ESTTA Tracking number: **ESTTA1004734**

Filing date: **09/25/2019**

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

Proceeding	91250374
Party	Plaintiff Constellation Brands U.S. Operations, Inc.
Correspondence Address	KENNETH L WILTON SEYFARTH SHAW LLP 2029 CENTURY PARK EAST SUITE 3500 LOS ANGELES, CA 90067 UNITED STATES kwilton@seyfarth.com, debrown@seyfarth.com, emaluf@seyfarth.com, ttab-docket@seyfarth.com, awilkins@seyfarth.com, hkang@seyfarth.com 310-201-5271
Submission	Opposition/Response to Motion
Filer's Name	Kenneth L. Wilton
Filer's email	kwilton@seyfarth.com, debrown@seyfarth.com, hkang@seyfarth.com, ttabdock-et@seyfarth.com
Signature	/Kenneth L. Wilton/
Date	09/25/2019
Attachments	91250374 - Opp to Motion to Dismiss.pdf(34220 bytes)

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

In the Matter of Application Serial Nos.:
87920664 (TO KALON STOCK FARM) and
87939232 (TO KALON'S HALTER)
Published in the Official Gazette of April 23, 2019

CONSTELLATION BRANDS U.S. OPERATIONS, INC., Opposer, v. TO KALON STOCK FARM, LLC, Applicant.	Opposition No. 91250374

OPPOSER'S OPPOSITION TO APPLICANT'S MOTION TO DISMISS

Applicant To Kalon Stock Farm, LLC ("Applicant") asserts by its motion to dismiss that the allegations contained in the Notice of Opposition [1 TTABVUE] purportedly fail to state a claim for which relief can be granted. Remarkably, Applicant's motion fails to cite or quote a single allegation set forth in the Opposition. Instead, virtually the entirety of Applicant's motion consists of unsupported argument that Opposer Constellation Brands U.S. Operations, Inc. ("Opposer") cannot *prove* its claims at trial. There is a time and place for an Opposer to introduce evidence to support its claims, namely at trial or through a motion for summary judgment. At the initial pleading stage, however, Rule 8 of the Federal Rules of Civil Procedure simply requires that a party present allegations that state a claim that is plausible on its face. The Opposition does just that.

As discussed herein, Opposer owns all rights in and to the TO KALON mark for wine and has been using the mark since the 1980's. [1 TTABVUE 5, ¶¶ 6, 7.] In 2018, thirty years

after Opposer adopted its mark, Applicant applied for registration of marks that incorporate the entirety of Opposer's marks. [Id. ¶ 8.] Based only in part on the allegations of Paragraphs 10-13 of the Opposition, Opposer alleges that Applicant's use of its marks by Applicant in connection with the applied-for services would be likely to cause the consuming public to believe there is an association between Applicant's services and Opposer's goods. [Id. at 3-4, ¶¶ 10-13, 15.] Opposer alleges it therefore will be damaged by the registration of the marks shown in the Opposed Applications. [Id. at ¶ 16.]

While Applicant spends the entirety of its motion arguing that Opposer cannot prove its claims, that is not something to be decided at the pleading stage. Opposer has stated a claim for relief, and this motion should be denied.

I. A Motion to Dismiss Tests The Sufficiency Of the Pleading, It Does Not Address Whether The Asserted Claims Will Ultimately Be Proved

