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

Proceeding	91267067		
Party	Defendant Vampire Family Brands, LLC		
Correspondence Address	MICHAEL MACHAT MACHAT & ASSOCIATES, PC 8730 W. SUNSET BLVD., STE. 250 WEST HOLLYWOOD, CA 90069 UNITED STATES Primary Email: michael@machatlaw.com Secondary Email(s): mmachat@mac.com 310-860-1833		
Submission	Motion to Suspend for Civil Action		
Filer's Name	Michael Machat		
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Signature	/MM/		
Date	01/20/2021		
Attachments	Motion to Suspend Proceedings VAMPIRO.pdf(103741 bytes ) Doc_001_Complaint against Patco_reduced size.pdf(1968562 bytes ) Doc_018 - MPL Brands NV Motion to Dismiss.pdf(527163 bytes )		

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

In the matter of Opposition Proceeding Number 91267067, Regarding Trademark Application No: <u>90067102</u>

MPL BRANDS NV, INC.	) Opposition No. 91267067
	) Motion to Suspend
Opposer	) Proceeding
V.	)
VAMPIRE FAMILY BRANDS, LLC.	) )
Applicant	)

#### **MOTION TO SUSPEND**

Applicant, Vampire Family Brands, LLC. ("VAMPIRE FAMILY BRANDS"), moves the Board to suspend this proceeding pursuant to 37 C.F.R. § 2.117(a). As grounds for this motion, Applicant states that there currently exists a lawsuit between the same two parties in this Opposition Proceeding in which VAMPIRE FAMILY BRANDS, LLC has sued Opposer and other parties, and in which Opposer has raised the same issue of genericness in a Motion to Dismiss.

That lawsuit is entitled, *Vampire Family Brands, LLC v. MPL Brands, Inc., MPL Brands, NV, Inc. d/b/a Patco Brands, et al.* (Case No. 2:20-cv-09482) which was filed in the United States District Court for the Central District of California. Respondent submits that the district court case will be dispositive of this opposition proceeding because the resolution of Opposer's genericness defense in the district court will be determinative of the issue of fraud on the USPTO. That is so because Opposer's claim of fraud is based entirely on its erroneous claim of genericness. Therefore for reasons of judicial economy and as required by 37 C.F.R. § 2.117(a), Applicant requests the Board to suspend proceedings until termination of the civil action.

A copy of both the aforementioned Complaint and Opposer's Motion to Dismiss are attached hereto.

Respectfully submitted for Vampire Family Brands, LLC MACHAT & ASSOCIATES, P.C.

DATED: January 20, 2020

M marel By: /

Michael Machat, Esq. 8730 W. Sunset Blvd, Ste. 250 West Hollywood, CA 90069 Tel: (310) 860-1833 Email: michael@machatlaw.com

	Case 2:20-cv-09482 Document 1	Filed 10/15/20 Page 1 of 38 Page ID #:1		
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11 12	Attorneys for Plaintiff Vampire Family Brands, LLC			
13 14	IN THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA			
14		RN DIVISION		
16				
17				
18	VAMPIRE FAMILY BRANDS, LLC,	) CIVIL ACTION NO.		
19	Plaintiff,	) COMPLAINT FOR TRADEMARK		
20	VS.	) INFRINGEMENT, UNFAIR ) COMPETITION;		
21 22	MPL BRANDS, INC., MPL BRANDS NV, INC. d/b/a PATCO BRANDS,	<ul> <li>) DILUTION/TARNISHMENT;</li> <li>5 ) FALSE ADVERTISING; AND</li> <li>) UNFAIR BUSINESS PRACTICES</li> </ul>		
23	AND PYRAMID INC.	) ) JURY TRIAL DEMANDED		
24				
25	Defendants.	ý )		
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#### COMPLAINT FOR TRADEMARK INFRINGEMENT; UNFAIR COMPETITION; <u>DILUTION/TARNISHMENT, FALSE ADVERTISING</u> <u>AND UNFAIR BUSINESS PRACTICES</u>

Plaintiff VAMPIRE FAMILY BRANDS, LLC hereby alleges and asserts:

#### I. JURISDICTION AND VENUE

1. Plaintiff brings this action for injunctive relief and damages arising out of the unauthorized, unfair, and deceptive competitive practices of Defendant, in connection with the commercial use and exploitation of trademarks in violation of the Lanham Act.

2. This action arises under the Trademark Laws of the United States, including particularly, Sections 43 of the Lanham Act, 15 U.S.C. §1125 and 1114. Jurisdiction is conferred on this Court by 15 U.S.C. Section 1121(a), by 28 U.S.C. Section 1338(a), in that this case arises under the Trademark Laws of the United States, 15 U.S.C. Sections 1051, *et seq.*, and by principles of pendent jurisdiction. Venue is proper in this District under 28 U.S.C. §§ 1391(b) by virtue of the fact that a substantial part of the events giving rise to the acts complained of herein occurred in this District.

### II. <u>THE PARTIES</u>

3. Plaintiff VAMPIRE FAMILY BRANDS, LLC ("VAMPIRE FAMILY BRANDS") is a Delaware Limited Liability Company with its main business office located in Los Angeles County, California.

4. According to its website, Defendant MPL Brands NV, Inc. d/b/a Patco Brands ("Patco Brands") is a family owned and operated import, distribution, marketing and sales company of a business type unknown that does business throughout California, with substantial sales in Los Angeles, California.

5. Defendant MPL Brands, Inc ("MPL") is upon information and belief, a California Corporation, that does business throughout the United States and throughout California. Upon information and belief Defendants MPL and Patco Brands (collectively referred to herein as "Patco") are affiliates of one another. Upon information and belief, MPL owns and/or controls Patco Brands, and/or MPL and Patco Brands are under common ownership and/or control, and Defendants MPL and Patco Brands are alter egos of each other.

6. Defendant Pyramid Inc ("Pyramid") is a California corporation that does business as Ramirez Liquor and, upon information and belief, has three stores in Los Angeles county. Upon information and belief, Pyramid is a customer of Patco, and purchases the accused product from Patco.

7. At all times herein mentioned, Plaintiff is informed and believes and based thereon alleges that, at all times herein mentioned, each of the defendants sued herein, were the agents, servants, employees or attorneys of their codefendants, and in doing the things hereinafter alleged were acting within the purpose, course and scope of such agency and employment, and with the authority, permission and consent of their co-Defendants.

## III. FACTS GIVING RISE TO THIS ACTION

## A. False Association

8. Plaintiff VAMPIRE FAMILY BRANDS via its predecessors in interest has been marketing food and beverages under the following brand names for many years, including: VAMPIRE (for wines – US Trademark Registration No. 2263907); DRACULA (for wine – US Trademark Registration No. 3319536); VAMPYRE (for Spirits – US Trademark Registration No. 3082097); VAMPIRE (for chocolate and coffee - US Trademark Registration No. 3669827) VAMPIRE (for Olive oil and Balsamic vinegar – US Trademark Registration No. 4776927); VAMP H20 (for Water – US Trademark Registration No. 3895288); VAMPIRE (for Restaurant and Bar Services – US Trademark Registration No. 3978444);

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VAMPIRE (for Glass beverage-ware -- US Trademark Registration No. 3290011); and VAMPIRE TACO (for Tacos – US Trademark Registration No. 4939034).

9. By virtue of its extended use in commerce, several of the aforementioned registrations have become incontestable, including its registration numbers 2263907, 3082097, 3290011, 3319536, 3669827, and 3978444

10. VAMPIRE FAMILY BRANDS also is the owner of the slogans TASTE OF IMMORTALITY and SIP THE BLOOD OF THE VINE, (TM Registrations 3167606 and 3079403, respectfully.) Both of these marks also have become incontestable.

11. The origin of Vampire wine, and VAMPIRE FAMILY BRAND's claim of right goes back to 1988, when its founder released a French bottled Algerian Syrah under the brand name Vampire. The first sale was to MCA Records and Alice Cooper, and the wine was promoted under the slogan, "Sip the Blood of the Vine." Vampire Family Brand's predecessors in interest began to use the slogan "Taste of Immortality" by at least 1995, if not earlier. Although the labels have changed over the years, along with the sourcing from Algeria to Italy to Transylvania and finally to Napa, the marketing has remained playful.

12. As the source of Plaintiff's wine shifted from Transylvania, Romania to Napa, California, Plaintiff's marketing evolved to emphasize that the quality of the wine was actually extremely good, with Vampire wine having won numerous gold medals throughout the years and winning scores of 90 Points and higher.

13. Plaintiff via its predecessors' in interest expanded its wine and spirits business into gourmet quality foods, including Vampire Fine Belgian Chocolate and Vampire Gourmet Coffee (US Reg. No. 3669827) and Vampire Gourmet Olive Oil and Vampire Gourmet Balsamic Vinegar (US. Reg. No. 4776927.)

14. Plaintiff has expanded into restaurant services (US Reg. No. 3978444), and Plaintiff actively licenses its VAMPIRE TACO mark (US. Reg. No.

4939034) to a chain of approximately 70 restaurants that make a fantastic tasting taco branded as Vampire Taco.

15. Plaintiff's natural zone of expansion includes other foods and beverages, such as hot sauce, barbecue sauce, hamburgers, beers, and other restaurant venues. Plaintiff has plans for each of these.

16. Plaintiff is also the owner of the US Registration No. 5444375 for the word mark VAMPIRE for Pre-mixed alcoholic beverages, other than beer based, and Prepared Alcoholic Cocktails. Plaintiff has a great tasting Gourmet Bloody Mary cocktail, that it markets as its VAMPIRE Gourmet Bloody Mary Cocktail.

17. Plaintiff's VAMPIRE family of brands are available for the world to see on its website VAMPIRE.COM and the U.S. Patent and Trademark Office, and Plaintiffs' family of VAMPIRE Brands have received coverage in various national magazines and newspapers, including Maxim, InStyle, Elle, Shape, Star Magazine, the New York Times, the LA Times, the Houston Chronicle, The Star Tribune, The Chicago Sun Times, and many more. In addition, Plaintiffs' VAMPIRE family of brands have been shown on various national television shows, such as The View with Oprah Winfrey, Anderson Cooper for approximately five minutes with Ashley Greene from Twilight fame, CNN Headline News, MTV's Viva La Bam, Food TV, and many more.

18. In 2017 Plaintiff began selling VAMPIRE Gourmet Bloody Mary Cocktails in a can which are designed to be the go-to ready to drink premixed bloody Mary, perfect for busy bars, outdoor venues, picnics, and anyone on the go wanting a gourmet ready to drink bloody Mary cocktail.

19. Plaintiff also markets and sells wine branded as DRACULA and has been doing so for more than a dozen years. Plaintiff is the owner of US Trademark Registration No. 20070618 for Dracula for wine. 20. Recently, Plaintiff learned that defendants are unlawfully marketing and selling a mixed alcoholic cocktail branded as VAMPIRO. Pictures of defendant's VAMPIRO alcoholic cocktail in a can are attached as Exhibit A. The accused cans of alcohol shown in Exhibit A were purchased in Los Angeles County.

21. Notably, besides infringing upon Plaintiff's VAMPIRE family of marks, defendant's packaging deceptively claims to be made from 100% Blue Agave – a rare and expensive plant from which tequila is made from, giving the false impression that the accused product is made from this natural ingredient.

22. In fact, the only natural ingredient in the accused product is water and perhaps cane sugar. The front part of the can says the accused product is a fizzy grapefruit cocktail with citrus and spice; yet no grapefruit nor citrus product is listed as an actual ingredient – just natural flavors instead. The imitation flavoring tarnishes plaintiff's VAMPIRE family of brands reputation for making gourmet products. Plaintiff's VAMPIRE Gourmet Bloody Mary for example is made from actual tomatoes – and not natural flavors.

