

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 15-9658 PSG (JPRx)	Date	June 2, 2016
Title	Vina Undurruga S.A. v. Serine Cannonau Vineyard, Inc.		

Present: The Honorable	Philip S. Gutierrez, United States District Judge		
	Wendy Hernandez		Not Reported
	Deputy Clerk		Court Reporter
Attorneys Present for Plaintiff(s):		Attorneys Present for Defendant(s):	
Not Present		Not Present	

Proceedings (In Chambers): Order DENYING Motion to Dismiss

Before the Court is Defendant Serine Cannonau Vineyard, Inc.’s motion to dismiss Plaintiff Viña Undurruga S.A.’s complaint. Dkt. #12. The Court finds the matter appropriate for decision without oral argument. *See* Fed. R. Civ. P. 78(b); L.R. 7–15. After considering the moving, opposing, reply, and supplemental briefing papers, the Court DENIES the motion to dismiss.

I. Background

Plaintiff and Defendant are both wine sellers. *Compl.* ¶¶ 18, 20–21, 24. Plaintiff registered trademarks for “TH” and “TH Terroir Hunter” for wine labels in 2008. *Id.* ¶ 7. In 2010, Defendant sought a trademark registration for a stylized logo for its Terry Hoage Vineyards wines, *see id.* ¶¶ 8, 20, 24, 26,¹ which the Patent and Trademark Office (“PTO”) denied in light of Plaintiff’s trademarks, *id.* ¶ 9.

In 2011, Defendant filed a petition to cancel Plaintiff’s trademark for “TH” due to Defendant’s alleged prior use of its stylized letter combination. *Id.* ¶ 10. Defendant did not seek to cancel the “TH Terroir Hunter” trademark. *Id.* ¶ 11. In October 2015, the Trademark Trial and Appeal Board (“TTAB”) granted Defendant’s petition for cancellation of the “TH”

¹ The logo is:



See Compl. ¶ 8

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trademark. The TTAB found that Defendant had used its stylized mark before Plaintiff used its “TH” mark, that the two marks were confusingly similar, and that Plaintiff’s “TH Terroir Hunter” mark, which was not canceled, was not sufficient for a prior registration defense. *Id.*, Ex. C [“TTAB Cancellation Decision”] 4–10. Plaintiff alleges that sometime after Defendant filed for cancellation in 2011, Defendant rebranded its Terry Hoage Vineyards wines as TH Estate Wines.

Pursuant to § 21(b) of the Lanham Act, Plaintiff commenced a civil action in this Court. Dkt. #1. Plaintiff brought claims for *de novo* review of the TTAB’s cancellation decision, trademark infringement under the Lanham Act and at common law, unfair competition under the Lanham Act and at common law, unfair trade practices under California law, and trademark dilution under the Lanham Act and California law. *Compl.* ¶¶ 6–40. Defendant then filed this motion to dismiss. Dkt. #12.

II. Legal Standard

A motion to dismiss under Federal Rule of Civil Procedure 12(b)(6) tests whether the complaint “contain[s] sufficient factual matter, accepted as true, to ‘state a claim to relief that is plausible on its face.’” *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (quoting *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). When deciding a Rule 12(b)(6) motion, the court must accept the facts pleaded in the complaint as true, and construe them in the light most favorable to the plaintiff. *Faulkner v. ADT Sec. Servs., Inc.*, 706 F.3d 1017, 1019 (9th Cir. 2013); *Cousins v. Lockyer*, 568 F.3d 1063, 1067–68 (9th Cir. 2009). The court, however, is not required to accept “legal conclusions . . . cast in the form of factual allegations.” *W. Mining Council v. Watt*, 643 F.2d 618, 624 (9th Cir. 1981); *see Iqbal*, 556 U.S. at 678; *Twombly*, 550 U.S. at 555.

After accepting all non-conclusory allegations as true and drawing all reasonable inferences in favor of the plaintiff, the court must determine whether the complaint alleges a plausible claim to relief. *See Iqbal*, 556 U.S. at 679–80. “A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged. . . . The plausibility standard is not akin to a ‘probability requirement,’ but it asks for more than a sheer possibility that a defendant has acted unlawfully.” *Id.* at 678.

III. Discussion

A. Lanham Act § 21(b)

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Pursuant to § 21(b) of the Lanham Act, a dissatisfied party in a TTAB cancellation proceeding may appeal the decision to the United States Court of Appeals for the Federal Circuit, or commence a civil action in a federal district court. *See* 15 U.S.C. § 1071(a)(1), (b)(1); 3 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition §§ 21:10, 21:20 (4th ed.). An appeal to the Federal Circuit proceeds on a closed administrative record and does not allow for the admission of new evidence, while a civil action in a district court permits the submission of new evidence as well as requests for additional relief. *See* McCarthy, *supra*, at § 21:20; *see also* CAE, Inc. v. Clean Air Eng'g, Inc., 267 F.3d 660, 673 (7th Cir. 2001); *Zucrum Foods, LLC v. Marquez Bros., Int'l, Inc.*, No. C 10-0123 PJH, 2011 WL 2118653, at *3–4 (N.D. Cal. May 27, 2011). Motions to dismiss cases brought pursuant to Lanham Act § 21(b) are analyzed under the typical Rule 12(b)(6) standards. *See, e.g., Aktieselskabet AF 21. Nov. 2001 v. Fame Jeans Inc.*, 525 F.3d 8, 15–17 (D.C. Cir. 2008); *Loufrani v. Wal-Mart Stores, Inc.*, No. 09 C 3062, 2009 WL 3787941, at *2 (N.D. Ill. Nov. 12, 2009).²

