

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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July 19, 2021

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Opposition No. 91244817
Opposition No. 91244819
Cancellation No. 92071585

The Vineyard House LLC

v.

Constellation Brands U.S. Operations Inc.

Opposition No. 91245800
Opposition No. 91246515

Constellation Brands U.S. Operations Inc.

v.

The Vineyard House LLC

By the Trademark Trial and Appeal Board:

By its order of January 10, 2020 (“Prior Order”), the Board further consolidated the above captioned proceedings, all of which had been suspended pending disposition of a civil action styled as, *The Vineyard House, LLC v. Constellation Brands U.S. Operations, Inc.*, Case No. 4:19-cv-1424-YGR in the United States District Court for the Northern District of California.

On March 16, 2021, Constellation Brands U.S. Operations, Inc. (CBUSO) filed its “report on status of civil action” together with a copy of the District Court’s Fed. R.

Opposition Nos. 91244817, 91244819, 91245800, 91246515 & Cancellation No. 92071585

Civ. P. 52 order after trial by which The Vineyard House LLC (TVH) was permanently enjoined from using the words To Kalon or To Kalon Vineyard or any variation thereof.¹

On March 16, 2021 the Board held a brief status teleconference with attorneys for the parties wherein the parties agreed to submit a joint status report to the Board with their proposed disposition of each of these proceedings. On April 7, 2021, the parties submitted their report and requested disposition of certain proceedings in view of the decision of the District Court and prior motions of the parties.

Accordingly proceedings are resumed and the Board has determined the following.

I. Opposition Nos. 91244817 and 91244819 and Cancellation No. 92071585

The marks at issue in these proceedings are owned by CBUSO and each include the words TO KALON: Application Serial No. 87818643 for TO KALON 1886, Application Serial No. 88010746 for THE MIRACLE OF TO KALON, Registration No. 1489619 for TO KALON and Registration No. 1857851 for TO KALON VINEYARD. By their joint status report the parties have submitted “in light of the decision in the Civil Action,” that judgment should be entered in favor of CBUSO in the oppositions and cancellation and that the subject applications should proceed to Notice of Allowance.²

¹ 24 TTABVUE 29.

² 26 TTABVUE 3 and 5.

In view of the District Court's decision in the civil action, and the parties' joint motion, judgment is entered against TVH. The notice of opposition in Opposition No. 91244817 is hereby **dismissed with prejudice**.

In view of the District Court's decision in the civil action, and the parties' joint motion, judgment is entered against TVH. The notice of opposition in Opposition No. 91244819 is hereby **dismissed with prejudice**.

In view of the District Court's decision in the civil action, and the parties' joint motion, judgment is entered against TVH. The petition to cancel in Cancellation No. 92071585 is hereby **denied with prejudice**.

II. Motion to Dismiss in Opposition No. 91245800 Denied

TVH seeks to register six standard character marks filed June 1, 2018 based on Trademark Act § 1(b) for wines in International Class 33, for the marks:

Application Serial No.	Mark
87945302	HENRY W. CRABB
87945312	H. W. CRABB
87944988	HENRY WALKER
87944990	HENRY WALKER (H.W.)
87944993	HENRY WALKER (H.W.) CRABB
87945310	HENRY WALKER CRABB

CBUSO opposes registration of the marks alleging fraud and lack of a bona fide intent to use the marks in commerce.

By its order of June 24, 2019, the Board denied without prejudice TVH's February 13, 2019 motion to dismiss, allowing that after final disposition of the civil action, the parties may submit a written request to renew the motion, accompanied by a signed statement that the motion has been reviewed in its entirety and concerns matters still disputed between them, which the parties have done.

By its motion to dismiss, TVH argues that CBUSO has failed to properly allege likelihood of confusion, to plead fraud with particularity, to allege detailed facts for a claim of lack of bona fide intent to use and that the notice of opposition does not properly allege claims in the single notice of opposition as to the six separate applications. In response, CBUSO argues it has standing as a competitor and that it has properly alleged grounds of fraud and lack of a bona fide intent to use.

