

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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Mailed: July 31, 2014

Opposition No. **91215114**

Upper Shirley Vineyards, LLC and
Shirley Plantation LLC

v.

Stillhouse Vineyards, LLC

By the Trademark Trial and Appeal Board:

This matter comes up on applicant's motion (filed April 4, 2014) to dismiss this proceeding for opposer's lack of standing. The motion is contested.

Background

Opposers Upper Shirley Vineyards, LLC ("Upper Shirley") and Shirley Plantation, LLC ("Shirley") filed a notice of opposition on February 25, 2014, against application Serial No. 85947562¹ on numerous grounds including deceptiveness, false suggestion of a connection and geographical indication under Section 2(a) of the Trademark Act, priority and likelihood of confusion

¹ For SHIRLEY PLANTATION in standard characters for "grape wine; red wine; red wines; rose wine; table wines; white wine; wine; wines" in International Class 33. The application was filed on May 31, 2013, under Section 1(a) of the Trademark Act.

under Section 2(d), geographic deceptiveness under Section 2(e)(3), and fraud.

By the Board's institution order of February 25, 2014, applicant's time to answer the notice of opposition was set to April 6, 2014. On April 4, 2014, applicant served and filed a motion to dismiss the notice of opposition on standing grounds, alleging that opposers cannot plead a reasonable belief of damage.

Decision

The Board has set forth the applicable standard for a motion to dismiss under Fed. R. Civ. P. 12(b)(6) as follows:

In order to withstand a motion to dismiss for failure to state a claim, a plaintiff need only allege such facts as would, if proved, establish that (1) the plaintiff has standing to maintain the proceedings, and (2) a valid ground exists for opposing the mark. The pleading must be examined in its entirety, construing the allegations therein liberally, as required by Fed. R. Civ. P. 8(f), to determine whether it contains any allegations which, if proved, would entitle plaintiff to the relief, [sic] sought. See *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982); *Kelly Services Inc. v. Greene's Temporaries Inc.*, 25 USPQ2d 1460 (TTAB 1992); and TBMP § 503.02 (2d. ed. rev. 2004). For purposes of determining a motion to dismiss for failure to state a claim upon which relief can be granted, all of plaintiff's well-pleaded allegations must be accepted as true, and the complaint must be construed in the light most favorable to plaintiff. See *Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc.*, 988 F.2d 1157, 26 USPQ2d 1038 (Fed. Cir. 1993); see also 5A Wright & Miller, *Federal Practice And Procedure: Civil 2d* § 1357 (1990).

Fair Indigo LLC v. Style Conscience, 85 USPQ2d 1536, 1538 (TTAB 2007).

The complaint, therefore, must allege "enough facts to state a claim to relief

that is plausible on its face.” *Bell Atlantic Corp. v. Twombly*, 550 U.S. 554, 570, 127 S.Ct. 1955, 1974 (2007); *see also Ashcroft v. Iqbal*, 556 U.S. 662, 129 S.Ct. 1937 (2009) (plausibility standard applies to all federal civil claims).

The focus of applicant’s motion is that of opposers’ standing. To have standing, opposers need only demonstrate that they have a “real interest,” i.e., a personal stake, in the outcome of the proceeding and a reasonable basis for their belief of damage. *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999). A belief in likely damage can be shown by establishing a direct commercial interest. *See International Order of Job’s Daughters v. Lindeburg & Co.*, 727 F.2d 1087, 220 USPQ 1017, 1019 (Fed. Cir. 1984). The purpose of the standing requirement is to avoid litigation where there is no real controversy between the parties, i.e., to weed out intermeddlers. *See Lipton Industries, Inc. v. Ralston Purina Co.*, 213 USPQ at 189. Where, as here, there are joint opposers, each must plead and ultimately prove its standing. *See Chemical New York Corp. v. Conmar Form Systems, Inc.*, 1 USPQ2d 1139, 1142 (TTAB 1986).