23. Pyramid sells the accused VAMPIRO in its Los Angeles stores. Defendant Pyramid has also sold Plaintiff's authentic VAMPIRE BLOODY MARY COCKTAIL.

24. Plaintiff markets its brands through a national network of wholesalers, and via the website: <u>www.vampire.com</u>. VAMPIRE wine sells for anywhere between \$10 to \$15 per bottle nationally at retail stores. VAMPIRE wine is also available in bars and restaurants on wine lists.

25. Plaintiff and its associates have worked hard to ensure that they put the best wine in the bottle as possible. Over the last few years, Plaintiff's VAMPIRE family of wines have received some great reviews and have won Gold Medals, including Gold Medals at the San Francisco Chronical Wine Competition

for its VAMPIRE Merlot, VAMPIRE Cabernet Sauvignon, VAMPIRE Pinot Noir, a Gold Medal and 92 Rating from the Los Angeles International Wine & Spirits Competition awarded to VAMPIRE Cabernet Sauvignon, Gold Medals at the Texas International Rodeo Wine Competition, and 92 ratings for its highest end TRUEBLOOD Cabernet Sauvignon.

26. Plaintiff has spent substantial amounts of time and money building up, advertising, and promoting its brands. By virtue of the popularity of its brands, its advertising, promotion, and sales, plus the popularity of its websites, including vampire.com, Plaintiff has built up and own extremely valuable goodwill which is symbolized by Plaintiff's various marks.

27. Defendant's intentional wrongful acts are harming Plaintiff's brands reputation and are diluting the brands and are disparaging.

28. If defendants are not stopped from marketing food and beverages using the VAMPIRO mark or a mark confusingly similar to Vampire (or Dracula), then consumers will likely be confused about the source and origin of defendant's products and services and mistakenly conclude that defendants' products or services are produced by, or associated with Plaintiff and/or its licensees.

29. Alternatively, if defendants are not stopped from marketing beverages using the VAMPIRO mark a mark confusingly similar to Plaintiff's VAMPIRE (or DRACULA) marks, then consumers will likely be confused about the source and origin of Plaintiff's (or its licensees') products and services and mistakenly conclude that Plaintiff's (or its licensees') products or services are produced by, or associated with defendants.

#### **B.** False Advertising

30. Also, besides defendants' false association of Vampiro described above, defendants also falsely advertise and market their products in other ways.

31. Defendant Patco sells vast amounts of beverages deceptively marked as a ready-to-drink "Margarita" in this District, when in fact there is no tequila contained within its so-called margarita. Margarita's are made with tequila. In order to save money and profit at the expense of deceiving the public, Patco has elected to falsely call an alcoholic product a Margarita, substituting a foreign substance, i.e., wine, into their so-called margarita.

32 A margarita is universally known to be made from tequila. It is an accompaniment to Mexican cuisine and culture. While many may claim they make the best margarita and there may be many ways to make a margarita, it is universally recognized that the one defining and constant ingredient of a margarita is tequila. Patco's unlawful practice of selling FAKE MARGARITAS is an affront to popular culture and must be stopped. This is in addition to forbidding defendants from selling their deceptively and confusingly marked VAMPIRO counterfeit product. A picture of the FAKE MARGARITAS on display at a popular chain supermarket in Los Angeles is attached as Exhibit B.

33. The Patco defendants also deceptively use the word "cocktail" to sell their wine-based beverage products. A "cocktail" is made with distilled spirits. By calling their wine-based products a cocktail, the Patco defendants seek to deceive the consumer into believing their products are a real cocktail.

34. Whereas Plaintiff's Vampire Bloody Mary cocktail is authentic, as it is made from real tomatoes and vodka, defendants margaritas and their infringing unlawfully named VAMPIRO cocktail are not made from spirits, but instead from wine, that the Patco defendants refer to as "agave wine" in print designed to be overlooked by consumers.

The alcohol tax on distilled spirits is approximately ten times (if not 35. more) the tax on wine. The Patco defendants utilize the tax savings to present fake margaritas and fake cocktails to benefit themselves, deceive the public into

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thinking they are consuming an authentic margarita and an authentic cocktail, and unfairly compete with manufacturers of genuine cocktail products, including Plaintiff.

36. The Patco defendant's deceptive advertising gives them an unfair competitive advantage against Plaintiff and all other manufactures of alcoholic cocktails who make their products from distilled spirits as they should, because the Patco defendants are able to offer their fake cocktails at prices lower than would ordinarily be the case as a result of their deceptive marketing tactics.

37. The Patco defendants' deceptive advertising harms consumers who mistakenly buy defendants fake margaritas and fake cocktails thinking the products were made from tequila or other distilled spirit. Many people do not bother or care to read the fine print, and these people are taken advantage of by the Patco defendants.

#### COUNT I <u>VIOLATION OF LANHAM ACT 15 U.S.C. §1125(a)</u>

38. Plaintiff realleges the allegations in paragraphs 1 though 37.

39. Defendants have large resources with which to market and advertise its goods and services. Defendants' resources vastly exceed those of Plaintiff. Consequently, marketing and advertising efforts by Defendants are likely to mislead consumers to believe that Plaintiff's goods and services may be unauthorized use of trademarks that defendants own. If defendants are able to continue their wrongful acts, consumers are likely to be misled to believe that Plaintiff is misusing its *VAMPIRE* marks (*and/or DRACULA* mark).

40. Also, Defendants' use of the word VAMPIRO for a premixed cocktail, so closely resembles Plaintiff's products and services (including Plaintiff's VAMPIRE Gourmet Bloody Mary Cocktail) that the public is likely to be confused and deceived, and to assume erroneously that defendants' goods are

those of Plaintiff, or that defendants are in some way connected with, sponsored by, or affiliated with Plaintiff, all to Plaintiff's detriment and irreparable damage.

41. Defendants are not affiliated with, connected with, endorsed by, or sponsored by Plaintiff, nor has Plaintiff approved or authorized any of the goods or services offered or sold by defendants.

42. Plaintiff has no control over the nature and quality of the goods and services offered and sold by defendants or its licensees. Any failure, neglect, or default by defendants or its licensees in providing such products or services will reflect adversely on Plaintiff as being the believed source of said failure, neglect, or default, thereby hampering Plaintiff's efforts to continue to protect its outstanding reputation and preventing Plaintiff from further building its reputation. Said failure, neglect, or default will result in loss of revenue by Plaintiff, and loss of value of Plaintiff's considerable expenditures to promote its goods and services under the VAMPIRE mark, all to the irreparable harm of Plaintiff.

43. In fact, defendants marketing of its VAMPIRO alcoholic cocktail interferes with Plaintiff's plans of releasing its own VAMPIRO tequila and VAMPIRO alcoholic cocktails made from tequila.

44. Without the knowledge or consent of Plaintiff, Defendants have marketed and sold in interstate commerce, and in commerce substantially affecting interstate commerce, products and services branded under the name VAMPIRO and continue to do so. Defendants have promoted, publicized, advertised, offered for sale, and/or sold, products and services using the VAMPIRO mark through persons not authorized, employed by, or associated in any way with Plaintiff and have used the aforementioned trade name and trademark as a false designation and false representation for food products.

45. None of defendants' activities complained of in this complaint have been authorized by Plaintiff, and such unauthorized use by Defendants of Plaintiff's trademarks and/or trade names in interstate commerce, commerce substantially affecting interstate commerce in this district, and elsewhere throughout the United States, constitutes infringement and an inducement to infringe Plaintiff's trademarks and/or trade names, and such activities are likely to cause confusion, mistakes, and to deceive the public at large.

46. Upon information and belief, Defendants have acted with the unlawful purpose of:

- a. Improperly taking advantage of the valuable goodwill belonging to Plaintiff;
- b. Soliciting Plaintiff's customers and/or potential customers, attempting to sell, and selling to such customers and potential customers, goods and services marketed under the confusingly similar VAMPIRE mark through persons not authorized by, employed by, or associated in any way with Plaintiff;
  - c. Inducing others to infringe Plaintiff's trademarks and trade names; and
- d. Causing the goods of persons not authorized by, employed by, or associated in any way with Plaintiff to be falsely represented as if they were rendered, authorized, sponsored by, endorsed by, or otherwise connected with Plaintiff and its licensed trademarks and trade names.

47. Defendants' conduct, as alleged in this complaint, constitutes a violation of 15 U.S.C. § 1125(a).

48. If Defendants are allowed to continue marketing and selling the accused goods and services, Plaintiff will be damaged as alleged in this complaint, and the Defendants will profit thereby. Furthermore, unless the Court permanently enjoins Defendants conduct as alleged in this complaint, Plaintiff's business,

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goodwill, and reputation will suffer irreparable injury of an insidious and
 continuing sort that cannot be adequately calculated and compensated in monetary
 damages.

4 49. Defendants have hijacked Plaintiff's trademark. Hijacking Plaintiff's
5 VAMPIRE trademark improved the likelihood that consumers would pick up the
6 accused product in the store and buy it. Highjacking Plaintiff's VAMPIRE mark
7 (and using the Spanish spelling with an "o" instead of an "e" lowered defendants'
8 costs to advertise, market and promote while improving defendants' sales and
9 profits.

50. Defendants' aforementioned acts and conduct is being done willfully and with an intent to ride on, and/or step on and demolish, the goodwill Plaintiff has worked hard to develop. Plaintiff is therefore entitled to treble damages arising therefore, disgorgement of defendants' profits, as well as reimbursement of Plaintiff's attorneys' fees and costs.

51. The intentional nature of defendant's acts makes this an exceptional case under 15 U.S.C. §1117(a).

52. The intentional nature of defendant's acts and conduct makes this a case suitable for an award of Three Times Defendants' profits plus attorneys fees.

#### **COUNT II**

### VIOLATION OF LANHAM ACT 15 U.S.C. §1114 (Against All Defendants)

53. Plaintiff repeats each allegation contained in paragraphs 1 through 52 as though set forth herein at length.

54. Defendants have engaged in, and continue to engage in, the wrongful exploitation of Plaintiff's registered marks.

55. Defendants' goods are so closely related to Plaintiff's goods that the public is likely to be confused, to be deceived, and to erroneously assume that

Defendants' marketing and sales of their VAMPIRO canned alcoholic beverage, as packaged, advertised and promoted, are those of Plaintiff, or that Defendants are in some way connected with, sponsored by, or affiliated with Plaintiff, all to Plaintiff's detriment and irreparable damage.

56. Defendants are not affiliated with, connected with, endorsed by, or sponsored by Plaintiff. Furthermore, Plaintiff has not approved any of the goods or services offered or sold by Defendants.

57. Defendants aforesaid infringing conduct has been willful and with an intent to ride on, and/or step on and demolish, the goodwill Plaintiff has worked hard to develop. Defendants' aforesaid infringing conduct has been willful and with knowledge that the sale, marketing, advertisement, and promotion of their Vampiro branded cocktails will hinder the prospects of future commercial success of Plaintiff's VAMPIRE family of brands, including its further foray into the food, cocktail, spirits and restaurant space. Plaintiff is therefore entitled to treble damages arising therefrom, as well as reimbursement of Plaintiff's attorneys' fees and costs.

### COUNT III

## VIOLATION OF LANHAM ACT 15 U.S.C. §1125(c)

#### (Against All Defendants)

58. Plaintiff repeats each allegation contained in paragraphs 1 through 57 as though set forth herein at length.

59. Plaintiff's Vampire family of brands have appeared on The View, Anderson Cooper, CNN Headline News, Entertainment tonight, MTV's Viva La Bam, The Food Channel, A & E, and have been written up in widely circulated magazines such as Star Magazine, Shape, Maxim, InStyle, Elle, Spin, Rolling Stone, Marie Claire, Cosmo Girl, The Wine Enthusiast, and in regional newspapers such as the LA Times, the NY Times, the Houston Chronicle, and others, and as such have developed a fame all of their own catapulting the Vampire brand into the category of a famous mark.

