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

Proceeding	92061664
Party	Defendant BBK Pictures, Inc.
Correspondence Address	DINA LEYTES GRIESING LAW LLC 1717 ARCH ST, SATE 3630 PHILADELPHIA, PA 19103 UNITED STATES dleytes@griesinglaw.com
Submission	Motion to Dismiss - Rule 12(b)
Filer's Name	Dina Leytes
Filer's e-mail	dleytes@griesinglaw.com
Signature	/Dina Leytes/
Date	07/21/2015
Attachments	BBK Pictures Motion to Dismiss.pdf(82775 bytes)

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

Boston Iced Tea Company, Inc.,	:	
Petitioner	:	CANCELLATION NO. 92061664
	:	
v.	:	Registration No. 85884091
	:	
BBK Pictures, Inc.,	:	
Registrant.	:	

**REGISTRANT’S MOTION AND MEMORANDUM IN SUPPORT OF MOTION TO
DISMISS THE CANCELLATION PROCEEDING FOR FAILURE TO STATE A CLAIM
UNDER RULE 12(b)(6)**

Registrant BBK Pictures, Inc. (“Registrant” or “BBK Pictures”) respectfully requests dismissal with prejudice of the cancellation petition filed by Petitioner Boston Iced Tea Company, Inc. (“Petitioner” or “Boston Iced Tea Company”) on the ground that Boston Iced Tea Company waived its right to challenge the registration at issue by failing to timely file a counterclaim or separate petition attacking the same registration in Opposition No. 91214191 (the “Opposition”), in which this same registration was asserted against Boston Iced Tea Company. This Motion is based on the following Memorandum, the complete files and records of the Opposition, and the complete files and records of this cancellation proceeding.

I. Background

The parties hereto are also parties to the Opposition, which was brought by BBK Pictures in opposition to Boston Iced Tea Company’s application for a mark consisting of the wording MAGUIRE’S BOSTON ICED TEA CO. in a stylized font and the design of a tall ship, U.S. Serial No. 85884091 (the “Alleged Mark”). The Opposition petition was based upon BBK Pictures’

earlier-filed application for the standard character mark BOSTON TEA, U.S. Registration No. 4703971 (the “BOSTON TEA Mark”), which matured into a registration on March 17, 2015 during the course of the Opposition proceedings. During the Opposition proceedings, the parties stipulated that BBK Pictures’ goods and the goods of Boston Iced Tea Company are similar in nature, as both applications recited tea and tea-based beverages.

In the Opposition, the parties elected to proceed under Accelerated Case Resolution (ACR). A small business that is family owned and operated, BBK Pictures was interested in ACR as a means to resolve the parties’ dispute in a time- and cost-effective manner. The final briefing in the Opposition, Plaintiff’s Reply Brief, was due on April 1, 2015 and BBK Pictures submitted its final brief on that date. The Opposition was submitted on brief to the Board on May 29, 2015. On June 2, 2015, Boston Iced Tea Company filed its separate petition to cancel the BOSTON TEA Mark without notifying the Board that it had done so. On June 30, 2015, the Board issued an order in the Opposition suspending that proceeding pending the outcome of this cancellation proceeding. In a strongly worded rebuke, the Board noted in its order that Boston Iced Tea Company’s “failure to promptly notify the Board [of its petition to cancel] resulted in needless expenditures of limited Board resources. Applicant [Boston Iced Tea Company] waited until well after all briefs were submitted in the opposition to file the petition. The parties are reminded that Trademark Rule 2.106(b)(2)(i) requires prompt pleading of a counterclaim or separate petition once grounds for the counterclaim are learned.”

II. Argument

Under Trademark Rule 2.106(b)(2)(i), in an opposition where a registration is pleaded as the basis for the opposition, the opposition defendant’s attack of the validity of that registration is a compulsory counterclaim that must be filed with the answer or at such time that the grounds for

the counterclaim are learned. Failure to timely file the compulsory counterclaim waives the right to challenge that registration and it is the basis for dismissing this petition for cancellation.