A motion to dismiss under Rule 12(b)(6) is solely a test of the sufficiency of a complaint. *Advanced Cardiovascular Sys., Inc. v. SciMed Life Sys., Inc.*, 988 F.2d 1157, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993); *NSM Res. Corp. v. Microsoft Corp.*, 113 USPQ2d 1029, 1032 (TTAB 2014). To withstand a motion to dismiss for failure to state a claim upon which relief can be granted, a plaintiff need only allege sufficient factual content that, if proved, would allow the Board to conclude, or draw a reasonable inference, that the plaintiff has an entitlement to a statutory cause of action³ and a valid ground exists for opposing or cancelling the registration. *See*

³ Board decisions have previously analyzed the requirements of Sections 13 and 14 of the Trademark Act, 15 U.S.C. §§ 1063-64, under the rubric of "standing." Despite the change in nomenclature, our prior decisions and those of the Federal Circuit interpreting Section 13 and 14 remain applicable. *See Spanishtown Enters., Inc. v. Transcend Resources, Inc.*, 2020 USPQ2d 11388, at *2 (TTAB 2020).

Australian Therapeutic Supplies Pty. Ltd. v. Naked TM, LLC, 965 F.3d 1370, 2020 USPQ2d 10837 at *3 (Fed. Cir. 2020); *see also Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058 (Fed. Cir. 2014); *Coach Servs., Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 101 USPQ2d 1713, 1727 (Fed. Cir. 2012); *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999).

At the motion to dismiss stage, the Board does not consider the merits of the plaintiff's entitlement to a cause of action or its claims but only considers whether the pleading is sufficient to state a claim to relief that is plausible on its face. *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007); *Libertyville Saddle Shop, Inc. v. E. Jeffries & Sons, Ltd.*, 22 USPQ2d 1594, 1597 (TTAB 1992).

TVH argues that CBUSO has not alleged its claims as to each of the marks individually. Fed. R. Civ. P. 8(a)(2) requires that a pleading contain a "short and plain statement of the claim showing that the pleader is entitled to relief." The Rule does not require detailed factual allegations, but requires more than labels, conclusions, formulaic recitations of the elements of a cause of action, or naked assertions. *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009). Indeed, "a complaint must contain sufficient factual matter, accepted as true, to 'state a claim to relief that is plausible on its face.'" *Id.* (quoting *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). *See also Lewis Silkin LLP v. Firebrand LLC*, 129 USPQ2d at 1016; TBMP § 309.03(a)(2). A party may, when appropriate, file a single consolidated complaint against multiple different applications owned by the same defendant. *See Trademark Rule 2.104(b)*, 37 C.F.R. § 2.104(b); *see also TBMP § 305.01*.

In the context of Board inter partes proceedings, a plaintiff need only allege enough factual matter to suggest that its claim is plausible and to “raise a right to relief above the speculative level.” *Twombly*, 550 U.S. at 555-56. Under the simplified notice pleading rules of the Federal Rules of Civil Procedure, the allegations of a complaint should be “construed as to do substantial justice.” *See Scotch Whisky Ass’n v. U.S. Distilled Prods. Co.*, 952 F.2d 1317, 21 USPQ2d 1145, 1147 (Fed. Cir. 1991); *Corporacion Habanos SA v. Rodriguez*, 99 USPQ2d 1873, 1874 (TTAB 2011). Additionally, as discussed in more detail below, a claim of fraud requires the circumstances constituting fraud to be alleged “with particularity.” Fed. R. Civ. P. 9(b).

A. Entitlement to a Statutory Cause of Action

To establish entitlement to a statutory cause of action under Section 13 or 14 of the Trademark Act, a plaintiff must demonstrate a real interest in the proceeding and a reasonable belief of damage. *Australian Therapeutic Supplies Pty. Ltd.*, 2020 USPQ2d 10837 at *3; *see also Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058 (Fed. Cir. 2014); *Coach Servs., Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 101 USPQ2d 1713, 1727 (Fed. Cir. 2012); *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999).

