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

Proceeding	91268387
Party	Defendant AiYaRa, LLC
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

TRADEMARK HOLDINGS SRL,

Opposer,

Opposition No. 91268387

v.

AIYARA, LLC

Applicant.

APPLICANT’S MOTION TO DISMISS NOTICE OF OPPOSITION

Applicant, AIYARA, LLC (“Applicant”), by and through undersigned counsel and pursuant to Trademark Rule 2.127 and Federal Rules of Civil Procedure 12(b)(6), hereby moves to dismiss the Notice of Opposition of TRADEMARK HOLDINGS SRL, a Costa Rica entity (“Opposer”), and states the following in support:

I. BACKGROUND

Applicant filed its trademark applications for registration of the standard character mark NAIYARA (Application Serial No. 88/097,958) and stylized mark NAI YA RA (Application Serial No. 88/097,970) on August 29, 2018, both with a claimed date of first use on March 27, 2015 (“Applicant’s Marks”). Opposer filed the instant Notice of Opposition (the “Opposition”) against registration of Applicant’s Marks based on Opposer’s conclusory allegations of common law trademark rights in an alleged NAYARA mark. 1 TTABVUE ¶¶ 1, 4, 17-18. In the Opposition, Opposer alleged priority and likelihood of confusion and dilution, (1 TTABVUE), but Opposer has not, and cannot, plead standing or priority to maintain these proceedings. Moreover, the allegations in the Opposition, even if taken as true, fail to satisfy required use in commerce when viewed under the well-pleaded complaint rule. Accordingly, the Board should dismiss the Opposition with prejudice.

II. LEGAL STANDARD

A. Motion to Dismiss

Under Federal Rule of Civil Procedure 12(b)(6), as applicable here pursuant to Trademark Rules 2.116; 37 C.F.R. § 2.116, dismissal is required when a petition fails to state a viable claim. *See Ashcroft v. Iqbal*, 129 S. Ct. 1937, 1949 (2009). To survive a motion to dismiss for failure to state a claim upon which relief can be granted, a plaintiff must allege sufficient factual matter that, if proved, would allow the Board to conclude, or to draw a reasonable inference, that (1) the plaintiff has standing to maintain the proceeding, and (2) a valid ground exists for opposing the registration. *Doyle v. Al Johnson's Swed. Rest. & Butik Inc.*, 101 USPQ2d 1780, 1782 (TTAB 2012) (citing *Young v. AGB Corp.*, 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998)); *see also* TBMP § 503.02 (2020); *See also Lewis Silkin LLP v. Firebrand LLC*, 129 USPQ2d 1015, 1016 (TTAB 2018) (Board follows federal notice pleading standard which includes the requirement that the complaint “state a claim to relief that is plausible on its face”).

Specifically, the pleading “must contain sufficient factual matter, accepted as true, to ‘state a claim to relief that is *plausible on its face*.’” *Doyle*, 101 USPQ2d at 1782 (quoting *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009)) (emphasis added). In particular, a plaintiff must allege well-pleaded factual matter and more than “[t]hreadbare recitals of the elements of a cause of action, supported by mere conclusory statements.” *Iqbal*, 556 U.S. at 678 (citing *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555 (2007)). Though Rule 8(a)(2) does not require detailed factual allegations, it does require more than labels, conclusions, formulaic recitations of the elements of a cause of action, and naked assertions. *See Iqbal*, 556 U.S. at 678; Fed. R. Civ. P. 8(a)(2).

Although the Board, in deciding a motion to dismiss, must accept as true all factual allegations in the complaint, it is not bound to accept as true a legal conclusion couched as a factual allegation. *Twombly*, 550 U.S. at 555.

B. Standing

Standing is a threshold issue that must be plead and proved by the plaintiff in every *inter partes* case. See *Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058, 1062 (Fed. Cir. 2014). To establish standing in an opposition proceeding, a plaintiff must prove that it has a “real interest,” *i.e.*, a “reasonable” basis for its belief of damage. See *Empresa Cubana*, 111 USPQ2d at 1062; *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999).

Standing is measured as of the time that suit is filed, and cannot be cured retroactively if it is lacking at that time. *Australian Therapeutic Supplies Pty Ltd. v. Naked TM, LLC*, 981 F.3d 1083, 1094 (Fed. Cir. 2020).

