest in the mark MONOPOLOWA for vodka in the U.S. by virtue of the August 27, 1992 Letter.

## **II. The Application for Registration was Made in Bad Faith**

35. Upon information and belief, without authority from Petitioners, Mutual filed an application to register the mark MONOPOLOWA for vodka (hereinafter referred to as the “Application”) with the U.S. Patent and Trademark Office (the “USPTO”) on or about September 16, 2002, ten years after the August 27, 1992 Letter.

36. The Application issued to registration on or about July 1, 2003 under U.S. Registration No. 2,731,948 (hereinafter referred to as the “Registration”).

37. Upon information and belief, false and fraudulent representations were made under oath to the USPTO in the Application.

38. The underlying Application, signed by John F. Wilson, as General Manager of Mutual, included an averment by Mr. Wilson that “to the best of his knowledge and belief no other person, firm, corporation or association has the right to use the mark in commerce, either in the identical form thereof, or in such near resemblance thereto as to be likely, when used on or in connection with the goods of such other person, to cause confusion, or to cause mistake, or to deceive . . . .”

39. Also in the Application, Mr. Wilson averred that Mutual was “the owner of the trademark sought to be registered . . . .”

40. Upon information and belief, the aforesaid statements and representations were, in fact, false and Mr. Wilson knew, or reasonably should have known that Mutual was not the true owner of the mark MONOPOLOWA for vodka.

41. Mutual had been distributing Petitioners’ MONOPOLOWA brand vodka for over a decade before it filed the Application. It was certainly aware of their use of the mark.

42. Upon information and belief, Mutual and Petitioners had several telephonic conversations regarding ownership of the mark MONOPOLOWA prior to the filing of the Application during which Petitioners asserted ownership of the mark. Mr. Wilson did not disclose this fact to the USPTO.

43. Upon information and belief, the aforesaid statements and representations so made by Mr. Wilson on behalf of the applicant were knowingly false and made with the intent to deceive and defraud the USPTO for the purpose of securing a Certificate of Registration.

44. Upon information and belief, when the aforesaid statements, representations and omissions were made by Mr. Wilson, the USPTO was not aware of the falsity thereof, but rather believed them to be true and relied upon them and was induced to and did pass the Application on to publication as a result thereof.

45. In view of the foregoing, Mr. Wilson’s false and fraudulent statements and representations constitute a commission of a fraud on the USPTO.

### **III. The Registration was Obtained Fraudulently**

46. Without authorization from Petitioners, Mutual assigned the Registration to Registrant, Ronald Beckenfeld (the “Respondent”) on or about October 4, 2007.

47. The assignment of the Registration from Mutual to Respondent was recorded in the Assignment Branch of the U.S.P.T.O. at Reel 3685 and Frame 0081 on or about December 27, 2007.

48. The assignment of the Registration from Mutual to Respondent was a sham transaction.

49. Respondent is the son of Mickey Beckenfeld.

50. Respondent is not now, nor has he ever been, in the business of distributing liquor or other beverages.

51. Respondent is in the business of manufacturing and selling vitamins and nutritional supplements.

52. Mickey Beckenfeld, Respondent's father, assigned the Registration to Respondent as a "gift."

53. Upon information and belief, Respondent did not provide sufficient consideration for the assignment.

54. Upon information and belief, Mutual did not transfer any assets to Respondent in connection with the assignment which would have allowed him to use the mark MONOPOLOWA for vodka or to control the quality of vodka distributed by others under license.

55. Upon information and belief, Mickey Beckenfeld did not have the authority from Mutual to assign the Registration to a third-party.

56. Mutual and Mickey Beckenfeld assumed tax liability as a result of the property transfer.

57. Neither Mutual nor Mickey reported the assignment as a taxable event or paid any taxes due to the transfer.

58. The failure to report the transfer or to pay taxes on the transfer demonstrates that the assignment was illegitimate.

59. In view of the foregoing, the purported assignment of the Registration from Mutual to Respondent is null and void.

**IV. The Registration has been Abandoned due to Naked Licensing**

60. On October 4, 2007, Mutual and Respondent entered into a license agreement (“the License Agreement”), which purports to allow Mutual, the licensee, to use the mark MONOPOLOWA on vodka within the U.S.

61. Upon information and belief, the Licensee Agreement lacks sufficient quality control provisions to prevent naked licensing and abandonment of the Registration.