Here, TVH’s arguments are primarily based on CBUSO’s alleged failure to sufficiently plead or establish priority or likelihood of confusion. Prior use in commerce by the party bringing the action is not required for it to establish a real interest in the proceeding and a reasonable belief in damage. *See, e.g., Life Zone, Inc.*

v. Middleman Grp., Inc., 87 USPQ2d 1953, 1959-60 (TTAB 2008) (standing established for Section 2(d) claim but opposer failed to prove priority). As CBUSO states in its opposition to the motion, it has not pled a likelihood of confusion claim.⁴

The Board finds that CBUSO has sufficiently alleged that it is a competitor of TVH in that it is the owner of trademarks and wineries including those operated by Robert Mondavi Winery in Oakville, California and that several of those vineyards under the TO KALON marks were planted by Hamilton Crabb, also known as Henry Walker Crabb and/or Henry W. Crabb and/or H.W. Crabb.⁵ The allegations are sufficient to allege entitlement to a statutory cause of action as a competitor. *See Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d at 1844 (“A belief in likely damage can be shown by establishing a direct commercial interest.”); *see also Hunter Indus., Inc. v. Toro Co.*, 110 USPQ2d 1651, 1658 (TTAB 2014) (competitor has standing to oppose).

B. Fraud

A complaint of fraud must sufficiently allege that 1) the applicant made a false representation (misrepresentation) to the USPTO; 2) the false representation is material to the determination of [registrability (or maintenance) of a mark]; 3) the applicant had knowledge of the falsity of the representation; and 4) the applicant made the representation with the intent to deceive the USPTO to issue (or maintain) the registration. *See In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1941 (Fed.

⁴ Opposition No. 91245800: 6 TTABVUE 4.

⁵ Opposition No. 91245800: 1 TTABVUE 6.

Cir. 2009). Intent to deceive is an indispensable element of the analysis in a fraud case and must be pleaded. *See Bose*, 91 USPQ2d at 1941. The circumstances constituting fraud must be alleged “with particularity”; however, knowledge and intent may be alleged “generally.” Fed. R. Civ. P. 9(b). A pleading that simply alleges the substantive elements of fraud, without setting forth the particularized factual bases for the allegations, does not satisfy Fed. R. Civ. P. 9(b). *See Asian and W. Classics B.V. v. Selkow*, 92 USPQ2d 1478, 1478 (TTAB 2009) (elements of fraud must be pleaded with particularity).

The Board finds that CBUSO sufficiently alleges that at the time of filing its intent to use application TVH had no documentary evidence to demonstrate an intent to use the mark in commerce, and that TVH knowingly made a specific false statement with the intent of obtaining a registration to which it is otherwise not entitled. *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d at 1939-40.

C. Lack of Bona Fide Intent to Use

A bona fide intent to use an applied for mark in commerce at the time of the application’s filing is a statutory requirement of a valid trademark application under Trademark Act § 1(b) and the lack of such intent is a basis on which an opposer may challenge an applicant's mark. *M.Z. Berger & Co. v. Swatch AG*, 787 F.3d 1368, 114 USPQ2d 1892, 1897 (Fed. Cir. 2015). *See also* Trademark Rule 2.34(a)(2), 37 C.F.R. § 2.34(a)(2). Whether an applicant has a bona fide intention to use the mark in commerce is an objective determination based on all the circumstances. *Lane Ltd. v. Jackson Int’l Trading Co.*, 33 USPQ2d 1351, 1355 (TTAB 1994); *Commodore Elecs.*

Ltd. v. CBM Kabushiki Kaisha, 26 USPQ2d 1503, 1507 (TTAB 1993). Such a claim can be made generally through assertions that an applicant has no documentary evidence to support its allegation in the application of bona fide intent to use the mark in commerce. *See Saul Zaentz Co. v. Bumb*, 95 USPQ2d 1723, 1727 (TTAB 2010) (one way opposer can establish prima facie case of no bona fide intent is by proving applicant has no documentary evidence). Such a pleading does not require pleading bad faith or fraud. *See SmithKline Beecham Corp. v. Omnisource DDS LLS*, 97 USPQ2d 1300, 1305 (TTAB 2010)(absence of evidence of bona fide intent does not necessitate showing of bad faith or intent to deceive).

