UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF VIRGINIA

Belmora LLC v. Bayer Consumer Care AG

84 F. Supp. 3d 490 (E.D. Va. 2015) · Decided February 6, 2015

SUMMARY

The United States District Court for the Eastern District of Virginia reviewed claims arising from Belmora LLC's FLANAX trademark and Bayer's Mexican FLANAX mark. The court dismissed Bayer's Lanham Act false-designation and false-advertising claims, dismissed related state-law claims, rejected Bayer's Paris Convention counterclaim, and reversed the TTAB's cancellation of Belmora's registration. The court concluded that Bayer lacked a protectable U.S. interest in the mark and had not used FLANAX in U.S. commerce.

CASE DETAILS

COURT	United States District Court for the Eastern District of Virginia
WRITING FOR THE COURT	Gerald Bruce Lee
JURISDICTION	Virginia
DECIDED	February 6, 2015
DISPOSITION	reversed
PROCEDURAL POSTURE	Belmora moved to dismiss Bayer's complaint and counterclaim and moved for judgment on the pleadings. The action also constituted a civil review of the TTAB's decision cancelling Belmora's FLANAX registration under 15 U.S.C. § 1071(b)(1).
STANDARD OF REVIEW	Rule 12(b)(6) plausibility standard; Rule 12(c) is assessed under the same standard as Rule 12(b)(6); de novo review of the TTAB record under 15 U.S.C. § 1071(b)(1), with the district court acting as factfinder.
PRECEDENTIAL VALUE	Published federal district court memorandum opinion
PARTIES	Belmora LLC v. Bayer Consumer Care AG, Bayer Healthcare LLC

TOPICS

trademark law · statutory interpretation · motions to dismiss · motion for judgment on the pleadings · civil procedure

PRACTICE AREAS

trademark law | intellectual property | civil procedure | commercial litigation

QUESTIONS PRESENTED

1. Whether Bayer had statutory standing under Lexmark to assert false-designation-of-origin claims under Section 43(a)(1)(A) of the Lanham Act.
2. Whether Bayer had statutory standing to assert false-advertising claims under Section 43(a)(1)(B).
3. Whether the court should decline supplemental jurisdiction over Bayer's California state-law claims after dismissing the federal claims.
4. Whether Article 6bis of the Paris Convention, through Sections 44(b) and 44(h) of the Lanham Act, creates an independent ground for contesting a United States trademark registration.
5. Whether Bayer had standing under Section 14(3) of the Lanham Act to seek cancellation of Belmora's registration.
6. Whether Section 14(3) requires use of the relevant mark in United States commerce and whether Bayer's lack of such use defeated its misrepresentation-of-source claim.

HOLDINGS

1. Bayer lacked statutory standing because it did not possess a protectable interest in FLANAX in United States commerce and did not sufficiently plead economic or reputational injury proximately caused by Belmora's conduct.
2. Bayer lacked statutory standing to sue for false advertising because it did not sufficiently plead injury to a commercial interest in sales or reputation proximately caused by Belmora's alleged misrepresentations.
3. The court declined to exercise supplemental jurisdiction and dismissed Bayer's California unfair-competition and false-advertising claims after dismissing all federal claims.
4. Article 6bis is not self-executing, and Sections 44(b) and 44(h) of the Lanham Act do not create an independent cause of action or ground for cancellation based on a famous foreign mark not used in United States commerce.
5. Bayer lacked standing to seek cancellation under Section 14(3) because it did not use FLANAX in United States commerce, did not possess a protectable United States interest in the mark, and did not sufficiently plead proximate economic or reputational injury.
6. Section 14(3) contains a requirement that the petitioner have used the relevant mark in United States commerce; because Bayer had not done so, its misrepresentation-of-source claim failed.

KEY QUOTATIONS

> *"Does the Lanham Act allow the owner of a foreign mark that is not registered in the United States and further has never used the mark in United States commerce to assert priority rights over a mark that is registered in the United States by another party and used in United States commerce? The answer is no."*
> (495)

> *"In sum, the Court holds that the Lanham Act does not permit Bayer, the owner of a foreign FLANAX mark that is not registered in the United States and further has never used the mark in United States commerce, to assert priority rights over Belmora's FLANAX mark that is registered in the United States and used in United States commerce."* (519)

FACTUAL BACKGROUND

Belmora, a Virginia company, registered and used the FLANAX mark in United States commerce for over-the-counter pain-relief products. Bayer entities sold products under a Mexican-registered FLANAX mark for decades but had never marketed or sold FLANAX in the United States and had no United States trademark registration. Belmora's packaging and marketing allegedly resembled Bayer's Mexican FLANAX branding and suggested a connection with the Mexican product. The TTAB cancelled Belmora's registration under Section 14(3), prompting the district-court action.

PROCEDURAL HISTORY

The TTAB cancelled Belmora's FLANAX registration under Section 14(3) of the Lanham Act. Bayer elected civil-action review of the TTAB decision, and its related federal and state claims were transferred to and consolidated in the Eastern District of Virginia. The district court dismissed Bayer's Lanham Act false-designation and false-advertising claims, dismissed the state-law claims, dismissed Bayer's Article 6bis counterclaim while affirming the TTAB's dismissal of that claim, reversed the TTAB's rulings that Bayer had standing and that Belmora misrepresented source, and ordered Belmora's registration reinstated.

DISPOSITION

reversed

CASES CITED

- Lexmark International, Inc. v. Static Control Components, Inc., 572 U.S. 118 (2014)
- International Bancorp, LLC v. Société des Bains de Mer et du Cercle des Étrangers à Monaco, 329 F.3d 359 (4th Cir. 2003)
- Barcelona.com, Inc. v. Excelentísimo Ayuntamiento de Barcelona, 330 F.3d 617 (4th Cir. 2003)
- Medellín v. Texas, 552 U.S. 491 (2008)
- Punchgini v. ITC Ltd., 482 F.3d 135 (2d Cir. 2007)
- Swatch AG v. Beehive Wholesale, LLC, 739 F.3d 150 (4th Cir. 2014)
- Ashcroft v. Iqbal, 556 U.S. 662 (2009)
- Bell Atlantic Corp. v. Twombly, 550 U.S. 544 (2007)
- Lamparello v. Falwell, 420 F.3d 309 (4th Cir. 2005)
- Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763 (1992)
- POM Wonderful LLC v. Coca-Cola Co., 573 U.S. 102 (2014)
- The Last Best Beef, LLC v. Dudas, 506 F.3d 333 (4th Cir. 2007)
- Empresa Cubana Del Tabaco v. General Cigar Co., 753 F.3d 1270 (Fed. Cir. 2014)

- Ritchie v. Simpson, 170 F.3d 1092 (Fed. Cir. 1999)