Fed. R. Civ. P. 8(a), as made applicable by Trademark Rule 2.116(a), in relevant part requires only "a short and plain statement of the claim showing that the pleader is entitled to relief." The elements of a claim should be stated precisely and directly, and include enough detail to give the defendant fair notice of the claim. *Levi Strauss & Co. v. R. Josephs Sportswear Inc.*, 36 USPQ2d 1328, 1330 (TTAB 1994) (pleading must give fair notice of grounds or defenses alleged). A motion to dismiss under Rule 12(b)(6) is thus solely a test of the legal sufficiency of the allegations of a complaint. *Advanced Cardiovascular Sys. Inc. v. SciMed Life Sys. Inc.*, 988 F.2d 1157, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993); *NSM Research Corp. v. Microsoft Corp.*, 113 USPQ2d 1029, 1032 (TTAB 2014). To survive a motion to dismiss, an opposer need only show that (1) it has standing to maintain the proceeding, and (2) it has a valid statutory ground for denial of the registration sought. *DC Comics v. Onetech Computer Consulting Inc.*, 76 USPQ2d 1472, 1473 (TTAB 2005) (citing *Lipton Industries, Inc. v. Ralston*

Purina Co., 670 F.2d 1024, 213 USPQ 185, 187 (CCPA 1982)); TBMP § 503.02 (2019)). While a notice of opposition must contain "sufficient factual matter, accepted as true, to 'state a claim to relief that is plausible on its face,'" an opposer need not prove its claims at the pleading stage. *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). For purposes of a motion to dismiss, "opposer's allegations must be accepted as true, and the notice of opposition must be construed in the light most favorable to opposer." *DC Comics v. Onetech Computer Consulting Inc.*, 76 USPQ2d 1472, 1473 (TTAB 2005).

Importantly, given the fact that in this instance Applicant's motion is focused on whether Opposer can *prove* its asserted claims, "a plaintiff served with a motion to dismiss for failure to state a claim upon which relief can be granted need not, and should not respond by submitting proofs in support of its complaint." TBMP § 503.02. As discussed herein, the Opposition readily meets the requirements of Rule 8, and this motion should be denied.

II. Applicant's Motion Is Based On A Flawed Premise

Applicant asserts that, in order to "plead a claim for likelihood of confusion, Opposer must allege that it has priority *for the challenged goods and services*, and that Registrant's [sic] Mark so resembles Opposer's Mark as to be likely to cause confusion." [4 TTABVUE 5 (emphasis added).] This does not correctly state the law. In order to properly plead a likelihood of confusion claim, in addition to standing a plaintiff "must assert, and then prove at trial, that defendant's mark, as applied to its goods or services, so resembles plaintiff's previously used or registered mark or its previously used trade name as to be likely to cause confusion, mistake, or deception." TBMP § 309.03(c)(2). The latter requirement breaks down into two elements: priority and likelihood of confusion. The fact that Opposer has adequately pleaded standing, priority and likelihood of confusion are addressed in order.

III. Opposer Has Adequately Pleaded Its Standing To Oppose

Any person "who believes that he would be damaged by the registration of a mark upon the principal register" may oppose registration of the mark under Trademark Act § 13, 15 U.S.C. § 1063. To oppose registration, the opposing party must show both standing and valid grounds for opposition. *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1844 (Fed. Cir. 2000). Standing requires only that the petitioner have a "real interest" in the opposition proceeding. *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999). In most instances, a direct commercial interest satisfies the "real interest" test. *Cunningham*, 55 USPQ2d at 1844.

In a Section 2(d) proceeding, a "real interest in the proceeding" and a reasonable belief of damage may be found where plaintiff pleads (and later proves) a claim of likelihood of confusion that is not wholly without merit, including claims based upon current ownership of a valid and subsisting registration or prior use of a confusingly similar mark. TBMP § 309.03(b); *Schering-Plough HealthCare Products Inc. v. Ing-Jing Huang*, 84 USPQ2d 1323, 1324 (TTAB 2007) (standing based on ownership of pleaded registrations). Here, Opposer has alleged that it owns valid and subsisting registrations of marks that it believes are confusingly similar to those shown in the Opposed Applications, and as discussed below has pleaded a plausible claim that registration of Applicant's marks are likely to cause confusion. As a result, Opposer has adequately pleaded its standing to bring this opposition.

