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

Proceeding	91165999
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

ALLIED DOMEQC INTERNATIONAL  
HOLDINGS BV

*Opposer,*

v.

RUSSIAN FEDERAL TREASURY  
ENTERPRISE SOJUZPLODOIMPORT

*Applicant.*

Opposition No.: 91/165999

Serial No.: 76604592

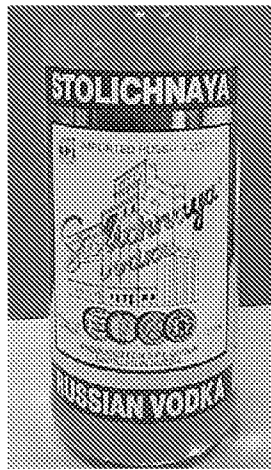
**RESPONSE TO APPLICANT’S PETITION TO RESUME PROCEEDINGS  
DURING THE PENDENCY OF A RELATED CIVIL ACTION**

Pursuant to TBMP Section 905 and Trademark Rule 2.146(e)(1), Opposer, Allied Domecq International Holdings, B.V. (“Allied Domecq”), respectfully responds to the petition filed by Applicant, Russian Federal Treasury Enterprise Sojuzplodoimport (“FTE”), seeking to resume the above-referenced opposition proceeding despite the pendency of a related civil action involving the same two parties in federal court.

**BACKGROUND**

Allied Domecq is the owner of U.S. Reg. Nos. 1,291,454 (STOLICHNAYA) and 1,852,552 (STOLICHNAYA RUSSIAN VODKA & Design), and distributes Russian vodka throughout the United States under the STOLICHNAYA brand. The vodka that Allied Domecq distributes in this country is sold in bottles that bear the registered

STOLICHNAYA RUSSIAN VODKA & Design label, which prominently identifies the product as “RUSSIAN VODKA” and “Imported Russian Vodka,” as shown below:



**STOLICHNAYA Label**

TRADEMARK  
PRINCIPAL REGISTER



**U.S. Reg. No. 1,852,552**

Allied Domecq, including through its licensees and predecessors-in-interest, has used the STOLICHNAYA RUSSIAN VODKA & Design label since at least as early as June 1983. The supporting registration (U.S. Reg. No. 1,852,552) issued in September 1994, was acknowledged as being incontestable in April 2000, and has been renewed.

Through the application (Serial No. 76604592) that is the subject of the present opposition, Applicant, Russian Federal Treasury Enterprise Sojuzplodoimport, is seeking to register the common, geographic designation of origin “RUSSIAN VODKA” in block letters as a certification mark for “vodka.” Applicant acknowledges that if it is granted a certification mark for “RUSSIAN VODKA,” it will seek to block the sale in the United States of any vodka identified as “Russian Vodka” that does not comply with the “specific standards” Applicant seeks to impose. *See, e.g., Applicant’s Petition*, p.3. Moreover, Applicant makes it clear (*see id.*) that it will pursue this course of action even if the product in question is “vodka” as defined by the United States Alcohol and

Tobacco Tax and Trade Bureau, *see* 27 CFR §5.22(a)(1), and *even if* the vodka was produced in Russia and, thus, is properly called “Russian vodka” under the applicable U.S. governmental regulations. *See* 27 CFR §5.22(k)(3); *see also* TMEP §1210.

Allied Domecq has opposed the application for registration, asserting, among other things, that Applicant has no legal authority to impose additional requirements governing the use of the geographic designation “Russian Vodka” in the United States. *See Notice of Opp.*, ¶10; *cf.* TMEP §1306.02(b).<sup>1</sup> In addition, Allied Domecq maintains the registration should be refused under § 2(d) of the Lanham Act because Applicant’s proposed use of “RUSSIAN VODKA” as a certification mark is likely to cause vodka consumers to mistakenly believe that the Russian vodka sold by Allied Domecq under its STOLICHNAYA and STOLICHNAYA RUSSIAN VODKA & Design marks has been certified by (or originates from, or is sponsored by) Applicant. *See Notice of Opp.*, ¶8.

In its Answer, Applicant raised a number of defenses to Allied Domecq’s claims, including an allegation that Allied Domecq supposedly is not the owner of the incontestable STOLICHNAYA and STOLICHNAYA RUSSIAN VODKA & Design registrations referenced in Allied Domecq’s Notice of Opposition. *See Answer*, ¶¶2-4, p. 7. Applicant admits, however, that it and Allied Domecq (and a third party) are presently involved in a federal court proceeding that is before the United States Court of Appeals

