

ESTTA Tracking number: **ESTTA633656**

Filing date: **10/17/2014**

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

Proceeding	92059821
Party	Plaintiff Golestan Co.
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Date	10/17/2014
Attachments	GOLESTAN - Opp to Motion to Dismiss.001.pdf(72095 bytes)

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

Golestan Co.,

Petitioner,

v.

Mahalaxmi Exports FZE,

Respondent.

Petition for Cancellation No. 92059821
Petition for Cancellation of Registration
Numbers: 4,153,549 and 3,915,265

**PETITIONER'S MEMORANDUM OF
POINTS & AUTHORITIES IN
OPPOSITION TO REGISTRANT'S
MOTION TO DISMISS**

MEMORANDUM OF POINTS & AUTHORITIES

Registrant's Motion to Dismiss is premised on the fallacious notion that, despite having stolen and fraudulently registered a famous trademark owned that had been used by a foreign company for over 55-years, that Petitioner Golestan Co. ("Petitioner" or "Golenstan") should be denied to challenge Registrant's Registrations because Petitioner is based in Iran, a country that is currently under sanctions by the United States of America. The underlying premise for the Motion to Dismiss is mistaken and, therefore, the motion must be denied.

I. INTRODUCTION

Golenstan is an Iran based company that sells food products throughout the world. Petitioner has been in business for over 55-years and is famous throughout the world for its high-quality and delicious products. Generations of families throughout the world have enjoyed Golestan's rice, teas, spices, and other products. As a consequence of the high number of Iranians that have immigrated to the United States

over the past 30-years, Golestan's goods are particularly well-known and well-regarded in the United States of America.¹ Golestan has protected its trademarks throughout the world and owns trademark registrations in numerous countries. Given the large amount of its loyal customers that now live in the United States, Golestan has filed a trademark application here (S/N 86366133) and is taking steps to begin the process of importing its goods here.

Registrant is a "trademark squatter²" that has fraudulently registered Petitioner's brand name in the United States, despite never having sold any goods under that name. As a matter of fact, the specimen used in Registrant's trademark application are pictures of Petitioner's goods. Thus, Registrant has not only stolen Petitioner's valuable trademarks, Petitioner has committed fraud on the U.S.P.T.O. by obtaining two trademark registrations for marks that it does not own.

Petitioner legitimately brought this action in order to protect its trademark rights in the United States of America. Therefore, the Motion to Dismiss must be denied and this matter must proceed to trial.

¹ "Today, the United States contains the highest number of Iranians outside of Iran. The Iranian-American community has produced individuals notable in many fields, including medicine, engineering, and business. The community chiefly expanded in the early 1980s, following the Iranian Revolution and its abolition of the Iranian monarchy." "According to extrapolated U.S. Census data and other independent surveys done by Iranian-Americans themselves in 2009, there were an estimated one million Iranian-Americans living in the U.S. with the largest concentration—about 520,000 people—living around Los Angeles. For this reason, the L.A. area with its Iranian American residents is sometimes referred to as "Tehrangeles" or "Irangeles" among Iranian-Americans. Beverly Hills and Irvine both have large communities of Iranian Americans; 26% of the total population of Beverly Hills is Iranian Jewish, making it the city's largest religious community. http://en.wikipedia.org/wiki/Iranian_American.

² See: "Trademark Squatting" 31 Wis. Int'l L.J. 252, Sangsuvan, K (2013) http://www.uspto.gov/inventors/independent/eye/201302/TM_Squatting.jsp Generally, trademark squatting is an act of registering other people's marks as their own by squatters in other countries in order to gain benefits from original marks or real trademark owners.

II. STATEMENT OF LAW

A. IN REVIEWING A MOTION TO DISMISS, ALL OF PETITIONER'S ALLEGATIONS ARE ACCEPTED AS TRUE.

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, for example, *Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc.*, 988 F.2d 1157, 26 USPQ2d 1038 (Fed. Cir. 1993); *Libertyville Saddle Shop Inc. v. E. Jeffries & Sons Ltd.*, 22 USPQ2d 1594 (TTAB 1992); *Space Base Inc. v. Stadis Corp.*, 17 USPQ2d 1216 (TTAB 1990); and *Consolidated Natural Gas Co. v. CNG Fuel Systems, Ltd.*, 228 USPQ 752 (TTAB 1985). In order to withstand such a motion, a pleading need only allege such facts as would, if proved, establish that the plaintiff is entitled to the relief sought, that is, that (1) the plaintiff has standing to maintain the proceeding, and (2) a valid ground exists for denying the registration sought (in the case of an opposition), or for cancelling the subject registration (in the case of a cancellation proceeding). See *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982); *Kelly Services Inc. v. Greene's Temporaries Inc.*, 25 USPQ2d 1460 (TTAB 1992); *Hartwell Co. v. Shane*, 17 USPQ2d 1569 (TTAB 1990); *Consolidated Natural Gas Co. v. CNG Fuel Systems, Ltd.*, 228 USPQ 752 (TTAB 1985); *Intersat Corp. v. International Telecommunications Satellite Organization*, 226 USPQ 154 (TTAB 1985); and *Springs Industries, Inc. v. Bumblebee Di Stefano Ottina & C.S.A.S.*, 222 USPQ 512 (TTAB 1984).

