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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	Opposition/Response to Motion
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Signature	/michael l lovitz/
Date	11/13/2013
Attachments	Opposition to (refiled) Motion to Amend.pdf(847108 bytes )

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

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

**RESPONDENT’S OPPOSITION TO PETITIONERS’ MOTION  
FOR LEAVE TO AMEND THE PETITION FOR CANCELLATION**

Respondent Ronald Beckenfeld (“Respondent”) hereby opposes the motion of Petitioners Altvater Gessler – J.A. Baczewski International (USA) Inc. and Altvater Gessler – J.A. Baczewski GMBH (“Petitioners”) to amend the petition for cancellation.

**I. INTRODUCTION**

Respondent submits that Petitioners’ Motion for Leave to Amend is improperly brought, brought in bad faith, and will prejudice Respondent at the current stage of the proceeding, and will result in additional costs, delays and other harm to Respondent and must therefore be summarily denied. Registrant’s opposition is based on the arguments contained herein and the declaration of Michel L. Lovitz, which is incorporated herein by this reference.

The original Petition for Cancellation was filed in January 2008, more than sixty-nine months before the filing of the instant motion.<sup>1</sup> Petitioners’ proposed amendment contains many new factual assertions and allegations, along with new causes of action, such as allegations of fraud being

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<sup>1</sup> Petitioners’ first motion to amend was filed in May of this year, still more than 5 years after the filing of the original Petition, four months after the close of discovery and nearly 2 years after the date of Petitioners’ final discovery deposition was taken.

committed in the application for the mark herein sought to be cancelled. Many of the new statements of fact pertain to the Petitioners themselves, and were known at the time of the filing of the original Petition, making these attempted changes a self-serving attempt to refabricate the narrative that Petitioners have relied upon to date. The claims of fraud contained in the proposed amended petition are not only insufficient to prove fraud, but are contrary to the facts uncovered by Petitioners during discovery. Finally, the only two individuals who had first-hand knowledge of the agreement to transfer the MONOPOLOWA trademark from Petitioners to Mutual Wholesale Liquor are now deceased, Mickey Beckenfeld having passed away May 4, 2012, making relevant discovery on these new allegations impossible.

As such, Respondent respectfully requests that Petitioners' Motion for Leave to Amend the Petition for Cancellation be denied.

## **II. STANDARD OF REVIEW**

At issue on a Motion for Leave to Amend is whether “justice requires” the amendment within the meaning of Fed.R.Civ.P. 15(a) and (b). The Board uses the following factors when determining whether the leave to amend should be granted: (1) bad faith; (2) undue delay; (3) prejudice to the opposing party; and (4) futility of amendment. *Trek Bicycle Corporation v. Stryletrek Limited*, 64 U.S.P.Q.2d 1540, 1541 (T.T.A.B. 2001). It is well settled the Board liberally grants leave to amend pleadings at any stage of a proceeding, when justice so requires unless entry of the proposed amendment would violate settled law or be prejudicial to the rights of the adverse party or parties. See e.g., *Hurley Int'l LLC v. Volta*, 82 U.S.P.Q.2d 1339, 1341 T.T.A.B. 2007); *Commodore Electronics Ltd. v. CEM Kabushiki Kaisha*, 26 U.S.P.Q.2d 1503, 1505 (T.T.A.B. 1993); see also TBMP Section 507.02 (3d ed. Rev 2011). Where the movant seeks to add a claim and the proposed pleading is legally insufficient or would serve no useful purpose, the Board normally will deny the motion. See, e.g., *Octocom Systems Inc. v. Houston Computer Services Inc.*, 918 F.2d 937, 16 U.S.P.Q.2d

1783, 1785 (Fed. Cir. 1990). See also TBMP Section 507.02 (3d ed. Rev. 2011). Further, the timing of a motion for leave to amend under Fed.R.Civ.P. §15 is a factor in determining whether the adverse party would be prejudiced by allowance of the proposed amendment. The motion should be filed as soon as any ground for such amendment becomes apparent. See *Commodore Electronics*, 26 U.S.P.Q.2d at 1505.