60. Plaintiff's associates and predecessors in interest periodically work with Hollywood film companies and engage in mutually beneficial promotions. For example, Plaintiff's products have been found in the Blade films (starring Wesley Snipes) and HBO's Trueblood Series, and Plaintiff has done promotions connecting its VAMPIRE family of brands to films such as the Underworld series of films (starring Kate Beckinsale) in addition to Blade Trinity, and it has had its wines featured and poured at film premiers, including such as Quentin Tarrantino's *Dusk Til' Dawn* and *Dark Shadows* (starring Johnny Depp.) A sampling of just some of the press talking about Plaintiff's Vampire family of brands is attached as Exhibit C.

61. Plaintiff fears that defendants' marketing excursions using the word Vampiro as a mark for goods and services will cause consumers to believe that Plaintiff's VAMPIRE branded wines and bloody Mary cocktail (and other goods and services) are not of as high quality as they actually are and will tarnish, dilute and otherwise damage the reputation of Plaintiff's goods and services. This will lead to irreparable harm to Plaintiff's goodwill, reputation, and sales.

62. Plaintiff only uses high quality ingredients in all its VAMPIRE branded products. It offers gourmet products. Plaintiff fears that defendants' use of a cheap tequila imitation to add alcohol to the infringing product will interfere with Plaintiff's ability to attract those producing serious first class Hollywood films to want to do future joint promotions with Plaintiff and its family of VAMPIRE brands.

#### **COUNT IV**

# VIOLATION OF LANHAM ACT 15 U.S.C. §1125(A) FOR FALSE ADVERTISING

#### (Against The Patco Defendants)

63. Plaintiff repeats each allegation contained in paragraphs 1 through62 as though set forth herein at length.

64. The Patco defendants deceptive marketing of their products in commercial advertising and promotions, misrepresents the nature, characteristics, qualities, and geographic origin of its alcoholic beverage products.

65. The Patco defendants deceptive and false advertising gives Patco an unfair commercial advantage against their alcohol beverage competitors because the vast cost savings realized by Patco by using "wine" in a fake cocktail or fake margarita allows defendants to sell their imitation products at a cost far lower than would be the case if they sold authentic cocktails and authentic margaritas.

66. Even if a consumer learns that the Patco defendants' fake cocktails or fake margaritas are made from wine after they pick up the product and read the fine print, at that point the consumer has already engaged with the product and has the product in his or her hand. and may be inclined to put it in the basket anyway and give it a try because of the cost savings. Moreover, on information and belief a substantial portion of the consuming public will not understand the difference between agave wine and a distilled spirit in a "cocktail" and will simply understand it to refer to a form of tequila or mescal. By contrast, if the Patco defendants fake cocktails or fake margaritas informed consumers up front that the product was a "Wine Spritzer" or a "Wine Margarita" like soy-milk says soy up front as opposed to hiding the fact that the milk is made from soy in fine print, then consumers would not so easily pick up the fake margaritas or fake cocktails as there would be at least some type of notice that defendants are not selling a genuine "cocktail"
 products made with one or more distilled spirits.

67. On information and belief, as a result of the false advertising of the Patco defendants consumers are also deceived into buying what turns out to be a surprise. Instead of purchasing a real margarita or a real cocktail, they might come home and eventually realize that they bought instead a "fake" and be reluctant to return it due to the inconvenience associated with that process.

68. As such, defendants' marketing, promotion and sales of its Margartas and cocktails violate the false advertising provisions of 15 USC 1125 (a).

#### COUNT V

### <u>UNFAIR COMPETITION – COMMON LAW, AND CALIFORNIA</u> <u>BUSINESS & PROFESSIONS CODE §§ 17200 et seq.</u>

#### (Against All Defendants)

69. Plaintiff repeats each allegation contained in paragraphs 1 through 68 as though set forth herein at length.

70. Defendants has engaged in unfair competition perpetrated against Plaintiff by reason of the conduct alleged herein.

71. The unlawful and unfair conduct is injuring the goodwill of Plaintiff.

72. Defendants are each liable for the unfair competition, and/or are liable for aiding and abetting such conduct.

73. By this conduct, Plaintiff has directly suffered injuries and each Defendant has been unjustly enriched.

74. Plaintiff is entitled to restitution, the recovery of damages, and the recovery of the profits earned by Defendants by virtue of their conduct.

75. As a consequence of the unfair competition by Defendants, Plaintiff

is suffering irreparable injury, by reason of which such conduct should be enjoined.

76. Plaintiff is informed and believes, and on that basis allege, that the aforementioned conduct of Defendants is willful, oppressive, fraudulent, and malicious, and Plaintiff is therefore entitled to punitive damages.

77. Pursuant to California Business & Professions Code § 17203, Plaintiff is therefore entitled to:

a. An Order requiring defendants to cease the acts of unfair competition alleged herein.

b. An Order enjoining defendants from continuing to deceptively use the words "margarita" and "cocktail" in the future.

c. Full restitution of all monies paid by consumers and retailers who thought they were buying products made from tequila (with respect to margaritas) and/or from distilled spirits (with respect to cocktails – other than tequila based) received by defendants.

d. Interest at the highest rate allowable by law; and

e. The payment of Plaintiff's attorneys' fees and costs under, among other provisions of law, Code Civ. Pro. § 1021.5, or otherwise to the extent permitted by law.

#### **COUNT VI**

#### <u>UNFAIR COMPETITION – COMMON LAW, CALIFORNIA</u> <u>BUSINESS & PROFESSIONS CODE §§ 17500 et seq.</u>

(Against All Defendants)78. Plaintiff repeats each allegation contained in paragraphs 1 through

77 as though set forth here at length.

79. Defendants' use of the trade names and trademarks VAMPIRO and their use of the words margarita and cocktail misrepresents the nature, characteristics, identity, and source or sponsorship of Defendants' goods, constitutes aiding and abetting liability for deceptive, untrue, and misleading advertising and therefore constitutes a violation of, inter alia, California Business and Professions Code Section17500 et seq.and California common law.

80. Defendants' use of the trade name and trademark VAMPIRE and their deceptive use of the words Margarita and cocktail are likely to deceive and will continue to deceive the consuming public. Defendants knew, recklessly disregarded, or reasonably should have known that such packaging, advertising, marketing, and promotion was untrue and/or misleading.

81. As a result of the conduct described above, Defendants have been and/or will be unjustly enriched at the expense of Plaintiff and the general public. The interests of the general public and Plaintiff are, therefore, closely related.

82. Defendants have been unjustly enriched, among other things, by the receipt of sales revenues from consumers who mistakenly thought that they were purchasing Plaintiff's VAMPIRE FAMILY of branded beverage-alcohol products or accessories, both in California and throughout the world, but instead were purchasing Defendants' goods which are promoted and sold through advertisements that affirmatively misrepresent, either directly or by implication, the nature, characteristics, identity, and source or sponsorship of the goods.

83. Additionally, Defendants have been unjustly enriched, by the receipt of sales revenues from consumers who mistakenly thought that they were purchasing a ready-to-drink "Margarita or Cocktail" but instead purchased a cheap imitation of a Margarita or Cocktail. Defendants' mislabeled "MARGARITAS" affirmatively misrepresent, either directly or by implication, the nature, characteristics, identity, and source or sponsorship of the goods. 84. Pursuant to Business and Professions Code §§ 17203 and 17535, Plaintiff, on behalf of itself and the general public, which is unable effectively to assert its interests, seeks an order of this Court ordering Defendants immediately to cease such support for acts of unfair competition and false advertising, and enjoining Defendants from continuing to import or export, distribute, market, promote, advertise, offer for sale, and sell, Defendants' infringing beverage labels and/or beverage accessory products that contain any of Plaintiff's trademarks (or names confusingly similar to Plaintiff's trademarks) which falsely advertise or conduct business via the unlawful, deceptive, unfair or fraudulent business acts and practices, and the untrue and misleading advertising complained of herein. Plaintiff additionally requests an order disgorging Defendants' ill-gotten gains and restitution of all monies wrongfully acquired by Defendants by means of their support of such acts of unfair competition and false advertising, damages, interest and attorneys' fees.

85. Also, Pursuant to Business and Professions Code §§ 17203 and 17535, Plaintiff, on behalf of itself and the general public, which is unable effectively to assert its interests, seeks an order of this Court ordering Defendants immediately to cease such support for acts of unfair competition and false advertising, and enjoining Defendants from continuing to market and sell beverage products labeled and/or promoted and/or advertised or marketed as MARGARITAS made with wine instead of tequila, which falsely advertise or conduct business via the unlawful, deceptive, unfair or fraudulent business acts and practices, and the untrue and misleading advertising complained of herein. Plaintiff additionally requests an order disgorging Defendants' ill-gotten gains and restitution of all monies wrongfully acquired by Defendants by means of their support of such acts of unfair competition and false advertising, damages, interest and attorneys' fees.

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**WHEREFORE**, Plaintiff prays for judgment as follows:

1. That the Court adjudge and decree that Defendants have falsely designated the origin of certain goods and services as those of Plaintiff, have made and used false representations in connection with the sale, offering for sale, promotion and advertising of such goods and services, and have unfairly competed with Plaintiff at common law.

2. That the Court adjudge and decree that Defendants have infringed Plaintiff's registered VAMPIRE (and Dracula) trademarks willfully and intentionally.

3. That the Court adjudge and decree that Defendants unlawfully diluted and diminished Plaintiff's rights in its VAMPIRE family of trademarks.

4. That the Court adjudge and decree that Defendants unlawfully induced others to infringe upon Plaintiff's trademarks.

5. That the Court permanently enjoin Defendants, its agents, servants, employees, attorneys, and all persons acting in concert or participation with them, or with any of them from:

a. Using VAMPIRE, VAMPIRO, or any other word or words which are similar to, or a colorable imitation of, Plaintiff's trade names and marks, either alone, as part of, or together with, any other word or words, (including Dracula), trademark, service mark, trade name, or other business or commercial designation in connection with the sale, offering for sale, advertising, and/or promotion of beverage products and beverage accessories;

b. Selling, offering to sell, marketing, distributing, advertising and/or promoting any FOOD or BEVERAGE product, goods or service

with the word VAMPIRE, VAMPIRO or DRACULA displayed on any product, packaging, advertising or promotional materials;

- c. Representing directly or indirectly by words or conduct that any food or beverage product, goods or services offered for sale, sold, promoted, or advertised by Defendants, is authorized, sponsored by, endorsed by, or otherwise connected with Plaintiff;
- d. Aiding or abetting in unfair competition against Plaintiff;
- e. Aiding or abetting in false advertising; and

f. Inducing others to engage in any of these aforementioned acts.

# WITH RESPECT TO DEFENDANT PATCO'S DECEPTIVE USE OF MARGARITA AND COCKTAIL:

6. That the Court adjudge and decree that Defendants have falsely designated the origin of certain goods and services as a MARGARITA and as a Cocktail, have made and used false representations in connection with the sale, offering for sale, promotion and advertising of such goods and services, and have unfairly competed with beverage manufactures that use distilled spirits.

7. That the Court adjudge and decree that Defendants unlawfully induced others to sell and market products as MARGARITAS and cocktails even though no tequila or other distilled spirit was in the margaritas and cocktails.

