



Federal Court Determines that Filing of Opposition Along with Settlement Discussions Regarding Use of a Mark is Not Grounds for Declaratory Judgment

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The Supreme Court in *Medimmune, Inc. v. Genentech, Inc.*, 549 U.S. 118 (2007), set out a new standard for determining whether a case or controversy creates jurisdiction under the Declaratory Judgment Act. The *Medimmune* standard states:

[T]he question in each case is whether the facts alleged, under all the circumstances, show that there is a substantial controversy, between parties having adverse legal interest, of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.

Id. at 127. The court in *Vina Casa Tamaya S.A. v. Oakville Hills Cellar, Inc.*, No. 10 Civ. 3025, 2011 WL 1642524 (S.D.N.Y. Apr. 26, 2011),¹ applied that new test in the context of trademark oppositions. There, Vina Casa Tamaya sought a declaratory judgment that its TAMAYA mark did not infringe Oakville Cellars' MAYA mark. Oakville sent Vina Casa a cease and desist letter objecting to its application for federal trademark registration of TAMAYA, but not to its use. When Vina Casa did not respond, Oakville filed an opposition to registration. The parties then tried to settle; apparently they discussed use of the TAMAYA mark, but Oakville would not settle on terms permitting continued use. Vina Casa had used the TAMAYA mark in the U.S. for seven years prior to the suit.

The court found that Oakville had limited its objection to registration of TAMAYA, not use, and that the TTAB was the appropriate forum for issues of registration. Moreover, the court stated, "the fact that settlement discussions have linked the issues of registration and use does not push this dispute into the territory of federal jurisdiction. . . . 'Seeking to obtain a concession in negotiations

¹ Available at http://scholar.google.com/scholar_case?case=10951282282823332683.



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is a far cry from threatening to bring a coercive lawsuit to obtain the desired result." (citation omitted).

The question remains open whether a cease and desist letter, the traditional trademark infringement "shot over the bow" is enough to create a justiciable controversy or if "magic language" exists to avoid that outcome. *Vina Casa*, while not answering that question, does contain a nice summary of post-*Medimmune* declaratory judgment jurisdiction opinions in trademark cases. For example, *Surefoot LC v. Sure Foot Corporation*, 531 F.3d 1236 (10th Cir. 2008), expressly leaves open the question of what one can say in a cease and desist letter without inviting a declaratory judgment action. "[W]e underscore that we have no need today to pass on what *Medimmune* means to a case where the only indicia of a live infringement controversy is the existence of a single TTAB opposition proceeding, or perhaps a single cease-and-desist letter." *Id.* at 1247. After *Vina Casa*, according to the Southern District of New York, it appears that the former query is answered at least in part: an opposition in the TTAB, without more, does not create a justiciable controversy to support a suit for declaratory judgment.

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