62. Upon information and belief, the License Agreement provides merely that “[f]or the purpose of maintaining quality, LICENSOR or its duly authorized representative shall have the right at all reasonable times and on reasonable notice to enter the premises of LICENSEE and inspect the LICENSED PRODUCTS.”

63. Upon information and belief, Respondent provides no quality control over MONOPOLOWA brand vodka. Respondent is disengaged from the liquor business in general and the MONOPOLOWA business specifically, never meeting, speaking or corresponding with the producers or suppliers of the vodka, never tasting the vodka, and never ensuring that MONOPOLOWA products are compliant with government and industry standards.

64. Because Respondent is not now, nor has ever been involved in Mutual's business as it related to MONOPOLOWA vodka, Respondent was not justified to rely solely on Mutual to conduct quality control.

65. Mutual provided no quality control over the contents of MONOPOLOWA vodka. Petitioners are solely responsible for the quality of MONOPOLOWA vodka.

66. Upon information and belief, Respondent has engaged in naked licensing, without any legitimate control over the quality of goods produced under the mark MONOPOLOWA, such a practice being inherently deceptive and constituting abandonment of any rights in the registered mark.

67. In view of the foregoing, the naked licensing of the mark renders the Registration null and void.

**V. Respondent Committed Fraud in the Renewal of the Registration**

68. On or about January 24, 2013, Respondent filed a Combined Declaration of Use and Application for Renewal of Registration of a Mark under Sections 8 and 9 of the U.S. Trademark Act (the "Renewal Application") in the Registration.

69. The Renewal Application includes a claim that the owner is submitting a specimen "showing the mark as used in commerce."

70. The Renewal Application included a specimen of use described as a "[p]hotograph of goods bearing the mark."

71. The Renewal Application includes a declaration signed by Respondent verifying that all statements made of his own knowledge are true and that all statements made on information and belief are believed to be true.

72. The declaration to the Renewal Application signed by Respondent includes a warning that willful false statements and the like may jeopardize the validity of the document.

73. The photograph submitted as the specimen of use shows a bottle of MONOPOLOWA brand vodka. The label affixed to the bottle is referred to by Petitioners as the "blue" label. It is an antiquated label which has not been used in approximately the last nine years. Thus, the sworn statement that the specimen shows the mark as used in commerce is demonstrably false.

74. Upon information and belief, Respondent made the statement that the specimen shows the mark as used in commerce with reckless disregard and willful ignorance of the facts.

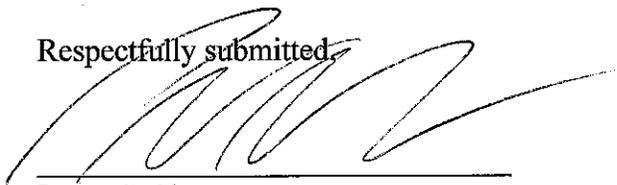
75. Upon information and belief, Respondent knowingly made a false and material representation with intent to deceive the USPTO for the purpose of accepting the Renewal Application.

76. In view of the foregoing, the Registration should be canceled since Respondent committed fraud in its maintenance.

**WHEREFORE**, based upon the foregoing, it is respectfully requested that this cancellation action be sustained and that Registration No. 2,731,948 be cancelled.

Dated: October 24, 2013  
White Plains, New York

Respectfully submitted,



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Peter S. Sloane  
Cameron S. Reuber

LEASON ELLIS LLP  
One Barker Avenue, Fifth Floor  
White Plains, New York 10601  
Tel.: (914) 821-9073

*Attorneys for Petitioners*

# Exhibit A

ESTABLISHED

1782

# VODKA MONOPOLOWA

1 liter

DISTILLED FROM POTATOES

PRODUCED AND BOTTLED BY

40% ALC/VOL  
(80 PROOF)

## J.A. BACZEWSKI

VIENNA

AUSTRIA

Product of Austria

Imported by

International Import Export  
Los Angeles, California

### IMPORTED

GOVERNMENT WARNING: (1) ACCORDING TO THE SURGEON GENERAL, WOMEN SHOULD NOT DRINK ALCOHOLIC BEVERAGES DURING PREGNANCY BECAUSE OF THE RISK OF BIRTH DEFECTS. (2) CONSUMPTION OF ALCOHOLIC BEVERAGES IMPAIRS YOUR ABILITY TO DRIVE A CAR OR OPERATE MACHINERY, AND MAY CAUSE HEALTH PROBLEMS.



