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

Proceeding	91192056
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
TRADEMARK TRIAL AND APPEAL BOARD**

In the matter of application Serial No. 77/620,828
Filed September 25, 2009
For the mark **DON JULIO**
Published in the OFFICIAL GAZETTE on June 2, 2009

Tequila Don Julio, S.A. de C.V.,

Opposer,

v.

Inulina y Miel de Agave S.A. de C.V.,

Applicant.

Opposition No. 91,192,056

**MOTION FOR JUDGMENT ON THE PLEADINGS OR, IN THE ALTERNATIVE,
MOTION TO STRIKE, AND MOTION TO SUSPEND**

Pursuant to Rules 12(c) and 12(f) of the Federal Rules of Civil Procedure and Sections 311, 504 and 506 of the TBMP, Opposer Tequila Don Julio, S.A. de C.V. (“Opposer” or “Don Julio”) moves for judgment on the pleadings or, alternatively, to strike the affirmative defenses pleaded in the Answer of Applicant Inulina y Miel de Agave S.A. de C.V. (“Applicant” or “Inulina”). In addition, because the resolution of this motion will define and potentially narrow the issues for discovery and trial in this opposition proceeding, Don Julio requests that the Board suspend these proceedings pursuant to Section 510.03(a) of the TBMP and 37 C.F.R §2.117(c) pending the ruling on this motion concerning certain of Applicant’s affirmative defenses.

I. FACTUAL BACKGROUND

On September 25, 2009, Don Julio timely filed its Notice of Opposition against Applicant’s intent-to-use application to register the designation DON JULIO for “honey; honey substitutes; pancake syrup; table syrup; topping syrup.” Opposer Don Julio based its opposition

on the likelihood of confusion between the intent-to-use DON JULIO application filed by Applicant and Don Julio's registrations for, and use of, its DON JULIO marks for beverage alcohol products, namely tequila. Dkt. 1.

Applicant filed its Answer to the Notice of Opposition on November 3, 2009. Dkt. 4. In its Answer, Applicant asserts purported affirmative defenses allegedly barring Don Julio's opposition, including such affirmative defenses as the differing international classification of goods for the DON JULIO registrations and the opposed application (Dkt. 4, Affirmative Defense ¶2); abandonment and acquiescence (*Id.*, Affirmative Defense ¶3); Applicant's word mark allegedly will have a different look and appearance than Opposer's registered word mark (*Id.*, Affirmative Defense ¶4); estoppel (*Id.*, Affirmative Defense ¶6); laches (*Id.*, Affirmative Defense ¶7); and waiver (*Id.*, Affirmative Defense ¶8). Particularly given that Applicant's opposed application is an intent-to-use application with a standard character claim, these affirmative defenses appear designed only to facilitate a discovery fishing expedition and, more importantly, to obfuscate the issues truly in dispute both during discovery and trial.

II. ARGUMENT

Each of these affirmative defenses Applicant asserts cannot withstand legal scrutiny as a matter of law. Under these circumstances, judgment on the pleadings or striking the baseless allegations is warranted on the face of the pleading, facilitating a focused and efficient proceeding. *See, e.g., CBS Inc. v. Mercandante*, 23 U.S.P.Q.2d 1784 (T.T.A.B. 1992); FRCP 12(f); TBMP §506.01. Through this motion, the issues for discovery will be properly narrowed and the trial in this proceeding streamlined.

A. None of the Referenced Affirmative Defenses States a Cognizable Defense as a Matter of Law

1. The Affirmative Defenses of Estoppel and Waiver Fail as a Matter of Law.

To support a claim of estoppel or waiver, an applicant must establish that (1) the opposer engaged in misleading conduct, which would lead the applicant to reasonably infer that rights would not be asserted against it, (2) the applicant relied upon the conduct, and (3) due to the reliance, the applicant would suffer material prejudice if the delayed assertion of such rights was permitted. *See Lincoln Logs Ltd. v. Lincoln Pre-cut Log Homes, Inc.*, 971 F.2d 732, 734 (Fed. Cir. 1992). Here, Applicant has failed to plead *any* factual basis for its estoppel or waiver defenses. Conspicuously absent from the Answer are any grounds supporting the claim that there were any interactions whatsoever between Opposer and Applicant prior to the filing of the Notice of Opposition, which would by definition be necessary for the affirmative defenses of estoppel or waiver to lie. More importantly, given that the opposed application is an intent-to-use application, which on its face was timely opposed by Don Julio, it seems difficult to conceive of how these defenses have any place in this opposition proceeding.

