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24-1903(L)
Peju Province Winery L.P. v. Cesari S.R.L.

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

SUMMARY ORDER

RULINGS BY SUMMARY ORDER DO NOT HAVE PRECEDENTIAL EFFECT. CITATION TO A SUMMARY ORDER FILED ON OR AFTER JANUARY 1, 2007, IS PERMITTED AND IS GOVERNED BY FEDERAL RULE OF APPELLATE PROCEDURE 32.1 AND THIS COURT'S LOCAL RULE 32.1.1. WHEN CITING A SUMMARY ORDER IN A DOCUMENT FILED WITH THIS COURT, A PARTY MUST CITE EITHER THE FEDERAL APPENDIX OR AN ELECTRONIC DATABASE (WITH THE NOTATION "SUMMARY ORDER"). A PARTY CITING TO A SUMMARY ORDER MUST SERVE A COPY OF IT ON ANY PARTY NOT REPRESENTED BY COUNSEL.

At a stated term of the United States Court of Appeals for the Second Circuit, held at the Thurgood Marshall United States Courthouse, 40 Foley Square, in the City of New York, on the 8th day of June, two thousand twenty-six.

PRESENT:
RICHARD C. WESLEY,
RICHARD J. SULLIVAN,
JOSEPH F. BIANCO,
Circuit Judges.

PEJU PROVINCE WINERY L.P., a California Limited Partnership, PEJU FAMILY OPERATING PARTNERSHIP L.P., a California Limited Partnership,

Defendants-Appellants-Cross-Appellees,

PEJU PROVINCE CORPORATION, a California Corporation,

Defendant,

Nos. 24-1903 (Lead)
24-2014 (XAP)

v.

CESARI S.R.L., an Italian Limited Liability Company,

Plaintiff-Appellee-Cross-Appellant.

For Defendants-Appellants-Cross-Appellees: JOEL G. MACMULL (Brian M. Block, Mandelbaum Barrett PC, New York, NY; Martin B. Schwimmer, Stobbs, Charlotte, NC, *on the brief*), Mandelbaum Barrett PC, New York, NY.

For Plaintiff-Appellee-Cross-Appellant: VALERIA CALAFIORE HEALY, Healy LLC, New York, NY.

Appeal from a judgment of the United States District Court for the Southern District of New York (Naomi Reice Buchwald, *Judge*).

UPON DUE CONSIDERATION, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that the July 12, 2024 judgment of the district court is **VACATED** and the case is **REMANDED**.

Peju Province Winery L.P. and Peju Family Operating Partnership L.P. (together, "Peju") appeal from a judgment following a bench trial on trademark-infringement claims brought by Cesari S.R.L. ("Cesari"), an Italian winemaker. In essence, Peju contends that the district court erred in giving preclusive effect to a decision of the United States Patent and Trademark Office ("USPTO") that denied Peju's trademark registration application on the ground that it was likely to be confused with Cesari's previously registered trademark. We assume the parties' familiarity with the underlying facts, procedural history, and issues on appeal, to which we refer only as necessary to explain our decision.

I. Background and Procedural History

In January 2003, the USPTO granted Cesari's trademark registration application for the use of the mark "LIANO" in connection with wines. One month later, Peju, a California winemaker, sought to register the trademark "LIANA" with the USPTO for use in connection with the sale of wines. Cesari filed an opposition to Peju's registration application with the USPTO, which initiated a proceeding before the Trademark Trial and Appeal Board ("TTAB"), the USPTO's internal adjudicatory body. *See* 15 U.S.C. §§ 1063, 1067. In its opposition, Cesari contended that Peju's LIANA mark was likely to be confused with its LIANO mark.

In deciding whether Peju's mark was likely to be confused with Cesari's mark, the TTAB conducted its analysis exclusively "on the basis of the identification of goods set forth in [Peju's] application," without considering "the particular nature of [Peju's] goods, the particular channels of trade[,] or the class of purchasers to which the sales of goods are directed." *Octocom Sys., Inc. v. Houston Computer Servs., Inc.*, 918 F.2d 937, 942 (Fed. Cir. 1990) (quoted in *Cesari S.R.L. v. Peju Province*, No. 91158374, 2004 WL 1703103, at *2 (T.T.A.B. July 20, 2004)). "[T]he TTAB evaluate[d] likelihood of confusion by applying some or all of the 13 factors set out in *In re E.I. DuPont DeNemours & Co.*, 476 F.2d 1357 (C.C.P.A. 1973)," *B&B Hardware, Inc. v. Hargis Indus., Inc.*, 575 U.S. 138, 154 (2015), which are similar to the eight *Polaroid* factors considered by our Circuit to assess the likelihood of confusion in trademark-infringement cases, *see Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492 (2d Cir. 1961). Ultimately, the TTAB rejected Peju's application, concluding that its mark was "almost identical" to Cesari's mark and "likely to cause confusion," as both were registered as wines without "restrictions as to the channels of trade or purchasers" and only differed by the last letter. *Cesari*, 2004 WL 1703103, at *1–2.