In reviewing the notice of opposition, there is no question that opposers are not mere “intermeddlers.” Shirley has pleaded two registrations for the identical mark SHIRLEY PLANTATION. These registrations are sufficient to demonstrate Shirley’s direct commercial interest in this proceeding and, therefore, its standing. *See Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842 (Fed. Cir. 2000). As for Upper Shirley, it has pleaded a

pending application for UPPER SHIRLEY VINEYARDS for wine.² It is further noted that Upper Shirley's application was suspended on April 19, 2014, due to the involved application being cited as a potential bar to registration. These circumstances are sufficient to provide Upper Shirley with a basis for pleading its standing, *see Life Zone Inc. v. Middleman Group Inc.*, 87 USPQ2d 1953 (TTAB 2008) (standing found based on opposer's ownership of pending trademark application and Office action which resulted in suspension of its application due to involved application being cited as a potential bar to registration), and **Upper Shirley is hereby granted leave to amend its notice of opposition to plead its standing on this basis.**

In view thereof, applicant's motion to dismiss this proceeding on grounds of opposers' standing is hereby **DENIED**. HOWEVER, the Board notes that aside from the Section 2(d) claim, opposers have failed to sufficiently plead the remaining grounds for opposition.

Deceptiveness

In order to plead a claim of deceptiveness under Section 2(a) of the Trademark Act, a plaintiff must allege:³

- (1) that the term is misdescriptive of the character, quality, function, composition or use of the goods/services;
- (2) that prospective purchasers are likely to believe that the misdescription actually describes the goods/services; and

² Application Serial No. 86127952 filed November 25, 2013.

³ Of course, a mere iteration of the elements of a cause of action without pleading sufficient factual matter in support thereof will not save an otherwise defective claim. *See Ashcroft v. Iqbal*, 129 S. Ct. at 1949.

- (3) that the misdescription is likely to materially affect the decision to purchase.

See In re Spirits Int'l, N.V., 563 F.3d 1347, 90 USPQ2d 1589 (Fed. Cir. 2009); *Hoover Co. v. Royal Appliance Mfg. Co.*, 238 F.3d 1357, 1361, 57 USPQ2d 1720, 1723 (Fed. Cir. 2001). In order for a term to misdescribe goods or services, “the term must be merely descriptive, rather than suggestive, of a significant aspect of the goods or services which the goods or services plausibly possess but in fact do not.” *In re Phillips-Van Heusen Corp.*, 63 USPQ2d 1047, 1051 (TTAB 2002).

Here, there is no allegation that applicant’s mark is descriptive such that its use in connection with applicant’s goods is somehow misdescriptive of a character, quality, function, composition or use of those goods. To allege that applicant’s mark is deceptive because the goods under the mark do not originate from either opposer misapprehends the nature and purpose of a Section 2(a) deceptiveness claim. “When a plaintiff’s allegation is that consumers are ‘deceived into’ buying defendant’s goods under the mistaken belief that they originate from the same source as plaintiff’s, or vice versa, the sort of deception at issue is the basis for a Section 2(d), not a Section 2(a), claim.” *Miller Brewing Co. v. Anheuser-Busch Inc.*, 27 USPQ2d 1711, 1713 (TTAB 1993). Since this is the type of deception opposers are alleging in their pleading, opposers’ pleading of deceptiveness under Section 2(a) of the Trademark Act is legally insufficient.

False Suggestion of a Connection

A false suggestion claim under Section 2(a) of the Trademark Act requires that:

- (1) the mark sought to be registered is the same as, or a close approximation of, the name or identity previously used by another person or institution;
- (2) the mark would be recognized as such, in that it points uniquely and unmistakably to that person or institution;
- (3) the person or institution identified in the mark is not connected with the goods sold or services performed by applicant under the mark; and
- (4) the fame or reputation of the named person or institution is of such a nature that a connection with such person or institution would be presumed when applicant's mark is used on its goods and/or services.

See Buffett v. Chi-Chi's, Inc., 226 USPQ 428, 429 (TTAB 1985); *see also Univ. of Notre Dame du Lac v. J.C. Gourmet Food Imports Co.*, 703 F.2d 1372, 1375-77, 217 USPQ 505, 508-10 (Fed. Cir. 1983) (providing foundational principles of a false suggestion claim).

Opposers have failed to allege any of these elements or to allege sufficient facts in support thereof. Therefore, the Board finds opposers' pleading of false suggestion of a connection under Section 2(a) as legally insufficient.