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<sup>1</sup> The regulations of Alcohol and Tobacco Tax and Trade Bureau of the U.S. Department of Treasury state that something may be called “vodka” if it is a “neutral spirit[] so distilled, or so treated after distillation with charcoal or other materials, as to be without distinctive character, aroma, taste, or color,” and it may be called “Russian” as long as it not “produced in any other place than the particular place or region indicated in the name.” *See* 27 CFR §§5.22(a)(1), (k)(3). A foreign country’s regulations (such as those that apply to “Canadian,” “Irish,” and “Scotch” whiskeys) only apply when that country participates in the U.S.’s “country of origin” certificate program, which program has very specific requirements. *See* 27 C.F.R. §§5.52, 5.56. The Russian Federation, however, opted out of that program more than a decade ago. *See* Bureau of Alcohol, Tobacco, and Firearms, *Industry Circular*, No. 94-2 (8/19/94).

for the Second Circuit (Appeal No. 06-3532) (*Federal Treasury Enterprise v. Spirits Int'l N.V. et al.*)<sup>2</sup>, and that a key issue raised in that related civil case is the same as has been raised in this proceeding, namely that Allied Domecq supposedly does not own the incontestable STOLICHNAYA and STOLICHNAYA RUSSIAN VODKA & Design registrations being asserted here. *See id.*

Recognizing that the resolution of the federal action would have a direct bearing on the course of the opposition proceeding concerning Applicant's RUSSIAN VODKA application, the Board, after considering the same arguments Applicant raises now, ordered further proceedings in this matter suspended. *See Order* (Oct. 12, 2006), pp. 1 (acknowledging that it had received Applicant's opposition brief and had "carefully considered" the arguments presented therein), 2-3 (finding that the resolution of the federal action "will have a bearing on the issues before the Board").

The Board's actions, though, could hardly have come as a surprise to Applicant. In February 2006, in a separate opposition proceeding (Opposition No. 91167196) involving Applicant's same application for RUSSIAN VODKA, and which had been initiated by Allied Domecq's co-defendant in the same pending federal action, the Board ordered proceedings suspended as well, and for the same reasons. *See Order* (Feb. 16, 2006) (Opp. No. 91167196), pp. 2-3. At no time did Applicant seek further review by this Office of the Board's decision suspending that proceeding.

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<sup>2</sup> The district court proceeding from which Appeal No. 06-3532 was taken was *Federal Treasury Enterprise Sojuzplodoimport et al. v. Spirits Int'l N.V. et al.* (Civil Action No. 04-08510) (S.D.N.Y.).

Applicant now seeks yet a third bite at the apple, hoping for a different result. However, the arguments Applicant makes are the same as twice previously considered by the Board, and so should be the result. The Board's decision should be affirmed.

### **RESPONSIVE ARGUMENT**

The argument Applicant advances as the basis for its Petition is simple. *See generally Applicant's Petition*, pp. 7-8. It is also, however, incorrect.

Specifically, Applicant maintains that because Allied Domecq's predecessor-in-interest as to U.S. Reg. No. 1,852,552 for STOLICHNAYA RUSSIAN VODKA & Design disclaimed the exclusive right to use the geographically descriptive phrase "RUSSIAN VODKA" apart from the mark as shown, Allied Domecq cannot assert that registration as a basis for opposition under Section 2(d). *See id.* According to Applicant, there supposedly cannot be confusion "as a matter of law," given that Allied Domecq does not have the "exclusive right to use" the phrase "RUSSIAN VODKA" in connection with "vodka." *See id.* (emphasis in original).

What Applicant fails to address, however, is that this is not a "forward" confusion case; it is a *reverse* confusion case,<sup>3</sup> arising from the fact that Applicant is seeking a block-letter certification mark for a geographic designation of origin. Allied Domecq, by virtue of its incontestable registration, has the full statutory right to use its

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<sup>3</sup> It is well accepted that "[t]he concept of reverse confusion has been recognized by [the] Board and [its] primary reviewing court," *Hilson Research Inc. v. Society for Human Resource Management*, 27 USPQ2d 1423, 1429 (TTAB 1993) (finding reverse confusion and citing cases), and the likelihood of "reverse confusion" has clearly been pled by Allied Domecq in this matter. *See Notice of Opp.*, ¶8; *see also American Hygienic Labs. Inc. v. Tiffany & Co.*, 12 USPQ2d 1979, 1983 n.7 (TTAB 1989) ("reverse confusion" does not have to be specifically pleaded" so long as the opposer "asserts that the respective marks are so similar as applied to the respective goods or services as to be likely to cause confusion").

STOLICHNAYA RUSSIAN VODKA & Design mark without interference from third parties (such as Applicant) even though, both admittedly and logically, Allied Domecq cannot prevent another party from using the phrase “Russian Vodka” to denote that its own “vodka” also is made in “Russia.” Applicant, however, is not seeking a certification mark that happens to *include* the descriptive phrase “RUSSIAN VODKA” as part of a composite mark (such as a design mark), it is seeking to obtain a block-letter certification mark registration for those words alone. *See generally* Serial No. 76604592.