Over a decade later, Cesari brought an action for trademark infringement against Peju in the Southern District of New York. In Cesari's complaint, it alleged that "Peju, without authorization from Cesari, has used and continues to use the infringing 'Liana' name in connection to Peju's marketing, sale and distribution of wines in the United States." Dist. Ct. Doc. No. 1 at 12. This overlap, Cesari contended, "is likely [to] cause consumer confusion, deception or mistake as to source," *id.*, and thus violates the Lanham Act, *see* 15 U.S.C. §§ 1114, 1117.

For its part, "Peju admit[ted] that it promotes and offers California wines for sale, including one 100% Orange Muscat dessert wine from Mendocino, California called 'Liana' under the PEJU label," but it "denie[d] that using the word 'Liana' to mark and sell wines would infringe Cesari's federally registered trademark and damage Cesari." Dist. Ct. Doc. No. 15 at 3. Specifically, Peju pointed to the fact that its wines' trade channels "are limited to its own wineries and websites," and therefore "even if [Cesari]'s trade channels include physical stores or online retail websites, they do not overlap with Peju's." Dist. Ct. Doc. No. 29 at 13. Moreover, "Peju offers only wines made from grapes grown in California in the Napa Valley and Mendocino regions," while Cesari's "LIANO wine comes from the well-known Rubicone IGT wine region of Central Italy." *Id.* at 12. This matters, Peju maintains, because "[f]or consumers of fine wines . . . the combination of varietal (the grape variety or varieties from which the wine is made), and the region or terroir in which those grapes are grown, are the primary means by which consumers differentiate and distinguish among wines." *Id.*; *see also id.* ("Paramount among these distinctions is that of old world versus new world wines.").

In the district court, Cesari moved for partial summary judgment on the issue of whether Peju was precluded from relitigating the "likelihood of confusion" element of the trademark-infringement claim. The district court granted summary judgment, concluding that Peju was "precluded from re-litigating the likelihood of confusion between the parties' marks" – an element of Cesari's trademark infringement claim – because the TTAB's 2004 trademark registration decision had settled the matter once and for all. Sp. App'x at 16, 20. The district court subsequently held a bench trial on the remaining elements of Cesari's claim and its request for damages before entering a judgment in favor of Cesari.

Peju timely appealed, arguing that the district court erred in giving preclusive effect to the TTAB's findings concerning the likelihood of confusion between the marks.

II. Discussion

"We review *de novo* a district court's decision to grant summary judgment," affirming only if, "construing the evidence in the light most favorable to the [non-moving] party . . . and drawing all reasonable inferences in that party's favor," we conclude that "there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law." *Covington Specialty Ins. v. Indian Lookout Country Club*, 62 F.4th 748, 752 (2d Cir. 2023) (internal quotation marks omitted). "Under the Lanham Act, a plaintiff alleging trademark infringement must demonstrate that (1) 'it has a valid mark that is entitled to protection' and that (2) the defendant's 'actions are likely to cause confusion with that mark.'" *Tiffany & Co. v. Costco Wholesale Corp.*, 971 F.3d 74, 84 (2d Cir. 2020) (quoting *The Sports Auth. v. Prime Hospitality Corp.*, 89 F.3d 955, 960 (2d Cir. 1996)).

In granting partial summary judgment, the district court gave preclusive effect to the TTAB's 2004 decision regarding the Lanham Act's second prong: likelihood of confusion. Peju asserts that was error because the TTAB "did not consider, let alone adjudicate, the marketplace usages of the parties' marks." Peju Br. at 39. We agree.

