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

Proceeding	92048732
Party	Plaintiff Altwater Gessler - J.A. Baczewski International (USA) Inc. and Altwater Gessler - J.A. Baczewski GmbH
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Date	01/15/2014
Attachments	2014-01-15 - Petitioner's Reply in Support of Motion to Compel.pdf(169380 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

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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’ REPLY TO RESPONDENT’S RESPONSE TO PETITIONERS’
MOTION TO COMPEL RESPONDENT’S RESPONSES TO PETITIONERS’ THIRD
SET OF REQUESTS FOR THE PRODUCTION OF DOCUMENTS AND THINGS**

Petitioners hereby reply to Respondent’s Response to Petitioners’ Motion to Compel Respondent’s Responses to Petitioners’ Third Set of Requests for the Production of Documents and Things (the “Response”). Respondent’s argument that Petitioner’s Motion to Compel Respondent’s Responses to Petitioners’ Third Set of Requests for the Production of Documents and Things (the “Motion to Compel”) is based upon a misunderstanding of California law and is unavailing since Respondent fails to cite to any law supporting the argument. In fact, a review of California law establishes exactly the opposite in as much as it demonstrates the impropriety and invalidity of the registration’s transfer to Respondent. Furthermore, Petitioners should not have to be put in a position of proving a negative. To the extent that Respondent argues that there is

no record evidence of an assignment, Petitioners are entitled to discovery on the issue to confirm the veracity of Respondent's allegation.

I. The Registration was Assigned from the Trust in Violation of California Law

Respondent, Ronald Beckenfeld ("Respondent"), does not dispute that the federal trademark registration of MONOPOLOWA for vodka was an asset of the original registrant, Mutual Wholesale Liquor Inc. d/b/a International Import Export ("Mutual"). Response at p. 3 ("At all time prior to the Assignment, the Trademark was an asset of the California corporation Mutual Wholesale Liquor, Inc."); *see also* Declaration of Michael L. Lovitz at ¶ 20 ("the Trademark was an asset of Mutual at all times prior to the Assignment"). Nor does Respondent dispute that Mutual itself was an asset of the Beckenfeld Family Trust (the "Trust").¹ Response at p. 4 ("The Trust document sought by Petitioners will provide nothing more than confirmation of the Trust's ownership of those shares in Mutual previously owned by the late Mickey Beckenfeld and/or his late wife at the time of the Assignment."). *Id.* Therefore, *ipso facto*, the trademark was an asset of the trust.

Respondent also fails to rebut his own discovery deposition testimony in his Response. As stated previously in Petitioners' moving papers, Respondent testified that "[e]verything [went] in the trust." Motion to Compel at p. 3, *citing*, Declaration of Peter S. Sloane (the

¹ The apparent misidentification of the Trust by Petitioners in their moving papers was due to the fact that the Petitioners did not have access to the Trust documents. The Trust was identified as "The Mickey Beckenfeld Living Trust" by Respondent at his deposition. *See* Sloane Dec., Ex. H at 24:24-25. This discrepancy highlights the fact that it is Respondent who possesses or controls the Trust related documents and Petitioners will be put at a severe disadvantage at trial absent discovery of such documents. It also serves to emphasize the fact that the Trust was intended to benefit not just Mickey Beckenfeld, but, as discussed *infra*, the Beckenfeld family, including his then wife Lillian Beckenfeld, who was his co-trustee during her lifetime.

“Sloane Dec.”) at Ex. G at 165:10-11 (Dkt. at 90).

Respondent argues, without any support whatsoever, that California law provides that the nature of trusts have no bearing on the disposition of the assets of a company even when the shares of the company are held in trust. Response at p. 4. In fact, Respondent relies entirely on the argument of his attorney to support this specious assertion. Such unsupported statements do not function as evidence. *See, e.g., Martahus v. Video Duplication Services, Inc.*, 3 F.3d 417, 420, 27 U.S.P.Q.2d 1846 (Fed. Cir. 1993) (“mere attorney arguments unsubstantiated by record evidence are suspect at best”); *Johnston v. IVAC Corp.*, 885 F.2d 1574, 1581, 12 U.S.P.Q.2d 1382 (Fed. Cir. 1989) (“Attorneys’ argument is no substitute for evidence.”).

California community property law actually compels the opposite result. California Family Code §1100 specifically provides that one spouse may not make a gift of the other spouse’s share of community property without the written consent of the other spouse. §1100(b) expressly states “[a] spouse may not make a gift of communal personal property, or dispose of community personal property for less than fair and reasonable value, without the written consent of the other spouse.” *See* Declaration of Cameron Williams (the “Williams Dec.”) submitted herewith at Ex. A. As a result, Mickey Beckenfeld did not have the unfettered discretion “to dispose of assets in the manner he saw fit,” as Respondent alleges (Response at p. 4), and gift a corporate asset held in trust without the written consent of his wife, Lillian Beckenfeld.

