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

Proceeding	91231903
Party	Plaintiff Consejo Regulador de la Denominacion de Origen Rioja
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Consejo Regulador de la Denominación de Origen "Rioja"	)	
Opposer,	)	
v.	)	Opposition No. **91231903**
	)	Application Serial No **86/973400**
BAI Brands, LLC	)	Mark **BAI RIOJA ROOT BEER**
Applicant,	)	

Commissioner for Trademarks
2900 Crystal Drive
Arlington, Virginia 22202-3513

OPPOSER'S BRIEF IN OPPOSITION TO APPLICANT'S MOTION TO DISMISS

Opposer, by and through its attorneys of record, opposes Applicant's Motion to Dismiss the above-identified Notice of Opposition. For the reasons set forth below, Opposer's Notice of Opposition sufficiently sets forth grounds for the opposition of Applicant's BAI RIOJA ROOT BEER mark and, therefore, Applicant's Motion to Dismiss should be denied in its entirety.

I. LEGAL STANDARD OF REVIEW

Rule 8 of the Federal Rules of Civil Procedure ("FRCP") requires that pleadings setting forth claims for relief must include only "a short and plain statement of the claim showing the pleader is entitled to relief." Fed. R. Civ. P. 8(a). In order to withstand a Motion to Dismiss based on Fed. R. Civ. P. 12(b)(6), the complaint need only allege such facts as would, if proved, establish that Opposer is entitled to the relief sought. Specifically, Opposer need only establish that it has standing to maintain the proceeding and that a valid ground exists for opposing Application No. 86/973400. *Young v. AGB Corp.*, 182 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998). To survive a Motion to Dismiss, a complaint must only "state a claim to relief that is plausible on its face." *Bell Atlantic Corp. v. Twombly,* 550 U.S. 554, 570)2007). *See also Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (plausibility standard applies to all federal civil claims); *Doyle v. Al Johnsn's Swedish Restaurant & Butik Inc.*, 101 USPQ2d 1780, 1782 (TTAB

2012) (citing *Ashcroft v. Izbal* for the standard to determine whether a claim has been properly pleaded).

The motion to dismiss under FRCP 12(b)(6) may be granted only if, after accepting all well-pleaded allegations in the Notice of Opposition as true and drawing all reasonable inferences in favor of Opposer, the Board finds that Opposer failed to set forth fair notice of its claim and the grounds upon which it rests. *Bell Atlantic Corp. v. Twombly*, 127 S.Ct. 1955, 1964 (2007). In this case, the Notice of Opposition will survive a motion to dismiss if it states plausible grounds for Opposer's entitlement to relief sought. *Id* at 1965-66. The Notice of Opposition must merely contain sufficient factual allegations "to raise a right to relief above the speculative level." *Id*. At 1965. Accordingly, the issue before the Board upon consideration of the pending motion to dismiss not whether Opposer "will ultimately prevail but whether the claimant is entitled to offer evidence in support of the claims." *McDowell v. N. Shore-Long Island Jewish Health Sys., Inc.*, 839 F. Supp. 2d 562, 565 (E.D.N.Y. 2012) (citing *Todd v. Exxon Corp.*, 275 F.3d 191, 198 (2d Cir. 2001)). Whether Opposer "can actually prove its allegations is a matter to be determined not upon motion to dismiss, but rather at final hearing or upon summary judgment after the parties have had an opportunity to submit evidence in support of their respective positions." *Cent. Mfg. Co. v. Outdoor Innovations, L.L.C.*, 1999 TTAB Lexis 235 (TTAB 1999) (citing *Caron Corp. V. Helena Rubinstein, Inc.*, 193 USPQ 113 (TTAB 1976)). For this reason, a motion to dismiss for failure to state a claim "is viewed with disfavor and is rarely granted." *Phonometrics, Inc. v. Hospitality Franchise Sys.*, 203 F.3d 790, 794 (Fed. Cir. 2000).

II. OPPOSER' NOTICE OF OPPOSITION SUFFICIENTLY ALLEAGES LIKELIHOOD OF CONFUSION AS A GROUND FOR OPPOSITION.

In Applicant's Motion to Dismiss, in its section 4 dealing with likelihood of confusion, Applicant incorrectly asserts that "Opposer's Notice of Opposition fails to state a claim under which relief can be granted under Section 2(d) of the Trademark Act on the ground of **primarily geographically deceptively misdescriptiveness.**" [Emphasis added]. Applicant also incorrectly asserts that because "Applicant' application does not cover wine or any alcoholic products…, as a matter of law, there can be no likelihood of confusion."