8. That the Court permanently enjoin Defendants, its agents, servants, employees, attorneys, and all persons acting in concert or participation with them, or with any of them from:

a. Using the word "MARGARITA", in connection with the sale, offering for sale, advertising, and/or promotion of beverage

р	roducts unless those products are made from tequila instead of		
v	vine;		
b.	Selling, offering to sell, marketing, distributing, advertising		
and/	or promoting any BEVERAGE product labeled as a		
"MA	ARGARITA" if the alcohol contained within the product is not		
exclusively tequila;			
c. Aiding or abetting in the sales of beverage products falsely labeled			
a	s Cocktails;		
d. U	Jsing the word "cocktail", in connection with the sale, offering for		
sale, advertising, and/or promotion of beverage products unless			
tl	hose products are made from distilled spirits instead of wine;		
e. S	elling, offering to sell, marketing, distributing, advertising and/or		
promoting any BEVERAGE product labeled as a "cocktail" if the			
а	lcohol contained within the product is not a distilled spirit;		
f. A	Aiding or abetting in the sales of beverage products falsely labeled		
a	s cocktails;		

g. Aiding or abetting in false advertising; and

h. Inducing others to engage in any of these aforementioned acts.

# WITH RESPECT TO DEFENDANTS UNLAWFUL USE OF VAMPIRO, COCKTAIL, AND MARGARITA:

9. That the Court award an amount to be determined at trial but at least an amount equivalent to treble the amount of Defendants' illicit profits or Plaintiff's lost profits, whichever is greater.

10. That the Court award an amount to be determined at trial but at least an amount equal to the cost of prospective corrective advertising to cover a national campaign of advertising and promotion to make up for the damage done by defendants advertising and promotion.

11. That the Court award Judgment against Defendants for the full costs of this action, including the attorney's fees reasonably incurred by Plaintiff.

12. That the Court Order such other, further and different relief as the nature of this action may require and as the Court may deem just and proper.

13. That the Court retain jurisdiction of this action for the purpose of enabling Plaintiff, in its discretion, to apply to this Court at any time for such further orders and directions as may be necessary or appropriate for the interpretation or execution of any Order entered in this action, for the modification of any such Order, for the enforcement of compliance therewith, and/or for the punishment of any violation thereof.

Respectfully submitted, MACHAT & ASSOCIATES, P.C.

1 1 7 1

13	Dated: October <u>15</u> , 2020 By: <u>s/Michael Machat</u>					
14	Michael Machat (CA SBN 109475)					
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23	Email: dave@hdmnlaw.com					
24	Attorneys for Plaintiff					
25	Vampire Family Brands LLC					
26						
27						
28						
20	Complaint for Trademark Infringement, etc					
	- 22 -					

# **DEMAND FOR JURY TRIAL**

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Plaintiff hereby requests a trial by jury on all issues raised by the Complaint.

5		
4	Respo	ectfully submitted,
5		
6		: s/Michael Machat
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28	Complaint for Trademark I	nfringament etc.
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Page I

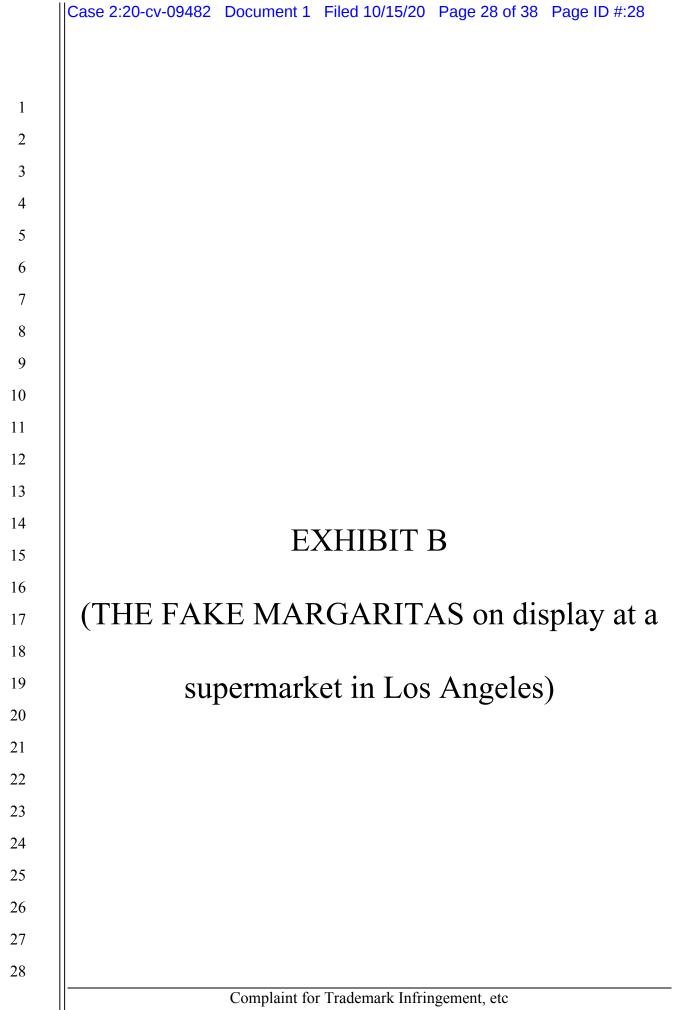
Nutrition Facts/Datos de Nutrición Servings/Raciones: 1, Serv. size/Tamaño por ración: 1 can/lata (355mL), Amount per serving/Cantidad por ración: Calories/Calorías 210, Total Fat/Grasa Total 0g (0% DV), Sat. Fat/Grasa Saturada 0g (0% DV), Trans Fat/Grasa Trans 0g, Choiest,/ Colesterol 0mg (0% DV), Sodium/Sodio 260mg (10% DV), Total Carb./ Carbohldrato Total 19g (6% DV), Fiber/Fibra 0g (0% DV), Total Sugars/ Azúcares Totales 19g (Includes 19g Added Sugars/Incluye 0g azúcares añadidos, 38% DV), Protein/ Proteínas 0g, Vitamin D/Vitamina D (0% DV), Calcium/ Calcio (1% DV), Iron/Hierro (0% DV), Potassium/Potasio (10% DV).

**INGREDIENTS:** MINERAL WATER, 100% AGAVE WINE, CANE SUGAR, CITRIC ACID, GUM ARABIC, NATURAL FLAVORS & SODIUM BENZOATE.

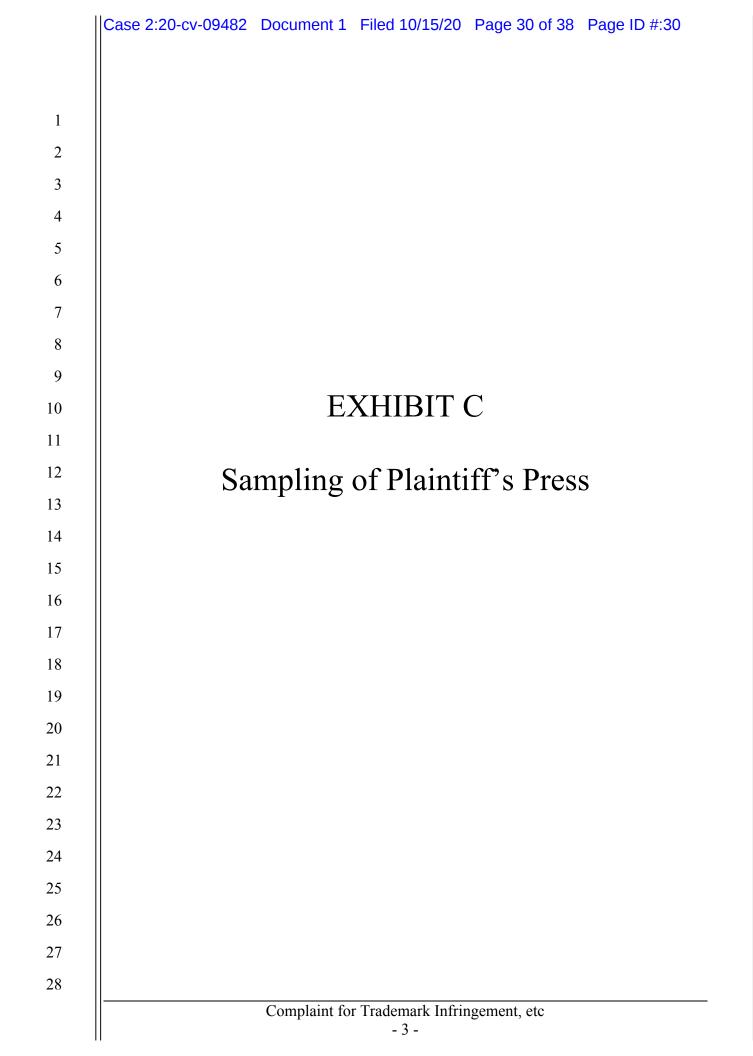
**INGREDIENTES:** AGUA MINERAL, VINO AGAVE 100%, AZÚCAR DE CAÑA, ÁCIDO CÍTRICO, GOMA ÁRABE, SABORES NATURALES Y BENZOATO DE SODIO.

BOTTLED BY / EMBOTELLADO POR: MAGAVE TEQUILA, AV ESPAÑA #1135, COLONIA MODERNA, CP 44190, GUADALAJARA, JALISCO, MEXICO IMPORTED BY / IMPORTADO POR: MPL BRANDS NV, INC., LAS VEGAS, NV 89109

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1 2 3 4 5 6	BRENT H. BLAKELY (SBN bblakely@blakelylawgroup.cd COURTNEY STUART-ALB csalban@blakelylawgroup.co BLAKELY LAW GROUP 1334 Parkview Ave., Suite 28 Manhattan Beach, California Telephone: (310) 546-7400 Facsimile: (310) 546-7401 Attorneys for Defendant	AN (SE <u>m</u> 80	2) 3N 22	25513)		
7	MPL BRANDS NV, INC.					
8						
9	UNITE	D STA	TES I	DISTRICT	COURT	
10	CENTRAL DISTRIC	CT OF C	CALI	FORNIA,	WESTERN D	IVISION
11						
12	VAMPIRE FAMILY BRANI	DS, LLC	Ξ,		2:20-cv-0948 to Honorable	2-DMG-AS e Dolly M. Gee]
13	Plaintiff,					• -
14	VS.			INC. D/B 12(B)(6)		BRANDS NV, BRANDS' D DISMISS
15 16	MPL BRANDS, INC., MPL I NV, INC. d/b/a PATCO BRA AND PYRAMID INC.	BRAND NDS,	)S	PLAINT THIRD, ACTION	IFF'S FIRST AND FIFTH   ALLEGINC	, SECOND, CAUSES OF J INGEMENT,
17	Defendants.					
18				NOTICE CONCU	ST FOR JUD L (FILED RRENTLY)	ICIAL
19 20				DECLAI STUART	RATION OF -ALBAN (FI RRENTLY)	COURTNEY ILED
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22				DECLAI LEÓN (F	RATION OF	JOSÉ LUIS CURRENTLY)
23				Date: Time:	January 22, 9:30 a.m.	2021
24					350 West 1s	st Street
25					Los Angeles	8C, 8 <sup>th</sup> Floor s, CA 90012
26				Complain	t filed: Octob	per 15, 2020
27				<b></b> P <b></b> 1		·, <b>_~</b> ~
28						
	DEFENDANT MPL F	BRAND NV	/, INC.	'S MOTION T	O DISMISS COM	PLAINT

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# TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

2 PLEASE TAKE NOTICE that on January 22, 2021 at 9:30 a.m. or as soon 3 thereafter as counsel may heard in the courtroom of the United States District Judge Hon. Dolly M. Gee, at Courtroom 8C, 8th Floor of the United States District Court 4 5 for the Central District of California, located at the First Street United States Courthouse, 350 West 1st Street, Los Angeles, California, 90012, Defendant MPL 6 BRANDS NV, INC. d/b/a PATCO BRANDS (hereinafter "Patco Brands") hereby 7 moves to dismiss – (Count I for Trademark Infringement under 15 U.S.C. § 1125(a) 8 9 [Lanham Act § 43(a)], Count II for Infringement of Registered Trademark under 15 U.S.C. § 1114 [Lanham Act § 32], Count III for Dilution by Tarnishment under 15 10 U.S.C § 1125(c) [Lanham Act § 43(c)]), and Count V for Unfair Competition under 11 California Business and Professions Code §§ 17200 et seq. (hereafter "Trademark 12 13 Claims").