Boston Iced Tea Company's cancellation petition raises as a basis for cancellation the following grounds having to do with the validity of the BOSTON TEA Mark: 1) BBK Pictures was not the owner of the BOSTON TEA Mark as of the application filing date; 2) BBK Pictures committed fraud in the procurement of the BOSTON TEA Mark; and 3) the BOSTON TEA Mark is primarily geographically deceptively misdescriptive. Boston Iced Tea Company does not claim to plead any new circumstances in its cancellation petition that would explain its belated filing, nor could it do so, as it knew all of the grounds for its attack on the BOSTON TEA Mark at the time of submitting its answer or, at the latest, at the conclusion of discovery in the Opposition. At *no time* during the Opposition did Boston Iced Tea Company file a counterclaim against BBK Pictures¹. Boston Iced Tea Company did not file its cancellation petition until *three and a half months* after discovery in the Opposition had concluded² and *two months* after all briefing in the Opposition had concluded³. Accordingly, Boston Iced Tea Company's cancellation petition is untimely and should be dismissed on the ground that the substance of the petition constitutes a compulsory counterclaim in the Opposition, and that it was not timely asserted. *See* TBMP ¶ 313.04 and the cases cited therein ("If the defendant knows the grounds for a counterclaim to cancel a pleaded registration when the answer is filed, the counterclaim must be pleaded with or as part of the answer. [Note 2.] If grounds are learned during the course of the proceeding, through discovery or otherwise, the counterclaim must be pleaded promptly after the grounds therefor are learned. [Note 3.] A defendant who fails to timely plead a compulsory counterclaim cannot avoid

¹ *See* Opposition (filings on record reflect no counterclaim).

² *See* Opposition Docket Entry 13, Trial Date Reset (discovery in the Opposition concluded on February 15, 2015).

³ *Id.*

the effect of its failure by thereafter asserting the counterclaim grounds in a separate petition to cancel. In such a case, the separate petition will be dismissed, on motion, on the ground that the substance of the petition constitutes a compulsory counterclaim in another proceeding, and that it was not timely asserted. [Note 4.]” Unlike the proceedings at issue here, where an opposition defendant has been permitted to add a counterclaim or to separately petition to cancel a mark, the proceedings are commonly still in the discovery phase. *See, e.g., See's Candy Shops, Inc. v. Campbell Soup Co.*, 1989 TTAB LEXIS 69, *5, 12 U.S.P.Q.2D (BNA) 1395, 1397, 12 U.S.P.Q.2D (BNA) 1395 (Trademark Trial & App. Bd. Aug. 8, 1989) (Permitting consolidation of a cancellation proceeding and an opposition proceeding where the opposition proceeding was still in the early stages of discovery and where petitioner See’s filed its petition to cancel within two weeks of the date it filed its answer to the notice of opposition).

In brief, Petitioner has waived all rights to challenge the registration for the BOSTON TEA Mark. Its belated petition for cancellation is a stalling tactic that has resulted in the waste of restricted Board resources and created undue prejudice to Registrant. Petitioner’s conduct should not be rewarded, particularly as the parties mutually agreed to proceed expeditiously in the Opposition under ACR.

III. Conclusion

Petitioner Boston Iced Tea Company’s petition for cancellation should be dismissed because the substance of its petition for cancellation has not been timely asserted. Accordingly, Registrant BBK Pictures respectfully asks the Board to dismiss this cancellation proceeding with prejudice.

RESPECTFULLY SUBMITTED,
GRIESING LAW, LLC,

BY: /Dina Leytes/
Dina Leytes, Esquire.
PA Bar Identification No. 310303
1717 Arch Street, Suite 3630
Philadelphia, PA 19103
(215) 618-3720
(215) 814-9049 [fax]
dleytes@griesinglaw.com
www.griesinglaw.com

Dated: July 21, 2015

CERTIFICATE OF SERVICE

I hereby certify that a true and complete copy of the foregoing Registrant's Motion and Memorandum in Support of Motion to Dismiss the Cancellation Proceeding for Failure to State a Claim under Rule 12(b)(6) has been served this day, July 21, 2015, on Roger N. Behle, Jr. Esquire, counsel for Petitioner Boston Iced Tea Company, Inc., via First Class Mail, postage prepaid, and electronic mail at the following address:

Roger N. Behle, Jr., Esq.
Fohle Bezek Behle & Curtis, LLP
575 Anton Blvd., #710
Costa Mesa, CA 92626
rbehle@foleybezek.com

/Dina Leytes/
Dina Leytes, Esq.
Attorney for Registrant