## EXHIBIT 2

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

In the Matter of Registration No. 2,731,948

-----X  
ALTVATER GESSLER – J.A. BACZEWSKI :  
INTERNATIONAL (USA) INC. and ALTVATER :  
GESSLER – J.A. BACZEWSKI LIKÖRERZEUGUNG :  
GESELLSCHAFT M.B.H. d/b/a :  
ALTVATER ~~—~~ :  
GESSLER – J.A. BACZEWSKI GMBH, :  
 : Cancellation No. 92048732  
 :  
 : Petitioners, :  
 :  
 : v. :  
 :  
 :  
 : RONALD BECKENFELD, :  
 :  
 :  
 : Registrant. :  
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**FIRST AMENDED PETITION FOR CANCELLATION**

Petitioners, ~~Altwater Gessler – J.A. Baczewski International (USA) Inc.~~, a corporation organized and existing under the laws of the State of New Jersey, having its principal business address at 2179 South Street, Fort Lee, New Jersey 07024, and Altwater Gessler – J.A. Baczewski Likörerzeugung Gesellschaft m.b.H. d/b/a Altwater Gessler – J.A. Baczewski GmbH, a limited liability company organized and existing under the laws of Austria, having its principal business address at Strobelgasse 2/~~26, Stöck 13~~, A-1010 Vienna, Austria (hereinafter collectively referred to as “Petitioners”), believe that they will be damaged by the continued existence of Registration No. 2,731,948 of the trademark MONOPOLOWA, issued July 1, 2003, for “vodka” in Class 33, and therefore petition to cancel the same. As grounds for their cancellation, ~~Petitioners, by their attorneys Ostrolenk, Faber, Gerb & Soffen, Leason Ellis LLP,~~ allege as follows:

~~1. Petitioner Altvater Gessler – J.A. Baczewski GmbH (hereinafter referred to as “J.A. Baczewski”) was established in 1782.~~

~~2.1. Petitioner Altvater Gessler – J.A. Baczewski International (USA) Inc. is a company related to J.A. Baczewski. The history of Petitioners dates back several centuries.~~

~~3.2. Petitioners, by and through their predecessors in-interest, have produced high quality alcoholic beverages since at least as early as the 1700's.~~

~~4.3. One of those products is Petitioners produce a vodka, previously made in Poland, and now made in Austria, ~~and~~ sold under the trademark MONOPOLOWA.~~

~~5.4. MONOPOLOWA brand vodka is ~~an~~ outstanding dry vodka that is very popular in Poland and the United States.~~

~~6.5. VODKA MONOPOLOWA is produced in accordance with an old family recipe from high quality rectified potato spirits obtained from special varieties of potatoes.~~

~~7.6. MONOPOLOWA brand vodka has won numerous awards for its taste and quality.~~

~~7. Eduard Gessler, a patriarch of Petitioners, introduced MONOPOLOWA brand vodka in the United States in the 1950's.~~

~~8. Toward the end of his life, Eduard Gessler experienced tremendous financial difficulty. He passed away in 1979.~~

~~9. Elek Gessler, the son of Eduard Gessler, assumed his father's financial liabilities.~~

~~10. In 1980, Elek Gessler formalized the family business by establishing an Austrian corporation named Altvater Gessler – J.A. Baczewski Likörherzeugung Gesellschaft~~

m.b.H., which does business as Altvater Gessler – J.A. Baczewski GmbH (hereinafter referred to as the “AGJAB-Austria”).

11. In 1983, Elek Gessler established Altvater Gessler – J.A. Baczewski International (USA), a New Jersey corporation (hereinafter referred to as the “AGJAB-USA”), to manage United States operations.

12. In 1983, AGJAB-Austria assigned all of its trademark rights, including rights in and to the mark MONOPOLOWA, to AGJAB-USA.

13. In 1991, due in large part to the legacy of debt assumed from his father, and as a means to mitigate losses in the event of personal bankruptcy, Elek Gessler assigned all his shares in AGJAB-USA to a third party.

~~8. Petitioners have sold MONOPOLOWA brand vodka in the United States since at least as early as the late 1960s.~~

14. Over the years, Petitioners have used many importers and distributors to sell their products in the U.S. One of those companies is ~~Since the 1980s, Petitioners have used a company named~~ Mutual Wholesale Liquor Inc. d/b/a International Import Export (hereinafter referred to as “Mutual”)~~to distribute their MONOPOLOWA brand vodka in the United States. Until his death in 2008last year,~~ Mickey Beckenfeld owned, operated and was president of Mutual.