We have long recognized that the TTAB's determination of likelihood of confusion regarding a trademark application will have preclusive effect for purposes of a Lanham Act infringement claim only if the TTAB's assessment took "into account, in a meaningful way, the *context* of the marketplace." *Levy v. Kosher Overseers Ass'n of Am.*, 104 F.3d 38, 42 (2d Cir. 1997). As we noted in *Levy*, "where the [TTAB] has indeed compared conflicting marks in their *entire marketplace context*, the factual basis for the likelihood of confusion issue is the same, the issues are the same, and collateral estoppel is appropriate" in the subsequent infringement action. *Id.* (quoting 4 J. Thomas McCarthy, McCarthy on Trademarks & Unfair Competition § 32.31[2], at 32–125 (3d ed. 1996)). But such occasions are the exception, not the norm, in TTAB trademark registration rulings.

Here, the TTAB decision – on its face – did not consider the parties' "actual usage in the marketplace." *B&B Hardware*, 575 U.S. at 157; *see Cesari*, 2004 WL 1703103, at *2 (citing *Octocom*, 918 F.2d at 942). To the contrary, the TTAB expressly cabined its likelihood-of-confusion inquiry to the four corners of Peju's application and Cesari's already-registered mark, reaching its ultimate decision "*regardless of what the record may reveal* as to the particular nature of [the] applicant's goods." *Cesari*, 2004 WL 1703103, at *2 (emphasis added) (quoting *Octocom*, 918 F.2d at 942).

Importantly, the TTAB never considered the merits of Peju's principal defense to Cesari's infringement claim: "that its wine [wa]s distinguishable [from Cesari's] because it is a dessert wine" and therefore not likely to confuse consumers. *Id.* at *2. The TTAB declined to reach that argument – and made no attempt to consider "the *context* of the marketplace," *Levy*, 104 F.3d at 42, as it related to dessert wines – because Peju raised that specific usage for the first time "[i]n response" to Cesari's opposition motion and not in its trademark application, *Cesari*, 2004 WL 1703103, at *1.

The TTAB was of course justified in doing so. But the fact remains that the TTAB never "consider[ed] the marketplace usage of the parties' marks," *B&B Hardware*, 575 U.S. at 156, beyond the cursory information contained in Peju's application and Cesari's pleaded registration. *See Octocom*, 918 F.2d at 942 (holding that the TTAB "cannot take such facts [about market usage] into consideration unless [they are] set forth in [the] application" (quoting *Tuxedo Monopoly, Inc. v. Gen. Mills Fun Grp.*, 648 F.2d 1335, 1337 (C.C.P.A. 1981))). Consequently, "the factual basis for the likelihood of confusion issue [in Peju's trademark application] is [not] the same" as that of Peju's Lanham Act defense, making "collateral estoppel . . . [in]appropriate." *Levy,* 104 F.3d at 42.

Cesari nevertheless argues that the Supreme Court's decision in *B&B Hardware* "definitively rejected" the *Levy* standard discussed above. Cesari Br. at 15. But Cesari mischaracterizes both the Supreme Court's decision in *B&B Hardware* and our own precedents.

In *B&B Hardware*, the Supreme Court held that a TTAB decision with respect to the likely confusion associated with a proposed trademark will have preclusive effect on a subsequent trademark-infringement claim if it looked to the "same likelihood-of-confusion standard" as the district court, even if it evaluated slightly "different factors to assess [such] likelihood." 575 U.S. at 154. But *B&B Hardware* expressly concluded that where "the TTAB d[id] not consider the marketplace usage of the parties' marks, the TTAB's decision should have no later preclusive effect in a suit where actual usage in the marketplace is the paramount issue." *Id.* at 156–57 (internal quotation marks omitted). *B&B Hardware* is thus perfectly consistent with our own precedent in *Levy*, which turned on whether the TTAB *even considered* the challenged marks "in their entire marketplace context." *Levy*, 104 F.3d 42 (emphasis and internal quotation marks omitted); *see also Jim Beam*

Brands Co. v. Beamish & Crawford Ltd., 937 F.2d 729, 735 (2d Cir. 1991) (explaining that "the fact that the [TTAB] had actually decided the issue of likelihood of confusion of the marks *in context* makes" the difference for issue-preclusion purposes (emphasis added)).

Unsurprisingly, our own post–*B&B Hardware* rulings have continued to cite *Jim Beam* and *Levy* with approval, emphasizing that "the [TTAB] considers only the 'registrability of the applicant's mark exactly as shown in the application and only as to the goods listed, *regardless of actual usage*.'" *Int'l Info. Sys. Sec. Certification Consortium v. Sec. Univ.*, 823 F.3d 153, 163–64 (2d Cir. 2016) (quoting *Jim Beam*, 937 F.2d at 734) (citing *Levy*, 104 F.3d at 41–42)). And the leading trademark-law treatise – which was cited ten times by the Supreme Court in *B&B Hardware* – also makes clear that *Jim Beam* and *Levy* stand for "essentially the same" proposition as the one embraced by "[t]he high court's decision" in *B&B Hardware*. 5 J. Thomas McCarthy, McCarthy on Trademarks & Unfair Competition § 32:98 & n.3 (5th ed. Mar. 2026 update).