In addition to this motion, Patco Brands is concurrently filing a joinder in codefendant MPL Brands' motion to dismiss Plaintiff's false advertising claims,
namely Count IV for False Advertising under 15 U.S.C. §1125(A), Count V for
Unfair Competition under California Business and Professions Code §§ 17200 et
seq., and Count VI for Unfair Competition under California Business and
Professions Code §§ 17500 et seq. (hereafter "False Advertising Claims").

20 Patco Brands submits this motion under the standard governed by Federal Rule of Civil Procedure 12 (b)(6), on the grounds that the Court may dismiss the 21 claims against Patco Brands based on its sale of the GRAN AGAVE MIX vampiro 22 23 cocktail for failure to state a claim upon which relief can be granted based on the evidence attached to the Complaint and judicially-noticed documents. This motion 24 25 shall be based on this Notice of Motion, the accompanying Memorandum of Points and Authorities, Request for Judicial Notice, Declaration of Courtney Stuart-Alban, 26 27 and Joinder in MPL Brands Inc.'s Motion to Dismiss, the anticipated reply papers, 28

all materials that may be properly considered in connection with this motion, and
 oral argument at the hearing.

2	oral argumer	nt at the hearing.	
3	Dated:	December 23, 2020	<b>BLAKELY LAW GROUP</b>
4			By: <u>/s/ Courtney Stuart-Alban</u>
5			Brent H. Blakely Courtney Stuart-Alban
6			Attorneys for Defendant
7			MPL Brands NV, Inc.
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6 7		b. Vampiro is a Generic Word that is the Name of a Popular Drink, and Patco Brands Uses "Vampiro" as the Generic Name of the Drink
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	DEFENDANT MPL BRAND NV, INC.'S MOTION TO DISMISS COMPLAINT

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1

# **MEMORANDUM OF POINTS AND AUTHORITIES**

Defendant MPL BRANDS NV, INC. d/b/a PATCO BRANDS (hereinafter 2 3 "Patco Brands") respectfully submits this Memorandum of Points and Authorities in Support of its Rule 12(b)(6) Motion to Dismiss the trademark claims alleged in 4 5 Plaintiff's Complaint under the Lanham Act and California state law, specifically: Count I for Trademark Infringement under 15 U.S.C. § 1125(a) [Lanham Act § 6 43(a)], Count II for Infringement of Registered Trademark under 15 U.S.C. § 1114 7 [Lanham Act § 32], Count III for Dilution by Tarnishment under 15 U.S.C § 8 9 1125(c) [Lanham Act § 43(c)]), and Count V for Unfair Competition under California Business and Professions Code §§ 17200 et seq. (hereafter "Trademark 10 Claims"). 11

In addition to this motion, Patco Brands is concurrently filing a joinder in codefendant MPL Brands' motion to dismiss Plaintiff's false advertising claims,
namely Count IV for False Advertising under 15 U.S.C. §1125(A), Count V for
Unfair Competition under California Business and Professions Code §§ 17200 et
seq., and Count VI for Unfair Competition under California Business and
Professions Code §§ 17500 et seq. (hereafter "False Advertising Claims").

Patco Brands had no involvement in the production or sale of the Rancho La 18 Gloria products, which products are the primary focus of the False Advertising 19 Claims alleged in the Complaint. To the extent that the Complaint alleges False 20 21 Advertising Claims against Patco Brands' GRAN AGAVE MIX vampiro cocktail, however, the same arguments that MPL Brands makes in its Motion to Dismiss the 22 23 Advertising Claims also apply to dismiss the claims against Patco Brands based on its GRAN AGAVE MIX vampiro cocktail., as explained herein and in Patco 24 Brands' Joinder filed concurrently herewith. 25

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- 28 //

# I. INTRODUCTION

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2 Plaintiff's attorney, Michael Machat, is the owner of Vampire Family Brands ("VFB"), the plaintiff in this case. In the Complaint, VFB alleges ownership of at 3 least a dozen different vampire-related marks, which it says it uses in commerce on 4 a variety of disparate goods ranging from wine and coffee to olive oil and balsamic 5 vinegar to glassware and tacos. Mr. Machat's reach as a litigator, however, appears 6 to extend much further than plaintiff's actual product sales in the marketplace, as 7 gleaned from a review of judicially-noticeable sources filed concurrently herewith. 8 9 In this case, VFB brings claims of trademark infringement based on a VAMPIRE Gourmet Bloody Mary Cocktail product that VFB claims to sell in commerce, but 10 which it is clear from judicially-noticeable evidence that it has never sold in 11 12 commerce.

13 Litigation is undoubtedly a profitable enterprise for Mr. Machat. Trademark litigation is particularly expensive to defend against and doing so is almost never 14 insurable. Mr. Machat enjoys a significant financial benefit from his ability to 15 litigate at his own cost against alleged competitors, many of whom, it can be 16 presumed, prefer to settle for the "nuisance value" of the case, rather than pay the 17 18 enormous costs required to defend against infringement claims, even when the 19 claims are weak. In this case, however, Mr. Machat has gone too far, and the Court can and must dismiss the claims without granting VFB leave to amend, because 20 21 amendment would be futile.

In this case, VFB alleges trademark infringement claims against defendants based on Patco Brands' use of the word "vampiro" in connection with the sale of a pre-packaged cocktail. But Patco Brands does not use the word "vampiro" as a trademark. As the Court can determine from the complaint and judicially-noticeable materials, the word "vampiro" is a generic word for a popular mixed drink. Indeed, as the record even at the pleading stage shows, Patco Brands markets and sells just

one version of the popular vampiro cocktail, which it does under the GRAN 1 2 AGAVE MIX trademark.

3 Plaintiff pleads facts in the Complaint that fail to state a claim upon which relief can be granted under the Lanham Act or California law. Even if Plaintiff 4 5 holds valid trademark rights in certain VAMPIRE Marks for a variety of unrelated goods, such trademark rights do not give Plaintiff the right to block the sale in the 6 United States of any and all variations of the popular Mexican cocktail, the vampiro. 7 To the contrary, the law is clear that Patco Brands' First Amendment rights supplant 8 9 any trademark rights VFB may hold in the VAMPIRE Marks. "Trademark rights do 10 not entitle the owner to quash an unauthorized use of the mark by another who is communicating ideas or expressing points of view." (L.L. Bean, Inc. v. Drake 11 Publrs., Inc. (1st Cir. 1987) 811 F.2d 26, 29. (citations omitted). 12

13 For the reasons alleged herein, the Court should dismiss the Trademark Claims alleged in the Complaint, without leave to amend, because any amendment 14 would be futile as would be further discovery. There is no potential evidence that 15 Plaintiff could put forth to show that it is entitled to exclude the sale of the popular 16 17 "vampiro" cocktail in the United States - sold by its popular, generic name in 18 connection with another registered trademark, in this case, GRAN AGAVE MIX.

19

#### II. FACTUAL BACKGROUND

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21

Vampire Family Brands and the Trademark Infringement Claims a. Alleged in the Complaint.

As the Complaint alleges, Patco Brands is a family owned and operated 22 23 import, distribution, marketing and sales company. Complaint at ¶ 4.

24 According to the Complaint, VFB owns a variety of federally-registered trademarks related to the word Vampire (the "Vampire Marks"), which VFB claims 25 to use in connection with a wide variety of disparate goods, including, chocolate, 26 27 coffee, olive oil, balsamic vinegar, water, restaurant and bar services, glass beverage ware, tacos, wine, and spirits. Complaint at  $\P 8$ . 28

Judicially-noticeable documents from the United States Patent and Trademark 1 2 Office ("USPTO") show that plaintiff's attorney, Michael Machat, is the equitable 3 owner of VFB and the family of VAMPIRE Marks. See Request for Judicial Notice filed concurrently herewith ("RFJN") at Ex. 1. 4

5 According to the Complaint, Plaintiff has primarily used its VAMPIRE Marks in connection with the sale of wine, while the source of the wine has been 6 inconsistent, moving repeatedly over the years "from Algeria to Italy to Transyvania 7 and finally to Napa." Complaint at ¶¶ 11-12. 8

9 One of the Marks VFB claims to have registered more recently is "US Registration No. 5444375 for the word mark VAMPIRE for Pre-mixed alcoholic 10 beverages, other than beer based." Complaint at ¶ 16. Plaintiff alleges in 11 connection with this Mark for Pre-mixed alcoholic beverages, it "has a great tasting 12 13 Gourmet Bloody Mark cocktail that it markets as the VAMPIRE Gourmet Bloody Mary Cocktail. Id. 14

Plaintiff claims that it "began selling its VAMPIRE Gourmet Bloody Mary 15 Cocktails in a can which are designed to be the go-to ready to drink premixed 16 bloody Mary, perfect for busy bars, outdoor venues, picnics, and anyone on the go 17 18 wanting a gourmet ready to drink bloody Mary cocktail." *Id.* at ¶18.

19 Plaintiff alleges it sells its products on its website located at www.vampire.com. See id. at ¶ 17 (stating the "VAMPIRE family of brands are 20available for the world to see on its website VAMPIRE.COM), see also id at § 24 21 ("Plaintiff markets its brands through a national network of wholesalers, and via the 22 23 website: www.vampire.com") (hereafter the "VFB Website"). Plaintiff thus incorporates the contents of the "vampire.com" website by reference into its 24 25 complaint.

The home page of the VFB Website features the sale of VAMPIRE wine, but 26 does not offer spirits, or pre-packaged, spirits-based drinks for sale. The VFB 27 28 Website has tabbed headings that read: Red Wines // White Wines // Trueblood

Wine // Dracula Wine // Wine Club // Vampire, Chocolate // The Novel. Four of the
 six headings relate to the sale of wine, one to the sale of chocolate, and the last,
 "The Novel," references a vampire-themed novel that was apparently written by Mr.
 Machat's wife, whom he dubs the Vampire Countess. *See* RFJN Ex. 2.

If the internet user scrolls down to the bottom of the home page, there are
additional links that are less conspicuous than the top tabs. One of those is a link for
"THE BLOODY MARY." *Id.* When the user clicks on the BLOODY MARY link,
the landing page ("Bloody Mary Landing Page") is a picture of a canned beverage
that appears to be a VAMPIRE Bloody Mary Cocktail. *See* RFJN Ex. 3.

The Bloody Mary Landing Page does not, however, offer the canned cocktail
for sale to consumers, or tell them where they can buy it. Instead, the landing page
invites users who are "INTERESTED IN INVESTING?" to "CHECK OUT OUR
OFFERING." *See* RFJN Ex. 3. The Landing Page offers consumers an opportunity
to click through and "Invest in the Company Now," and it also offers them a web
address to visit to learn more: "Invest.VampireBloodyMary.com." *Id.*

The Landing Page includes embedded testimonial videos and multiple
paragraphs of sales-pitch puffery about the potential bloody mary cocktail the
company *wants to produce* and offer for sale in the marketplace, complete with high
end natural ingredients. However, the VFB Website makes clear that VFB first
needs to raise money from investors to produce the drink, which plaintiff has not
sold in commerce to date. *Id.; see also* MPL Brands' RFN.

