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Plaintiff has its cake, but may not eat it too
United States - Knobbe Martens Olson & Bear LLP

Confusion
Cancellation
National procedures

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In *One True Vine LLC v The Wine Group LLC* (Case C 09-1328, November 3 2009), the US District Court for the Northern District of California has granted the plaintiff's motion to amend its federal registration to delete certain goods, which it admitted it had never used in connection with the mark.

The plaintiff vintner, One True Vine LLC, is the owner of a federal trademark registration for LAYER CAKE. When filed, One True Vine's intent-to-use application identified "white wine, red wine". After the application was allowed by the [US Patent and Trademark Office](#) (USPTO), One True Vine filed its statement of use, declaring under penalty of perjury that it had used the LAYER CAKE mark in connection with all of the goods identified in the application.

Meanwhile, the defendant, The Wine Group LLC, filed a use-based application for the mark CUPCAKE for "wines". One True Vine filed an opposition against this application with the [Trademark Trial and Appeal Board](#) (TTAB), alleging a likelihood of confusion with its prior registration for the mark LAYER CAKE. During discovery, One True Vine produced documents that revealed it had used the LAYER CAKE mark only for red wines, and had never offered the claimed white wines under the mark. Based on this discovery, The Wine Group filed a motion with the TTAB requesting that it be allowed to amend its answer to the opposition to add a counterclaim petitioning to cancel the LAYER CAKE mark based on fraud on the USPTO.

Within 10 days of The Wine Group's motion to file a counterclaim with the TTAB, One True Vine filed the present lawsuit against The Wine Group in federal district court, alleging trademark infringement, unfair competition, false designation of origin, unfair business practices and false advertising. One True Vine also filed a motion with the TTAB to suspend the opposition, pending the outcome of the federal court action.

The Wine Group counterclaimed to cancel the registration for LAYER CAKE based on fraud. One True Vine then filed a motion with the district court to amend its trademark registration for LAYER CAKE to delete "white wine" from the identification of goods, arguing that the registration "inaccurately" reported use of the mark in connection with white wine.

Although, generally, the amendment of trademark registrations is done during the prosecution and maintenance of the trademark registration, a federal court has plenary authority to order the amendment or cancellation of a registration. In arguing for its motion, One True Vine portrayed the amendment as corrective and necessary to "accurately put the public on notice of the goods that are associated with the mark". The court appeared to appreciate this argument, finding that the amendment of the identification of goods was acceptable as it would not materially alter the mark. Therefore, it granted the motion and dismissed The Wine Group's response that the motion was untimely because One True Vine had already asserted the registration in litigation.

Although the court granted One True Vine's motion to amend the registration, the court emphasized that the "post hoc amendment of the Trademark Register does not serve to moot or rectify fraud", and thus noted that The Wine Group's counterclaim to cancel the registration was not moot. Accordingly, The Wine Group may still prosecute its counterclaim to cancel the registration based on fraud. As a fallback in the event its trademark registration is ultimately cancelled in its entirety, One True Vine has filed a new use-based application for the mark LAYER CAKE for "wines" during the pendency of the motion.

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