Under these circumstances, Applicant's estoppel or waiver defenses (Dkt. 4, Affirmative Defenses ¶¶6 and 8) are at best inadequate and at worst disingenuous. *See Lincoln Logs Ltd.*, 971 F.2d at 734 (granting summary judgment on estoppel defense where no allegation made that opposer agreed not to oppose applicant's mark); *Nat'l Cable Television Ass'n, Inc. v. Am. Cinema Editors, Inc.*, 937 F.2d 1572, 1582 (Fed. Cir. 1991) (granting summary judgment against estoppel defense where party was unable to point to any affirmative act that could create an estoppel). Thus, entry of judgment on the pleadings on these defenses is more than warranted.

2. Opposer Timely Opposed the Application, Rendering the Affirmative Defenses of Laches and Acquiescence Improper as a Matter of Law

A *prima facie* case of laches or acquiescence requires a showing of unreasonable delay in asserting rights against another and material prejudice as a result of the delay. *See Lincoln Logs Ltd.*, 971 F.2d at 734; *Nat'l Cable Television Ass'n*, 937 F.2d at 1580. It is well-accepted that in an opposition proceeding, the required unreasonable delay only begins to run from the time the application is published for opposition. *See Nat'l Cable Television Ass'n*, 937 F.2d at 1581; TBMP §311.02(b). Here, the application opposed is an intent-to-use application rendering the defense entirely without merit.

Under the Board's governing rules, Opposer timely and properly filed an extension of time to oppose and subsequently timely filed its Notice of Opposition to Applicant's intent-to-use application (Dkt. 1). The record is incontrovertible that Opposer did not in any way unduly delay filing its Notice of Opposition. *See Lincoln Logs Ltd.*, 971 F.2d at 734 (granting summary judgment on laches claim where opposer acted at its first opportunity to object to registration of applicant's mark); *Callaway Vineyard & Winery v. Endsley Capital Group, Inc.*, 63 U.S.P.Q.2d 1919, p.5 (T.T.A.B. 2002) (granting summary judgment on laches and acquiescence defenses where opposer promptly opposed registration of applicant's mark).

Accordingly, Applicant's alleged affirmative defenses of laches and acquiescence (Dkt. 4, Affirmative Defenses ¶¶3, 7) also do not withstand scrutiny. As a result, judgment on the pleadings should be entered on these conclusory affirmative defenses or, alternatively, these affirmative defenses should be stricken from Applicant's Answer.

3. Applicant's Alleged Defense that Don Julio's Voluntary Abandonment of an Earlier Application Precludes its Right to Oppose Also Is Legally Defective.

Applicant asserts as a further affirmative defense to Opposer's likelihood of confusion claim that Opposer in the past owned an application for DON JULIO for among other things, "syrops and other preparations for making beverages," which was voluntarily abandoned. Dkt. 4, Affirmative Defense ¶3. As a result of this purported abandonment, Applicant leaps to the conclusion that Opposer's opposition is barred. *Id.* This claim defies logic and governing law.

That Opposer may have voluntarily abandoned an application to register DON JULIO for goods that may be characterized as virtually identical to those appearing in the opposed intent-to-use application, if anything, establishes that Don Julio's natural zone of expansion extends to syrops and related goods. It cannot, however, as a matter of law provide any grounds for defeating the opposition before this Board. It is well-established that a voluntarily abandonment does not preclude a future application for the very same mark for the very same goods. Instead, a voluntarily abandonment has no evidentiary effect. TMEP 718.01; *see also* 37 C.F.R. §§2.135 and 2.168 (that an application has been abandoned absent opposition shall not have any relevance or affect any rights in any proceeding in the Patent and Trademark Office).

Accordingly, Applicant's asserted affirmative defense of abandonment based only on Don Julio's purported abandoned application does not provide a defense to this Opposition, requiring that the Board enter judgment against Applicant as to this so-called "defense" and/or strike it from the Answer.