The last sentence of the Landing Page states: "Vampire® Vineyards' latest
offshoot, The Real Bloody Mary Company is offering consumers an opportunity to
"Own a Piece of the Tomato" with its newest product, the Vampire Gourmet
Bloody Mary Cocktail, " where "Own a Piece of the Tomato" is an active link. Id.
When the user clicks the active link, the user is directed to
https://www.startengine.com/the-real-bloody-mary-co-llc (the "Bloody Mary
Investor Website"). The Bloody Mary Investor Website heavily markets to

DEFENDANT MPL BRAND NV, INC.'S MOTION TO DISMISS COMPLAINT

investors seeking consumer investments in amounts ranging from \$125 to \$5,000 or 1 2 more, offering perks ranging from a "very rare Vampire.com Bumper Sticker" to 3 "the opportunity to attend a super fun Bloody Mary Festival as our VIP guest and a lifetime 15% discount on all Vampire.com purchases." See RFJN Ex. 4. 4

5 In the Complaint, Plaintiff alleges that it "learned that defendants are unlawfully marketing and selling a mixed alcoholic cocktail branded as 6 VAMPIRO." It attaches what it alleges are "pictures of defendant's VAMPIRO 7 alcoholic cocktail in a can ....." Complaint at ¶ 20. The image, however, is a poor 8 9 quality and does not show a clear image of the product label. For the Court's reference, Patco Brands has attached a true and correct copy of the label for its 10 GRAN AGAVE MIX vampiro product. See RFJN, Ex. 22. 11

The Complaint further alleges that "Defendant's [sic] intentional wrongful 12 13 acts are harming Plaintiff's brands reputation and are diluting the brands and are disparaging." Complaint at ¶ 27 (emphasis added); see also id at ¶¶ 51, 57. The 14 Complaint alleges no facts, however, that support its conclusory allegation that 15 Patco Brands' acts were intentional. See generally Complaint. 16

17 The Complaint does not allege actual confusion but claims that if "defendants are not stopped from marketing food and beverages using the VAMPIRO mark or a 18 19 mark confusingly similar to Vampire (or Dracula), then consumers will likely be confused about the source and origin of defendant's products and services and 20 mistakenly conclude that defendants' products or services are produced by, or 21 associated with Plaintiff and/or its licensees." Complaint ¶ 28; see also id. at ¶ 48 22 23 ("If Defendants are allowed to continue marketing and selling the accused goods and services, Plaintiff will be damaged as alleged in this complaint and the 24 25 Defendants will profit thereby.")

Alternatively, the Complaint alleges, "if defendants are not stopped from 26 marketing beverages using the VAMPIRO mark or a mark confusingly similar to 27 Plaintiff's VAMPIRE (or DRACULA) marks, then consumers will likely be 28

confused about the source and origin of Plaintiff's (or its licensees') products and
 services and mistakenly conclude that Plaintiff's (or its licensees') products or
 services are produced by, or associated with defendants." Complaint ¶ 29.

The Complaint alleges four different trademark infringement claims: Count I 4 5 for Trademark Infringement under 15 U.S.C. § 1125(a) [Lanham Act § 43(a)]; Count II for Infringement of Registered Trademark under 15 U.S.C. § 1114 6 [Lanham Act § 32]; Count III for Dilution by Tarnishment under 15 U.S.C § 7 1125(c) [Lanham Act § 43(c)]), and Count V for Unfair Competition under 8 9 California common law and Business and Professions Code §§ 17200 et seq. (the "Trademark Claims"). All of the Trademark Claims alleged in the Complaint fail 10 for the same reason; the only use alleged by the Plaintiff in this action is generic use 11 or, in the alternative, fair use, as a matter of law. 12

To the extent false advertising claims are alleged against Patco Brands based
on the vampiro cocktail product, those claims fail for the same reasons provided in
MPL Brands' Motion to Dismiss the False Advertising Claims, which motion Patco
Brands has joined. *See* Patco Brands' Joinder, filed concurrently herewith.

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 b. Vampiro is a Generic Word that is the Name of a Popular Drink, and Patco Brands Uses "Vampiro" as the Generic Name of the Drink.

In the Complaint, Plaintiff complains that defendants are "selling a mixed
alcoholic cocktail branded as VAMPIRO." Complaint at ¶ 20. In support, Plaintiff
attaches an exhibit to the Complaint, which is a photograph of the allegedlyinfringing "vampiro" cocktail. *See id.* at Exhibit A.

An examination of Exhibit A, however, shows a canned beverage marketed
and sold, *i.e.* "branded" under the GRAN AGAVE MIX trademark, which is
conspicuous and placed on the top center of the can. *See* Complaint, Exhibit A; *see also* RFJN, Ex. 22.

As can be determined by reference to judicially-noticeable documents, the 1 2 GRAN AGAVE MIX trademark, which is affixed prominently to the top of the 3 accused product in Exhibit A, is registered to CORPORATIVO DESTILERIA SANTA LUCIA, S.A. DE C.V. ("Santa Lucia"). See RFJN Ex. 5. 4

5 Exhibit A to the Complaint also shows that the product is bottled in Jalisco, Mexico, and that it is imported by MPL Brands, NV, which is the defendant in this 6 action doing business as Patco Brands. See Complaint, Exhibit A at p. 2; see also 7 8 RFJN, Ex. 22.

9 As explained in the concurrently-filed declaration of José Luis León, Santa 10 Lucia is an independent distillery in Jalisco, Mexico, which produces its own, branded tequilas, and various private label tequilas and related products for 11 companies who sell those products. See Declaration of José Luis León ("León 12 13 Decl.") at ¶¶ 1-2.

Santa Lucía in fact produces several ready-to-drink cocktails for Patco 14 Brands, including a vampiro cocktail sold under the brand "Gran Agave Mix" (the 15 "Gran Agave Vampiro"). Vampiro is the generic name for one of the most popular 16 mixed drinks in Mexico, along with the margarita, paloma, and tequila sunrise. Id. 17 18 at ¶ 3.

19 Santa Lucia owns the GRAN AGAVE MIX trademark under which the accused vampiro product is sold in the United States, and it licenses the right to use 2021 the GRAN AGAVE MIX Mark to defendant Patco Brands. See id. at ¶ 5.

As Mr. León explains, the purpose behind Gran Agave Vampiro was to create 22 23 a new drink, based upon one of Mexico's most popular mixed drinks. Id. at ¶ 4. 24 Indeed, Brown-Forman, one of the largest American-owned companies in the wine 25 and spirits business (traded on the New York Stock Exchange under BFB), also produces vampiro and paloma ready-to-drink cocktails under the brand name "El 26 27 Jimador New Mix." El Jimador's vampiro and paloma cocktails are currently sold in Mexico and Canada. See id. at ¶ 5, Ex. A; see also RFJN Ex. 14. 28

As also explained in Mr. León's declaration, "a vampiro cocktail can be made 1 many different ways, but the typical formulation includes tequila, citrus juice, spices 2 3 and/or sangrita, a Mexican drink originating in Jalisco which itself can be made using a variety of different ingredients, including tomato, orange, grapefruit and/or 4 5 lime juices, chiles, jalapeños and/or hot sauce." León Decl. at ¶ 6.

The Court does not need to rely on the testimony of Mr. León, however, to 6 determine that the word "vampiro" is used by Patco Brands in a generic or fair use 7 8 capacity, such that the Complaint fails to state a claim upon which relief can be 9 granted. Patco Brands has concurrently filed a request for judicial notice, which contains sufficient evidence to show that the public perception of "vampiro" is as a 10 spiced cocktail. The Court therefore has sufficient information to determine at the 11 pleading state that Patco Brand's use of "vampiro" is as a generic name for a 12 13 particular type of drink, or in the alternative, constitutes fair use, and it thus can and should dismiss the Trademark Claims as a matter of law, without granting plaintiff 14 further discovery or leave to amend. There is no amendment or further discovery 15 that could possibly show either that Patco Brands is using the vampiro word as a 16 trademark or that plaintiff has trademark rights in the word "vampiro." 17

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i.

## **Evidence** Capable of Judicial Notice

Patco Brands has filed a Request for Judicial Notice in which it asks the Court 19 to take judicial notice of numerous representative examples of the use of the word 20"vampiro" in commerce as the generic name of a spiced cocktail that is popular in 21 Mexico and the United States. 22

23 The Wikipedia entry for "Vampiro (cocktail)," for instance, explains, among other things, that "[t]he *Vampiro is popular in Mexico and is the national drink*. 24 25 Mexicans named the cocktail Vampiro ('vampire') because the Viuda de Sanchez juice mixer's red colour is reminiscent of blood." See RFJN at 7. Wikipedia also 26 27 makes clear that there are many variations of the drink.

For instance, Wikipedia explains, under a heading called "Variants," that
 "[s]ome bartending guides suggest adding a shot of tomato juice, fresh-squeezed
 orange and lime juice, grenadine syrup, hot pepper sauce and freshly-ground black
 pepper to the glass, and omitting the Mexican sangrita." *Id.* And Wikipedia
 describes another variant, where the "blood-red drink is a blend of ...pisco, tequila,
 lemon, pineapple, Ramazzotti amaro and chicha morada, a sweet, tart, nonalcoholic
 Peruvian drink made from purple corn." *See id.*

8 In addition, Patco Brands has provided the Court with the following
9 judicially-noticeable evidence to support its position that the public perceives the
10 word "vampiro" as the generic word for a type of spicy cocktail that is very popular
11 in Mexico and is increasingly popular in the United States.

