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December 4, 2006

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Office of the Commissioner for Trademarks

Trademark Assistance Center
James Madison Building - East Wing
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600 Dulany Street
Alexandria, VA



12-04-2006

U.S. Patent & TMO/c/TM Mail Rcpt Dt. #74

Re: Spirits International N.V.'s Response to the November 13,
2006 Petition to the Director filed by Russian Federal
Treasury Enterprise Sojuzplodoimport
Mark: RUSSIAN VODKA
Opp. Number 91165999
Our Ref.: 028987.00003

TRADEMARK FEE PROCESS
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TRADEMARK OFFICE

Dear Sirs:

Please find enclosed the following:

1. Response of Spirits International N.V. to Applicant's Petition to the Director, with Exhibit A thereto;
2. Self-addressed postcard to be stamped as acknowledgment of receipt of same.

Please contact Bingham B. Leverich at 202-662-5188 if you have any questions concerning the enclosed documents.

Sincerely,

Cheryl L. Fountain

Cheryl L. Fountain
Paralegal Specialist -
Intellectual Property

Enclosures

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

ALLIED DOMECQ INTERNATIONAL)	
HOLDINGS BV,)	
Opposer,)	Opposition No. 91165999
)	Serial No. 76/604592
v.)	Mark: RUSSIAN VODKA
)	
RUSSIAN FEDERAL TREASURY)	
ENTERPRISE SOJUZPLODOIMPORT,)	
)	
Applicant.)	
)	

**RESPONSE OF SPIRITS INTERNATIONAL N.V.
TO APPLICANT'S PETITION TO THE DIRECTOR**

In its November 13, 2006 Petition To The Director, Applicant Russian Federal Treasury Enterprise Sojuzplodoimport ("FTE") pointed out that, in addition to suspending this proceeding, the Board also suspended "another related opposition proceeding brought by Spirits International N.V. (No. 91167196)." Petition at 2. Although FTE has not filed a petition to the Director to lift the suspension in the proceeding brought by Spirits International ("SPI"), FTE's petition in this proceeding improperly requests the Director to do just that:

- "The Director should intervene to correct the Board's erroneous suspension of this proceeding (and by extension the SPI proceeding)...." Petition at 2.
- "If the suspension order in this proceeding (and the one in the Spirits International opposition) are not lifted, it may take years before this proceeding recommences." Petition at 8.

FTE's request is improper and should be rejected, not only because FTE has not filed a petition to the Director in the SPI proceeding, but also for several other reasons:

(1) TBMP § 905(e)(2) requires that any petition to the Director from an interlocutory order such as a suspension order must be filed “within thirty days after the date of mailing of the order from which relief is requested.” Since the suspension order in the SPI proceeding was mailed on February 16, 2006, FTE’s request for relief from that order in this proceeding is an obvious attempt to circumvent the thirty-day deadline imposed by TBMP § 905(e)(2).

(2) FTE did not serve SPI with its petition in this proceeding or otherwise put SPI on notice that FTE’s petition in this proceeding requests that the SPI proceeding also be removed from suspension.

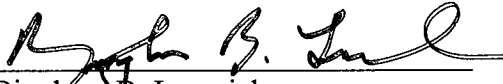
(3) Although SPI’s Opposition asserts additional grounds not included in the Opposition filed by Allied Domecq, and although SPI’s motion for suspension of the proceedings asserts additional grounds not included in Allied Domecq’s motion for suspension, FTE’s petition misleadingly and erroneously suggests that, if the Board lifts the suspension in the Allied Domecq proceeding [even though there is no basis for doing so], it necessarily follows that it should also lift the suspension in the SPI proceeding.

(4) For the reasons set forth in SPI’s January 13, 2006 motion to suspend the proceedings in Opposition No. 91167196 (attached as Exhibit A hereto), the outcome of the New York action now on appeal to the Second Circuit (Appeal No. 06-3532) will clearly have a bearing on that opposition, just as it will on this one.

FTE's petition to lift the suspension is without merit as to both oppositions and, in addition, is procedurally defective as to SPI's Opposition No. 91167196. The petition should be denied.

December 4, 2006

Respectfully submitted,



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Attorneys for Spirits International N.V.