IV. Opposer Has Adequately Pleaded Priority

In a Section 2(d) proceeding, in order to properly assert priority, a plaintiff "must allege facts showing proprietary rights in its pleaded mark that are prior to defendant's rights in the challenged mark." TBMP § 309.03(c)(2)(A). Contrary to Applicant's attempted deflection, the focus is simply on whether the plaintiff has rights that predate the defendant's rights being

challenged. *See*, *e.g.*, *B.V.D. Licensing Corp. v. Rodriguez*, 83 USPQ2d 1500, 1505 (TTAB 2007) (priority based on prior use and pleaded registrations). There is no requirement that the oppose have prior rights to a mark "for the challenged goods and services."

Here, Opposer pleaded that it owns two incontestable registrations for TO KALON that predate the filing date of the intent-to-use applications being opposed by close to thirty years. [1 TTAVBUE 5, ¶¶ 7, 8.] Applicant's argument, that priority in some manner relates to the goods and services as opposed to the overall trademark rights at issue, finds no support in the law and must be rejected.

V. Opposer Has Adequately Pleaded Likelihood Of Confusion

It is axiomatic that the determination of likelihood of confusion is based on an analysis of the evidentiary factors set forth in *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). These factors include the similarity of the marks, the relatedness of the goods and/or services, the channels of trade and classes of purchasers for the goods and/or services, the number and nature of similar marks in use on similar goods, the nature and extent of any actual confusion, and the fame of the prior mark. *Id.* The relevance and weight to be given the various factors may differ from case to case.

Here, Applicant does not take issue with the actual allegations in the Notice of Opposition, but spends the bulk of its motion asserting that "it is clear that there is no similarity between the respective goods and services" [4 TTABVUE 5], effectively ignoring not only the Board's jurisprudence regarding the similarity of goods factor under *DuPont*, but also the interrelated nature of the *DuPont* analysis.

When stripped of its misplaced statements regarding Opposer's failure to present evidence to support its claims at the pleading stage, Applicant's motion appears to be based solely on a single, unsupported, assertion: "wine" and real estate investment or development

services are dissimilar *as a matter of law.* [See, e.g., 5 TTABVUE 5 ("there is no similarity between the respective goods and Services"), 6 ("Such services are completely unrelated to wine".] Based on this false premise, Applicant asserts that Opposer cannot plead a claim for likelihood of confusion. Applicant is incorrect.

As an initial matter, the determination of the relatedness of goods and services presents a question of fact that cannot be determined on a motion to dismiss. Which explains why the only cases Applicant cites for the proposition that the Board "has previously held in several cases that where the good/services are different, an Opposition should be dismissed" are two cases decided after trial, not on motions to dismiss. *Quartz Radiation Corp. v. Comm/Scope Co.*, 1 USPQ2d 1668, 1670 (1986); *Castle & Cooke, Inc. v. Prod. Sys. Int'l, Inc.*, 174 USPQ 192 (1972). More importantly, the premise of Applicant's motion does not take into account the nature of the inquiry regarding the extent to which the relatedness of goods and services plays in the analysis under *DuPont*.

As a threshold matter, when determining likelihood of confusion, the goods and services of the respective parties "do not have to be identical or even competitive in order to find that there is a likelihood of confusion." TMEP § 1207.01(a)(i); citing *In re Iolo Techs., LLC*, 95 USPQ2d 1498, 1499 (TTAB 2010); *In re G.B.I. Tile & Stone, Inc.*, 92 USPQ2d 1366, 1368 (TTAB 2009). The question is not whether the goods of one party and the services of the other will be confused with each other, but rather whether the public will be confused as to their source. *See Recot Inc. v. M.C. Becton*, 214 F.3d 1322, 1329, 54 USPQ2d 1894, 1898 (Fed. Cir. 2000) (""[E]ven if the goods in question are different from, and thus not related to, one another in kind, the same goods can be related in the mind of the consuming public as to the origin of the goods. It is this sense of relatedness that matters in the likelihood of confusion analysis").