The primary factors at issue in this proceeding are undue delay, bad faith, and prejudice to Respondent, and these factors without question require the denial of Petitioners' Motion.

### **III. ARGUMENT**

#### **A. PREJUDICE**

“Undue prejudice occurs when the amendment brings in entirely new and separate claims... or at least entails more than an alternative claim or a change in the allegations in the complaint and when the additional discovery is expensive and time-consuming.” *McDavid Knee Guard v. Nike USA*, 2010 US Dist LEXIS 3134 at 11. See also *Jacobs v. Xerox Corp. Long Term Disability Plan*, 520 F. Supp. 2d 1022, 1046 (N.D. Ill. 2007) (quoting *In re Ameritech Corp.*, 188 F.R.D. 280, 284 (N.D. Ill. 1999) (internal quotations omitted)).

In the instant case, the proposed amendment includes new facts and contentions not anticipated or disclosed during the discovery phase. These new facts change the entire theory of the case. For example, Petitioners now claims that financial difficulties resulted in the creation of an Austrian corporation, which corporation assigned all rights in the MONOPOLOWA trademark to a New Jersey corporation allegedly established to manage United States operations, and that the shares in this N.J. corporation were assigned to an unidentified third party. Not only were these facts, or any supporting documentation, not previously disclosed by Petitioners during the discovery period, but the fact that Petitioners are unwilling to even name such third party or provide any evidence of such transfers, or even of the financial distress claimed in the amended petition, would make it

impossible for Respondent to investigate such allegations, particularly as the alleged actor, Elek Gessler, is deceased. Additionally, the amended petition now alleges certain knowledge of and actions taken by Mickey Beckenfeld, president of Mutual Wholesale Liquor (the original applicant and owner of the Registration sought to be cancelled), as well as discussions between Mr. Beckenfeld and Elek Gessler, allegations that cannot be investigated as neither is alive to question.

As to these new allegations and issues, Respondent has not been able to conduct discovery to flesh out this newly asserted information regarding Petitioners' different entities, internal transfers of ownership of trademarks, sale of shares in the U.S. corporation to an unidentified third party, contents of discussions between Elek Gessler and Mickey Beckenfeld, and in fact cannot conduct such discovery given (a) the dearth of specific information and supporting documentation, and (b) that the most relevant witnesses have died. Had the amendments to the Petition been made promptly, even within 2 years of the original filing, Respondent would at least have had the opportunity to obtain testimonial evidence from Mickey Beckenfeld concerning some of these new allegations. The passage of nearly six years, however, and the fact that Petitioners waited until nearly 6 years after the filing of the original Petition before requesting leave to amend has highly prejudiced Respondent.

Finally, these new allegations are merely an attempt to discredit Petitioner in an effort to overcome the fact that there was a written agreement between the parties whereby ownership of the MONOPOLOWA trademark was transferred to Mutual Wholesale Liquor in 1992, the Petitioners are attempting to improperly assert new allegations and put a new "spin" on old allegations to evade the inescapable conclusion – that Elek Gessler knowingly assigned the U.S. trademark rights in the MONOPOLOWA trademark to Respondent's predecessor in interest. The fact that Petitioners have provided insufficient information in the amended pleading on which to allow Respondent to even provide an answer, and their assertion that "Respondent will suffer no prejudice as he does not

require additional discovery on the new facts or claims set forth therein”, clearly demonstrates that the Motion for Leave is inappropriate in this case given (a) the time and expense that Respondent would incur in preparing a new responsive pleading, the need for additional discovery, and possible expert discovery with respect to the means and methods and/or accepted practices with respect to the day-to-day operations of an alcohol and spirits importer, their relationships with producers of branded spirits, and ownership of those brand names. Further, the fact that Petitioners have introduced not one, but two separate claims of fraud before the USPTO along with claims of naked licensing, issues remotely included in the original filing, makes clear that Petitioners’ claims no further discovery is required is false on its face.

In light of the burden of these additional costs and time, the need to reopen discovery to address new issues (such as fraud), and the unavailability of key witnesses, it is clear that allowing the amended petition would be severely prejudicial to Respondent.