Notwithstanding the aforementioned erroneous assertions, Opposer's Notice of Opposition properly alleges numerous facts in support of its claim of likelihood of confusion. In

particular, the Notice of Opposition states that Opposer is the owner of the valid and subsisting U.S. registration for the mark "Consejo Regulador Denominacion Origen RIOJA." Opposer's Notice of Opposition also alleges that Opposer has extensive common law rights in the certification mark "RIOJA" for goods and services related to the wine industry. Opposer's Notice of Opposition also allegues that Opposer has been continuously controlling the use of the RIOJA marks by others to certify that wines originate from the Rioja region of Spain and tha the wine meets other specifications established by Opposer. The Notice of Opposition also alleges that the filing date of Applicant's mark is subsequent to the registration date of Opposer's certification mark, the first use date of Opposer's RIOJA marks and the introduction and use of Opposer's RIOJA marks to the marketplace and the purchasing public. Together, the existence of Opposer's Federal Registration and common law rights, the similarity of Applicant's BAI RIOJA ROOT BEER mark to Oposer's RIOJA marks and the alleged relatedness of the parties' goods, constitute allegations sufficient to survive a motion to dismiss.

Moreover, to the extent that Applicant suggests dismissal is appropriate because there is no likelihood of confusion "as a matter of law," such assertions are proper only under a properly-supported motion for summary judgment under FRCP 56, not a motion to dismiss under FRCP 12(b)(6). *No Fear, Inc. v. United States DOL*, 1997 TTAB Lexis 43 (TTAB Nov. 6, 1997) (Denying applicant's motion to dismiss an opposition to the mark NO SWEAT in connection with services for "promoting public awareness of the need for eliminating sweatshops in the garment manufacturing industry" based on the opposer's prior use and registration of the mark NO FEAR for clothing). "A party should not be denied his right to be heard… unless it is certain beyond any doubt that he cannot prevail under any circumstances." *Id.* (citing *Stabilisierrungsfonds fur Wein v. Zimmermann-Graeff KG*, 199 USPQ 488, 489 (TTAB 1978)). As described above, Opposer's Notice of Opposition clearly alleges facts which far exceed this standard. Accordingly, Opposer should not be denied an opportunity to offer evidence in support of its likelihood of confusion claim.

In short, Opposer's Notice of Opposition alleges facts which, if proved at trial or on summary judgment, would establish its priority and that a likelihood of confusion exists such that Opposer would be entitled to the relief it seeks. No more is required under the notice pleading rules to withstand a motion to dismiss under FRCP 12(b)(6). Accordingly, Applicant's motion to dismiss this ground of the Notice of Opposition should be denied.

III. OPPOSER' NOTICE OF OPPOSITION SUFFICIENTLY ALLEAGES PRIMARILY GEOGRAPHICALLY DECEPTIVELY MISDESCRIPTIVE AS A GROUND FOR OPPOSITION.

In the Motion to Dismiss, Applicant erroneously attempts to argue that "[t]he primary significance of "Rioja" is not a generally known geographic place and even asks the Board to take judicial notice of Applicant's alleged facts. Once again, such assertions are proper only under a properly-supported motion for summary judgment under FRCP 56, not a motion to dismiss under FRCP 12(b)(6).

Also as noted earlier, in order to withstand a Motion to Dismiss based on Fed. R. Civ. P. 12(b)(6), the complaint need only allege such facts as would, if proved, establish that Opposer is entitled to the relief sought. In this regard, Opposer's Notice of Opposition properly plead that (i) Applicant's mark will be understood by U.S. consumers as denoting that Applicant's goods originate from Rioja, Spain (i.e. the primary significance of the mark is a generally known geographic location), (ii) the relevant public consumer is likely to believe that RIOJA describes Applicant's goods, and their geographic origin, when in fact Applicant's goods will not come from Rioja, Spain, (iii) consumers' mistaken belief that Applicant's goods will come from Rioja, Spain, would be a material factor in such consumers' purchasing decision.

Given the allegations made by Opposer in its Notice of Opposition, a proper claim under Section §2(e)(3) has been made. *See Trademark Trial and Appeal Board Manual of Procedure,* §503.02, pp. 321-322 ("Whenever the sufficiency of a complaint in its entirety, construing the allegations therein so as to do justice, as required by Fed. R. Civ. P. 8(e), to determine whether it contains any allegations, which, if proved, would entitle the plaintiff to the relief sought")' *IdeasOne Inc. v. Nationwide Better Health*, 89 USPQ2d 1952, 1953 (TTAB 2009). Furthermore, Applicant cannot reasonably claim the Notice of Opposition does not place Applicant on notice of Opposer's claim under Section §2(e)(3) because the Motion to Dismiss demonstrates Applicant's appreciation of the elements that must be proven for a Section §2(e)(3) claim.

IV. OPPOSER' NOTICE OF OPPOSITION SUFFICIENTLY ALLEAGES GEOGRAPHIC INDICATION AS A GROUND FOR OPPOSITION.

In the Motion to Dismiss, Applicant erroneously attempts to argue, without providing any supporting jurisprudence or citing proper sources that would support the allegation, that "[t]he critical threshold issue is that the mark being challenged must be for "wines and spirits" and that

"[t]his cause of action is only available if the application covers "wines and spirits." Again, to the extent that Applicant suggests dismissal is appropriate "as a matter of law," such assertions are proper only under a properly-supported motion for summary judgment under FRCP 56, not a motion to dismiss under FRCP 12(b)(6). Accordingly, Opposer should not be denied an opportunity to offer evidence in support of its Section §2(e)(3) claim.