Petitioners are entitled to take discovery on whether any evidence of such consent exists. To the extent that it does not, the transfer of the trademark registration away from the Trust to Respondent in 2007 was impermissible. Indeed, this discovery will go to the very heart of this case as Respondent’s standing in this matter depends entirely on whether a valid transfer actually

took place.

Moreover, the unlawful transfer of the registration away from the Trust evidences a continuing pattern of wrongdoing. The Second Amended Petition for Cancellation alleges several instances of wrongdoing by Respondent and his predecessor-in-interest, including bad faith in filing the application for registration, fraud in transferring the registration, and fraud in renewing the registration. Dkt. at 93. Indeed, in its decision denying Respondent's motion for summary judgment, the Board stated it must consider issues including assessing the credibility of witnesses. Dkt. at 81. Whether there was misconduct in the assignment of the registration in derogation of the obligations of the Trust, and whether Respondent took part in such activity, directly plays into the issue of credibility.

II. The Trust is Highly Relevant to the Assignment of the Registration

Respondent argues that there is no reason to believe that he and Mutual were not the relevant parties in connection with Mutual assigning the registration to him on October 4, 2007 (Response at p. 5). This argument is unavailing to the extent that the registration was a Trust asset at the time. Indeed, the stock and assets of Mutual have been held in trust since 2003. Williams Dec. at ¶ 3. As stated *supra*, California state law imposes obligations on trustees and whether Mickey Beckenfeld had the written consent of his co-trustee at the time, Lillian Beckenfeld, to gift the registration is most certainly relevant as to whether the transfer was legitimate and effective as a matter of law.

III. Failure to Record Transfer to the Trust is Irrelevant where Respondent is Not a Subsequent Purchaser and Section 10 of the Trademark Act Does Not Apply

The argument that any transfer of the trademark registration to the Trust would be void as against Respondent for failure to record the same with the USPTO is misplaced. Response at p. 6. While §10(a)(4) of the U.S. Trademark Act does indeed state that an assignment shall be void against any subsequent purchaser for valuable consideration without notice unless recorded, Respondent never “purchased” the registration. Rather, it is undisputed that he received the registration as a gift. *See* Sloane Dec. at Ex. F at 53:2-4.

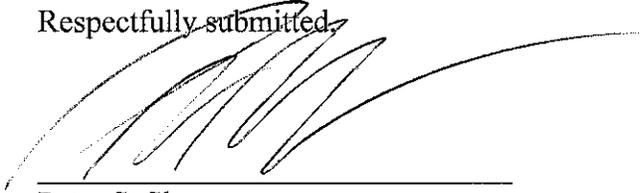
Furthermore, the case cited by Respondent in support of the proposition, *Teter, Inc. v. Rheem Mfg. Co.*, 334 F.2d 784, 142 U.S.P.Q. 347 (7th Cir. 1964), expressly states that 15 U.S.C. §1060 permits, but does not require, recordation. Thus, the failure to record the transfer of the stock and assets of Mutual to the Trust does not render the transaction void.

This is also not a situation where an assignee requires protection against a subsequent bona fide purchaser. Petitioners are not claiming to have purchased the trademark registration at issue. As a result, the notice afforded by recordation is inapplicable here.

Based upon the above, and for the additional reasons stated in their moving papers, Petitioners continue to respectfully request that the Board grant their Motion to Compel and order Respondent to respond to Request Nos. 1-7 of Petitioners’ Third Set of Requests for the Production of Documents and Things.

Dated: January 15, 2014
White Plains, New York

Respectfully submitted,



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CERTIFICATE OF SERVICE

It is hereby certified that a true and correct copy of the foregoing **PETITIONERS' REPLY TO RESPONDENT'S RESPONSE TO PETITIONERS' MOTION TO COMPEL RESPONDENT'S RESPONSES TO PETITIONERS' THIRD SET OF REQUESTS FOR THE PRODUCTION OF DOCUMENTS AND THINGS** was served upon counsel for Registrant, this 15th day of January, 2014, by First-Class mail, postage prepaid, addressed as follows:

Michael L. Lovitz, Esq.
BOWEN HAYES & KREISBERG
10350 Santa Monica Blvd., Ste. 350
Los Angeles, California 90025

A handwritten signature in black ink, appearing to read 'Peter S. Sloane', written over a horizontal line.

Peter S. Sloane