4. Even If Assumed to be True, Applicant’s Alleged Defense that it Intends to Use DON JULIO in a Different Look and Appearance Fails as a Matter of Law.

It is well established that the Board is bound in this proceeding to decide Applicant’s right to obtain a federal trademark registration based on the application itself, not based on some self-serving stylization Applicant now conveniently asserts applies to the applied-for designation (Dkt. 4, Affirmative Defense ¶4). When filed as a word mark, it is well-accepted that the Board cannot limit the mark to a single design. TMEP §1207.01(c) (iii) (“if a mark (*in either an application or a registration*) is presented in standard characters, the owner of the mark is not limited to any particular depiction. The rights associated with a mark in standard characters reside in the wording ... and not in any particular display”) (emphasis added). *See also, In re RSI Systems, LLC*, 88 USPQ2d 1445 (T.T.A.B. 2008); *In re Melville Corp.*, 18 U.S.P.Q.2d 1386, 1388 (T.T.A.B. 1991).

As a result, Applicant’s so-called self-serving, affirmative defense that it intends to use the DON JULIO designation with a “different look and appearance” than Opposer’s federally registered DON JULIO® marks (Dkt. 4, Affirmative Defense ¶4) does not provide as a matter of law a viable argument for, let alone a viable affirmative defense to, this proceeding. Applicant filed its application not limited to a particular design or look, but rather has sought to protect the words DON JULIO in block letters. As a block letter, intent-to-use application, the application if granted would afford Applicant the right to use the applied-for designation in any format, including the stylized and word formats used and protected by Don Julio. That is, in fact, the operative principle the Board is bound to utilize in this proceeding whether based on Applicant’s block letter application or Don Julio’s block letter registration for the mark DON JULIO®. TMEP §1207.01(c)(iii).

Thus, because Applicant filed an intent-to-use, word mark application, which if granted would allow Applicant to use the applied-for designation in all stylizations, including the current stylization used by Don Julio, the Board should enter judgment on this alleged defense and/or strike it from Applicant's Answer. Applicant's proposed stylized use, whatever that may be, can have no bearing on the outcome of this proceeding as a matter of well-recognized law.

5. Applicant's Alleged Defense that the Goods Are in Different International Classes Also Fails as a Matter of Law.

Although Applicant claims as a defense to the opposition that the goods of the respective parties fall in different international classifications (Dkt. 4, Affirmative Defense §2), it is well-established that the classification of goods has no bearing on the question of likelihood of confusion in an opposition proceeding. TMEP §1201.01(d)(v); *see also Jean Patou Inc. v. Theon Inc.*, 9 F.3d 971, 29 U.S.P.Q.2d 1771 (Fed. Cir. 1993) (classification of goods is “wholly irrelevant” to the issue of likelihood of confusion); *National Football League v. Jasper Alliance Corp.*, 16 U.S.P.Q.2d 1212, 1216 n.5 (T.T.A.B. 1990) (same).

Rather, it is only the manner in which the applicant identifies the goods, which is relevant to the question of likelihood of confusion. *See Hewlett-Packard Dev. Co., L.P. v. Vudu, Inc.*, Opp. No. 91185393 at pp. 7-8 (Oct. 26, 2009) (“The authority is legion that the question of registrability of an applicant's mark must be decided on the basis of the identification of goods set forth in the application regardless of what the record may reveal as to the particular nature of an applicant's goods, the particular channels of trade or the class of purchasers to which sales of the goods are directed”), *citing Octocom Sys., Inc. v. Houston Computers Servs. Inc.*, 16 U.S.P.Q.2d 1783, 1787 (Fed. Cir. 1990). Here, regardless of international classification, topping syrups, for example, may feature beverage alcohol flavorings and such flavored toppings

revealingly have not been excluded from the opposed application, rendering the goods related. *See id.*

As a result, the Board should enter judgment against Applicant's asserted affirmative defense based on the placement of its application in a different class from that of Don Julio's long held registrations. The international classification simply is irrelevant to the issue of likelihood of confusion.