Moreover, in an opposition proceeding such as this, the opposer must show that it will likely be damaged by the registration which it opposes. *Doyle v. Al Johnson’s Swedish Restaurant & Butik, Inc.*, 101 U.S.P.Q.2d 1780, 2012 WL 695211, at *2 (TTAB 2012). Furthermore, such allegations that it would be damaged by a registration “must have a reasonable basis in fact.” *Id.* (internal quotations omitted). The purpose in requiring standing (similar to that of the federal courts) is to avoid abstract disputes and prevent litigation where there is no real controversy between the parties, such as where a plaintiff, petitioner or opposer, is no more than an “intermeddler.” *Lipton Indust., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 1028-29 (C.C.P.A. 1982).

III. OPPOSER HAS FAILED TO STATE A CLAIM ON WHICH RELIEF CAN BE GRANTED.

A. Opposer Does Not Allege Its Own Use of a Mark to Oppose a Registration.

At the onset, Applicant notes that Opposer fails to allege its own use of a mark as basis for opposition. Rather, after a conclusory allegation that it owns the alleged NAYARA mark, Opposer proceeds to allege that some unnamed entity or entities—which Opposer refers to collectively as the “Nayara Resorts” (hereinafter the “Non-Party Nayara Resorts”)—are using the following marks in Costa Rica: Nayara Springs, Nayara Tented Camp, and the Nayara Resort, Spa, & Gardens. Alleged use by the Non-Party Nayara Resorts cannot be the basis of an opposition by Opposer.

Even if the Opposer’s allegations are taken as true, the alleged use in Costa Rica is being made by a third party. Nowhere in the Opposition does Opposer allege that trademark use is being made by Opposer, or by the Non-Party Nayara Resorts in connection with Opposer. Further, Opposer alleges no relationship between itself and any of these Non-Party Nayara Resorts.

Opposition is a personal right and “[r]elated companies are separate persons for the purpose of filing an opposition.” TMEP § 1503.02; *SDT Inc. v. Patterson Dental Co.*, 30 USPQ2d 1707, 1709 (TTAB 1994) (licensee, as party in privity with opposer, could have joined opposer in filing opposition during extension of time to oppose; however, having failed to join opposer in filing opposition during extension of time to oppose, licensee may not be joined after opposition is filed). Here, the sole Opposer is Trademark Holdings SRL. Thus, even if the Non-Party Nayara Resorts were using the NAYARA marks as alleged, they were not named in the Opposition and the time to oppose has expired. *SDT Inc.*, 30 USPQ2d at 1707; *see* 15 U.S.C. §1063(a) (an opposition must be filed within thirty days after the date of publication in the

Trademark Official Gazette; a timely extension of time to file opposition must be filed within the same period); 37 C.F.R. §2.101(c). Here, it is too late for any other party to bring an opposition against Applicant's Marks. *The Equine Touch Found., Inc. v. Equinology, Inc.*, 91 USPQ2d 1943,1945 n.6 (TTAB 2009) ("The time for filing a notice of opposition is statutory and cannot be waived by the Board"); *see also* TBMP §§306 *et seq.* (same).

Further, as set forth more fully below, even if Opposer had properly alleged its own use of the mark in the Opposition, use of a mark in Costa Rica, as alleged, is not sufficient, as a matter of law, to assert standing in these proceedings. The Board and the Federal Circuit, its primary reviewing court, have long held that the principle of territoriality is inherent in the Lanham Act. In other words, an opposer must have use or a registration *in the United States* in order to have standing.

B. Neither Opposer Nor the Non-Party Nayara Resorts Have Standing.

Opposer alleges that the Non-Party Nayara Resorts "has three luxury resort hotels *in Costa Rica*; Nayara Springs, Nayara Tented Camp, and the Nayara Resort, Spa, & Gardens" 1 TTABVUE ¶ 1 (emphasis supplied). Opposer has not alleged, nor can it, that it or the Non-Party Nayara Resorts operate any resorts in the United States—the only commerce that can be regulated by Congress. Indeed, Opposer offers little more than conclusory allegations that it "is the owner of the common law trademark rights for Nayara¹" (¶ 1), "utilizes its Nayara common law trademark in commerce on an ongoing basis throughout the United States" (¶¶ 4, 17), and thus, has priority over Applicant's Marks "for nearly a decade prior to Applicant's first use" (¶ 18).

