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

Proceeding	91233591
Party	Defendant Havana Club Holding, S.A.
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the matter of Application No. 87/084,544
Date of Application: June 27, 2016
Trademark: HAVANA REAL

BACARDI & COMPANY LIMITED and BACARDI U.S.A., INC.,	:	
Opposers,	:	
vs.	:	Opposition No. 91233591
HAVANA CLUB HOLDING, S.A.,	:	
Applicant.	:	

APPLICANT'S MOTION FOR A MORE DEFINITE STATEMENT

Applicant Havana Club Holding, S.A. ("Applicant"), owner of Federal Trademark Application Serial No. 87/084,544 for the mark HAVANA REAL (the "Application"), by and through its counsel, Debevoise & Plimpton LLP, hereby moves, pursuant to Trademark Trial and Appeal Board Manual of Procedure ("TBMP") § 505 and Rule 12(e) of the Federal Rules of Civil Procedure, for an order requiring a more definite statement of the allegations in the Notice of Opposition (the "Notice") filed on March 22, 2017 by Bacardi & Company Limited ("Bacardi & Co.") and Bacardi U.S.A., Inc. ("BUSA").

PRELIMINARY STATEMENT

On December 22, 2016, Bacardi & Co., owner of suspended application Serial No. 74/572,667 for HAVANA CLUB, was granted a requested extension of time to oppose the present Application. On March 22, 2017, Bacardi & Co. filed the Notice jointly with BUSA, a party that had not directly preserved its rights to oppose. The Notice makes no mention of Bacardi & Co.'s suspended application, and instead is based solely on allegations of use-based and common-law rights that, on information and belief, belong to BUSA, not Bacardi & Co. The Notice is vague on which entity owns which rights; it attributes ownership of the alleged common-law rights to "Bacardi," a term defined to include both joint opposers. Furthermore, although the Notice alleges that BUSA "has privity" with Bacardi & Co. (the entity that preserved a right to oppose), the Notice fails to allege any facts to substantiate the claim of privity and fails to distinguish between the rights and activities of the respective opposers, which makes it impossible to assess whether facts sufficient to support the assertion of privity have been alleged.

Without an unambiguous articulation of the these facts, Applicant is unable to frame a responsive pleading.

ARGUMENT

Where, as here, a notice of opposition is so vague or ambiguous that an applicant cannot reasonably be required to frame a responsive pleading, an order for a more definite statement is warranted. *See* TBMP § 505.

Pleading ownership and control of a mark "collectively" is inherently ambiguous.

In the Notice, the perambulatory paragraph defines the term "Bacardi" as including Bacardi & Co. "collectively" with BUSA. Although paragraph 1 carefully identifies "Bacardi & Co." as the owner of rights in the irrelevant BACARDI trademark, the care and clarity end there. Paragraphs 2, 3, 4, 5, 6, 7, 8, 12, 13, 14, 15, 16, 17, 18 and the prayer for relief conflate the two entities, attributing ownership and control of the alleged use-based and common-law rights in the HAVANA CLUB mark only to the ambiguous collective "Bacardi." Among the many ambiguities caused by this formulation, none of the following can be identified within the allegations in the Notice: (1) the entity alleged to have used and to own the relevant rights; (2) the entity to which goodwill and fame are alleged to have accrued; or (3) the nature of the relationship between Bacardi & Co. and BUSA with respect to the alleged trademark rights.

BUSA's assertion of privity with Bacardi & Co. cannot be assessed.

Though the central allegations in the Notice are made on behalf of the collective "Bacardi," only one of the two entities preserved its right to oppose this Application. The Notice asserts that, "because BUSA is a wholly-owned subsidiary of Bacardi & Co.," BUSA "has privity" with Bacardi & Co. and is therefore entitled to take advantage of the extension granted to Bacardi & Co. *See* Notice at ¶ 11. The validity of this legal conclusion cannot be assessed from the allegations in the Notice.