15. Upon information and belief, Mickey Beckenfeld was well aware of the financial difficulties of Elek Gessler. In or about August of 1992, Mickey Beckenfeld expressed concern to Elek Gessler about the fate of the brand MONOPOLOWA in the event that the latter filed for bankruptcy.

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16. Mickey Beckenfeld suggested to Elek Gessler that he sign an executory transfer in the brand MONOPOLOWA in the U.S. to be effective only in the event of bankruptcy. The executory agreement was also intended to serve as collateral for Mutual's purchase of the product directly from Petitioners' contract manufacturer.

17. On or about August 27, 1992, Mickey Beckenfeld sent a fax to Elek Gessler which purportedly confirmed and outlined the substance of their conversation. Elek Gessler immediately signed and returned the letter (hereinafter referred to as the "August 27, 1992 Letter").

18. Elek Gessler, who had assigned away all right, title and interest in AGJAB-USA a year earlier, executed the August 27, 1992 Letter on behalf of "Altvater Gessler G.a.b.," an entity that never existed and never held any rights in the trademark MONOPOLOWA.

19. The August 27, 1992 Letter was signed on the letterhead for AGJAB-Austria. However, AGJAB-Austria did not own any rights in the mark MONOPOLOWA for vodka in the U.S. in 1992.

20. Upon information and belief, Mutual rested its claim of ownership to the mark MONOPOLOWA for vodka in the U.S. upon the August 27, 1992 Letter.

9. —

10-21. Mutual ~~has always been and remains~~ is a mere importer of the vodka produced by Petitioners and bottled under the label MONOPOLOWA.

11-22. Mutual has never produced a single drop of MONOPOLOWA brand vodka.

~~12.~~ —The labels and cartons for the vodka distributed and sold in the U.S. the under the mark MONOPOLOWA state “imported by International Import Export, Los Angeles, California” (~~hereinafter referred to as “International Import”~~) in very small letters (International Import Export is a d/b/a/ of Mutual). A copy of ~~the~~ label for the vodka is attached as **Exhibit**

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~~A.~~ —On the other hand,

~~13.~~ —Upon information and belief, International Import is a d/b/a for Mutual.

~~14,23.~~ They ~~he~~ labels for the vodka distributed and sold in the U.S. under the mark ~~MONOPOLOWA~~ prominently state “PRODUCED AND BOTTLED BY J.A. BACZEWSKI” in very large letters: ~~(J.A. BACZEWSKI is a trademark of AGJAB-USA as it owns U.S. Reg. Nos. 1,952,832 of the mark ALTVATER GESSLER – J.A. BACZEWSKI and 3,486,879 of the mark J.A. BACZEWSKI). See Exhibit A.~~

~~24.~~ Petitioners’ ~~The~~ mark MONOPOLOWA symbolizes extensive goodwill and consumer recognition in Petitioners as developed through decades of continuous and exclusive use of the mark, substantial sales of goods under the mark, and considerable advertising and promotion of the MONOPOLOWA brand in the U.S. and worldwide.

### CAUSES OF ACTION

I. At the Time of the Application, the Applicant was Not the Rightful Owner of the Mark

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25. Mutual took no rights to the mark MONOPOLOWA for vodka in the U.S.  
from the August 27, 1992 Letter.

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26. At the time the August 27, 1992 Letter was signed, there was no entity called “Altvater Gessler G.a.b.” as indicated in the signature block to said letter.

27. AGJAB-USA was not a signatory to the August 27, 1992 Letter.

28. Elek Gessler did not own any shares in AGJAB-USA when the August 27, 1992 Letter was signed.

29. The August 27, 1992 Letter failed to recite any transfer of goodwill or business associated with the mark and none was in fact transferred.

30. There was a failure of sufficient consideration in support of the August 27, 1992 Letter.

31. Upon information and belief, the purported consideration of \$1.00 recited in the August 27, 1992 Letter was never paid.

32. Any consideration contemplated in the August 27, 1992 Letter would have been ongoing in perpetuity so as to make the purported transaction void on the ground of impossibility and imprecision.