CBUSO alleges at paragraph 15 that TVH filed numerous intent to use trademark applications on the same date for variations of the same mark for the same goods;⁶ at paragraphs 30-35 that TVH as applicant for the intent-to-use applications did not have a bona fide intent to use the marks and that TVH has taken no steps to begin commercial use.⁷ The Board finds that the pleading sufficiently alleges TVH lacked a bona fide intent to use the applied for marks in commerce at the time it filed its intent to use application. *See Swiss Grill Ltd. v. Wolf Steel Ltd.*, 115 USPQ2d 2001, 2008 (TTAB 2015)(lack of documentary evidence may show lack of intent to use mark in commerce).

⁶ Opposition No. 91245800: 1 TTABVUE 7.

⁷ *Id.* at 9.

D. Decision

The Board finds that CBUSO has sufficiently alleged its entitlement to a statutory cause of action and valid grounds of fraud and lack of a bona fide intent to use the marks. Accordingly, TVH's motion to dismiss Opposition No. 91245800 is **denied**.

The time for TVH to file its answer is set out below. **The answer should be filed in Opposition No. 91245800.**

III. Motion to Amend Pleading/Motion to Dismiss in Opposition No. 91246515

In response to TVH's motion to dismiss, CBUSO filed its first amended pleading, and TVH filed on April 29, 2019 a renewed motion to dismiss. As CBUSO filed its amended pleading within 21 days of the service date of TVH's motion, the amended notice of opposition is the operative pleading. *See* Fed. R. Civ. P. 15(a); *Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1537 (TTAB 2007) (considering amended pleading, filed in response to motion to dismiss, in connection with motion to dismiss). *See also* TBMP § 503.03.

In addition, the parties jointly request that Application Serial Nos. 87944987, 87944980 and 87944977 "be removed" from this proceeding as CBUSO "did not include" them in the amended notice of opposition. By its amended consolidated pleading, CBUSO alleges claims of false suggestion of a connection and deceptive misdescriptiveness as to TVH's Application Serial Nos. 87944916 and 87944923.

A. Opposition Dismissed as to Application Serial Nos. 87944987, 87944980 and 87944977

As CBUSO has withdrawn its opposition as to TVH's Application Serial Nos. 87944987, 87944980 and 87944977 before the answer was filed, the opposition is dismissed without prejudice as to these applications only.⁸ See Trademark Rule 2.106(c).

B. Entitlement to a Statutory Cause of Action

The Board finds that CBUSO has sufficiently alleged that it is a competitor of TVH in that it is the owner of trademarks and wineries including those operated by Robert Mondavi Winery in Oakville, California and that several of those vineyards under the TO KALON marks were planted by Hamilton Crabb, also known as Henry Walker Crabb and/or Henry W. Crabb and/or H.W. Crabb.⁹

C. False Suggestion of a Connection

The Section 2(a) false suggestion claim is insufficient. To properly plead a Section 2(a) claim of false suggestion of a connection, a plaintiff must allege the following:

1. defendant's mark is the same or a close approximation of the name or identity of a person or institution;
2. defendant's mark would be recognized as such by purchasers, in that the mark points uniquely and unmistakably to the person or institution named or identified;
3. the person or institution named or identified is not connected with the goods sold or activities performed by the defendant under the mark; and,
4. the name or identity of the person or institution identified is of sufficient fame or reputation that when the defendant's mark is used in connection with its

⁸ The applications will be forwarded to the Intent to Use office.

