

TTAB

Attorney Docket 026358-000101US

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

Registration No. 3,037,538
Issued: January 3, 2006
For: **CAMPARI**



11-13-2007

U.S. Patent & TMO/TM Mail Rept Dt #

Westgro Sales, Inc.,

Petitioner,

vs.

Mastronardi Produce, Ltd.,

Registrant.

Cancellation No. 92045971

78314145

**PETITIONER'S OPPOSITION TO
RESPONDENT'S MOTION TO DISMISS
FIRST AMENDED PETITION FOR
CANCELLATION**

I. INTRODUCTION

The motion before the Board is replete with mischaracterizations¹ of the First Amended Petition for Cancellation and applicable law. Respondent Mastronardi Produce Ltd. ("Mastronardi") has failed to review the entirety of Petitioner Westgro Sales, Inc.'s (Westgro's) First Amended Petition for Cancellation or to appreciate the legal burden associated with its motion to dismiss. Mastronardi's motion instead appears only intended to impede the progress of this action. Regardless of Mastronardi's state of mind, it is abundantly clear that its motion to dismiss is utterly without merit. The Amended Petition includes allegations of genericness, non-ownership, as well as fraud, and the latter is well supported by detailed factual allegations. Mastronardi may speciously argue that Westgro's allegations are "implausible," but that

¹ Respondent's motion speciously asserts that "the amended petition is based solely on fraud on the Trademark Office" and "Petitioner is seeking to cancel the registration only on the basis of fraud on the Trademark Office." Motion at pp. 1-2.

characterization – even if true – does not reflect Mastronardi's heavy burden on its Rule 12 motion.

What is apparent, however, is that Mastronardi's carelessness with the truth, abundantly in evidence during the prosecution of the subject registration, has carried over to this *inter partes* action.

II. THE ALLEGATIONS

Paragraph 1 of the Amended Petition alleges that "CAMPARI is a varietal name for tomatoes." Further allegations conclusively establish, for purposes of this motion, that:

- "The term CAMPARI is not distinctive of the goods offered by" Mastronardi. Amended Petition, ¶ 7.
- Mastronardi is obligated to use the CAMPARI name on fresh tomatoes by an agreement with its supplier of CAMPARI-labeled seed, and that other growers and/or distributors using CAMPARI-labeled seed share the obligation to use the CAMPARI term. *Id.*, ¶¶ 7 and 9.
- Mastronardi's "use of CAMPARI tomato seeds, and hence its labeling of fresh tomatoes as CAMPARI, in the United States is and has always been subject to an agreement with [Mastronardi's] supplier of CAMPARI-labeled seed." *Id.*, ¶ 11.
- Mastronardi "affirmed its non-ownership of CAMPARI ... when it executed an Exclusive Distribution Agreement ... [that] expressly identifies Westgro as the owner of CAMPARI in the United States and [Mastronardi] and Westgro's licensee." *Id.*, ¶ 15

None of the aforementioned allegations, which are exemplary of the Amended Petition and not exhaustive, sound in fraud. Instead, they generally relate to the non-registerability of the term CAMPARI for fresh tomatoes or, alternatively, Mastronardi's lack of ownership. Both are valid grounds for cancellation independent of any fraud allegations. It is no wonder that Mastronardi seeks to misdirect the Board with its impassioned, yet equally meritless, discussion of fraud.

With regard to Mastronardi's fraudulent conduct, Westgro alleges:

- Mastronardi knew for a fact, when filing the application, that CAMPARI was a varietal name for tomatoes and thus could not function as a trademark. Amended Petition, ¶ 1.
- Mastronardi falsely stated on August 20, 2004, that it was not "aware of any significance of the mark CAMPARI in the relevant trade or industry." *Id.*, ¶ 4.
- Mastronardi knew that its use of the term CAMPARI was governed by two agreements, from 2001 and 2005, in which Mastronardi contracted to purchase CAMPARI-labeled seed. *Id.*, ¶¶ 9 and 15.
- Prior to Mastronardi's filing of the application that resulted in the subject registration, Mastronardi had entered into an agreement with Westgro that provided Mastronardi with access to CAMPARI-labeled seed and governed Mastronardi's CAMPARI-labeling of fruit grown from such seed. *Id.*, ¶ 12.
- Mastronardi took affirmative steps in the Trademark Office to advance the application to registration *after* acknowledging that it lacked trademark rights. *Id.*, ¶ 16.

As set forth below, the fraud allegations of the Amended Petition, including the exemplary allegations identified above, far exceed the pleading requirements imposed by Rule 9(b) of the Federal Rules of Civil Procedure.

III. ARGUMENT

Mastronardi cannot meet its burden on its motion to dismiss, which must be promptly denied. Aside from mischaracterizing the claims of the Amended Petition, Mastronardi either fails to cite the proper legal standards or cites them incompletely. When the allegations of the Amended Petition are viewed in the light of the proper legal standards, the motion to dismiss is plainly revealed as an obstreperous exercise.

