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

Proceeding	91121980
Party	Plaintiff ESTEFAN ENTERPRISES, INC. ESTEFAN ENTERPRISES, INC. ,
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Attachments	Bongos EEI's Response to Motion to Dismiss.pdf ( 9 pages )(50928 bytes )

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

In re Application of:

Bongo, S.A. de C.V.  
Opposition No. 121,980  
Serial No. 75/767,732  
Date Filed: August 3, 1999  
Date Published: October 17, 2000  
Mark: COCO BONGO HOUSE OF POP & ROCK (and design)

In the matter of Trademark Registration No. 2347247  
For the mark: COCO BONGO  
Date Registered: May 2, 2002

ESTEFAN ENTERPRISES, INC.,	)	
	)	
	)	Opposition No. 91/121980
Opposer/Petitioner,	)	Cancellation No. 92/042251
v.	)	
	)	
BONGO, S.A. de C.V.,	)	
	)	
	)	
Applicants/Registrants.	)	
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**PETITIONER/OPOSER, ESTEFAN ENTERPRISES, INC.'S  
RESPONSE TO MOTION TO DISMISS AMENDED PETITION TO CANCEL**

Petitioner/Opposer, Estefan Enterprises, Inc. (“EEI”), by and through undersigned counsel, hereby responds to Bongo, S.A. de C.V. and Noble’s Motion to Dismiss Amended Petition to Cancel as follows:

Bongo, S.A. de C.V. and Noble have brought a frivolous Motion to Dismiss claiming that: (1) EEI has failed to state any claims against Bongo, S.A. de C.V. since the challenged registration is no longer owned by Bongo, S.A. de C.V. (although the Board specifically joined Noble as an additional defendant and subsequent to joinder, Bongo, S.A. de C.V. has filed and responded to Motions for Summary Judgment on all of the claims raised in EEI’s Amended

Petition to Cancel and has participated in these proceedings in every respect); (2) EEI has failed to allege abandonment sufficient to maintain a cancellation action (despite the fact that this issue has been one of the central issues in these proceedings and has been fully briefed by both Bongo, S.A. de C.V. and Noble in connection with the parties' Cross Motions for Summary Judgment); (3) EEI has failed to properly allege facts upon which a claim of fraud can be based (despite the fact that this issue has been fully briefed and responded to by both Bongo, S.A. de C.V. and Noble in connection with the EEI's Supplement to Motion for Summary Judgment); and (4) EEI has failed to plead that *Noble's* trademark registration in any way creates a likelihood of confusion (despite the fact that this issue has been fully briefed and responded to by Noble in connection with the parties' Cross Motions for Summary Judgment).

Bongo, S.A. de C.V. and Noble cannot contend at this stage of these proceedings that they are either unclear what claims EEI is asserting against them or that EEI has failed to properly allege certain claims. Bongo, S.A. de C.V. and Noble are improperly attempting to get another bite at the apple and are trying to avoid and stall defending these proceedings on the actual merits. Moreover, their Motion to Dismiss is replete with arguments that are inappropriate in the context of a motion to dismiss, which is a blatant attempt to muddle the issues. As explained more fully below, Bongo, S.A. de C.V. and Noble's Motion to Dismiss should be denied.

I. EEI has stated claims against Bongo, S.A. de C.V. even though Bongo, S.A. de C.V. has assigned its rights in the COCO BONGO mark to Noble

Bongo, S.A. de C.V. argues that all claims asserted by EEI against it should be dismissed with prejudice because during the pendency of these proceedings, Bongo, S.A. de C.V. assigned its interest in the COCO BONGO mark to Noble. T.M.B.P. § 512.01 states in relevant part that:

If the mark in an application or registration which is the subject matter of an inter partes proceeding before the Board is assigned, together with the application or registration, the assignee may be joined as a party upon the filing with the Board of a copy of the assignment. When the assignment is recorded in the Assignment Services Division of the USPTO, the assignee may be substituted as a party if the assignment occurred prior to the commencement of the proceeding, or the assignor is no longer in existence, or the plaintiff raises no objections to substitution, or the discovery and testimony periods have closed; otherwise, the assignee will be joined, rather than substituted, to facilitate discovery.

(emphasis added).

As a result of the assignments, EEI moved the Board to join or substitute Noble as a party to these proceedings. (DK # 41). On September 12, 2005, the Board joined Noble as a party. (DK #43). Therefore, Bongo, S.A. de C.V. is clearly a proper and necessary party to these proceedings or the Board would have substituted Noble in place and stead of Bongo, S.A. de C.V. instead of joining him to these proceedings.