12	Public Perception Evidence Offered in Patco Brands' Request for Judicial		
13	Notice		
	http://www.allrecipes.c	Titled: Vampiro Mexicanos (Mexican	
14	om/recipe/221159/vam	Vampires) "If you are looking for a real	
15	piros-mexicanos-	Mexican cocktail, you just found it! This	
10	mexican-vampires	drink combines "	
16	See RFJN Ex. 8		
17	http://www.marthastew	Recipe for a "Vampiro" with no branded	
10	art.com/870096/vampir	elements.	
18	$\frac{0}{\mathbf{\alpha}}$		
19	See RFJN Ex. 9		
20	http://www.diffordsgui	Recipe for a "Vampiro" with no branded	
20	de.com/cocktails/recipe	elements.	
21	<u>/2024/vampiro</u> See		
22	RFJN Ex. 10		
	http://www.vice.com/e	Article titled: "Everyone	
23	n_us/article/kbkpmv/ev	Drinks Vampiro Cocktails Out of Plastic	
24	eryone-drinks-vampire-	Bags in This Tiny Mexican Town."	
	<u>cocktails-out-of-</u>	"Many places sell vampiros now, but	
25	<u>plastic-bags-in-this-</u>	thanks to word of mouth, Hernández's	
26	tiny-mexican-town See RFJN Ex. 11	stand remains the most popular in town."	
		"The Vampiro is the national drink of	
27	http://noseychef.com/2 019/10/26/vampiro/	<i>Mexico</i> . It is said to have been invented	
28	<u>019/10/20/vamph0/</u>	Mexico. It is said to have been invented	
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See RFJN Ex. 13found in it. It's an explosion of flavors worthy of sharing, one that includes an attractive red color due to the addition of tomato juice to the mix. Enjoy!"https://www.eljimador. com/our-tequilas/#new- mixOffering "New Mix" prepared alcoholic drinks in a can, which include a "paloma a margarita, and a vampiro."See RFJN Ex. 14"Vampiro Cocktail Mexican Drink" "During the summer months, we would spend time as a family in my uncle's house in Cuernavaca where we would organize many pool parties while my aunt would cook for us her famous enchiladas potosinas on the grill and the adults would enjoy a vampiro cocktail recipe See RFJN Ex. 16https://www.nibblesandf easts.com/2019/10/russ ian-vampire-vampiro- ruso/How to Make a Vampiro: Simple Vampiros, or vampires are one of my favorite drinks to make with grapefruit soda. Normally, this drink is made with tequila but I decided to take		
https://www.quericavid a.com/recipes/vampiro- cocktail/b5d9c468- d27f-4626-b474- 12248162cc15Recipe for "Vampiro Cocktail," stating: "However, Vampiro has become an appealing drink for all occasions. When you have the pleasure of tasting a sip of Vampiro, your senses will experiment the mix of sweet, citrus and spicy flavors found in it. It's an explosion of flavors worthy of sharing, one that includes an attractive red color due to the addition of tomato juice to the mix. Enjoy!"https://www.eljimador. com/our-tequilas/#new- mixOffering "New Mix" prepared alcoholic drinks in a can, which include a "paloma. a margarita, and a vampiro."See RFJN Ex. 14"Vampiro Cocktail Mexican Drink" "During the summer months, we would spend time as a family in my uncle's house in Cuernavaca where we would organize many pool parties while my aunt would cook for us her famous enchiladas potosinas on the grill and the adults would enjoy a vampiro Cocktail made with Don Julio tequila.https://www.nisblesandf cocktail-recipeVampiros, or vampires are one of my favorite drinks to make with grapefruit soda. Normally, this drink is made with tequila but I decided to take advantage of the rich and smooth taste of Prairie Organics Vodka for this	See RFJN Ex. 12	San Luis Soyatlán This was around
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1	https://www.bbcgoodfo	Recipe for "Vampiro cocktail" with no	
2	od.com/recipes/vampir	branded elements. "Blend tequila and	
	<u>o</u>	mescal with passata, lime and lemon	
3		juice, grenadine, Worcestershire sauce	
4	See RFJN Ex. 18	and Tabasco to make this vibrant red,	
		Halloween-inspired cocktail."	
5	https://recipe.awesome	How To Make The Vampiro.	
6	drinks.com/recipe/vam	"The original design was a combination	
	piro/	of tequila and a homemade sangrita,	
7		however, the use of orange juice with	
8	See RFJN Ex. 19	tomato juice and spices in this cocktail	
		recipe bring those together"	
9	https://mermaidsandmo	"Vampiro Tequila Cocktail with Jalisco	
10	jitos.com/vampiro-	Sangrita Recipe"	
11	tequila-cocktail-with-		
11	jalisco-sangrita/ See		
12	RFJN Ex. 20		
12	Vampiro Cocktail –	A printout of search result pages for a	
13	Google Search	search for "vampiro cocktail" on	
14	See RFJN Ex. 21	Google.com.	
15	III. LEGAL STANDARD		
16	a Mation to Diamiza	nder Fed D Chr. D Dule 12 h (()	
16	a. Motion to Dismiss u	nder Fed. R. Civ. P. Rule 12 b (6)	
17	A court may dismiss a comp	plaint for "failure to state a claim upon which	
18	relief can be granted." Fed. R. Civ. P. 12(b)(6). A complaint fails to state a claim		

19 under Rule 12(b)(6) where it does not contain "enough facts to state a claim for

20 relief that is plausible on its face." Bell Atl. v. Twombly, 550 U.S. 544, 547

21  $\|$  (2007). The plausibility standard is not akin to a probability requirement, but it asks

22 for more than a sheer possibility that a defendant has acted unlawfully. The court

23 should not accept unreasonable inferences or unwarranted deductions of fact.

24 Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009) (noting that "[t]hreadbare recitals of the

25 elements of a cause of action, supported by mere conclusory statements, do not
26 suffice").

If the facts pled only support an inference that the defendant is "possibly"
liable—or that the defendant's acts are merely "consistent with" the alleged

misconduct—the claims are not "plausible" and must be dismissed. *Id*; *see also Moss v. U.S. Secret Serv.*, 572 F.3d 962, 969 (9th Cir. 2009) ("In sum, for a
complaint to survive a motion to dismiss, the non-conclusory factual content, and
reasonable inferences from that content, must be plausibly suggestive of a claim
entitling the plaintiff to relief.") (internal quotation marks omitted).

In ruling on a 12(b)(6) motion, a court may consider the complaint as well as 6 "any written instrument attached to the complaint as an exhibit or any statements or 7 documents incorporated in it by reference." Zdenek Marek v. Old Navy (Apparel) 8 9 Inc., 348 F.Supp.2d 275, 279 (S.D.N.Y. 2004) (citing Yak v. Bank Brussels Lambert, 252 F.3d 127, 130 (2d Cir. 2001) (internal quotations omitted); Fed. R. Civ. P. 10(c) 10 ("A copy of a written instrument that is an exhibit to a pleading is a part of the 11 pleading for all purposes."); Hal Roach Studios, Inc. v. Richard Feiner & Co., Inc., 12 13 896 F.2d 1542, 1555 n.19 (9th Cir. 1990) (citing Amfac Mortg. Corp. v. Ariz. Mall of Tempe, Inc., 583 F.2d 426 (9th Cir. 1978) ("[M]aterial which is properly 14 submitted as part of the complaint may be considered" in ruling on a Rule 12(b)(6) 15 motion to dismiss). 16

In addition to documents attached to the complaint or incorporated therein,
the Court may also consider documents that are the proper subject of judicial notice.
The examination of such documents (attached to the pleadings or admitted by
judicial notice) in a motion for judgment on the pleadings does not transform the
motion into one for summary judgment. *Yang v. Dar Al-Handash Consultants*, 250
F. App'x 771, 772 (9th Cir. 2007).

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# b. Summary Judgment Standard

In the alternative, however, if the Court does not grant Patco Brands'
concurrently-filed Request for Judicial Notice, or the Court does not otherwise find
there to be grounds sufficient to grant Patco Brand's Motion to Dismiss under Rule
12(b)(6), the Court may 'convert' the motion to a motion for summary judgment,
such that the Court consider matters outside the pleadings, including the declaration

of José Luis León, and grant it as a matter of law. Fed. R. Civ. Proc. 12(d); see also,
 *e.g., Hamilton Materials, Inc. v. Dow Chem. Corp.* 494 F3d 1203, 1207 (9th Cir.
 2007)

# 4 IV. THE COURT SHOULD DISMISS THE TRADEMARK CLAIMS FOR 5 FAILURE TO STATE A CLAIM UNDER FED. R. CIV. P. 12(b)(6), 6 BECAUSE THE COMPLAINT ALLEGES NO ACTIONABLE "USE" 7 OF A TRADEMARK.

8 The Complaint alleges four separate causes of action against defendants that are based on trademark infringement. Three of those claims are under the Lanham 9 Act (counts I-III) and one is under California state law (Count V). However, the 10 11 same analysis and elements apply in California trademark and unfair business practices claims as those that apply in federal trademark claims. See Century 21 12 13 Real Estate Corp. v. Sandlin, 846 F.2d 1175, 1180 (9th Cir. 1988); Avery Dennison Corp. v. Sumpton, 189 F.3d 868, 874 (9th Cir. 1999). The Court should therefore 14 dismiss all of the Trademark Claims for the reasons set forth below. 15

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# a. The Court should dismiss the Trademark Claims because the only alleged "use" of "vampiro" is generic and thus not actionable.

18 Generic terms, which refer to the general class or category of the product, have been said to be "so useful to businesses selling the same product that no 19 amount of money poured into promoting customers' association of generic terms 20 21 with a particular source can justify 'depriving competing manufacturers of the product of the right to call an article by its name."" In Hyuk Suh v. Choon Sik Yang 22 23 987 F.Supp. 783, 791 (N.D.Cal. 1997) (citing Abercrombie & Fitch Co. v. Hunting World, Inc. 537 F.2d 4, 9 (2d Cir. 1976)). Plaintiff's complaint, however, asks the 24 Court to do just that: deprive Patco Brands of the right to call its vampiro cocktail by 25 its generic name, "vampiro." See Complaint ¶¶ 8-29. 26

27 Trademark law cannot and does not protect the generic usage of a word,
28 because "it is the source-denoting function which trademark laws protect, and

nothing more." Anti-Monopoly, Inc. v. Gen. Mills Fun Group, 611 F.2d 296, 301 1 (9th Cir. 1979). As the Ninth Circuit has explained, one competitor must "not be 2 permitted to impoverish the language of commerce by preventing his fellows from 3 fairly describing their own goods." Bada Co. v. Montgomery Ward & Co., 426 F.2d 4 5 8, 11 (9th Cir. 1970), Cert. denied, 400 U.S. 916 (1970); see also Mattel, Inc. v. MCA Records, 296 F.3d 894, 900 (9th Cir. 2002) ("The trademark owner does not 6 have the right to control public discourse whenever the public imbues his mark with 7 a meaning beyond its source-identifying function."); Indeed, "allowing the party 8 9 seeking protection to monopolize such language would prevent competitors from adequately describing their own products." Intel Corp. v. Terabyte Int'l, Inc., 6 F.3d 10 11 614, 618 (9th Cir. 1993). Yet this is exactly what Plaintiff asks the Court to do here.

An alleged mark is generic when its primary significance to the relevant 12 13 consuming public is not as "a source indicator," but as a generic designation for the goods or services at issue. 15 U.S.C. § 1064(3). In the context of evaluating 14 whether a particular mark warrants trademark protection, there is a two-part test 15 used to determine whether a designation is generic: (1) what is the genus of goods or 16 17 services at issue; and (2) does the relevant public understand the designation 18 primarily to refer to that genus of goods or services? H. Marvin Ginn Corp. v. Int'l Assn. of Fire Chiefs, Inc., 782 F.2d 987, 990 (Fed. Cir. 1986). 19

Under the doctrine of foreign equivalents, moreover, a word commonly used 20 in another language as the generic name of a product cannot be imported into the 21 22 United States and transformed into a valid trademark. Generic names in languages 23 other than English have often been held to be generic for the American trade. For 24 example, the term HA-LUSH-KA means egg noodles in Hungarian. It was held 25 generic as a name for egg noodles sold in the United States, the Court of Customs and Patent Appeals stating that "no one can be granted the exclusive use of the name 26 27 of an article, either in our native tongue or its equivalent in any foreign language."

See 2 McCarthy on Trademarks and Unfair Competition § 12:41 (5th ed.) citing
 Weiss Noodle Co. v. Golden Cracknel and Specialty Co., 290 F.2d 845, 847 (1961).

3 Patco Brands is not asking the Court to strip a trademark holder of trademark property rights, which is the fact pattern in which genericness is typically analyzed 4 5 under case law and which has a higher burden of proof. Here, the Court need only find that Patco Brand's use of the word "vampiro," as alleged in the Complaint, is 6 not a "trademark use," but generic use, in order to dismiss the Trademark Claims as 7 a matter of law, without leave to amend. The generic analysis used to determine a 8 9 mark's registrability is nevertheless helpful to establish that Patco Brands' use of the word "vampiro" is generic. 10

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# Patco Brands has Submitted Judicially-Noticeable Evidence Sufficient to Establish that Patco Brands' use of the word Vampiro is Generic.

The relevant public's perception has been said to be the "primary 14 consideration" in determining whether a term is generic for the purpose of 15 determining its registrability. Loglan Inst. Inc. v. Logical Language Grp. Inc., 902 16 F.2d 1038, 22 USPQ2d 1531, 1533 (Fed. Cir. 1992). Evidence to show the relevant 17 18 purchasing public's understanding of a term or phrase may be obtained from "any 19 competent source," such as dictionary definitions, trade journals, newspapers, and other publications. See, e.g., In re Dial-A-Mattress Operating Corp., 240 F.3d 20 1341, 1344-45 (Fed. Cir. 2001) (identifying dictionary definitions, trade journals, 21 newspapers, and other publications as competent sources to show the relevant 22 23 purchasing public's understanding of a term or phrase). Three types of evidence are "typically considered integral to the genericism determination: uses (1) by the media 24 25 and other third parties, (2) within the industry generally, and (3) [by the parties themselves]." Boston Duck Tours, LP v. Super Duck Tours, LLC 531 F.3d 1, 19 (1st 26 27 Cir. 2008); See, e.g., Schwan's IP, LLC v. Kraft Pizza Co., 460 F.3d 971, 975 (8th 28

Cir. 2006) (discussing the relevance of newspaper articles using the phrase "brick
 oven" to name a type of pizza rather than a specific brand).