Again, in order to withstand a Motion to Dismiss based on Fed. R. Civ. P. 12(b)(6), the complaint need only allege such facts as would, if proved, establish that Opposer is entitled to the relief sought. In this regard, Opposer's Notice of Opposition properly plead that (i) the primary significance of RIOJA is geographic (*See* numerals 4 and 15 of the Notice of Opposition, (ii) that purchasers would be likely to think that Applicant's goods originate in the region of Rioja, Spain (*See* numerals 15 and 17 of the Notice of Opposition), (iii) that Applicant's goods do not originate in the region of Rioja, Spain (*See* numeral 16 of the Notice of Opposition), (iv) that consumer's mistaken belief that Applicant's goods will come from Rioja, Spain would be a material factor in such consumer's purchasing decision (*See* numerals 18 and 21 of the Notice of Opposition), and (v) that Applicant's mark was first use in commerce by applicant on or after January 11st, 1996 (*See* numeral 6 and 8 of the Notice of Opposition).

Given the allegations made by Opposer in its Notice of Opposition, a proper claim under Section §2(a) has been made. *See Trademark Trial and Appeal Board Manual of Procedure,* §503.02, pp. 321-322 ("Whenever the sufficiency of a complaint in its entirety, construing the allegations therein so as to do justice, as required by Fed. R. Civ. P. 8(e), to determine whether it contains any allegations, which, if proved, would entitle the plaintiff to the relief sought")' *IdeasOne Inc. v. Nationwide Better Health*, 89 USPQ2d 1952, 1953 (TTAB 2009). Furthermore, Applicant cannot reasonably claim the Notice of Opposition does not place Applicant on notice of Opposer's claim under Section §2(a) because the Motion to Dismiss demonstrates Applicant's appreciation of the elements that must be proven for a Section §2(e)(3) claim.

V. OPPOSER' NOTICE OF OPPOSITION SUFFICIENTLY ALLEAGES FALSE SUGGESTION OF A CONNECTION AS A GROUND FOR OPPOSITION.

In the Motion to Dismiss, Applicant erroneously asserts that "[t]he Notice of Opposition is devoid of any allegations… that the mark at issue is the same or a close approximation of Opposer's "previously used name or identity… that the mark at issue would be recognized as such, in that "it points uniquely and unmistakably to [Opposer]'s persona and/or identity… that

Opposer's "name or identity is of sufficient fame or reputation that when [Applicant]'s mark is used on its goods and/or services, a connection with plaintiff would be presumed."

Opposer has properly plead in its Notice of Opposition (i) that its name is Consejo Regulador de la Denominacion de Origen RIOJA, (ii) that it owns a Federal registration for the certification mark "Consejo Regulador de la Denominacion de Origen RIOJA" and common law rights over the mark "RIOJA," (iii) that by virtue of extensive use and control, consumers have come to recognize and associate Opposer's RIOJA marks with Opposer and, as a result, Opposer has acquired substantial and valuable goodwill in Opposer's RIOJA marks, and they have become a distinctive indicator of the quality and origin of the goods and services bearing Opposer's RIOJA marks, (iv) that consumers associate Opposer's RIOJA marks with goods approved, or endorsed by Opposer, (v) that the mark "BAI RIOJA ROOT BEER" that Applicant seeks to register is confusingly similar to Opposer's RIOJA marks, (vi) that Applicant's mark "BAI RIOJA ROOT BEER" was filed without Opposer's consent, and (vii) that Applicant's mark so closely resembles Opposer's RIOJA marks that it is deceptive in that it falsely suggests a connection with or approval by Opposer.

In short, Opposer's Notice of Opposition alleges facts which, if proved at trial or on summary judgment, would establish a valid ground for the opposition under Section 2(a) of the Trademark Act exists such that Opposer would be entitled to the relief it seeks. No more is required under the notice pleading rules to withstand a motion to dismiss under FRCP 12(b)(6). Accordingly, Applicant's motion to dismiss this ground of the Notice of Opposition should be denied.

VI. IN THE ALTERNATIVE, OPPOSER REQUESTS LEAVE TO AMEND ITS NOTICE OF OPPOSITION

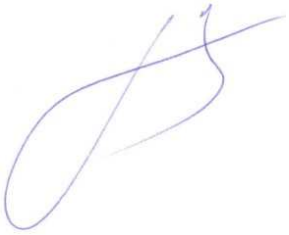
In the alternative, should the TTAB find that Opposer's Notice of Opposition fails to properly state a claim, Opposer hereby requests leave to amend its Notice of Opposition pursuant to TBMP §503.03 to address any identified deficiencies.

VII. CONCLUSION

For the foregoing reasons, Opposer respectfully requests that the TTAB deny Applicant's Motion to Dismiss the Notice of Opposition pursuant to Fed. R. Civ. P. 12(b)(6).

Respectfully submitted,

Consejo Regulador de la Denominación de Origen "Rioja"



Dated: February 21, 2017

By and through their attorney
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Certificate of Service

I hereby certify that a copy of the foregoing **OPPOSER'S BRIEF IN OPPOSITION TO APPLICANT'S MOTION TO DISMISS** was served this date February 21, 2017 upon Attorneys for Applicant at their address of record by email.

Justin R. Young