II. EEI has alleged abandonment sufficient to maintain a cancellation action

Although the parties have been litigating the merits of EEI's abandonment claim for years, Bongo, S.A. de C.V. and Noble are now trying to claim that EEI has not stated claim for abandonment. In fact, Bongo, S.A. de C.V. has already answered this exact claim brought by

EEI in its Petition to Cancel. (DK # 11 to Cancellation Proceeding 92042251<sup>1</sup>). Moreover, Bongo, S.A. de C.V. and Noble have fully briefed the issue of abandonment in response to EEI's Motion for Summary Judgment and in their Motion for Summary Judgment. Therefore, Bongo, S.A. de C.V. and Noble (who has stepped into Bongo de S.A. de C.V.'s shoes as the assignee) have waived any right to assert that EEI has failed to properly allege abandonment.

Nevertheless, EEI has sufficiently pled the essential elements of abandonment. As Bongo, S.A. de C.V. and Noble have pointed out in their Motion, EEI has pled:

Registrant and Noble have abandoned the COCO BONGO mark, which was based on a foreign registration, as it has never been used in commerce in the United States since the COCO BONGO application was filed six (6) years ago in 1999. Registrant did not have a bona fide intent to begin use of the mark when it filed its trademark application on July 13, 1999 in the United States and has merely attempted to reserve a right in the mark.

EEI did not allege – nor was it required to allege – that Bongo, S.A. de C.V. and/or Noble have abandoned the mark *with an intent not to resume use* because as EEI has alleged, neither Bongo, S.A. de C.V. nor Noble have ever used the mark in the U.S., so there could be no intent to *resume use*.<sup>2</sup> The Federal Circuit has held:

The statutory language is "intent not to resume" use. Those words are appropriate for the usual situation in which a registered mark has been used at some time in this country. Where there is use, followed by a period of nonuse, the question is whether the registrant "discontinued" use with an 'intent not to resume.' In contrast, the subject registration, as indicated, was obtained without allegations of use of the mark in the United States and, during the pertinent time frame, the mark has never been used in the United States. The statutory language "discontinued" and "intent not to resume," as applied to the present situation, is inapt.

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<sup>1</sup> The Board has consolidated Cancellation Proceeding No. 92042251 with Opposition Proceeding No. 91121980. All docket entries cited herein refer to Opposition Proceeding No. 91121980 unless otherwise noted.

<sup>2</sup> The case cited by Bongo, S.A. de C.V. and Noble regarding the elements of abandonment, *Cerveceria Centroamericana, S.A. v. Cerveceria India, Inc.*, 892 F.2d 1021 (Fed. Cir. 1989), involves a situation, unlike here, where the mark was actually used in the U.S. and then said use was ceased.

Imperial Tobacco, Ltd., Assignee of Imperial Group PLC v. Philip, 899 F.2d 1575 (Fed. Cir. 1990) (emphasis added).

Moreover, the remainder of Bongo, S.A. de C.V. and Noble's argument regarding the burden of proof of abandonment is not appropriate for a motion to dismiss because it is an issue of proof and not a pleading issue. *See, e.g., Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc.*, 988 F.2d 1157, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993) (Rule 12(b)(6) challenges the legal theory of the complaint not the sufficiency of the evidence that might be adduced); *Space Base Inc. v. Stadis Corp.*, 17 USPQ2d 1216 (TTAB 1990). Nevertheless, Bongo, S.A. de C.V. and Noble have misstated the law with regard to the burden of proof as to abandonment. The law is clear that a petitioner establishes a prima facie case of abandonment with proof of nonuse in the United States for two consecutive years. *See* 15 U.S.C. § 1127; *Imperial Tobacco*, 899 F. 2d at 1579; *Rivard v. Linville*, 133 F. 3d 1446, 1448 (Fed. Cir. 1998). The prima facie case "eliminates the challenger's burden to establish the intent element of abandonment as an initial part of [his] case," and creates a rebuttable presumption that the registrant abandoned the mark without intent to resume or commence use under the statute. See id. This presumption shifts the burden to the registrant to produce evidence that he either used the mark during the statutory period or intended to resume or commence use. See id.

Furthermore, Bongo, S.A. de C.V. and Noble also misstate the law by arguing that failure to use the mark in the United States is not a basis for a claim for cancellation. The cases and statutes cited by Bongo, S.A. de C.V. and Noble in support of this argument all involve the registration of a mark under Section 44(e) of the Trademark Act. EEI does not dispute that an applicant filing under Section 44(e) need not use the mark in the United States prior to obtaining a registration. However, once the registration is

obtained, a registrant under 44(e) must use the mark in the United States or it is will be abandoned. As the Federal Circuit has held:

We see no justification to adopt a different or more liberal interpretation of the statute in connection with a mark of a section 44(e) registrant which has *never* been used in this country. Such registrant has no right to maintain a registration except in accordance with the statute, and nothing in the statute suggests that the registration of a never-used mark can be maintained indefinitely simply because the registrant does not have an affirmative intent to relinquish the mark. A section 44(e) registrant is merely granted a dispensation from actual use prior to registration, but after registration, there is no dispensation of use requirements. If the registrant fails to make use of the registered mark for two years, the presumption of abandonment may be invoked against that registrant, as against any other.