¹ While alleging generally a NAYARA mark, the facts actually alleged by Opposer are Costa Rican resorts operate under the names *Nayara Springs*, *Nayara Tented Camp*, and *Nayara Resort, Spa, & Gardens*, not "Nayara" alone. 1 TTABVUE ¶ 1. The cancelled U.S. Registration No. 4,862,508 was for the design mark NAYARA HOTEL, SPA & GARDENS and Design. There is no allegation of NAYARA alone being used by anyone.

Nor does Opposer plead a federal registration on which it can rely.² See 1 TTABVUE ¶¶ 12-14. There were no exhibits to the Opposition to support the bare allegations of “use.” In Opposer’s own words, the only use of the alleged NAYARA mark is outside the United States in connection with resorts “located in Costa Rica.” *Id.* at ¶ 1. Opposer’s pleading does not allege any facts that relate specifically to use of the alleged NAYARA mark *in the United States* by Opposer or even the Non-Party Nayara Resorts entit(ies) that pre-dates Applicant’s claimed date of first use of March 27, 2015.

Notably, Opposer alleges that the alleged NAYARA mark has been “extensively promoted and advertised.” *Id.* at ¶ 2. However, advertisement without use in the United States is not use in commerce. *Aycock Eng’g, Inc. v. Airflite, Inc.*, 560 F.3d 1350, 1357 (Fed. Cir. 2009); *Mother’s Restaurants Inc. v. Mother’s Other Kitchen, Inc.*, 218 U.S.P.Q. (BNA) 1046, 1983 WL 51992, at *2 (TTAB June 2, 1983).

Moreover, Opposer cannot rely on an allegedly, “famous” mark to survive a motion to dismiss. 1 TTABVUE ¶ 3. Indeed, the Board, in *Mother’s Restaurants*, acknowledged that foreign trademarks deemed “famous” cannot enjoy Lanham Act protection without use in commerce or a demonstrated use or display of the mark in order to advertise or sell services in such qualifying commerce. *Mother’s Restaurants Inc.*, 218 U.S.P.Q. (BNA) at 1048, 1983 WL 51992, at *2. Thus, Opposer’s opposition based on a claim of dilution also fails.

Opposer attempts to allege its recently filed trademark application (Application Serial No. 90/601,628) as a basis of opposition. 1 TTABVUE ¶ 20. This application was only filed on March 24, 2021, two days before the instant proceedings were instituted. 1, 3 TTABVUE.

² According to Trademark Office records, U.S. Registration No. 4,862,508 was registered in the name of Trademark Holding, S.A., not in the name of the Opposer herein. Opposer does not allege ownership or any relationship to the registrant of the now-cancelled registration. Nonetheless, the cancellation makes the prior registration and its ownership irrelevant.

Applicant's date of first use was in 2015, and its applications were filed in 2018, long before Opposer's alleged application was filed. Thus, with respect to any United States trademark rights Opposer *may* have, it is not sufficient to support standing or priority to oppose registration of Applicant's Marks.

Opposer cannot rely on conclusory allegations of "use" as its basis for opposing registration of Applicant's Marks, and thus does not have standing to maintain an opposition. "A party's pleading lays the foundation for standing. Thus, if it does not plead facts sufficient to show a personal interest in the outcome beyond that of the general public, the case may be dismissed for failure to state a claim." *Lipton Indus. v. Ralston Purina Co.*, 670 F.2d 1024, 1028 (C.C.P.A. 1982); *see also Doyle v. Al Johnson's Swedish Restaurant & Butik, Inc.*, 101 U.S.P.Q.2d 1780, 2012 WL 695211, at *2 (TTAB 2012). "A petitioner must still plead . . . standing as a 'threshold inquiry.'" *Australian Therapeutic Supplies Pty Ltd. v. Naked TM, LLC*, 981 F.3d 1083, 1094 (Fed. Cir. 2020) (citing *Lipton*, 670 F.2d at 1028).

Such threadbare allegations of Opposer's purported standing do not satisfy the well-pleaded complaint rule, and thus cannot withstand a motion to dismiss. *Lipton Indus.*, 670 F.2d at 1028.

C. Opposer Fails to Plead Priority.

The foregoing issues aside, the Opposition also fails to state a claim of priority.