3 In this case, the word "vampiro" is a direct Spanish translation for the English word "vampire." See RFJN, Ex. 6. Patco Brands has submitted judicially-noticeable 4 5 materials sufficient to show that the word "vampiro" is used in commerce to refer to a spiced cocktail, and it is not used as a source indicator for any particular brand. 6 Specifically, the RFJN evidence includes the Wikipedia page for "vampiro 7 (cocktail)," which explains that "[t]he Vampiro is popular in Mexico and is the 8 national drink. Mexicans named the cocktail Vampiro ('vampire') because the 9 Viuda de Sanchez juice mixer's red colour is reminiscent of blood." See RFJN, 10 Ex 7. The doctrine of foreign equivalents discussed above prevents Plaintiff from 11 "owning" this foreign word translation. 12

The Wikipedia page also makes clear that there are many variations of the 13 drink. For instance, Wikipedia explains, under a heading called "Variants," that 14 "[s]ome bartending guides suggest adding a shot of tomato juice, fresh-squeezed 15 orange and lime juice, grenadine syrup, hot pepper sauce and freshly-ground black 16 pepper to the glass, and omitting the Mexican sangrita." Id. Wikipedia further 17 18 describes another variant, where the "blood-red drink is a blend of ...pisco, tequila, 19 lemon, pineapple, Ramazzotti amaro and chicha morada, a sweet, tart, nonalcoholic Peruvian drink made from purple corn." See id. 20

In addition, the RFJN presents evidence of a printout of a Google Search
results page, which shows pages of search result \*hits\* in response to a search for
"vampiro cocktail," all of which demonstrate generic use, none of which show the
use of the use of the term as a trademark, by Plaintiff, or anyone else. The RFJN
includes representative examples of 10 different websites, all of which include
unique recipes in the English language, ostensibly directed to American and other
English-speaking consumers, for a version of the "vampiro cocktail," including such

notable sources for recipes such as allrecipes.com (Ex. 8), Martha Stewart (Ex. 9),
 and *Difford's Guide* (Ex. 10), among others. *See* RFJN at Exs. 8-21.

Patco Brands has also submitted evidence that El Jimador, a brand owned by
Brown-Forman, one of the largest American-owned companies in the wine and
spirits business (traded on the New York Stock Exchange under BF.B), also
produces "vampiro" as well as paloma ready-to-drink cocktails under the brand
name, "El Jimador New Mix." *See* León Decl. at ¶ 6, Ex. 6; *see also* RFJN 14.

The cumulative judicially-noticeable evidence is "probative of generic use 8 because the more members of the public see a term used by competitors in the field, 9 the less likely they will be to identify the term with one particular producer." Boston 10 Duck Tours, LP v. Super Duck Tours, LLC 531 F.3d 1, 19-20 (1st Cir. 2008) 11 (finding "duck tours" was used to refer to amphibious tours, not one particular 12 13 company) (quoting Classic Foods Int'l Corp. v. Kettle Foods, Inc., 468 F. Supp. 2d 1181, 1190 (C.D. Cal. 2007)); Schwan's IP, 460 F.3d at 975 (finding generic use of 14 a term by a company's competitors is indicative of public perception). Here, there is 15 substantial evidence that "vampiro" is prominently used in commerce to refer to a 16 generic spiced cocktail, and the Court should dismiss the claims on this basis. 17

18 19 b. The Court should dismiss the Trademark Claims because the only alleged "use" of "vampiro" constitutes fair use as a matter of law.

Even if the Court were to find the term "vampiro" is descriptive, as opposed to generic, Patco Brands' use of "vampiro" as alleged in the Complaint is subject to the classic fair use defense set forth in 15 U.S.C. § 1115(b)(4), as a matter of law.

The Lanham Act was not intended to deprive commercial speakers of the ordinary utility of descriptive words. "Applying the 'classic fair use' defense, '[a] junior user is always entitled to use a descriptive term in good faith in its primary, descriptive sense other than as a trademark." *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1150 (9th Cir. 2002). A use of trademark is allowed as a matter of law where its use is (1) other than as a trademark, (2) descriptive of the defendant's goods, and

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1 (3) in good faith. 15 U.S.C. § 1115(b)(4)." *KP Permanent II, supra*, 408 F.3d at 2 609.

Moreover, the fair use exception applies even in instances where a plaintiff
can demonstrate a likelihood of confusion, which is not the case here. As the
Supreme Court explained, "if any confusion results, that is a risk the plaintiff
accepted when it decided to identify its product with a mark that uses a well known
descriptive phrase." (Citations). *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 121–22 (2004).

9 Here, for all of the reasons described in section IV (a) above, and
10 demonstrated by the judicially-noticeable evidence, the Court must find that Patco
11 Brands is using the word "vampiro" (i) other than as a trademark, namely, it is using
12 it to call to mind the popular, generic name for a spicy cocktail that is popular in
13 Mexico and the United States. Rather, as shown by the judicially-noticeable
14 evidence filed concurrently herewith, the "vampiro" designation is (ii) descriptive of
15 the defendant's goods.

Finally, the Complaint alleges no factual support for its claims of bad faith
intentional infringement. To the contrary, the evidence is clear that Patco Brands'
use of the word "vampiro" to describe its vampiro cocktail to consumers who know
it by its common name, was in good faith. The claims in the Complaint cannot
stand in light of the fact that vampiro is a generic word, or in the alternative,
descriptive, and refers to a drink commonly known by consumers as the "vampiro."
15 U.S.C. § 1115(b)(4); *see also, e.g., KP Permanent II, supra*, 408 F.3d at 609.

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# The Court is able to dismiss the claims at the pleading stage without going outside of the Complaint.

While it may be "somewhat unusual" to dismiss a complaint on the grounds
of genericness [or fair use] at the pleading stage, there is precedent to support the
Court doing so here. *See Threshold Enters. v. Pressed Juicery, Inc.* 445 F.Supp.3d
139, 154 (N.D.Cal. 2020)); *see also Closed Loop*, 589 F.Supp.2d at 1220 (granting

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motion to dismiss after examining judicially-noticed documents and concluding 1 2 mark generic); Image Online Design, Inc. v. Internet Corp. for Assigned Named and Numbers, No. 12-cv-8968-DDP-JC, 2013 U.S. Dist. LEXIS 16896, 2013 WL 3 489899, at \*7-8 (C.D. Cal. 2013) (granting motion to dismiss after determining 4 5 proposed mark ".WEB" was generic for internet services); Whipple v. Brigman, No. 12-cv-258, 2013 U.S. Dist. LEXIS 19414, 2013 WL 566817, at \*4-5 (W.D.N.C. 6 Feb. 13, 2013) (granting motion for judgment on the pleadings after finding mark 7 8 generic); Energy Intelligence Group v. UBS Fin. Servs., No. 08-cv-1497-DAB, 2009 U.S. Dist. LEXIS 48495, 2009 WL 1490603, at \*4-6 (S.D.N.Y. 2009) (granting 9 10 motion to dismiss because mark generic). 11 The Court may review the complaint as well as any exhibits attached thereto without converting the motion to one for summary judgment. The examination of 12 13 such documents (attached to the pleadings or admitted by judicial notice) in a 14 motion for judgment on the pleadings does not transform the motion into one for summary judgment. Yang v. Dar Al-Handash Consultants, 250 F. App'x 771, 772 15

- 16 (9th Cir. 2007).
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# d. In the Alternative, the Court May Look Outside the Pleadings to Find that Patco Brands' Use of the Word Vampiro is Nonactionable.

Federal Rule of Civil Procedure 12(b)(6) specifically gives courts the 20 discretion to accept and consider extrinsic materials offered in connection with these 21 22 motions, and to convert the motion to one for summary judgment when a party has 23 notice that the district court may look beyond the pleadings. See Hamilton Materials Inc. v. Dow Chem. Corp. 494 F.3d 1203, 1207 (9th Cir. 2007). Plaintiff 24 has such notice here, and Patco Brands ask that the Court use its discretion to 25 consider the extrinsic materials, in the event the Court determines that it requires 26 27 evidence beyond that offered in Patco Brands' Request for Judicial Notice.

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# V. THE COURT SHOULD DISMISS THE FALSE ADVERTISING CLAIMS AGAINST PATCO BRANDS.

The Rancho La Gloria products are the primary focus of the False Advertising
claims alleged in the Complaint. To the extent that the Complaint alleges False
Advertising Claims against the GRAN AGAVE MIX vampiro cocktail, however,
the same arguments that MPL Brands makes in its Motion to Dismiss the False
Advertising Claims also apply to dismiss the false advertising claims against Patco
Brands based on its GRAN AGAVE MIX vampiro cocktail.

As explained in MPL Brands' Motion, Plaintiff does not have constitutional
or statutory standing to bring its claims, because Plaintiff has not alleged that it has
suffered any harm, nor could it. In its Complaint, Plaintiff alleges that the false
advertising harmed Plaintiff's Vampire Gourmet Bloody Mary cocktail, which
supposedly contains real tomatoes and vodka. [Complaint ¶¶ 34-35.] However,
judicially-noticeable facts conclusively establish that Plaintiff is not currently selling
Vampire Bloody May Cocktail, and has not ever done so. *See* RFJN 3-4.

Moreover, Plaintiff does not and cannot identify a "false statement" on the
label for the GRAN AGAVE Mix vampiro cocktail. The front label of the accused
product expressly states that it is made from: "100% Agave Wine, Mineral Water,
Natural Spice, and Citrus Flavor." *See* Patco Brands' RFJN at Ex. 22. Separately,
the label also states "THE VAMPIRO COCKTAIL IS AN AUTHENTIC
MEXICAN MASTERPIECE THAT INCLUDES HINTS OF GRAPEFRUIT,
LIME & SPICES, FIZZY MINERAL WATER & 100% AGAVE WINE." *Id.*

In any event, because Patco Brands is named as a defendant in the False
Advertising Claims and Plaintiff falsely alleges that MPL Brands and Patco Brands
are alter egos of one another, MPL Brands files this joinder and adopts and
incorporates by reference all arguments set forth in said Motion and supporting
papers in support of dismissal of the False Advertising Claims against defendant
Patco Brands, on the same grounds provided for the dismissal of the False

1 Advertising claims against MPL Brands.

# **VI.** CONCLUSION

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For all the foregoing reasons, Defendant Patco Brands respectfully requests 3 that the Court dismiss the above-defined "Trademark Infringement Claims" 4 pursuant to Fed. R. Civ. P. 12(b)(6), with prejudice, and that it dismisses any 5 remaining false advertising claim against Patco Brands for the reasons provided in 6 MPL Brands' Motion to Dismiss, which Patco Brands has joined. See Patco Brands' 7 8 Joinder filed concurrently herewith. In the alternative, the Court may convert this motion to one for summary judgment and dismiss the claims against Patco Brands 9 on the basis that there is no material fact in dispute such that all of the claims 10 alleged against Patco Brands fail as a matter of law. 11 12 13 Dated: December 23, 2020 **BLAKELY LAW GROUP** 14 /s/ Courtney Stuart-Alban By: Brent H. Blakely 15 Courtney Stuart-Alban 16 Attorneys for Defendant MPL Brands NV, Inc. 17 18 19

-22-Defendant MPL Brand NV, Inc.'s Motion To Dismiss Complaint