33. The Registration has never been identified as an asset on the books of Mutual or Mickey Beckenfeld, and neither Mutual nor Mickey Beckenfeld reported the transfer of the Registration as a specific taxable event or paid any taxes specifically related to the purported transfer of the Registration. It is therefore evident that there was no legally cognizable assignment as any legitimate transfer would have been expressed in the necessary corporate paperwork and governmental filings.

34. In view of the foregoing, Mutual never obtained any ownership interest in the mark MONOPOLOWA for vodka in the U.S. by virtue of the August 27, 1992 Letter.

**II. The Application for Registration was Made in Bad Faith**

~~15.~~

~~16.~~35. Upon information and belief, without authority from Petitioners, Mutual filed an application to register the mark MONOPOLOWA for vodka (hereinafter referred to as

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the “Application”) with the U.S. Patent and Trademark Office on or about September 16, 2002,  
ten years after the August 27, 1992 Letter.-

36. Upon information and belief, (The Application issued to registration on or about July 1, 2003 under U.S. Registration No. 2,731,948 (hereinafter referred to as the “Registration”)).

37. Upon information and belief, false and fraudulent representations were made under oath to the USPTO in the Application.

38. The underlying Application, signed by John F. Wilson, as General Manager of Mutual, included an averment by Mr. Wilson that “to the best of his knowledge and belief no other person, firm, corporation or association has the right to use the mark in commerce, either in the identical form thereof, or in such near resemblance thereto as to be likely, when used on or in connection with the goods of such other person, to cause confusion, or to cause mistake, or to deceive . . . .”

39. Also in the Application, Mr. Wilson averred that Mutual was “the owner of the trademark sought to be registered . . . .”

40. Upon information and belief, the aforesaid statements and representations were, in fact, false and Mr. Wilson knew, or reasonably should have known that Mutual was not the true owner of the mark MONOPOLOWA for vodka.

41. Mutual had been distributing Petitioners’ MONOPOLOWA brand vodka for over a decade before it filed the Application. It was certainly aware of their use of the mark.

42. Upon information and belief, Mutual and Petitioners had several telephonic conversations regarding ownership of the mark MONOPOLOWA prior to the filing

of the Application during which Petitioners asserted ownership of the mark. Mr. Wilson did not disclose this fact to the USPTO.

43. Upon information and belief, the aforesaid statements and representations so made by Mr. Wilson on behalf of the applicant were knowingly false and made with the intent to deceive and defraud the USPTO for the purpose of securing a Certificate of Registration.

44. Upon information and belief, when the aforesaid statements, representations and omissions were made by Mr. Wilson, the USPTO was not aware of the falsity thereof, but rather believed them to be true and relied upon them and was induced to and did pass the Application on to publication as a result thereof.

45. In view of the foregoing, Mr. Wilson's false and fraudulent statements and representations constitute a commission of a fraud on the USPTO.

### **III. The Registration was Obtained Fraudulently**

~~17.~~ —

~~18.~~~~46.~~ ~~Upon information and belief, w~~Without authorization from Petitioners, Mutual assigned the Registration to Registrant, Ronald Beckenfeld (~~hereinafter referred to as "Beckenfeld"~~the "Respondent") on or about October 4, 2007.~~Upon information and belief, Beckenfeld is the son of the owner of Mutual.~~

~~47.~~ ~~Upon information and belief, t~~The assignment of the Registration from Mutual to Respondent Beckenfeld was

recorded in the Assignment Branch of the U.S.P.T.O. at Reel 3685 and Frame 0081 on or about December 27, 2007.

48. The assignment of the Registration for Mutual to Respondent was a sham transaction.

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49. ~~Upon information and belief, Respondent is the son of Mickey~~

Beckenfeld~~Beckenfeld is the son of the owner of Mutual.~~

50. Respondent is not now, nor has he ever been, in the business of distributing liquor or other beverages.

51. Respondent is in the business of manufacturing and selling vitamins and nutritional supplements.

52. Mickey Beckenfeld, Respondent's father, assigned the Registration to Respondent as a "gift."

53. Upon information and belief, Respondent did not provide sufficient consideration for the assignment.

54. Upon information and belief, Mutual did not transfer any assets to Respondent in connection with the assignment which would have allowed him to use the mark MONOPOLOWA for vodka or to control the quality of vodka distributed by others under license.

55. Upon information and belief, Mickey Beckenfeld did not have the authority from Mutual to assign the Registration to a third-party.