B. Sufficiency of the Allegations in the Complaint

Plaintiff's complaint includes five claims for relief—*de novo* review of the TTAB's cancellation decision, trademark infringement under the Lanham Act and at common law, unfair competition under the Lanham Act and at common law, unfair trade practices under California law, and trademark dilution under the Lanham Act and California law. *Compl.* ¶¶ 6–40. Defendant argues that based on the complaint, the facts in the record of the parties' trademark files, the ruling of the TTAB, and the evidence in the cancellation proceeding, the Court can “determine the uncontroverted facts through deciding this motion and entirely dispense with the issues in this action.” *Mot.* 1. The Court disagrees.

Defendant's briefing fails on three grounds. First, Defendant's opening brief reads more like a motion for summary judgment than a motion to dismiss. It is replete with evidentiary citations challenging Plaintiff's factual allegations. *See, e.g., Mot.* 10 (discussing Terry Hoage's deposition testimony); *id.* 14 (discussing the deposition testimony of Rachel Dumas Rey, the president of a “consulting services and outsourced management firm for the alcohol beverage industry”). Extrinsic evidence, however, is generally irrelevant when considering the sufficiency of allegations in a complaint. *See Lee v. City of L.A.*, 250 F.3d 668, 688–89 (9th Cir. 2001). Similarly, the briefing employs phraseology typically associated with motions for summary judgment. *See, e.g., Mot.* 13 (referring to evidence regarding the date that Defendant first sold

² The parties agree that the normal Rule 12(b)(6) standards apply. *See D's Supp. Br.* 1, 6; *P's Supp. Br.* 1–4.

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wine as “uncontroverted”); *id.* 15 (stating that there is “no triable issue of fact” that Defendant’s stylized mark is the equivalent of the letters “TH”). But at the pleadings stage, Plaintiff must simply plead “enough facts to state a claim to relief that is plausible on its face.” *Coal. For ICANN Transparency, Inc. v. VeriSign, Inc.*, 611 F.3d 495, 501 (9th Cir. 2010) (quoting *Twombly*, 550 U.S. at 570).

Particularly troubling is Defendant’s argument that the Court should determine whether Plaintiff’s TH mark and Defendant’s stylized mark are confusingly similar. *Mot.* 15–18. The inherently factual nature of the likelihood-of-confusion analysis makes it difficult to undertake prior to trial. *See Clicks Billiards, Inc. v. Sixshooters, Inc.*, 251 F.3d 1252, 1264–65 (9th Cir. 2001). Although courts do address likelihood of confusion at the motion-to-dismiss stage, they do so only after considering all allegations as true and in the light most favorable to Plaintiff. *See, e.g., Metal Jeans, Inc. v. Affliction Holdings, LLC*, No. CV 15-0743 PA EX, 2015 WL 3833858, at *3–5 (C.D. Cal. June 19, 2015); *Kythera Biopharmaceuticals, Inc. v. Lithera, Inc.*, 998 F. Supp. 2d 890, 901–02 (C.D. Cal. 2014). Here, in contrast, Defendant explicitly asks the Court to make factual determinations that have no place at this stage of the case: “This Court need not revisit the issue of whether ‘TH’ is ‘TH’. The Court can conclude that it is. No facts can substantiate the claim in the pleadings (Complaint ¶ 14), that TH Stylized is not ‘TH’. This is not a triable issue of fact.” *Mot.* 16.

Second, and relatedly, Defendant attempts to bring in a number of documents through an overbroad use of judicial notice. The Federal Rules of Evidence “permits a court to take judicial notice of adjudicative facts ‘not subject to reasonable dispute’” if “the fact (1) is generally known within the trial court’s territorial jurisdiction; or (2) can be accurately and readily determined from sources whose accuracy cannot reasonably be questioned.” Fed R. Evid. 201; *Lee*, 250 F.3d at 688–90; *United States v. Chapel*, 41 F.3d 1338, 1342 (9th Cir. 1994). Here, Defendant’s requests for judicial notice include documents from the PTO, deposition testimony, and articles from the Atlanta Constitution Journal and Wine Spectator magazine. *See D’s RJN* 1–3.

Many of these documents are used in support of Defendant’s argument that it used the stylized TH mark in commerce prior to Plaintiff’s first use of its TH mark. *See generally Mot.* The problem with this strategy is that courts are expressly cautioned against taking judicial notice of reasonably disputed facts. *See Lee*, 250 F.3d at 689 (“But a court may not take judicial notice of a fact that is ‘subject to reasonable dispute.’” (quoting Fed. R. Evid. 201(b)); *cf. In re Mora*, 199 F.3d 1024, 1026 (9th Cir. 1999) (“Although it may be true that the Post Office advertises its attempt to deliver locally designated mail overnight, this court does not take judicial notice that the Post Office delivered the check in question overnight or that the check

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was probably delivered overnight. Both propositions are disputable and not appropriately admitted as facts under Rule 201.”). Plaintiff specifically disputes the date of Defendant’s initial use. *See Compl.* ¶ 25.