*Imperial Tobacco*, 899 F.2d at 1581-82 (emphasis in original).

II. EEI has alleged facts upon which a claim of fraud can be based

In its Supplement to Motion for Summary Judgment, EEI raised the issue of fraud in the procurement of a registration as an additional basis to cancel Bongo, S.A. de C.V. and Noble's COCO BONGO mark. (DK # 46). Neither Bongo, S.A. de C.V. nor Noble objected to EEI's Supplement to Motion for Summary Judgment in this regard on the basis that it had not been previously pled. Rather, Bongo, S.A. de C.V. and Noble responded to this claim on the merits. (DK # 45). According to the Board's Rules: "If the parties, in briefing summary judgment motion, have treated an unpleaded issue on its merits, and the nonmoving party has not objected to the motion on the ground that it is based on an unpleaded issue, the Board may deem the pleadings to have been amended, by agreement of the parties, to allege the matter." TBMP § 528.07. Therefore, this additional basis for cancellation of Bongo, S.A. de C.V. and Noble's COCO BONGO mark should be deemed amended by agreement of the parties. *See, e.g., Paramount Pictures Corp. v. White*, 31 USPQ2d 1768, 1772 (TTAB 1994) (opposer's pleading deemed amended where nonmoving party did not object to summary judgment motion as

seeking judgment on unpleaded claim), *aff'd (unpub'd)* 1008 F.3d 1392 (Fed. Cir. 1997); TBMP § 528.07. Bongo, S.A. de C.V. and Noble may not now challenge the legal sufficiency of EEI's fraud claim.

However, even if the Board disagrees that the pleadings have not already been de facto amended, EEI submits that it has stated a claim for fraud in the procurement of a registration. Bongo, S.A. de C.V. and Noble argue that EEI's allegation in paragraph 19 of the Amended Petition to Cancel that "Registrant knew or should have known at the time it submitted its application that the mark was not in use on all of the goods and services listed in the Mexican registration" is insufficient to satisfy the pleading requirements of fraud because the allegation of "should have known" implies negligence, rather than deliberate action or intent. Again, Bongo, S.A. de C.V. and Noble misstate the law. See Torres v. Cantine Torresella, 808 F.2d 46 (Fed. Cir. 1986) ("If a registrant files a verified renewal application stating that his registered mark is currently in use in interstate commerce and that the label attached to the application shows the mark as currently used when, in fact, he knows or should know that he is not using the mark as registered and that the label attached to the registration is not currently in use, he has knowingly attempted to mislead the PTO"); Physicians Formula Cosmetics, Inc. V. Cosmed, Inc., 2005 TTAB LEXIS (granting summary judgment against registrant on fraud in procurement of registration claim because respondent knew, or should have known, that the averment regarding use of the mark on all of the goods identified therein was false).

Bongo, S.A. de C.V. and Noble have also improperly raised proof issues as part of their argument on the abandonment claim. Proof issues are not relevant in the context of a motion to dismiss. See, e.g., *Advanced Cardiovascular Systems*, 988 F.2d at 1157.



IV. EEI has pled that Noble's trademark registration creates a likelihood of confusion

Lastly, Noble has claimed that EEI has not asserted a claim based on likelihood of confusion against him because the Amended Petition to Cancel claims that *Registrant's* COCO BONGO mark is confusingly similar to Petitioner's BONGOS CUBAN CAFE mark. Noble may not in good faith argue that he is unclear that this claim was brought against him. Indeed, Noble has already responded to EEI's Motion for Summary on this issue (DK #47) and has filed a Motion for Summary on this basis. (DK #51). Moreover, as discussed above, Noble is the assignee of the COCO BONGO mark and steps into the shoes of Bongo, S.A. de C.V. In fact, in their Motion to Dismiss, Noble and Bongo, S.A. de C.V. refer to themselves as Registrants/Applicants in both the style of the proceeding and in the first paragraph of the Motion as well as in various motions such as Noble's Motion for Summary Judgment (DK # 51) and opposition to EEI's Motion for Summary Judgment (DK #47).

WHEREFORE, based on the foregoing, Petitioner/Opposer, Estefan Enterprises, Inc., requests that the Board deny Bongo, S.A. de C.V. and Noble's Motion to Dismiss Amended Petition to Cancel.

Respectfully submitted,

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CERTIFICATE OF MAILING

I HEREBY CERTIFY that the foregoing has been sent via U.S. Mail to Michael Santucci, Esq., Silverman Santucci, LLP, 500 West Cypress Creek Road, Suite 500, Fort Lauderdale, Florida 33309 on this 13<sup>th</sup> day of September, 2006.

By: /Karen L. Stetson/  
Karen L. Stetson