B. UNDUE DELAY

As discussed above, Petitioners clearly had ample time and opportunity to research and establish the allegations that supported their position prior to the filing of the original claim, as well as during the pendency of this action. In fact, as the moving party in this Cancellation proceeding, the burden was on them to do so prior to so filing. Petitioners failed to amend their pleadings during any stage of the proceeding during which discovery was open, a period that lasted five (5) years. Given that the majority of documents and testimonial evidence was concluded more than two years ago, Petitioners offer no credible explanation for why an amendment should now be granted, and the instant Motion must therefore be denied. *See, e.g., Amcast Indus. Corp. v. Detrex Corp.* (1990, N.D. Ind.) 132 F.R.D. 213 (“Where plaintiffs filed motion to amend 8 months after deadline for amendments and more than 6 months after defendants had moved for summary judgment, and plaintiffs offered no suitable explanation for their delay, nor did they provide adequate reason for

failing to request leave prior to deadline, and it is clear that plaintiffs could have raised proposed additional claims in original complaint . . . leave to amend is denied.”). Due to the substantial nature of the proposed amended allegations and assertions, Petitioners come now following the close of discovery to improperly reformulate their theory of the case, and to throw in the kitchen sink in an effort to overcome the existing documentary evidence that the brand name had indeed been legally and knowingly transferred to Respondent’s predecessor. The further delays that would result from granting this Motion provides additional reasons why the instant Motion should be denied.

### C. BAD FAITH

The fact that the amended pleading alleges fraud by Respondent’s predecessor in obtaining the registration that is the subject of the proceeding demonstrates Petitioners’ bad faith in bringing this Motion for Leave. During discovery, Petitioners had the opportunity to depose John Wilson, the former general manager of Respondent’s predecessor Mutual Wholesale Liquor. Lovitz Declaration at ¶ 10. Mr. Wilson was the individual who signed the trademark application on behalf of Mutual. Lovitz Dec. at ¶ 10. During that deposition, Mr. Wilson was specifically asked regarding the application, his understanding of the language of the declaration contained in the application, and whether or not Mutual owned the mark sought to be registered, and Mr. Wilson confirmed his understanding that Mutual was the owner by virtue of the written transfer of the brand name to Mutual. Lovitz Dec. at ¶ 11. He also stated that, even though Petitioners may have desired otherwise, Petitioners had no right to use the MONOPOLOWA trademark in the U.S. for vodka. Lovitz Dec. at ¶ 11.

The fact that Petitioners now claim in their amended pleading to the contrary, without reference to any evidence that would contradict the testimony of Mr. Wilson, clearly demonstrates their bad faith in the instant Motion filing. Other claims of fraud contained in the First Amended Petition are similarly without sufficient factual foundation to plead fraud with the particularity

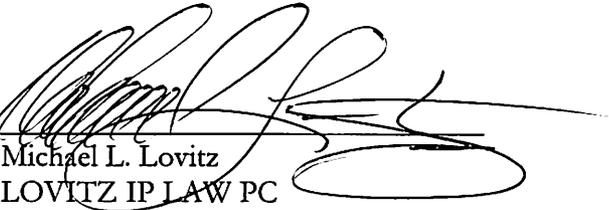
necessary to support such claims. Petitioners should not be permitted to proceed with the new and unsupported claims contained in the amended pleading.

#### IV. CONCLUSION

Based on the foregoing, Respondent respectfully requests that Petitioners' Motion for Leave to Amend the Petition for Cancellation be denied. Alternatively, should the Board choose to allow the amendment, in the interest of fairness and to avoid additional prejudice to Respondent, Respondent requests that his discovery period be reopened allowing him the opportunity to seek out additional information with respect to the new allegations in the proposed amended pleading.

Respectfully submitted,

Dated: November 13, 2013

By: 

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Attorneys for Respondent



5. For Respondent to now have to respond to these new allegations would necessitate the time and expense of preparing a new responsive pleading, the need for an extension of discovery deadlines and would require additional discovery, including possible additional expert discovery.

6. Because this additional discovery would be expensive and time consuming, allowing the amended petition would be prejudicial to Respondent.

7. Further, several of the new issues and new allegations cannot be adequately explored due to the deaths of the only two individuals who had first hand knowledge thereof, namely Elek Gessler and Mickey Beckenfeld, further prejudicing Respondent.