Geographically Deceptively Misdescriptive

A claim that a mark is geographically deceptively misdescriptive under Section 2(e)(3) of the Trademark Act requires a showing that:

- (1) the primary significance of the mark is a generally known geographic location;

- (2) the goods or services do not originate in the place identified in the mark;
- (3) purchasers would be likely to believe that the goods or services originate in the geographic place identified in the mark; and
- (4) the misrepresentation would be a material factor in a significant portion of the relevant consumers' decision to buy the goods or use the services.

See In re Miracle Tuesday, LLC, 695 F.3d 1339, 1343, 104 USPQ2d 1330, 1332 (Fed. Cir. 2012). Again, opposers have failed to plead such elements and facts in support of this claim and, therefore, the claim is legally insufficient.

Geographical Indication Used on Wines and Spirits

The elements of a geographical indication claim under Section 2(a) include those of a Section 2(e)(3) claim plus a requirement that the subject mark was first used or will be used in commerce by the applicant on or after January 1, 1996. Further, a designation is considered a geographical indication under Section 2(a) if it identifies the applicant's wines or spirits as originating in a territory known for a given quality, reputation, or other characteristic associated with wines or spirits. However, "[o]bscure areas or those that do not have a reputation or other characteristics generally associated with wines or spirits [shall] not be prohibited from registration."

Statement of Administrative Action, Agreement on Trade-Related Aspects of Intellectual Property Rights, H.R. Doc. No. 103-316, § B.1.e (1994); 19 U.S.C. §§ 3511(a)(2) and 3512(d).

Although opposers have pleaded that applicant's mark "identifies a place other than the origin of the goods and was first used on or in connection with wine or spirits by the Applicant on or after January 1, 1996" [¶ 35], opposers have failed to otherwise plead facts that support this cause of action. Therefore, the Board finds this claim legally insufficient.

Fraud

In support of this claim, opposers simply assert in ¶ 39 of the notice of opposition that "Applicant's applied for mark is an attempt to defraud as Applicant is attempting to register a mark which it does not own."

Under *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009), "a trademark is obtained fraudulently under the Lanham Act only if the applicant or registrant knowingly makes a false, material representation with the intent to deceive the PTO." These elements of fraud must be alleged with particularity in accordance with Fed. R. Civ. P. 9(b). Allegations based on "information and belief" must be accompanied by a statement of facts upon which the belief is founded. *Asian and Western Classics*, 92 USPQ2d at 1478-1479 (citing *Exergen Corp. v. Wal-Mart Stores Inc.*, 91 USPQ2d 1656, 1670 n.7 (Fed. Cir. 2009)). Although intent is "a specific element of a fraud claim," it "may be alleged generally [but] the pleadings must allege sufficient underlying facts from which a court may reasonably infer that a party acted with the requisite state of mind." *Id.* at 1479. Thus, "an allegation that a declarant 'should have known' a material

statement was false does not make out a proper pleading.” *Id.* Here, opposers have failed to sufficiently plead the elements of a fraud claim and facts in support thereof except to allege that applicant is seeking to register a mark it does not own. As such, opposers’ claim of fraud is legally insufficient.

Conclusion

As it is the general practice of the Board to allow a party an opportunity to correct a defective pleading, particularly when the pleading is the initial one, *see Miller Brewing Co. v. Anheuser-Busch Inc.*, 27 USPQ2d at 1714, **opposers are hereby allowed until AUGUST 29, 2014, to replead Upper Shirley’s standing as discussed *supra* and, to the extent opposers believe they can do so, to replead any of the claims discussed herein, failing which those causes of action will be given no further consideration.**

Dates are **RESET** as follows:

Time to Answer	10/8/2014
Deadline for Discovery Conference	11/7/2014
Discovery Opens	11/7/2014
Initial Disclosures Due	12/7/2014
Expert Disclosures Due	4/6/2015
Discovery Closes	5/6/2015
Plaintiff’s Pretrial Disclosures Due	6/20/2015
Plaintiff’s 30-day Trial Period Ends	8/4/2015
Defendant’s Pretrial Disclosures Due	8/19/2015
Defendant’s 30-day Trial Period Ends	10/3/2015
Plaintiff’s Rebuttal Disclosures Due	10/18/2015
Plaintiff’s 15-day Rebuttal Period Ends	11/17/2015

IN EACH INSTANCE, a copy of the transcript of testimony, together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rule 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.

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