

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

DUNN

Mailed: September 17, 2013

Cancellation No. 92056848

Bacardi & Company Limited

v.

Brauerei Beck GmbH & Co. KG

By the Trademark Trial and Appeal Board:

This case comes up on respondent's motion, filed May 6, 2013, to dismiss the amended petition to cancel pursuant to Fed. R. Civ. P. 12(b)(6) for failure to state a claim upon which relief can be granted.¹ The motion has been fully briefed.²

¹ Because the motion is a test solely of the legal sufficiency of the petition to cancel, the Board gives no consideration to the attachments to the motion. See *Wellcome Foundation Ltd. v. Merck & Co.*, 46 USPQ 1478, 1479 n.2 (TTAB 1998). The attachments are not considered part of the record. If respondent wishes to rely on the attachments at trial, the attachments must be filed during respondent's trial period. Similarly, respondent's requests (Motion to Dismiss, n. 1 and 3) that the Board take judicial notice of facts in connection with its evaluation of the pleading is denied.

² Respondent's request for a phone conference on the motion to dismiss is denied. See Trademark Trial and Appeal Board Manual of Procedure (TBMP) §502.05(a) (3rd ed. 2013).

On February 19, 2013, Registration No. 85460019 issued to respondent for the mark BECK'S SAPPHIRE in standard characters for "beer."³

Petitioner's amended petition to cancel pleads claims of priority of use and likelihood of confusion with, and dilution of, petitioner's SAPPHIRE and BOMBAY SAPPHIRE marks for distilled spirits, the subject of common law use and pleaded registrations. In the alternative, petitioner pleads that the term SAPPHIRE is merely descriptive or generic of the hops used in beer, and that the term BECK'S SAPPHIRE is primarily merely a surname, combining the surname BECK with the generic word for a key ingredient.

In order to withstand a motion to dismiss, petitioner need only allege such facts which, if proved, would establish that petitioner is entitled to the relief sought; that is, (1) petitioner has standing to bring the proceeding, and (2) a valid statutory ground exists for cancelling the registration. *Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1538 (TTAB 2007). Specifically, "a complaint must contain sufficient factual matter, accepted as true, to 'state a claim to relief that is plausible on its face.'" *Ashcroft v. Iqbal*, 556 U.S. 662, 129 S. Ct. 1937, 1949 (2009), quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007). Petitioner's pleading of ownership of its registrations is sufficient for standing for the likelihood of confusion, dilution, and mere descriptiveness claims. See *Cunningham v. Laser Golf Corp.*, 222 F.3d 943,

³ On the same day, petitioner filed its original petition to cancel. Pursuant to Fed. R. Civ. P. 15(a)(1)(A), before an answer was filed, petitioner filed the amended petition to cancel. On April 5, 2013, the Board accepted the amended petition to cancel.

55 USPQ2d 1842, 1844 (Fed. Cir. 2000). (“These registrations and the products sold under the mark they register suffice to establish Laser Golf’s direct commercial interest and its standing to petition for cancellation of Cunningham’s LASERSWING mark.”).

Respondent’s motion to dismiss contends that the amended petition to cancel is deficient with respect to the pleaded claims. The amended petition to cancel (PTC) alleges, in pertinent part:

Petitioner is well known and recognized in the marketplace as the originator and provider of spirits and alcoholic beverages as well as having a strong reputation for offering and sponsoring a variety events, including entertainment events (PTC ¶4).

Petitioner has used its marks in commerce with distilled spirits since well before any use of respondent’s mark (PTC ¶5);

Petitioner owns and pleads five registrations including the terms SAPPHIRE and BOMBAY SAPPHIRE for spirits and alcoholic beverages (PTC ¶6);

Petitioner’s use of its marks is prior to any actual or constructive use of respondent’s marks (PTC 10);

Petitioner’s Marks have become recognized by the public as indicative of Petitioner’s goods and services and the high quality thereof (PTC ¶11);

The parties’ respective goods do or will travel in the same channels or trade and have the same target market of people who consume alcoholic beverages(PTC ¶12);

Registrant’s mark is visually and aurally very similar to Petitioner’s’ marks and is identical as to SAPPHIRE (PTC ¶13);

Respondent’s registration for closely related goods is likely to cause confusion (PTC ¶14);

Through extensive use and promotion, petitioner's marks have become famous (PTC ¶16);

The fame of petitioner's marks predates the date respondent filed its application for BECK'S SAPPHIRE (PTC ¶17);

Respondent's mark so resembles petitioner's mark that it is likely to dilute the distinctive quality of petitioner's marks (PTC ¶18);

Beck is a surname (PTC ¶19);

In the alternative, the SAPPHIRE portion of respondent's mark is merely descriptive of or generic for an ingredient of respondent's goods, namely the hops used in beer (PTC ¶20);

Further in the alternative, respondent's mark is primarily merely a surname since it includes the common surname BECK'S with the generic word for a key ingredient of Registrant's beer (PTC ¶21).

These allegations state legally sufficient claims of priority and likelihood of confusion, dilution, and the alternative claim that the term SAPPHIRE is merely descriptive of respondent's goods. *See Petroleos Mexicanos v. Intermix S.A.*, 97 USPQ2d 1403, 1406-1407 (TTAB 2010) ; *Montecash LLC v. Anzar Enterprises, Inc.*, 95 USPQ2d 1060, 1063-1064 (TTAB 2010); *The Toro Company v. ToroHead, Inc.*, 61 USPQ2d 1164, 1181 (TTAB 2001).