8. Petitioners had ample time and opportunity to research and establish the facts that supported their position prior to the filing of the original Petition, and certainly over the course of the first 2 years during which this case had been pending. The new allegations are comprised of information that Petitioners would have known at the outset of the case, or which they had learned during the first year following the filing of the Petition. In fact, Petitioners took the deposition of Mickey Beckenfeld on May 9, 2008, four months after filing the original Petition, and explored many of the issues now being raised.

9. The fact that Petitioners waited nearly six years since the filing of the Petition, more than five years following the deposition of Mickey Beckenfeld, and two years since Petitioners completed their taking of discovery depositions, to seek to amend the initial pleading would, in my opinion, constitute an unreasonable delay.

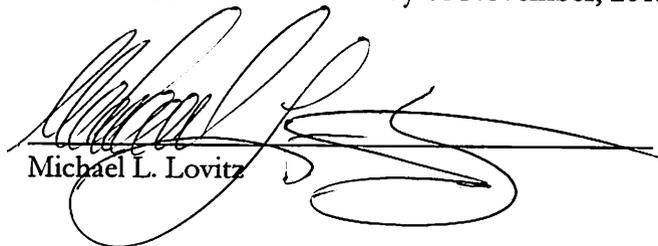
10. Additionally, I believe that certain of the allegations and claims in the amended pleading have been brought in bad faith. For example, claim II of the First Amended Petition alleges the application for registration of the MONOPOLOWA trademark was made in bad faith and thus was obtained fraudulently. However, the allegations in the amended petition misrepresent

the beliefs of Mr. John Wilson, the former general manager of Respondent's predecessor Mutual Wholesale Liquor, and the person who signed the application to register the mark, as detailed in Mr. Wilson's testimony during his November 18, 2011 deposition.

11. Specifically, during Petitioners' deposition of Mr. Wilson, the witnesses verified his belief at the time the application was filed that Mutual owned the mark by virtue of the signed transfer of the brand name to Mutual. See Wilson Deposition, Exhibit A, at pp. 95:15 – 96:6. He also addressed the fact that despite that Altvater Gessler desired otherwise, Mr. Wilson believed that Altvater Gessler had no right to use the trademark MONOPOLOW for vodka in the U.S. See, Wilson Dep. at pp. 111:10 – 112:2.

12. Allowing this amendment would prejudice our client for the reasons set forth in the opposition. Further, should the Board decide it will grant the amendment to the Petition, despite my client's opposition, Respondent does request that he at least be given the opportunity to reopen discovery.

The undersigned, being warned that willful false statements and the like are punishable by fine or imprisonment, or both, under 18 U.S.C. §1001, and that such willful false statements and the like may jeopardize the validity of the application or document or any registration resulting therefrom, declare that I am properly authorized to execute this document on behalf of the Respondent; that all statements made of my own knowledge are true; and all statements made on information and belief are believed to be true. Executed this 13<sup>th</sup> day of November, 2013.

  
Michael L. Lovitz

# EXHIBIT A

UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

ALTVATER GESSLER-J.A. BACZEWSKI,  
GMBH, et al.,

Plaintiffs,

vs.

No. Cancellation  
92048732(TTAB)

RONALD BECKENFELD,

Defendant.

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DEPOSITION OF  
JOHN F. WILSON  
NONCONFIDENTIAL PORTION

November 18, 2011  
10:49 a.m.

1875 Century Park East  
Suite 500  
Los Angeles, California

Martin Spee, CSR 10303



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1 Wholesale.

2 Q. Communication to whom?

3 A. Back to Mutual Wholesale, the  
4 applicant. Probably sent to my attention.

5 Q. This, in fact, is an application filed  
6 with the U.S. Trademark Office. Does that refresh  
7 your recollection as to the significance of this  
8 document, Mr. Wilson?

9 A. Yes, it does.

10 Q. Do you have any reason to believe this  
11 is not the application filed by Mutual with the  
12 United States Patent and Trademark Office to  
13 register the trademark Monopolowa for vodka?

