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

Proceeding	92058411
Party	Plaintiff Luxco, Inc.
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Submission	Motion to Dismiss - Rule 12(b)
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/s/ Andrew Gilfoil

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

LUXCO, INC.,	)	
	)	
Petitioner/Counter Registrant,	)	
	)	
v.	)	Cancellation No. 92/058,411
	)	
OPICI IP HOLDINGS, LLC	)	
	)	
Registrant/Counter Petitioner.	)	

**LUXCO’S MOTION TO DISMISS REGISTRANT/COUNTERCLAIM PETITIONER’S  
SECOND AND THIRD COUNTERCLAIMS FOR CANCELLATION OF U.S.  
REGISTRATION NOS. 0727786 & 3632812 AND MEMORANDUM IN SUPPORT**

Petitioner/Counter Registrant Luxco, Inc. (“Luxco”), by and through its undersigned attorneys, in support of its Motion to Dismiss Registrant/Counterclaim Petitioner’s Second and Third Counterclaims for Cancellation of U.S. Registration Nos. 0727786 & 3632812, states as follows:

**INTRODUCTION**

In its Answer, Affirmative Defenses and Counterclaims, Registrant/Counter Petitioner Opici IP Holding’s LLC (“Opici”) purports to plead three separate and distinct “counterclaims” (See Answer, Affirmative Defenses and Counterclaims [Dkt. 3], ¶¶ 26-28, at p. 4.) Specifically, Opici purports to seek cancellation certain of Luxco’s pleaded registrations, particularly, U.S. Registration Nos. 0727786 for REBEL YELL (the “’786 Registration”) and 3,632,812 for

REBEL RESERVE (the “812 Registration”).<sup>1</sup> Although far from the picture of clarity, Opici’s second and third counterclaims are as follows:

Second counterclaim. as set forth in paragraph 27, that Luxco “and/or its alleged predecessor-in-interest have *failed to police and use* [Luxco’s trademarks in the ‘786 and ‘812 Registrations] by unrelated parties;” and

Third counterclaim, as set forth in paragraph 28, that Luxco “and/or its alleged predecessor-in-interest have *failed to police the use* (sic) *REBELLION* by unrelated third parties.”

(Emphasis added)

With its motion, Luxco seeks an order of the Board dismissing the nominated “second counterclaim” and “third counterclaim” in that the same fail to state a claim upon which relief may be granted. *See* Fed.R.Civ. P. 12(b)(6). “Failure to police use” of a party’s registered trademarks or related terms by unrelated third parties is not, in and of itself, a ground for cancellation of an existing trademark registration. In the alternative, Luxco requests that the Board require Opici to plead its second and third “counterclaims” with sufficient specificity and clarity to allow Luxco to fully and completely respond to the same.

## ARGUMENT AND AUTHORITIES

### I. Legal Standard.

A motion to dismiss a counterclaim for failure to state a claim upon which relief can be granted is simply a test of the legal sufficiency of pleaded counterclaim. *Advanced Cardiovascular Systems, Inc. v. SciMed Life Systems, Inc.*, 988 F.2d 1157, 26 U.S.P.Q.2d 1038, 1041 (Fed. Cir.1993). In order to withstand such a motion, the counterclaim must allege such facts that would, if proved, establish that the petitioner is entitled to the relief sought –

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<sup>1</sup> Luxco has filed, contemporaneously herewith, its Answer and Affirmative Defenses to Opici’s first counterclaim, set forth in paragraph 26 of its Answer, Affirmative Defenses and

cancellation of the noted US Trademark Registrations. In short, to survive a motion to dismiss, the counterclaim must “state a claim to relief that is plausible on its face.” *Bell Atlantic Corp. vs. Twonbly*, 550 USPQ 554,570 (2007); *Ashcroft vs. Iqbal*, 556 US 662, 129 S. Ct. 1937 (2009); *Doyle vs. Al Johnson’s Swedish Restaurant & Butik Inc.*, 101 USPQ 2d 1780, 1782 (TTAB 2012).

Here, Opici’s counterclaims must include specific averments that (1) Opici has standing to maintain the proceeding, and (2) a valid ground for cancelling the registration exists. *Young vs. AGB Corp*, 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1989). Simply stated, Opici has failed to state a valid ground for cancelling the cited Luxco registrations. As such, Opici’s second and third counterclaims do not state claims to relief that are plausible on their face and must be dismissed.

**II. Opici’s Second and Third Counterclaims Must be Dismissed Because They Fail to State Cognizable Claims Under the Lanham Act**

As stated above, in its “second counterclaim” and “third counterclaim” Registrant avers allegations that Luxco’s subject registrations should be cancelled based on Luxco’s alleged “failure to police.” “Failure to police use” of a party’s registered trademarks or related terms by unrelated third parties is not, in and of itself, a ground for cancellation of an existing trademark registration. Registrant’s second and third counterclaims should thus be dismissed for failure to state a valid ground for cancelling these registrations. *Young vs. AGB Corp*, 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1989). In the alternative, at a minimum Luxco requests that the Board require Opici to plead its second and third “counterclaims” with sufficient specificity and clarity to allow Luxco to fully and completely respond to the same, including under what valid Lanham Act grounds Opici’s “failure to police” counterclaims are brought.

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Counterclaims [Dkt.4].

### **III. Opici's Second and Third Counterclaims Must Be Dismissed as to the '786 Registration Because it is Incontestable.**

In Board proceedings, there are certain facts not subject to proof—such as the issue date of registrations that are subject to a cancellation petition—that the Board may consider when a party has filed a motion to dismiss under Fed. R. Civ. P. 12(b)(6). *Compagnie Gervais Danone vs. Precision Formulations LLC*, 89 U.S.P.Q.2d 1251, 1258 (TTAB 2009). The '786 Registration issued in 1962, well over five years before Opici's filed its counterclaims. Moreover, the '786 Registration has achieved incontestable status. Even if the Board finds that Opici's second and third counterclaims state valid grounds for cancellation, the Board must nonetheless dismiss those counterclaims as to the '786 registration.

It is a "well settled" rule that the grounds on which a cancellation action may be brought "are limited for a registration that has been in existence for five years." *Otto Intl. Inc. v. Otto Kern GmbH*, 83 U.S.P.Q.2d 1861, 1862-63 (TTAB 2007). Congress expressly provided in §§ 33(b) and 15 of the Lanham Act that an incontestable mark could be challenged only on very specific grounds. *Park and Fly Inc. vs. Dollar Park & Fly, Inc.*, 469 US 189, 194-195 (1985). Those grounds include: (1) the mark has become generic, (2) the mark has been abandoned, (3) the mark was procured by fraud, or (4) the mark if it is being used to misrepresent the source of the goods or services in connection with which it is used. *Id.* At 195. It is unclear how to characterize "failure to police," but it certainly is not one of the enumerated grounds for cancellation of registration with incontestable status.

### **CONCLUSION**

For the reasons set forth above, Counter-Petitioner has failed to state a claim with respect to its second and third counterclaims against Luxco's '786 and '812 registrations. The Board must accordingly dismiss those counterclaims.

DATED: March 28, 2014.

Respectfully Submitted,

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**CERTIFICATE OF SERVICE**

The undersigned counsel hereby certifies that a copy of the foregoing was served by First Class Mail, postage prepaid on this 28th day of March, 2014, upon:

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