For purposes of determining a motion to dismiss for failure to state a claim upon which relief can be granted, all of the plaintiff's well pleaded allegations must be accepted as true, and the complaint must be construed in the light most favorable to the plaintiff. See *Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc.*, 988 F.2d 1157, 26 USPQ2d 1038 (Fed. Cir. 1993); *Stanspec Co. v. American Chain & Cable Co.*, 531 F.2d 563, 189 USPQ 420 (CCPA 1976); *Kelly Services Inc. v. Greene's Temporaries Inc.*, 25 USPQ2d 1460 (TTAB 1992); *Space Base Inc. v. Stadis Corp.*, 17 USPQ2d 1216 (TTAB 1990); and *No Nonsense Fashions, Inc. v. Consolidated Foods Corp.*, 226 USPQ 502 (TTAB 1985). Dismissal for insufficiency is appropriate only if it appears certain that the plaintiff is entitled to no relief under any set of facts which could be proved in support of its claim. See *Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc.*, *supra*; *Scotch Whiskey Ass'n v. United States Distilled Products Co.*, 952 F.2d 1317, 21 USPQ2d 1145 (Fed. Cir. 1991); *Stanspec Co. v. American Chain & Cable Co.*, *supra*; *Kelly Services Inc. v. Greene's Temporaries Inc.*, *supra*; *Space Base Inc. v. Stadis Corp.*, *supra*; *Stabilisierungsfonds fur Wein v. Zimmermann-Graeff KG*, 199 USPQ 488 (TTAB 1978); and *National Ass'n of Blue Shield Plans v. Standard Mattress Co.*, 176 USPQ 29 (TTAB 1972).

B. CANCELLATION PROCEEDINGS ARE APPROPRIATE TO CANCEL TRADEMARK REGISTRATIONS OBTAINED BY TRADEMARK SQUATTERS.

Business entities and individuals have a legitimate interest in protecting their trademarks abroad. Scott A. McKenzie, Comment, *Global Protection of Trademark Intellectual Property Rights: A Comparison of Infringement and Remedies Available in*

China versus the European Union, 34 Gonz. L. Rev. 529, 531 (1998-1999). Cancellation and opposition can be used to help real trademark owners regain trademark rights from trademark squatters or to defend trademark squatting. The Paris Convention requires the cancellation of registration of a mark without an authorization. Paris Convention for the Protection of Intellectual Property, art. 6, Subparagraph (1), Mar. 20, 1883, 21. U.S.T. 1583 (revised July 14, 1967).

1. The Well Known Mark Doctrine Protects Foreign Trademarks From Trademark Squatters.

A well-known mark doctrine can be used to protect a mark from trademark pirates or trademark squatting through cancellation or opposition proceedings. See: *The All England Lawn Tennis Club (Wimbledon) Ltd. v. Creations Aromatiques, Inc.*, 220 U.S.P.Q. 1069, 1072, 1983 WL 51903 (T.T.A.B.1983); *Mother's Rests. Inc. v. Mother's Other Kitchen, Inc.*, 218 U.S.P.Q. 1046, 1048, 1983 WL 51992 (T.T.A.B.1983); *Grupo Gigante S.A de C.V v. Dallos & Co.*, 391 F.3d 1088, 1094 (9th Cir. 2004); Tashia A. Bunch, *Well-Known Marks Doctrine: Where Do We Go From Here?*, 90 J. Pat. & Trademark Off. Soc'y 227 (2008).

A well-known mark doctrine particularly protects marks which have become well known in a geographic area in association with certain goods or services. *Id.* With this special protection, trademark squatters cannot obtain or register well-known marks in their countries. Real trademark owners can revoke the registration of well-known marks at local trademark offices and domestic courts in each country. *Id.* Although the principle of territoriality is long-standing and well-established doctrine in all countries, a well-known mark can serve as an exception to the principle of territoriality. *Id.*

2. Trademark Registrations Obtained Fraudulently or in Bad Faith Should be Cancelled by the U.S.P.T.O.

A trademark registration that was obtained fraudulently or in bad faith must be cancelled. A third party may petition to cancel a registered trademark on the ground that the “registration was obtained fraudulently.” 15 U.S.C. § 1064(3). “Fraud in procuring a trademark registration or renewal occurs when an applicant knowingly makes false, material representations of fact in connection with his application.” *Torres v. Cantine Torresella S.r.l.*, 808 F.2d 46, 48 (Fed.Cir.1986). The Court of Customs and Patent Appeals (“CCPA”), explained that, before the PTO, “[a]ny ‘duty’ owed by an applicant for trademark registration must arise out of the statutory requirements of the Lanham Act,” which prohibit an applicant from making “knowingly inaccurate or knowingly misleading statements.” *Bart Schwartz Int’l Textiles, Ltd. v. Fed. Trade Comm’n*, 48 C.C.P.A. 933, 289 F.2d 665, 669 (1961).