As such, if Applicant is granted its registration, and if consumers begin to regard the use of the phrase “RUSSIAN VODKA” regardless of form as identifying vodka that meets certain “production standards” above and beyond merely being “vodka” from “Russia” (the sole requirements under U.S. law; *see* n.1, *supra*), consumers would likely believe that Allied Domecq’s prominent use of the phrase “RUSSIAN VODKA” as part of its incontestable STOLICHNAYA RUSSIAN VODKA & Design mark therefore signifies that STOLICHNAYA vodka also meets those further “production standards” (which may or may not true), and/or that it was certified by Applicant. The fact that Allied Domecq lacks the exclusive right to use “RUSSIAN VODKA” on vodka has no bearing on this classic “reverse confusion” analysis: the issue is whether Applicant’s certification mark would conflict with Allied Domecq’s ability to use “RUSSIAN VODKA” *in the manner shown* on its incontestable registration.

Undoubtedly it would. It is axiomatic that “[t]he same standards are used to determine the registrability of certification marks that are used for other types of marks,” including as pertains to the potential for a likelihood of confusion. *TMEP*, §1306.06(a) (and cases cited therein); *see also In re Shell Oil Co.*, 26 U.S.P.Q.2d 1687, 1688-89 (Fed.

Cir. 1993) (“the filing of a disclaimer ... does not remove the disclaimed matter from the purview of determination of likelihood of confusion”). And here, Applicant is seeking to register a phrase (“RUSSIAN VODKA”) that Allied Domecq and its predecessors-in-interest have used as part of the incontestable STOLICHNAYA RUSSIAN VODKA & Design mark for more than twenty years, without regard to whatever new and further “standards” Applicant may impose should it be granted the requested certification mark. As such, Serial No. 76604592 for “RUSSIAN VODKA” should be refused in view of Allied Domecq’s preexisting and incontestable registrations, among other reasons.<sup>4</sup> *Accord Consorzio del Prosciutto di Parma v. Parma Sausage Products Inc.*, 23 USPQ2d 1894, 1895-96 (TTAB 1992) (noting by way of background in a cancellation proceeding that petitioner’s application to register PARMA HAM as a geographical certification mark for “ham products” had been refused in view of respondent’s preexisting and incontestable registration for PARMA BRAND & Design for “prosciutto”).<sup>5</sup>

Turning then to the issues before this Office, if the federal appeals court in the related civil action concludes that Allied Domecq does not own the STOLICHNAYA registrations at issue (*but see Federal Treasury Enterprise Sojuzplodoimport v. Spirits Intern. N.V. et al.*, 425 F.Supp.2d 458, 466-72 (S.D.N.Y. 2006) (granting motion to

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<sup>4</sup> As noted above, Applicant does not have the legal authority to impose additional requirements on the use of the geographically descriptive phrase “RUSSIAN VODKA.” *See* n.1; *see also Notice of Opposition*, ¶¶10-11. In addition, the circumstances of this case give rise to a host of estoppel issues, including that Applicant’s claimed predecessor(s)-in-interest (namely, certain agencies of the Soviet Union and, later, of the Russian Federation; *see Applicant’s Petition*, p. 4) for years supplied and promoted “Russian Vodka” for sale in this country (including vodka sold under the STOLICHNAYA RUSSIAN VODKA & Design label since 1983) without regard to, among other things, the additional “production standards” that Applicant now seeks to impose on vodka manufacturers. *See id.*, ¶¶12-13

<sup>5</sup> Ultimately, PARMA HAM and two other PARMA marks were allowed to register after the parties reached a settlement agreement that, among other things, involved the senior party amending its existing registration to delete “prosciutto” from the goods. *See Consorzio del Prosciutto*, 23 USPQ2d at 1895.



dismiss Applicant's claim as to ownership), then Allied Domecq obviously cannot rely on those registrations in the present opposition. On the other hand, however, if the appellate court *does* find that Allied Domecq owns the marks (as the lower court held), then Applicant's primary defense to Allied Domecq's claim under Section 2(d) (namely, Allied Domecq's supposed lack of ownership of the marks; *see Answer*, ¶¶2-4, p. 7) would be moot. Consequently, as it is appropriate for the Board to suspend a proceeding in circumstances where the final determination of a related civil action "may have a bearing on the Board's case," *TBMP*, §510.02(a); *Order* (Oct. 12, 2006), pp. 1-2 ("[s]uspension of a Board case is appropriate even if the civil case may not be dispositive of the Board case, so long as the ruling may have a bearing on the rights of the parties in the Board case") (citing *Martin Beverage Co. Inc. v. Colita Beverage Company*, 169 USPQ 568, 570 (TTAB 1971)), the Board's decision to suspend further proceedings here was appropriate and amply warranted under the Trademark Rules. Applicant's petition to overturn the Board's decision should therefore be denied.

Respectfully submitted,

Date: December 1, 2006

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**CERTIFICATE OF SERVICE**

I hereby certify that the required number of copies of the foregoing **RESPONSE TO APPLICANT'S PETITION TO RESUME PROCEEDINGS DURING THE PENDENCY OF A RELATED CIVIL ACTION** was served on the parties or counsel as indicated below:

*By First Class Mail (Postage Prepaid)*

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