EXHIBIT A

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

In the Matter of Trademark Application:

Serial No. : 76/604,592
Applicant : Russian Federation Treasury Enterprise Sojuzplodoimport
Filed : July 26, 2004
Mark : RUSSIAN VODKA

Published in the Official Gazette of June 28, 2005, p. TM1341

SPIRITS INTERNATIONAL N.V.)

Opposer,)

v.)

Opp. No. 91167196)

RUSSIAN FEDERAL TREASURY)
ENTERPRISE SOJUZPLODOIMPORT,)

Applicant.)

OPPOSER'S MOTION FOR SUSPENSION OF PROCEEDINGS

Opposer, Spirits International N.V. ("SPI"), pursuant to Trademark Rule 2.117(a), 37 C.F.R. § 2.117(a), hereby moves for suspension of this opposition proceeding pending final disposition of the following federal civil action brought more than a year ago by Applicant Russian Federal Treasury Enterprise Sojuzplodoimport ("FTE") against Opposer SPI and other defendants: *Federal Treasury Enterprise Sojuzplodoimport, et al. v. Spirits International N.V., et al.*, Civil Action No. 04-08510 (GBD) (S.D.N.Y. filed Oct. 28, 2004) (the "New York Action").

Under Rule 2.117(a), the Trademark Trial and Appeal Board may suspend proceedings "whenever it shall come to the [Board's] attention that . . . parties to a pending case

are engaged in a civil action . . . which may have a bearing on the case.” 37 C.F.R. § 2.117(a). The Board generally does suspend under such circumstances not only to conserve its own time and resources but also because “the federal court’s determination is binding on the Board, where the Board’s decision is not binding on the court.” Gary Krugman, *Trademark Trial and Appeal Board Practice and Procedure* § 3:35 at 122 (2006 ed.). See also TBMP § 510.02(a) (“Ordinarily, the Board will suspend proceedings in the case before it if the final determination of the other proceeding will have a bearing on the issues before the Board.”).

As Applicant’s Answer in this proceeding makes clear, the New York Action involves issues of law and fact that will not only have a bearing on this opposition, but will likely be dispositive of it. For example, the opposition asserts, *inter alia*, that Applicant’s proposed certification mark RUSSIAN VODKA is likely to cause confusion, in violation of Section 2(d) of the Lanham Act, with two other RUSSIAN VODKA marks, namely, STOLICHNAYA RUSSIAN VODKA & Design and MOSKOVSKAYA RUSSIAN VODKA & Design, in which Opposer SPI has rights.¹ See Opposition ¶¶ 5-10, 13-17. Applicant’s only response to these allegations is that Opposer has no rights in these RUSSIAN VODKA marks for two reasons: (1) because Opposer “fraudulent misappropriated” its asserted marks from the Russian Federation (Exhibit 1 (Answer), ¶¶ 9-10, First, Second, and Fifth Affirmative Defenses) and (2) because Opposer’s use of the words “Russian Vodka” is deceptive in violation of Sections 2(a) and 2(e)(3) of the Lanham Act (*id.* at ¶ 14, Third, Fourth, and Fifth Affirmative Defenses).

¹ Allied Domecq International Holdings, B.V. (“Allied Domecq”), a co-defendant in the New York Action, has also filed an Opposition to FTE’s application to register RUSSIAN VODKA as a certification mark on the ground, *inter alia*, that such a certification mark would be likely to cause confusion with the STOLICHNAYA RUSSIAN VODKA & Design mark in which Allied Domecq also claims prior rights. See Opposition No. 9116599, which Allied Domecq is also seeking to suspend pending final disposition of the New York Action.

These issues are also at the heart of the New York Action -- a fact explicitly acknowledged by Applicant no less than four times in Applicant's Answer:

- Admitting that Opposer claims a reversionary interest in the STOLICHNAYA registrations, but asserting that "any purported ownership interest of Opposer . . . was obtained by fraudulent and illegal conduct," matters that "are the subject of a separate proceeding pending in the United States District Court for the Southern District of New York." Exhibit 1, at ¶ 9.
- Contending that "Opposer fraudulently misappropriated the MOSKOVSKAYA mark" and that "Opposer's fraudulent actions related to the alienation of the rights of the Russian Federation in a number of trademarks, including STOLICHNAYA and MOSKOVSKAYA, are the subject of a separate proceeding pending in the Southern District of New York." *Id.*, at ¶ 10.
- Asserting that "Opposer has no proprietary rights in the certification mark RUSSIAN VODKA or any phrase containing the words RUSSIAN VODKA" and that "Opposer's lack of proprietary interest in the STOLICHNAYA RUSSIAN VODKA & Design, STOLICHNAYA and MOSKOVSKAYA marks is the subject of separate proceedings pending in the District Court for the Southern District of New York." *Id.* at First Affirmative Defense.
- Asserting that "Opposer's use of the MOSKOVSKAYA mark has been and would be fraudulent and unlawful" and that "Opposer's fraudulent and unlawful use of the MOSKOVSKAYA mark is the subject of separate proceedings pending in the District Court for the Southern District of New York." *Id.* at Second Affirmative Defense.

In addition to these explicit acknowledgements of the fact that Applicant FTE asserts claims in the New York Action that are identical to the defenses FTE asserts in this Opposition, it is apparent on the face of the relevant pleadings in the New York Action that this is indeed the case. FTE's original complaint in the New York Action, filed on October 28, 2004, has since been twice amended. The first sentence of the first paragraph of the Second Amended Complaint (Exhibit 2)² states that the "action arises out of the defendant's unlawful

² To avoid burdening the Board, Opposer has not included the several hundred pages of exhibits attached to the Second Amended Complaint. Further, Opposer has not provided exhibits (continued...)

misappropriation and unauthorized commercial exploitation in the United States of STOLICHNAYA and related trademarks in connection with the sale of vodka” Exhibit 2, ¶ 1. It repeatedly alleges that the Russian Federation -- not SPI or Allied Domecq -- is the rightful owner of the STOLICHNAYA and MOSKOVSKAYA marks in the United States. Exhibit 2 (Second Amended Complaint) ¶¶ 11, 25-26, 113.³ Indeed, the primary theory of the Second Amended Complaint is that, through their allegedly unlawful misappropriation and use of these marks, Opposer SPI and Allied Domecq have defrauded the Russian Federation, *id.* at ¶¶ 114-124, 127-130, 151-154, 180-182.

Applicant FTE also repeatedly alleges in the New York Action that Opposer SPI and Allied Domecq have “misrepresented the source” of the STOLICHNAYA vodkas distributed in the United States by stating on the label that it is “Russian Vodka” and “genuine Russian vodka,” thereby violating Section 2(a) of the Lanham Act, Exhibit 2, at ¶¶ 145-150, 169-175; *see also id.* at ¶¶ 89-94, 117, 123, 132, 181.

Precisely the same claims have now been asserted by FTE in its Answer to the Opposition in this proceeding. As noted above, Applicant’s only response to Opposer’s likelihood of confusion claim, based on its prior rights in the STOLICHNAYA RUSSIAN VODKA & Design and MOSKOVSKAYA RUSSIAN VODKA & Design marks, is that Opposer has no rights in these marks (1) because Opposer “fraudulent misappropriated” those marks from the Russian Federation (Exhibit 1 (Answer), ¶¶ 9-10, First, Second, and Fifth

to, or declarations in support of, the other pleadings relating to the New York Action that are referenced herein. Opposer will gladly provide those documents upon request.

³ Applicant asserts that the Russian Federation “expressly confirm[ed] FTE’s right to represent the interests of the Russian Federation in foreign courts on matters of recovery and protection of Russia’s rights to trademarks for alcoholic products abroad.” Exhibit 2 at ¶ 113.

Affirmative Defenses), and (2) because Opposer's use of the words "Russian Vodka" is deceptive in violation of Section 2(a) and 2(e)(3) of the Lanham Act (*id.* at ¶ 14, Third, Fourth, and Fifth Affirmative Defenses).⁴

Applicant FTE has moved for summary judgment in the New York Action regarding the second of these claims, asserting that "the STOLICHNAYA label and advertisements used by the defendants falsely refer to the vodka as 'Russian Vodka,' . . . [and] 'Product of Russia,'" and that "[t]he STOLICHNAYA vodka currently distributed and advertised in the United States is neither 'Russian Vodka' nor a 'Product of Russia.'" *See* Exhibit 4 (Applicant's Mot. for Summ. J.), at 2 and 13; Exhibit 5 (Applicant's Rule 56.1 Statement of Undisputed Facts in Supp. of Mot. for Summ. J.), ¶¶ 14-25.