3. Trademark Applications May Be Cancelled On the Grounds of Non-Use.

Trademark law provides for canceling a registration “[a]t any time if the registered mark ... has been abandoned,” 15 U.S.C. § 1064(3) (1994), and defines abandonment as discontinued use with an intent not to resume, see *id.* § 1127. Where a registrant has never used the mark in the United States, cancellation is proper if a lack of intent to commence use in the United States accompanies the nonuse. See *Imperial Tobacco Ltd. v. Philip Morris, Inc.*, 899 F.2d 1575, 1582, 14 USPQ2d 1390, 1395 (Fed.Cir.1990).

III. ARGUMENT

Registrant seeks to persuade the Board that Petitioner lacks standing to cancel the Registrations because Petitioner cannot legally sell its goods in the United States. Registrant is mistaken because the economic sanctions on Iran do not restrict Petitioner's ability to protect its intellectual property and, even if they did, exceptions to the sanctions are routinely granted.

A. THE ECONOMIC SANCTIONS AGAINST IRAN ARE IRRELEVANT TO THIS ACTION BECAUSE CONGRESS ALLOWS IRANIAN COMPANIES TO REGISTER AND PROTECT THEIR INTELLECTUAL PROPERTY IN THE UNITED STATES.

The crux of Registrant's argument is that, because of economic sanctions against Iran, an Iranian based company, such as Petitioner, cannot protect its intellectual property here. Registrant is mistaken because, under 31 CFR 560.509, Congress specifically allowed an exception to the sanctions regime to allow Iranian companies to protect their intellectual property in the U.S.:

560.509 Certain transactions related to patents, trademarks and copyrights authorized.

(a) All of the following transactions in connection with patent, trademark, copyright or other intellectual property protection in the United States or Iran **are authorized**:

(1) The filing and prosecution of any application to obtain a patent, trademark, copyright or other form of intellectual property protection, including importation of or dealing in Iranian-origin services, payment for such services, and payment to persons in Iran directly connected to such intellectual property protection;

(2) The receipt of a patent, trademark, copyright or other form of intellectual property protection;

(3) The renewal or maintenance of a patent, trademark, copyright or other form of intellectual property protection; and

(4) The filing and prosecution of opposition or infringement proceedings with respect to a patent, trademark, copyright or other form of intellectual property protection, or the entrance of a defense to any such proceedings.

(b) Nothing in this section affects obligations under any other provision of law. (emphasis added).³

Thus, nothing in the sanctions against the country of Iran bars an Iranian company from applying for a trademark, opposing a trademark registration, or otherwise protecting its intellectual property in the United States. Registrant's arguments with respect to the sanctions against the government of Iran are completely unsupported and misleading.

B. THE OFFICE OF FOREIGN ASSETS CONTROL REGULARLY GRANTS EXCEPTIONS TO THE IRANIAN SANCTIONS REGIME.

Additionally, businesses such as Petitioner are routinely granted exceptions to the Iranian sanctions upon submission and approval of an application authorizing such imports. See: for example: http://www.nytimes.com/interactive/2010/12/24/world/24-sanctions-list.html?_r=0, which lists dozens of well-known U.S. Companies (such as Bank of America, General Electric, Citigroup, and others) that have been granted exemptions to the sanctions against Iran. Petitioner intends to apply for such an exemption and, if granted, will be allowed to import and sell its goods in the United

³ Tellingly, Registrant's counsel was advised of Section 560.509 exceptions to the sanctions regime by e-mail on September 8, 2014; yet failed to advise the Board of this rule and failed to mention it at all in its brief.

States. At the appropriate time, Petitioner's trademark application will mature to a registration on the filing of a Statement of Use.