As a result, when assessing the relatedness of goods and services, the more similar the marks at issue, the less similar the goods or services need to be to support a finding of likelihood of confusion. *In re Shell Oil Co.*, 992 F.2d 1204, 1207, 26 USPQ2d 1687, 1689 (Fed. Cir. 1993); *Gen. Mills, Inc. v. Fage Dairy Processing Indus. S.A.*, 100 USPQ2d 1584, 1597 (TTAB 2011) ; *In re Iolo Techs., LLC*, 95 USPQ2d 1498, 1499 (TTAB 2010). Where, as here, the marks are virtually identical, the relationship between the goods and services need not be as close to support a finding of likelihood of confusion as would be required if there were differences between the marks. *Shell Oil*, 992 F.2d at 1207, 26 USPQ2d at 1689; *In re Davey Prods. Pty Ltd.*, 92 USPQ2d 1198, 1202 (TTAB 2009); *In re Thor Tech, Inc.*, 90 USPQ2d 1634, 1636 (TTAB 2009).

"In some instances, because of established marketing practices, the use of identical marks on seemingly unrelated goods and services could result in a likelihood of confusion." TMEP § 1207.01(a); citing *In re Sloppy Joe's Int'l, Inc.*, 43 USPQ2d 1350, 1356 (TTAB 1997) ("[T]he licensing of the names and/or likenesses of well known persons for use on various goods and services is a common practice."); *In re Phillips-Van Heusen Corp.*, 228 USPQ 949, 951 (TTAB 1986) ("The licensing of commercial trademarks for use on 'collateral' products (such as clothing, glassware, linens, etc.), that are unrelated in nature to those goods or services on which the marks are normally used, has become a common practice in recent years").

Here, Opposer has adequately pleaded it owns registrations of the mark TO KALON for wine that is made from grapes grown on "portions of the Mondavi estate." [1 TTABVUE 5, ¶ 6.] Of course, wine grows on land, and land is bought and sold using "real estate investment" and "real estate development" services, the very services for which Applicant is seeking to registered its TO KALON-formative marks.

While Applicant focuses primarily on the allegations related to its association with and sponsorship by The Vineyard House, a company that is seeking to use the TO KALON mark for wine [1 TTABVUE 6, ¶¶10-11], that relationship simply adds further factual support for the already adequately pleading allegations concerning the fact that registration of the marks shown in the Opposed Applications are likely to cause confusion. Opposer therefore has adequately pleaded a claim under Section 2(d).

VI. CONCLUSION

As discussed above, the Opposition plainly alleges Opposer's standing to assert the claims it has asserted, its priority in term of the trademark rights it is asserting in the TO KALON marks, and that registration of the marks shown in the Opposed Applications are likely to cause confusion with Opposer's previously registered and used marks. As a result, this motion should be denied. Moreover, in light of Applicant's conscious decision not to address in its moving papers the actual allegations of the pleading it is seeking to dismiss, any attempt by Applicant to correct that defect in reply should be rejected.

Respectfully submitted,

SEYFARTH SHAW LLP

Date: September 25, 2019

By: */Kenneth L. Wilton/*

Kenneth L. Wilton
kwilton@seyfarth.com
Destiny J. Brown
debrown@seyfarth.com
2029 Century Park East, Suite 3500
Los Angeles, CA 90067-3021
Telephone: (310) 277-7200
Facsimile: (310) 201-5219

Attorneys for Opposer
CONSTELLATION BRANDS U.S. OPERATIONS, INC.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing **OPPOSER'S OPPOSITION TO APPLICANT'S MOTION TO DISMISS** has been served on Farah Bhatti, counsel for Applicant, by forwarding said copy on September 25, 2019, 2019, via email, to the correspondence address of record for Applicant To Kalon Stock Farm, LLC at trademark@buchalter.com, fbhatti@buchalter.com.

/Kenneth L. Wilton/
Kenneth L. Wilton