Moreover, courts generally do not take judicial notice of deposition testimony, *see In re Oracle Corp. Sec. Litig.*, 627 F.3d 376, 386 n.1 (9th Cir. 2010); *Perrie v. Perrie*, No. 14-CV-01872-TLN-EFB, 2016 WL 1090577, at *4 (E.D. Cal. Mar. 21, 2016); *Roach v. Snook*, No. 1:14-CV-00583-PA, 2014 WL 7467000, at *2 (D. Or. Jan. 5, 2014), or articles in newspapers or magazines, *see Gerritsen v. Warner Bros. Entm’t Inc.*, 112 F. Supp. 3d 1011, 1027–30 (C.D. Cal. 2015); *Jackson v. City & Cty. of S.F.*, No. C 09-2143 RS, 2012 WL 3580525, at *3 (N.D. Cal. Aug. 17, 2012). Defendant argues that “[a] Court may take judicial notice of published newspaper articles as evidence of events that are widely known” under *Ritter v. Hughes Aircraft Co.*, 58 F.3d 454 (9th Cir. 1995). *D’s RJN* 3. There, the Ninth Circuit held that judicial notice of a newspaper article stating that Hughes Aircraft had widespread layoffs was not an abuse of discretion because “[t]his is a fact which would be generally known in Southern California and which would be capable of sufficiently accurate and ready determination.” 58 F.3d at 458–59. But here, Plaintiff requests judicial notice of facts regarding the initial dates that certain wine sellers began selling their wines using specified marks. *See, e.g., Mot.* 4–6, 12–15; *D’s RJN* 1–3. This is a far cry from the situation in *Ritter*. *Cf. Rodriguez v. Robbins*, 803 F.3d 502, 503 (9th Cir. 2015) (“Government counsel did not request judicial notice of the July 21, 2015, *Los Angeles Times* article, which referenced Mr. Dean’s bond hearings. Nor was the article properly a subject for judicial notice as it contained representations neither ‘generally known within the trial court’s territorial jurisdiction’ nor ‘accurately and readily determined from sources whose accuracy cannot reasonably be questioned.’”).

And, even if the Court were willing to take judicial notice of the fact that certain articles mentioned or showed pictures of Defendant’s wines and their labels prior to the first alleged use of Plaintiff’s wine, *see Von Saher v. Norton Simon Museum of Art at Pasadena*, 592 F.3d 954, 960 (9th Cir. 2010) (“Courts may take judicial notice of publications introduced to ‘indicate what was in the public realm at the time, not whether the contents of those articles were in fact true.’” (quoting *Premier Growth Fund v. Alliance Capital Mgmt.*, 435 F.3d 396, 401 n.15 (3d Cir. 2006))), Defendant’s arguments still fail. The allegation in Plaintiff’s complaint is not that Plaintiff’s use of TH preceded Defendant’s use of the stylized TH mark, but rather that “Defendant had not used the trademark TH VINEYARDS prior to the April 6, 2011 filing date of Cancellation No. 92053854 and had not used the its TH & Design mark other than as part of a composite mark including the TERRY HOAGE VINEYARDS designation prior to said filing date.” *Compl.* ¶ 25; *see also Opp.* 6.

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Finally, Defendant's emphasis on the TTAB proceedings is misplaced at this stage of the case. Defendant's briefing makes repeated references to the evidence submitted and the parties' conduct during the cancellation proceedings, as well as the findings and holdings in the TTAB decision, in arguing for dismissal. *See, e.g., Mot.* 13, 15, 17. For example, in discussing priority of use, Defendant states: "The uncontroverted testimony by Terry Hoage, with his knowledge of the facts, presented undisputed evidence which was accepted by the TTAB in its ruling." *Id.* 12. Defendant however, ignores that a party may offer additional evidence in § 21(b) cases, *see* McCarthy, *supra*, at § 21:20, and cites to no case in which a § 21(b) case was dismissed on the ground that its allegations were inconsistent with the proceedings in the TTAB.

In sum, the Court finds that Defendant's arguments regarding priority of use, likelihood of confusion, and the TTAB proceedings are inappropriate and unpersuasive at this stage of the case. As Defendant presents no other arguments for dismissing the complaint, *see Mot.* 1–2 (noting that the basis for dismissing each claim was factual); *id.* 18 (noting that all claims should be dismissed if the Court agreed with Defendant's arguments regarding priority of use and likelihood of confusion (i.e. affirming the TTAB)), the Court sees no reason to find Plaintiff's allegations insufficient or implausible, *see Opp.* 5–9 (explaining why Plaintiff's allegations are sufficient).

IV. Conclusion

The Court therefore DENIES the motion to dismiss.

IT IS SO ORDERED.