**C. THE PETITION FOR CANCELLATION ALLEGES NUMEROUS
GROUNDS ON WHICH RELIEF MAY BE GRANTED.**

The Petition for Cancellation alleges proper grounds for the cancellation of the subject Registrations. Paragraph 8 of the Petition, for example, alleges:

8. Based upon Petitioner's investigations and findings, the Registrations should be cancelled in their entirety because: (a) there was no bona fide use of the mark in Registration No. 4,153,549 in commerce prior to the filing of the use-based application (Trademark Act § 1(a), 15 U.S.C. § 1051(a)) ; (b) Respondent did not have a bona fide intention to use the mark in Registration No. 3,915,265 with the identified goods as of the filing date (Trademark Act § 1(b), 15 U.S.C. § 1051(b)); (c) Respondent is not, was not at the time of the filing of its applications for registration, nor has it ever been at any time, the rightful owner of the Registrations and/or the marks contained therein (TBMP § 309.03(c)(7)); and perhaps most egregiously, (d) Respondent committed multiple frauds in the procurement of its Registrations during the prosecution of its applications for registration (TBMP § 309.03(c)(17)).

For purposes of determining a motion to dismiss for failure to state a claim upon which relief can be granted, all of the plaintiff's well pleaded allegations must be accepted as true, and the complaint must be construed in the light most favorable to the plaintiff. See *Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc.*, 988 F.2d 1157, 26 USPQ2d 1038 (Fed. Cir. 1993); *Stanspec Co. v. American Chain & Cable Co.*, 531 F.2d 563, 189 USPQ 420 (CCPA 1976); *Kelly Services Inc. v. Greene's Temporaries Inc.*, 25 USPQ2d 1460 (TTAB 1992); *Space Base Inc. v. Stadis Corp.*, 17 USPQ2d 1216 (TTAB 1990); and *No Nonsense Fashions, Inc. v. Consolidated Foods Corp.*, 226 USPQ 502 (TTAB 1985).

Here, the allegations in Paragraph 8 (and elsewhere in the Complaint) provide sufficient grounds to warrant the cancellation of the Registrations. What is more, as detailed above, Petitioner unquestionably has standing to challenge the propriety of these Registrations.

Registrant is, furthermore, mistaken that Petitioner's lack of sales in commerce preclude it from challenging the Registrations. Here, even if Petitioner never obtains a United States trademark registration and never sells goods in the United States, because Petitioner is a well-known brand throughout the world, Petitioner has the right to enforce its world-famous mark in the United States.

A well-known mark doctrine can be used to protect a mark from trademark pirates or trademark squatting through cancellation or opposition proceedings. See: *The All England Lawn Tennis Club (Wimbledon) Ltd. v. Creations Aromatiques, Inc.*, 220 U.S.P.Q. 1069, 1072, 1983 WL 51903 (T.T.A.B.1983); *Mother's Rests. Inc. v. Mother's Other Kitchen, Inc.*, 218 U.S.P.Q. 1046, 1048, 1983 WL 51992 (T.T.A.B.1983); *Grupo Gigante S.A de C.V v. Dallos & Co.*, 391 F.3d 1088, 1094 (9th Cir. 2004); Tashia A. Bunch, *Well-Known Marks Doctrine: Where Do We Go From Here?*, 90 J. Pat. & Trademark Off. Soc'y 227 (2008).

This Board has consistently held that under the "well known marks" doctrine, rights in a foreign unregistered mark may be recognized if the mark is so well-known in the United States that confusion is likely to result. Here, the Petitioner's trademark is well-known throughout the world and, particularly with the very high Iranian-American population. Thus, even without use in the United States, Petitioner is entitled to cancel Registrant's Registrations.

IV. CONCLUSION

For the foregoing reasons, the Motion to Dismiss must be denied. Registrant must be ordered to answer the Petition for Cancellation in a timely manner. In the event that the Board is inclined to grant the Motion, Petitioner respectfully requests leave to file an amended petition⁴.

Respectfully submitted,

/s/Sepehr Daghighian, Esq.

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October 17, 2014

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⁴ See: TBMP § 503.03: If no amended complaint is submitted in response to a motion to dismiss for failure to state a claim upon which relief can be granted, and the Board finds, upon determination of the motion, that the complaint fails to state a claim upon which relief can be granted, the Board generally will allow the plaintiff an opportunity to file an amended pleading.”

CERTIFICATE OF SERVICE

I am a Member of the Bar of California, not a Party in the Action, and I hereby certify that I caused to be served on Attorneys for Opposer a true and correct copy of each of the foregoing documents:

PETITIONER'S MEMORANDUM OF POINTS & AUTHORITIES IN OPPOSITION TO REGISTRANT'S MOTION TO DISMISS

was served on **October 17, 2014** by U.S. First Class Mail with postage prepaid, in an envelope addressed to:

Adam E. Schwartz
Schwartz Intellectual Property Law, PLLC
244 5th Avenue, #2157
New York, NY 10001

I declare under the penalties of perjury of the United States that the foregoing is true and correct.

Executed on **October 17, 2014** at Beverly Hills, California.

/s/Kevin Yaghoubzadeh
Kevin Yaghoubzadeh