B. On Their Face, Applicant's Affirmative Defenses Each Fail, Because Applicant Does Not Allege Cognizable, Supporting Facts

Under Federal Rule of Civil Procedure 8(b), a pleading must allege, in short and plain terms, a statement showing the pleader is entitled to relief. *See* TBMP §311.02(b). The general rules of pleading set forth in Rule 8(b) apply to affirmative defenses. *Tokio Marine & Fire Insurance Co., Ltd. v. Kaisha*, 25 F. Supp.2d 1071, 1078 (C.D. Cal. 1997). All affirmative defenses must include sufficient detail to give the opposing party fair notice of the basis for each defense. *Cf. McDonnell Douglas Corp. v. National Data Corp.*, 228 U.S.P.Q. 45, 47 (T.T.A.B. 1985).

Applicant's bald affirmative defenses (Dkt 4, Affirmative Defenses ¶¶3, 6-8) on their face do not meet even the most elementary of these pleading requirements and provide a textbook illustration of the policy reasons behind the pleading requirement. As such, the Board should strike and/or enter judgment against Applicant on each of the purported defenses.

C. A Motion to Suspend Is Proper So That the Issues Can Be Properly Framed for Discovery to Proceed Efficiently

Because the determination of this motion should narrow the issues for discovery and trial, resulting in a more efficient and streamlined proceeding for purposes of discovery and trial, this Opposition should be suspended pending the Board's ruling on Opposer's Motion to Strike and/or Motion for Judgment on the Pleadings.

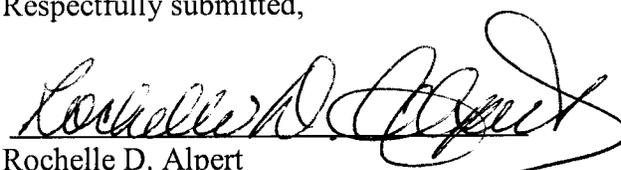
CONCLUSION

Judgment should be entered on each of the illegitimate affirmative defenses Applicant alleges as part of its Answer in this matter or, alternatively, the affirmative defenses should be stricken. In this way, the issues for discovery and trial can be appropriately defined, resulting in a more expeditious proceeding. Opposer respectfully requests the Board to issue judgment on the pleadings as to the alleged affirmative defenses or, alternatively, to strike the affirmative defenses so that this proceeding may move forward on the only issue properly before the Board — whether the federally registered DON JULIO[®] mark and name is confusingly similar to the proposed identical DON JULIO designation for what only should be characterized as related goods.

Dated: November 24, 2009

Respectfully submitted,

By:



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CERTIFICATE OF SERVICE

I am a resident of the State of California and over the age of eighteen years, and not a party to the within action; my business address is One Market, Spear Street Tower, San Francisco, CA 94105.

On **November 24, 2009**, I served the within documents:

MOTION FOR JUDGMENT ON THE PLEADINGS OR, IN THE ALTERNATIVE, MOTION TO STRIKE, AND MOTION TO SUSPEND



(BY MAIL) I placed the sealed envelope(s) for collection and mailing by following the ordinary business practices of Morgan, Lewis & Bockius LLP, San Francisco, California. I am readily familiar with the firm's practice for collecting and processing of correspondence for mailing with the United States Postal Service, said practice being that, in the ordinary course of business, correspondence with postage fully prepaid is deposited with the United States Postal Service the same day as it is placed for collection.



(BY OVERNIGHT DELIVERY) I placed the sealed envelope(s) or package(s) designated by the express service carrier for collection and overnight delivery by following the ordinary business practices of Morgan, Lewis & Bockius LLP, San Francisco, California. I am readily familiar with the firm's practice for collecting and processing of correspondence for overnight delivery, said practice being that, in the ordinary course of business, correspondence for overnight delivery is deposited with delivery fees paid or provided for at the carrier's express service offices for next-day delivery the same day as the correspondence is placed for collection.



(BY FACSIMILE) I caused the document(s) listed above to be transmitted by facsimile to the fax number(s) set forth above on this date before 5:00 p.m. The facsimile transmission(s) was reported as complete and without error.

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Executed on **November 24, 2009**, at San Francisco, California. I declare under penalty of perjury, under the laws of the United States of America, that the foregoing is true and correct.



Yelena Lolua