A. Legal Standard

In order to withstand a motion to dismiss, a pleading need only allege such facts as would, if proved, establish that the petitioner is entitled to the relief sought, that is, that (1) the petitioner has standing to maintain the proceeding, and (2) a valid ground exists for cancelling the respondent's registration. The pleading must be examined in its entirety, construing the allegations therein liberally, as required by Fed. R. Civ. P. 8(f), to determine whether it contains any allegations, which, if proved, would entitle plaintiff to the relief sought.

Otto International Inc. v. Otto Kern GmbH, 83 USPQ 2d 1861, 1862 (TTAB 2007) (internal citations omitted). Mastronardi has not challenged Westgro's standing or the reasonableness of Westgro's belief of damage. Instead, Mastronardi bases the motion to dismiss on Westgro's alleged failure to adequately allege fraud or genericness, curiously applying the heightened pleading standard to the genericness claim.

There can be no dispute that grounds for cancellation may include: (1) that the "mark" is instead a generic term, 15 U.S.C. § 1064(3); (2) that registrant is not the owner of the mark and thus not entitled to registration under 15 U.S.C. § 1051(a)(1), *see also*, TBMP § 309.03(c)(8); and (3) that the registration was obtained fraudulently, 15 U.S.C. § 1064(3). For the first two listed grounds, all that is required is a short and plain statement.³ The pleading standard, of course, is different for a cancellation ground sounding in fraud.

"In all averments of fraud or mistake, the circumstances constituting fraud or mistake shall be stated with particularity. **Malice, intent, knowledge, and other condition of mind of a person may be averred generally.**" Fed.R.Civ.P. 9(b) (emphasis added to the Rule's language inexplicably missing from Mastronardi's moving papers). Fraud is adequately pled with:

³ "The petition for cancellation must set forth a short and plain statement showing why the petitioner believes he, she or it is or will be damaged by the registration, state the grounds for cancellation, and indicate, to the best of petitioner's knowledge, the name and address of the current owner of the registration." 37 CFR § 2.112(a)

particular facts (e.g., substantial identity between the parties' marks and goods or services, or a prior court decree or agreement of the parties which clearly establishes the other person's rights in the mark), which, if proven, would establish that, at the time the application was filed, defendant had no reasonable basis for its averred belief that no other person had a right to use the same or a confusingly similar mark on or in connection with the goods or services identified in the application.

Intellimedia Sports Inc. v. Intellimedia Corp., 43 USPQ 2d 1203, 1207 (TTAB 1997).

B. Westgro Has Adequately Alleged Cognizable Grounds for Cancellation

Since varietal names for plants are deemed to be generic and unregistrable, the Amended Petition's initial factual allegation, on its own, supports the cancellation of the subject registration. *In re Pennington Seed Inc.*, 80 USPQ 2d 1758, 1764 ("we hold as a matter of law that plant varietal names are generic"). Strictly on this basis, Mastronardi's motion to dismiss is patently frivolous.

Westgro alternatively alleges that Mastronardi does not own the mark CAMPARI, and thus is not entitled to registration. This non-ownership claim stands on its own and apart from the fraud claims. Contrary to Mastronardi's argument, there is no need to impose Rule 9(b) pleading standards on the non-ownership ground for cancellation. Moreover, there is no need for Westgro to posit itself as the owner of CAMPARI in order to state a ground for cancellation. First, the subject registrations may be cancelled on any basis for which registration might have been denied in the first place, and registration would have been properly denied if Mastronardi was not the owner. Second, Westgro's standing, which is not challenged by Mastronardi, does not require a competing claim of ownership. It is sufficient that Westgro be harmed by the maintenance of the registration. *See, e.g.*, Amended Petition, ¶ 19 ("such registration will interfere with Petitioner's sales and distribution of seeds of the CAMPARI tomato variety ... [Mastronardi] has used and now uses its color of statutory rights to threaten Petitioner's customers regarding their use of the term CAMPARI.").

Inasmuch as the rules of practice generally call for a "short and plain statement" of the grounds for cancellation, there is no basis to dismiss the genericness and non-ownership claims.

Rule 9(b) has no applicability. Fraud is an additional ground for cancellation, not a necessary element for all grounds. Mastronardi's motion unfortunately founders on this missed distinction.

C. Westgro Has Alleged Fraud With More Than Sufficient Particularity

Pleading standards under Rule 9(b) require only that "circumstances constituting fraud ... be stated with particularity." The "state of mind" of the person, however, may be alleged generally. In the context of a cancellation action, it is sufficient that "particular facts ... , which, if proven, would establish that, at the time the application was filed, defendant had no reasonable basis for its averred belief." *Intellimedia Sports*, 43 USPQ 2d at 1207.⁴ Here, the particular fraudulent *circumstances* include Mastronardi: (1) knowingly seeking registration of an unregistrable varietal name, Amended Petition, ¶¶ 1 and 2; (2) knowingly and falsely stating that CAMPARI lacks significance in the trade, *Id.*, ¶¶ 4 and 5; and (3) knowingly and falsely stating that it owned CAMPARI, *Id.*, ¶¶ 12-17.

These circumstances are identified with particularity. The factual allegations refer to specific knowing and false statements made at particular times. Moreover, the Amended Petition sets forth factual allegations demonstrating that Mastronardi had "no reasonable basis for its averred belief."

