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

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|------------------------|--|
| Proceeding | 92058411 |
| Party | Defendant Opici IP Holdings, LLC |
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In re Registration Nos.: 0727786 and 3632812

Trademarks: REBEL YELL and REBEL RESERVE respectively

LUXCO, INC.
Petitioner/Counter Registrant ,
V.
OPICI HOLDINGS LLC
Registrant/Counter Petitioner.

Cancellation No. 92/058,411

**RESPONSE TO LUXCO'S MOTION TO DISMISS FOR FAILURE TO STATE A
CLAIM**

OPICI HOLDINGS LLC (“Opici”), through undersigned counsel, hereby responds to LUXCO, INC.’s (“Luxco”) Motion to Dismiss Opici’s Second and Third counterclaims made pursuant to FRCP 12(b)960 because the pleading is allegedly legally insufficient to proceed.

Luxco’s motion has no basis in law or in fact and must be denied.

A motion to dismiss for failure to state a claim upon which relief can be granted is a test solely of the legal sufficiency of a complaint. See *Petróleos Mexicanos v. Intermix SA*, 97 USPQ2d 1403, 1404 (TTAB 2010).

In order to withstand such a motion, a pleading need only allege such facts as would, if proved, establish that Opici is entitled to the relief sought, that is, that 1) Opici has standing to maintain the proceeding, and 2) a valid ground exists for cancelling the subject registration. See *Petróleos* at 1404.

All a “valid ground” for cancellation of a registration that must be alleged and ultimately proved is a statutory ground which negates the Luxco's right to maintain the subject registration. See *Petróleos* at 1404.

Luxco argues and we agree that:

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.

What Luxco fails to appreciate or understand is that it is axiomatic that trademark law requires that a trademark owner police the quality of the goods to which the mark is applied, on pain of losing the mark entirely. Professor McCarthy explains:

Sometimes a mark becomes abandoned to generic usage as a result of the trademark owner's failure to police the mark, so that widespread usage by competitors leads to a generic usage among the relevant public, who see many sellers using the same word or designation. See J. Thomas McCarthy et al., *2 McCarthy on Trademarks and Unfair Competition* §17:8, at 17-11 (4th ed., Rel. #59 9/2011).

Abandonment as a result of a failure to police is a fundamental principle of trademark law. The Federal Circuit, applying this law, has itself imposed loss of trademark rights based on inadequate control of use of a mark by others. See *BellSouth Corp. v. DataNational Corp.*, 60 F.3d 1565, 35 USPQ2d 1554 (Fed. Cir. 1995)

The failure to police one's trademark is akin to naked licensing and the results in abandonment. See *2 McCarthy on Trademarks and Unfair Competition* §12:1 at 12-10 (4th ed., Rel. #68 12/2013) (discussing the importance of policing improper trademark use by others, "[s]ometimes genericide occurs as a result of the trademark owner's failure to police the mark, resulting in widespread usage by competitors leading to a perception of genericness").

Whether or not Luxco's registrations are incontestable (the '786 registration is) is immaterial. As Luxco concedes, abandonment is a valid basis for cancellation regardless of the status of the registration. What Luxco fails to understand is that "failure to police" is a term of art that describes acts of omission that result in abandonment. Opici's Second and Third Counterclaims are more than sufficient to put Luxco on notice as to the nature of Opici's claims.

CONCLUSION

Luxco's motion to dismiss must be denied and the trial dates reset.

Dated: Raritan, New Jersey
April 16, 2014

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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 16th day April, 2014, upon:

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