⁹ Opposition No. 91246515: 8 TTABVUE 3-4.

goods or services, a connection with the person or institution identified would be presumed.

In re Nieves & Nieves, LLC, 113 USPQ2d 1629, 1632-33 (TTAB 2015) (*citing inter alia*, *Univ. of Notre Dame du Lac v. J.C. Gourmet Food Imps. Co.*, 703 F.2d 1372, 217 USPQ 505, 509 (Fed. Cir. 1983) and *Bd. of Trs. v. Pitts.*, 107 USPQ2d 2001, 2025 (TTAB 2013)). A necessary element of a false suggestion claim is that the mark points uniquely and unmistakably to the person or institution. *See Hornby v. Tjx Cos.*, 87 USPQ2d 1411, 1424 (TTAB 2008) (noting requirement that name or image claimed to be appropriated must “point uniquely” to person or institution named or identified); *Ritz Hotel Ltd. v. Ritz Closet Seat Corp.*, 17 USPQ2d 1466, 1471 (TTAB 1990) (finding pleading that applicant's use of its mark points uniquely to person or institution named or identified is necessary element of Section 2(a) false suggestion claim).

CBUSO alleges that “the appearance of [Mr. Crabb’s] name in TVH’s marks “is intended to associate the goods” with CBUSO and that the use of his name points by extension to Opposer. The claim does not allege that the public would recognize Applicant’s marks as pointing uniquely to CBUSO and is insufficient. *Nike, Inc. v. Palm Beach Crossfit, Inc.*, 116 USPQ2d 1025, 1032 (TTAB 2015).

D. Deceptive Misdescriptiveness

CBUSO makes various allegations at paragraphs 29-30 concluding that,

30. Opposer will be damaged by registration of Applicant’s Marks as shown in the Opposed Applications because registration will give Applicant prima facie evidence of its ownership of, and its exclusive nationwide right to use, marks that are likely to deceive the public into believing that there is an association between Mr. Crabb and the land designated as “Halter Valley.”¹⁰

¹⁰ Opposition No. 91246515: 8 TTABVUE 6.

Neither a claim of deceptive misdescriptiveness, nor a claim of primarily geographically deceptive misdescriptiveness has been sufficiently pleaded. Fundamental to a claim of deceptive misdescriptiveness or geographic deceptive misdescriptiveness is an allegation of deceptiveness as to the nature or meaning of the mark in relation to the goods. *See e.g., In re Budge Mfg. Co.*, 857 F.2d 773, 775 (Fed. Cir. 1988) *aff'g* 8 USPQ2d 1790 (TTAB 1987) (discussion of elements needed for establishing deceptively misdescriptive claim); and *In re Miracle Tuesday LLC*, 695 F.3d 1339, 1343, 104 USPQ2d 1330, 1332 (Fed. Cir. 2012) (discussion of elements needed for establishing primarily geographically deceptively misdescriptive claim). The pleadings do not have any such allegations. Instead, CBUSO seems to be alleging that the marks are misdescriptive because there is no such place as Halter Valley. CBUSO does not make any allegations regarding the significance of the mark in conveying information about TVH's goods and the claim is insufficient.

E. Motion to Dismiss Granted as to Application Serial Nos. 87944923 and 87944916

As CBUSO has not alleged a valid ground for opposition, the motion to dismiss is **granted** as to Application Serial Nos. 87944923 and 87944916

F. Time to Replead

It is the Board's policy to allow amendment of pleadings found to be insufficient. *See Intellimedia Sports, Inc. v. Intellimedia Corp.*, 43 USPQ2d 1203, 1208 (TTAB 1997). In view thereof, CBUSO is allowed until **THIRTY DAYS** from the date of this order to submit an amended notice of opposition repleading its false suggestion of a connection and deceptive misdescriptiveness claims, if possible, justified and

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appropriate, failing which this proceeding will go forward on the pleadings as construed herein. TVH is allowed until **THIRTY DAYS** from the filing of any amended notice of opposition to file an answer or to otherwise plead. If no amended notice of opposition is filed, the opposition will be dismissed.