The only alleged use of any mark containing the element NAYARA is in Costa Rica—not in the United States. "It is well settled that activity outside of the United States does not create rights in marks within the United States." *Linville v. Rivard*, 41 U.S.P.Q.2d 1731, 1996 WL 795315 (TTAB 1996) (non-precedential), *aff'd Rivard v. Linville*, 133 F.3d 1446 (Fed. Cir. 1998). In other words, use of the marks containing Nayara in Costa Rica is not the type of use

that Congress can regulate, and thus such use “does not create rights in marks within the United States.” *Id.*

Based only on conclusory allegations, Opposer claims it is entitled to relief under Section 2(d). Opposer cannot allege priority because 1) the only alleged use is outside the United States, and 2) the only alleged use is by unnamed Non-party Nayara Resorts entit(ies), no valid ground exists for the Opposition, and thus the proceedings must be dismissed.

D. Opposer Fails to State a Claim under Section 2(d)

Opposer alleges that use in Costa Rica pre-dates Applicant’s use (1 TTABVUE ¶¶ 1, 3, 18), that the alleged NAYARA mark is used in connection with resorts which are “critically acclaimed . . . and . . . consistently rated as the top resorts in Central America and the world,” (¶ 2), and that Applicant’s Marks are “likely cause confusion, mistake, or deception among consumers concerning the origin, source or sponsorship of Applicant’s products in violation of 15 U.S.C. §§ 1052(d) and 1125(a)” (¶ 28).

Section 2(d) is, by its express terms, available only to those who can demonstrate that their mark is registered or has been “previously used in the United States.” 15 U.S.C. § 1052(d). It is well settled law that priority in the United States arises solely from use in the United States, not from use in a foreign country. *Aktieselskabet af 21, November 2001 v. Fame Jeans*, 77 U.S.P.Q. 2d 1861 (TTAB 2006) (citing *Person’s Co. v. Christman*, 900 F.2d 1565 (Fed. Cir. 1990)); *Linville v. Rivard*, 41 U.S.P.Q.2d 1731, 1996 WL 795315 (TTAB 1996) (non-precedential), *aff’d Rivard v. Linville*, 133 F.3d 1446 (Fed. Cir. 1998). The Board has consistently followed this rule. *Bayer Consumer Care AG v. Belmora, LLC.*, 90 U.S.P.Q.2d 1587 (TTAB 2009); *Mother’s Restaurants Inc. v. Mother’s Other Kitchen, Inc.*, 218 U.S.P.Q. (BNA) 1046, 1048, 1983 WL 51992, at *2 (TTAB June 2, 1983). Accordingly, Opposer has failed to state a claim for two reasons:

First, there is no allegation that Opposer was selling or rendering services bearing the mark *in the United States* prior to Applicant. Thus, Opposer has not pleaded a proper Section 2(d) claim.

Second, to the extent that Opposer is relying on *a third party's use in Costa Rica*, such allegations are insufficient to establish priority.

With respect to the cited registration, it was cancelled and cannot form the basis of priority under Section 9(d). *Black & Decker Corp. v. Emerson Electric Co.*, 84 USPQ2d 1482, 1490 (TTAB 2007) (cancelled registration has no probative value). Thus, in the absence of a properly pleaded registration, priority is an issue. *See L.C. Licensing Inc. v. Berman*, 86 USPQ2d 1883, 1887 (TTAB 2008) (pleaded registrations show current ownership and that each is valid and subsisting; priority is not an issue).

Therefore, Opposer “has no reasonable basis for believing that it [will be] damaged by the registration” of Applicant’s Marks. *General Healthcare v. Qashat*, 254 F. Supp. 2d 193, (D.Ma. 2003), *aff’d* on other grounds, 364 F.3d 332 (1st Cir. 2004). Consequently, Opposer lacks standing because it has failed to allege any priority rights in the alleged NAYARA mark in the United States, and thus Opposer has not stated a claim on which relief can be granted under Trademark Act Section 2(d).

IV. CONCLUSION

The Opposition fails to satisfy the required use in commerce under the well-pleaded complaint rule. The facts, even when viewed in the light most favorable to Opposer, do not support prior use of the alleged NAYARA mark in United States commerce. Therefore, Opposer does not have standing or priority to oppose registration of Applicant's Marks. Accordingly, the Notice of Opposition fails to state a claim upon which relief can be granted and must be dismissed with prejudice.

Dated: May 5, 2021

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and complete copy of the foregoing has been served on counsel for the Opposer by forwarding said copy on May 5, 2021, via email to:

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