14 A. No.

15 Q. Did you sign this application,  
16 Mr. Wilson?

17 A. I sure did.

18 Q. Did you sign it under penalty of  
19 perjury?

20 A. Yes. That's what I read, yeah.

21 Q. You asserted in the application that  
22 you believe Mutual to be the owner of the trademark  
23 Monopolowa for vodka; is that correct?

24 A. That's correct.

25 Q. What did you base that assertion on?



1           A.       On the fact that the product name had  
2       been transferred to Mutual by Mr. Gessler.

3           Q.       By virtue of what?

4           A.       The signed agreement that is part of  
5       the -- is it 1992 communication, or whenever? It's  
6       apparently to the purchase agreement.

7           Q.       Did -- at the time that Mutual applied  
8       to register the trademark Monopolowa with the U.S.  
9       Trademark Office, did you also inquire as to  
10       registering the name Baczewski?

11          A.       I never inquired into registering the  
12       name Baczewski. My communication to the attorney  
13       who handled this application, I sent him the copy of  
14       the purchase agreement and the transfer of title  
15       agreement.

16          Q.       Did you ever inquire into registering  
17       Baczewski with the trademark office?

18          A.       Not specifically in my initial request  
19       to the attorney. Again, as I say, I sent along the  
20       agreement on the transfer of the brand name which  
21       included reference to Altvater Gessler.

22          Q.       Altvater Gessler as a company or as a  
23       trademark?

24          A.       As the part of the title.

25          Q.       When you say "part of the title," do



1 time, I don't know.

2 Q. The declaration to the application  
3 states that the applicant believes itself to be the  
4 owner of the trademark sought to be registered, and  
5 to the best of his knowledge -- meaning you as the  
6 person signing the application -- no other person,  
7 firm, corporation or association has the right to  
8 use the mark in commerce.

9 A. Okay.

10 Q. Do you believe that Altvater Gessler  
11 had no right to use the trademark Monopolowa for  
12 Vodka in the U.S.?

13 A. That's what I believed, on the basis  
14 of the agreement that had been signed whereby the  
15 transfer of the brand was made to Mutual Wholesale.

16 Q. So if Altvater Gessler wanted to use  
17 the trademark Monopolowa for Vodka in the U.S.,  
18 would it have required permission from Mutual?

19 A. Repeat that question.

20 (The reporter read the requested  
21 portion of the record, as follows:

22 "Q. So if Altvater Gessler wanted to use  
23 the trademark Monopolowa for vodka in the U.S.,  
24 would it have required permission from Mutual?")

25 THE WITNESS: Yes, that's what my



1 belief was on the basis of -- again, on the basis of  
2 the agreement.

3 MR. SLOANE:

4 Q. Getting back to Exhibit 14, I believe  
5 that you testified that you were the person who  
6 drafted the contents of these two pages; is that  
7 correct?

8 A. Exactly, yeah. Well, I drafted them  
9 from an understanding that was given to me by  
10 Mr. Beckenfeld.

11 Q. The first paragraph of the August 27,  
12 1992 agreement states, "This confirms and outlines  
13 the arrangement reached between us today by  
14 telephone." Did you participate in that telephone  
15 conversation?

16 A. No, not on that particular one. What  
17 I'm referring to is, obviously this letter was  
18 written under the signature of Mickey Beckenfeld.

19 Q. But you didn't sit in on, or otherwise  
20 hear the conversation?

21 A. No. I did speak to Mr. Gessler  
22 afterwards and following up his signature for the  
23 drafted agreement, and also the agreement on the  
24 transfer of the brand ownership.

25 Q. Why didn't Mutual or Mickey Beckenfeld



**CERTIFICATE OF SERVICE**

I, Michael L. Lovitz, hereby certify on this 13<sup>th</sup> day of November, 2013, that a true and correct copy of RESPONDENT'S OPPOSITION TO PETITIONER'S MOTION FOR LEAVE TO AMEND THE PEITION FOR CANCELLATION was served upon correspondent of record by First Class Mail, postage prepaid at the following address:

Peter S. Sloane  
Leason Ellis LLP  
One Barker Avenue, Fifth Floor  
White Plains, NY 10601



Michael L. Lovitz