The Board rejects respondent's contention that the petition fails to allege facts in support of the contention that petitioner's mark is famous for the purposes of the dilution claim.⁴ *Fiat Group Automobiles*

⁴ The Board does not find that the decisions in *Luv n' Care, Ltd. v. Regent Baby Products Corp.*, 841 F. Supp.2d 753, 103 USPQ2D 1243 (SDNY 2012) or *Urban Group Exercise Consultants, Ltd. v. Dick's Sporting Goods, Inc.*, 106 USPQ2D 1756

S.p.A. v. ISM Inc., 94 USPQ2d 1111, 1115 (TTAB 2010). The Board also finds unpersuasive respondent's contention that petitioner may not allege that the term SAPPHIRE is merely descriptive of or generic for an ingredient of respondent's goods, namely the hops used in beer. *Kellogg Co. v. Pack'Em Enterprises, Inc.*, 14 USPQ2d 1545 (TTAB 1990), ("Just as the registration of a mark may be opposed (or cancelled, if the registration is less than five years old) on the Section 2(e)(1) ground that the entire mark, when applied to the goods or services of the applicant (or registrant), is merely descriptive of them, so too it may be on the ground that an disclaimed portion of the mark is merely descriptive of the applicant's goods or services (and that the mark should not be registered without a disclaimer of that portion").

However, because opposer pleads no interest in using the term BECK'S or BECK'S SAPPHIRE, petitioner lacks standing to bring the claim that "respondent's mark is primarily merely a surname since it includes the common surname BECK'S with the generic word for a key ingredient of Registrant's beer." *Miller v. Miller*, 105 USPQ2d 1615, 1618 (TTAB 2013) ("Opposer has evidenced its continuous use of "Miller Law Group" in connection with legal services"); *Michael S. Sachs Inc. v. Cordon Art B.V.*, 56

(SDNY 2012) dictate a different result. In those cases, the court found that the dilution claim was insufficiently pleaded based, among other factors, on factors not present here: plaintiff's failure to plead a registered mark, plaintiff's allegations of revenue derived from all its marks, and not just those before the court, and plaintiff's allegation of niche fame as opposed to general recognition.

USPQ2d 1132, 1136 (TTAB 2000) (“Opposer has used the names ESCHER and M.C. ESCHER in promoting its sales by placing advertisements in art magazines, and in publications such as The Wall Street Journal and The New York Times.”); *Ritchie v. Simpson*, 41 USPQ2d 1859, 1862 (TTAB 1996) (“In order to state a real interest in an opposition proceeding based on Section 2(e) (4), the party challenging registration of the mark must allege a commercial interest in the same or a similar name; that is, the opposer must allege that it is at least in a position to use the alleged surname in its business activities.”); *Societe Civile Des Domaines Dourthe Freres v. S.A. Consortium Vinicole De Bordeaux Et De La Gironde*, 6 USPQ2d 1205, 1207 (TTAB 1988) (“Philippe Dourthe has shown no commercial activity or use of the name on his own behalf but only in terms of his position as a corporate officer of Dourthe Freres. Thus, Philippe Dourthe has not proved his standing to challenge, as an individual, the application filed by applicant”); *Fioravanti v. Fioravanti Corrado S.R.L.*, 230 USPQ 36, 39 (TTAB 1986) (surname claim may only be asserted in inter partes proceedings by “person who is using that surname in a business which is directly competitive with that of” defendant.).

In sum, respondent’s motion to dismiss is GRANTED with respect to the claim that the mark BECK’S SAPPHIRE is primarily merely a surname because petitioner has not pleaded standing to bring that claim. Respondent’s motion is otherwise denied inasmuch as the petition to cancel pleads standing and legally sufficient claims of

priority and likelihood of confusion, dilution, and that the term SAPPHIRE is merely descriptive as applied to the beer listed in the registration.

Petitioner is allowed until FIFTEEN days from the mailing date of this order to file an amended petition to cancel which pleads petitioner's standing to bring the surname ground, failing which the cancelation will go forward on the remaining claims.

Respondent is allowed until either THIRTY DAYS from petitioner's service of any amended pleading in which to file its answer, or FORTY-FIVE DAYS from the mailing date of this order in which to file its answer to the original petition to cancel [except Paragraph 21].

Proceedings herein are resumed, and dates are reset below.

Deadline for Discovery Conference	11/30/2012
Discovery Opens	11/30/2013
Initial Disclosures Due	12/30/2013
Expert Disclosures Due	4/29/2014
Discovery Closes	5/29/2014
Plaintiff's Pretrial Disclosures	7/13/2014
Plaintiff's 30-day Trial Period Ends	8/27/2014
Defendant's Pretrial Disclosures	9/11/2014
Defendant's 30-day Trial Period Ends	10/26/2014
Plaintiff's Rebuttal Disclosures	11/10/2014
Plaintiff's 15-day Rebuttal Period Ends	12/10/2014

In each instance, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on the adverse party within

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thirty days after completion of the taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.