1. Knowing Effort to Register a Varietal Name

Mastronardi's application asserted under oath that it owned the CAMPARI trademark for fresh tomatoes. CAMPARI, however, is a varietal name and cannot function as a mark, an alleged fact that Mastronardi does not seem to dispute. Westgro alleges that Mastronardi knew that CAMPARI was a varietal name at the time it executed the application's oath. These are the particular circumstances that lead to the first fraud claim. To the extent that Mastronardi asserts

⁴ Unfortunately, in its argument Mastronardi goes beyond the pleading standard articulated in *Intellimedia Sports* and also imports the analysis of the facts of that case, failing to appreciate that disparate facts are presented here.

that the basis for its knowledge is not stated with particularity, Mastronardi is reminded that Rule 9(b) expressly allows that knowledge may be averred generally.

Nevertheless, Paragraph 9 of the Amended Petition expressly references a 2001 agreement to which Westgro and Mastronardi were parties. While it is not appropriate or necessary to go outside the pleadings at this stage, Westgro makes the following proffer to illustrate the utter bad faith underlying Mastronardi's motion to dismiss:

- Paul Mastronardi, Respondent's principal, executed the 2001 agreement. Declaration of Marc M. Gorelnik in Support of Westgro's Opposition to Motion to Dismiss First Amended Petition for Cancellation ("Gorelnik Decl."), ¶ 2.
- The agreement executed by Mastronardi provides that "Campari tomato seed" will be supplied to Mastronardi "to meet the requirements ... to market this variety of tomato." *Id.*, ¶ 4.
- "Technical assistance for this variety ... will be provided to Mastronardi produce." *Id.*, ¶ 5.

Years before filing the application that matured into the subject registration, Mastronardi acknowledged that CAMPARI was the name of a variety of tomato and that Mastronardi would be the *recipient* of CAMPARI seed. There was never a reasonable basis for Mastronardi's claim that CAMPARI was a trademark, let alone a mark owned by Mastronardi.

2. Falsely Stating That CAMPARI Has No Meaning in the Trade

The Amended Petition alleges with great particularity that Mastronardi prosecuted the application through demonstrably false statements. *See, e.g.*, Amended Petition, ¶ 4 (identifying March 6 inquiry by the Examining Attorney and August 20, 2004 response, that was demonstrably false). Again, knowledge may be alleged generally. However, the 2001 agreement executed by Mastronardi repeatedly references CAMPARI as a "variety," and Mastronardi may fairly be charged with that knowledge. There was never a reasonable basis for Mastronardi's claim that CAMPARI lacked significance in the relevant trade.

3. Knowing Effort to Register a "Mark" That Mastronardi Did Not Own

Again, the Amended Petition recites in detail that Mastronardi did not and does not own CAMPARI and that its use of CAMPARI was subject to agreements with other parties, hardly an indicia of ownership. Amended Petition, ¶¶ 12-17. Indeed, the Amended Petition references an April 1, 2005 agreement in which Mastronardi affirmed its non-ownership of CAMPARI. *Id.*, ¶ 15. This was well before the application matured to registration. Moreover, the application was suspended at the time of the 2005 agreement and Mastronardi thereafter took multiple affirmative steps to advance its application to registration, and hence continued to push its false ownership claim. *Id.*, ¶ 16. There was no reasonable basis to maintain the applications.

IV. CONCLUSION

The motion to dismiss should be denied. It lacks an adequate legal foundation and is, to be most charitable, disingenuous as to facts well known to Mastronardi. The Board should not be misdirected by Mastronardi. Not all claims in the Amended Petition sound in fraud and there is no basis for Mastronardi's insistence that these non-fraud claims – genericness and non-ownership – be pled with great particularity rather than a short and plain statement. With regard to fraud, Westgro alleges with sufficient detail three different circumstances of knowing, wrongful conduct by Mastronardi. It is not Westgro's burden, at this early stage, to prove up each of its claims. Westgro need only give Mastronardi sufficient notice of its claims, including the circumstances giving rise to the fraud claims. The proper time for Westgro's submission of the full evidentiary basis of Mastronardi's fraud on the Trademark Office will be upon summary judgment or trial.

Respectfully submitted,

TOWNSEND AND TOWNSEND AND CREW LLP

Dated: November 9, 2007

By: 

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CERTIFICATE OF MAILING

I hereby certify that the foregoing document is being deposited with the United States Postal Service, on November 9, 2007, as first class mail in an envelope addressed to:

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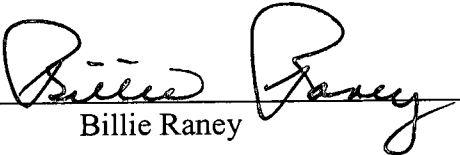

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CERTIFICATE OF SERVICE

I hereby certify that this **PETITIONER'S OPPOSITION TO RESPONDENT'S MOTION TO DISMISS FIRST AMENDED PETITION FOR CANCELLATION** is being deposited with the United States Postal Service as first class mail in an envelope on November 9, 2007 addressed to:

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