BUSA's alleged status as a wholly-owned subsidiary, standing alone, is insufficient as a matter of law to establish privity of trademark rights. Rather, privity of

trademark rights requires a relationship between entities regarding the exercise of the trademark rights themselves. *See* TBMP § 206.02 ("In the field of trademarks, the concept of privity generally includes, *inter alia*, the relationship of successive ownership of a mark (e.g., assignor, assignee) and the relationship of 'related companies' within the meaning of Trademark Act § 5 and Trademark Act § 45, 15 U.S.C. § 1055 and 15 U.S.C. § 1127."); 15 U.S.C. § 1127 ("The term 'related company' means any person whose use of a mark is controlled by the owner of the mark with respect to the nature and quality of the goods or services on or in connection with which the mark is used."). The Board has consistently held that a parent-subsidiary relationship is insufficient to establish trademark privity without the requisite control over use of the trademark. *E.g., I-T-E Circuit Breaker Co. v. Gen. Elec. Co.*, 137 USPQ 327 (TTAB 1963) (rejecting assertion of privity between parent and wholly-owned subsidiary where there was no evidence of "the extent of control, if any, exercised by the [parent] over its subsidiary's use of the mark involved"); *Sinclair Mfg. Co. v. Les Parfums De Dana, Inc.*, 191 USPQ 292 (TTAB 1976) (rejecting assertion of privity between parent and wholly-owned subsidiary where subsidiary used the relevant trademark under license from a third-party); *cf. Target Brands, Inc. v. Hughes*, 85 USPQ2d 1676 (TTAB 2007) (remarking that trademark privity exists where wholly-owned subsidiary "owns all of the intellectual property rights of [parent] and is engaged in managing and protecting such rights"). If such a relationship or control over use of the relevant trademark exists between Bacardi & Co. and BUSA, it cannot be deduced from the ambiguous collective allegations of the Notice.

Without clarification, Applicant cannot respond to the Notice.

Clarifying these ambiguities is critical to Applicant's ability to defend its Application. As only one example, if BUSA is ultimately alleged to own the use-based and common-law trademark rights identified in the Notice, but the required control over the use of the trademark by Bacardi & Co. cannot truthfully be alleged, then (1) BUSA would not be in privity with Bacardi & Co. and, having failed to preserve its own rights, its attempt to join as an opposer would be time barred by statute (*see* TBMP § 306.04); and (2) Bacardi & Co. could not, without more, rely on allegations asserting ownership and use of rights by another as establishing its own direct and personal stake in the opposition (*see* TBMP § 303.03). By alternative example, if both entities allege they are separately using the HAVANA CLUB mark in the United States to develop fame and goodwill attributable to themselves, and each alleges it "owns the exclusive right at common law in the HAVANA CLUB trademark for rum in the United States," then the allegations in the Notice defeat themselves and would fail to state a claim.

Due to the vague and ambiguous allegations in the Notice, Applicant cannot assess whether these or other infirmities apply. Applicant is entitled to such basic clarity before being required to respond.

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CONCLUSION

For these reasons, Bacardi & Co. and BUSA should be ordered to make a more definite statement of their allegations, curing the defects noted above, in an amended notice. Namely, Bacardi & Co. and BUSA should be ordered to plead allegations specific to each respective opposing party and should be ordered to plead the facts that establish any alleged privity.

Dated: May 6, 2017

Respectfully submitted,

DEBEVOISE & PLIMPTON LLP

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CERTIFICATION OF SERVICE

This is to certify that on May 6, 2017, I caused a copy of the foregoing MOTION FOR A MORE DEFINITE STATEMENT to be served by email and first class mail upon counsel of record for Bacardi & Company Limited and Bacardi USA, Inc. at the following addresses of record:

Andrea L. Calvaruso, Esq.
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and

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Executed this 6th day of May, 2017 in New York, New York.

/Charles W. Baxter/
Charles W. Baxter