Any amended pleadings should be filed in Opposition No. 91246515.

IV. Proceedings that Remain Consolidated in Opposition No. 91245800

In light of the foregoing, Opposition Nos. 91245800 and 91246515 remain consolidated, with Opposition No. 91245800 as the parent case.

V. Summary

In view of the District Court's decision in the civil action, and the parties' joint motion, judgment is entered against TVH. The notice of opposition in Opposition No. 91244817 is hereby **dismissed with prejudice**.

In view of the District Court's decision in the civil action, and the parties' joint motion, judgment is entered against TVH. The notice of opposition in Opposition No. 91244819 is hereby **dismissed with prejudice**.

In view of the District Court's decision in the civil action, and the parties' joint motion, judgment is entered against TVH. The petition to cancel in Cancellation No. 92071585 is hereby **denied with prejudice**.

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The Board finds that CBUSO has sufficiently alleged its entitlement to a statutory cause of action and valid grounds of fraud and lack of a bona fide intent to use the marks. Accordingly, TVH's motion to dismiss Opposition No. 91245800 is **denied**.

The time for TVH to file its answer is set out below. **The answer should be filed in Opposition No. 91245800.**

As CBUSO has withdrawn its opposition as to TVH's Application Serial Nos. 87944987, 87944980 and 87944977 before the answer was filed, the opposition is dismissed without prejudice as to these applications only in Opposition No. 91246515.

TVH's motion to dismiss is **granted** as to Application Serial Nos. 87944923 and 87944916 in Opposition No. 91246515.

CBUSO is allowed until **THIRTY DAYS** from the date of this order to submit an amended notice of opposition in Opposition No. 91246515 repleading its false suggestion of a connection and deceptive misdescriptiveness claims, if possible, justified and appropriate, failing which this proceeding will go forward on the pleadings as construed herein. TVH is allowed until **THIRTY DAYS** from the filing of any amended notice of opposition to file an answer or to otherwise plead. If no amended notice of opposition is filed, the opposition will be dismissed.

Any amended pleadings should be filed in Opposition No. 91246515.

Opposition Nos. 91245800 and 91246515 remain consolidated with Opposition No. 91245800 as the parent case.

VI. Schedule

Proceedings are resumed. Dates in Consolidated Opposition No. 91245800 are reset as set out below.

Time to Answer	9/20/2021
Deadline for Discovery Conference	10/20/2021
Discovery Opens	10/20/2021
Initial Disclosures Due	11/19/2021
Expert Disclosures Due	3/19/2022
Discovery Closes	4/18/2022
Plaintiff's Pretrial Disclosures Due	6/2/2022
Plaintiff's 30-day Trial Period Ends	7/17/2022
Defendant's Pretrial Disclosures Due	8/1/2022
Defendant's 30-day Trial Period Ends	9/15/2022
Plaintiff's Rebuttal Disclosures Due	9/30/2022
Plaintiff's 15-day Rebuttal Period Ends	10/30/2022
Plaintiff's Opening Brief Due	12/29/2022
Defendant's Brief Due	1/28/2023
Plaintiff's Reply Brief Due	2/12/2023
Request for Oral Hearing (optional) Due	2/22/2023

Generally, the Federal Rules of Evidence apply to Board trials. Trial testimony is taken and introduced out of the presence of the Board during the assigned testimony periods. The parties may stipulate to a wide variety of matters, and many requirements relevant to the trial phase of Board proceedings are set forth in Trademark Rules 2.121 through 2.125. These include pretrial disclosures, the manner and timing of taking testimony, matters in evidence, and the procedures for submitting and serving testimony and other evidence, including affidavits, declarations, deposition transcripts and stipulated evidence. Trial briefs shall be submitted in accordance with Trademark Rules 2.128(a) and (b). Oral argument at

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final hearing will be scheduled only upon the timely submission of a separate notice as allowed by Trademark Rule 2.129(a).