56. Mutual and Mickey Beckenfeld assumed tax liability as a result of the property transfer.

57. Neither Mutual nor Mickey reported the assignment as a taxable event or paid any taxes due to the transfer.

58. The failure to report the transfer or to pay taxes on the transfer demonstrates that the assignment was illegitimate.

59. In view of the foregoing, the purported assignment of the Registration from Mutual to Respondent is null and void.

**IV. The Registration has been Abandoned due to Naked Licensing**

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60. On October 4, 2007, Mutual and Respondent entered into a license agreement (“the License Agreement”), which purports to allow Mutual, the licensee, to use the mark MONOPOLOWA on vodka within the U.S.

61. Upon information and belief, the Licensee Agreement lacks sufficient quality control provisions to prevent naked licensing and abandonment of the Registration.

62. Upon information and belief, the License Agreement provides merely that “[f]or the purpose of maintaining quality, LICENSOR or its duly authorized representative shall have the right at all reasonable times and on reasonable notice to enter the premises of LICENSEE and inspect the LICENSED PRODUCTS.”

63. Upon information and belief, Respondent provides no quality control over MONOPOLOWA brand vodka. Respondent is disengaged from the liquor business in general and the MONOPOLOWA business specifically, never meeting, speaking or corresponding with the producers or suppliers of the vodka, never tasting the vodka, and never ensuring that MONOPOLOWA products are compliant with government and industry standards.

64. Because Respondent is not now, nor has ever been involved in Mutual’s business as it related to MONOPOLOWA vodka, Respondent was not justified to rely solely on Mutual to conduct quality control.

65. Mutual provided no quality control over the contents of MONOPOLOWA vodka. Petitioners are solely responsible for the quality of MONOPOLOWA vodka.

66. Upon information and belief, Respondent has engaged in naked licensing, without any legitimate control over the quality of goods produced under the mark MONOPOLOWA, such a practice being inherently deceptive and constituting abandonment of any rights in the registered mark.

67. In view of the foregoing, the naked licensing of the mark renders the Registration null and void.

**V. Respondent Committed Fraud in the Renewal of the Registration**

68. On or about January 24, 2013, Respondent filed a Combined Declaration of Use and Application for Renewal of Registration of a Mark under Sections 8 and 9 of the U.S. Trademark Act (the “Renewal Application”) in the Registration.

69. The Renewal Application includes a claim that the owner is submitting a specimen “showing the mark as used in commerce.”

70. The Renewal Application included a specimen of use described as a “[p]hoto  
graph of goods bearing the mark.”

71. The Renewal Application includes a declaration signed by Respondent verifying that all statements made of his own knowledge are true and that all statements made on information and belief are believed to be true.

72. The declaration to the Renewal Application signed by Respondent includes a warning that willful false statements and the like may jeopardize the validity of the document.

73. The photograph submitted as the specimen of use shows a bottle of MONOPOLOWA brand vodka. The label affixed to the bottle is referred to by Petitioners as the “blue” label. It is an antiquated label which has not been used in approximately the last nine

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years. Thus, the sworn statement that the specimen shows the mark as used in commerce is demonstrably false.

74. Upon information and belief, Respondent made the statement that the specimen shows the mark as used in commerce with reckless disregard and willful ignorance of the facts.

75. Upon information and belief, Respondent knowingly made a false and material representation with intent to deceive the USPTO for the purpose of accepting the Renewal Application.

19.76. In view of the foregoing, the Registration should be canceled since Respondent committed fraud in its maintenance.

~~20. —~~

~~21. — Beekenfeld is not, and never has been, the owner of the mark MONOPOLOWA, or any of the goodwill associated with the mark, for the goods described in the Registration.~~

~~22. — Petitioners will be seriously damaged and injured by the continued registration of the mark MONOPOLOWA for vodka because Petitioners are the true owners of the mark for the designated goods. Cancellation of the Registration is also necessary to prevent deception among the trade and public.~~

**WHEREFORE, based upon the foregoing,** it is respectfully requested that this cancellation action be sustained and that Registration No. 2,731,948 be cancelled.

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~~The cancellation fee in the amount of \$600.00 for one class for two petitioners is filed herewith. If for any reason this amount is insufficient, it is requested that Petitioners' attorneys' deposit account No. 15-0700 be charged with any deficiency.~~

Dated: ~~January 14, 2008~~ October 24, 2013

~~New York~~ White Plains, New York Respectfully submitted,

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Respectfully submitted,

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*Attorneys for Petitioner*

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