Opposer SPI and Allied Domecq have both opposed this motion for summary judgment and have moved to dismiss Applicant's Second Amended Complaint in the New York Action. The parties have extensively briefed these motions, although further briefing is expected. *See* Exhibit 6 (Allied Domecq's Mot. to Dismiss); Exhibit 7 (Applicant's Opp'n to Allied Domecq's Mot. to Dismiss); Exhibit 8 (Allied Domecq's Reply in Supp. of its Mot. to Dismiss); Exhibit 9 (Opposer's Sur-Reply in Opp'n to Allied Domecq's Mot. to Dismiss); Exhibit 10 (Opposer's Mot. to Dismiss); Exhibit 11 (Applicant's Opp'n to Opposer's Mot. to Dismiss); Exhibit 12 (Applicant's Reply in Support of its Mot. to Dismiss); Exhibit 13 (Allied

⁴ Applicant has also served interrogatories on both Opposer and Allied Domecq, the substance of which likewise goes to the same issues raised in the New York Action. For example, Applicant seeks information from Opposer concerning Allied Domecq's ownership of the STOLICHNAYA RUSSIAN VODKA & Design and STOLICHNAYA marks (Interrogs. Nos. 12-15), concerning Opposer's reversionary ownership interest in those marks (Interrogs. Nos. 21-26), and concerning the process by which Opposer's vodkas are made and the origin of those vodkas (Interrogs. Nos. 31-40). Exhibit 3 (Applicant's First Set of Interrogatories to Opposer served on or about December 23, 2005).

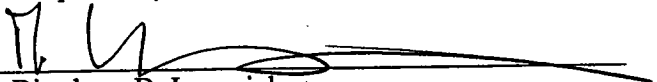
Domecq's Consolidated Submission including Opp'n to Mot. for Summ. J.); Exhibit 14 (Allied Domecq's Counter-Statement of Material Facts); Exhibit 15 (Decl. of Georgy Rolandovich Kipiani); Exhibit 16 (Decl. of Jean Francois Lavigne); Exhibit 17 (Opposer's Joinder in Opp'n to Summ. J.). In addition, the Court in the New York Action has heard oral argument on at least some of these issues. See Exhibit 18 (Transcript of Oral Argument held on Apr. 28, 2005 on Allied Domecq's Mot. to Dismiss).

* * *

Because the New York Action raises issues the determination of which will not only have a bearing on this proceeding, but may well be dispositive of it, Opposer SPI respectfully requests that all proceedings, including discovery, be suspended pending final determination of the New York Action. TBMP § 510.02(a). Upon resumption of the proceedings, Opposer requests that the Board set new discovery and trial deadlines, including deadlines to respond to pending discovery requests.

January 13, 2006

Respectfully submitted,



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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
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)	
Applicant.)	
_____)	

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing OPPOSER'S MOTION FOR
SUSPENSION OF PROCEEDINGS and of the Exhibits attached thereto was served on counsel
for the Opposer via first-class mail, postage prepaid, this 13th day of January, 2006 to the
following address:

David W. Quinto
QUINN EMANUEL URQUHART OLIVER ET AL
865 South Figueroa Street 10th Floor
Los Angeles, CA 90017

By: 
Marie A. Lavalleye

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

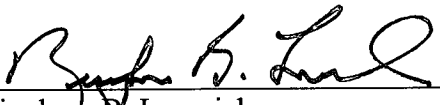
ALLIED DOMEQ INTERNATIONAL HOLDINGS BV,)	
)	
Opposer,)	Opposition No. 91165999
)	Serial No. 76/604592
v.)	Mark: RUSSIAN VODKA
)	
RUSSIAN FEDERAL TREASURY ENTERPRISE SOJUZPLODOIMPORT,)	
)	
Applicant.)	

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing RESPONSE OF SPIRITS INTERNATIONAL N.V. TO APPLICANT'S PETITION TO THE DIRECTOR and of the Exhibit attached thereto was served on counsel for the Opposer via first-class mail, postage prepaid, this 4th day of December, 2006 to the following address:

David W. Quinto
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866 South Figueroa Street 10th Floor
Los Angeles, CA 90017

By:


Bingham B. Leverich