The district court erred in concluding that because the TTAB had adjudicated the likelihood of confusion with reference to the broader usage in connection with the sale of "wine," it necessarily adjudicated the same issue with respect to every "reasonable" and "usual" subsidiary set of usages, including Peju's usage in connection with the sale of dessert wines, which formed part of the basis of Peju's defense to Cesari's infringement claim. Sp. App'x at 10 (quoting *B&B Hardware*, 575 U.S. at 154–57). We cannot agree that Peju and Cesari "each use their mark in ways that are *materially the same* as the usages adjudicated by the TTAB." Sp. App'x at 9 (emphasis added); *see also, e.g.*, *Banfi Prods. Corp. v. Kendall-Jackson Winery, Ltd.*, 74 F. Supp. 2d 188, 197–99 (E.D.N.Y. 1999) (holding "that there is no likelihood of confusion between" two similarly sounding red wines with different price-points that are sold through different trade channels). As shown above, the TTAB never considered Peju's dessert-wine argument because that asserted usage was materially different from – and significantly narrower than – what Peju stated in its application. *See Cesari*, 2004 WL 1703103, at *2 (citing *Octocom*, 918 F.2d at 942). Therefore, because the issues before the TTAB and the district court were not the same, the district court should not have given preclusive effect to the TTAB's ruling on the likelihood of confusion.

* * *

We have considered the parties' remaining arguments and find them to be without merit. Accordingly, we **VACATE** the judgment of the district court and **REMAND** the case for proceedings consistent with this summary order.

FOR THE COURT:
Catherine O'Hagan Wolfe, Clerk of Court

UNITED STATES COURT OF APPEALS
FOR THE
SECOND CIRCUIT

At a Stated Term of the United States Court of Appeals for the Second Circuit, held at the Thurgood Marshall United States Courthouse, 40 Foley Square, in the City of New York, on the 28th day of July, two thousand twenty-six.

Before: Richard C. Wesley,
Richard J. Sullivan,
Joseph F. Bianco,
Circuit Judges.

Peju Province Winery L.P., a California Limited Partnership, Peju Family Operating Partnership L.P., a California Limited Partnership,

Defendants-Appellants-Cross-Appellees,

Peju Province Corporation, a California Corporation,

Defendant,

v.

Cesari S.R.L., an Italian Limited Liability Company,

Plaintiff-Appellee-Cross-Appellant,

ORDER

Docket Nos. 24-1903(L),
24-2014(XAP)

Appellants-Cross-Appellees move the Court to reconsider the allocation of costs under Fed. R. App. P. 39(b). Additionally, Appellants-Cross-Appellees move for clarification and amendment of the Court's decision or, alternatively, for rehearing under Fed. R. App. P. 40(a).

IT IS HEREBY ORDERED that the motions are DENIED.

For the Court**:**
Catherine O'Hagan Wolfe,
Clerk of Court

Catherine O'Hagan Wolfe

UNITED STATES SECOND CIRCUIT COURT OF APPEALS

UNITED STATES COURT OF APPEALS
FOR THE
SECOND CIRCUIT

At a Stated Term of the United States Court of Appeals for the Second Circuit, held at the Thurgood Marshall United States Courthouse, 40 Foley Square, in the City of New York, on the 21st day of August, two thousand twenty-six.

Before: Richard C. Wesley,
Richard J. Sullivan,
Joseph F. Bianco,
Circuit Judges.

Peju Province Winery L.P., a California Limited Partnership, Peju Family Operating Partnership L.P., a California Limited Partnership,

Defendants-Appellants-Cross-Appellees,

Peju Province Corporation, a California Corporation,

Defendant,

v.

Cesari S.R.L., an Italian Limited Liability Company,

Plaintiff-Appellee-Cross-Appellant.

ORDER

Docket Nos. 24-1903(L), 24-2014(XAP)

Appellee-Cross-Appellant moves to stay the issuance of the Court's mandate.

IT IS HEREBY ORDERED that the motion is DENIED.

For the Court**:**

Catherine O'Hagan Wolfe,
Clerk of Court

Catherine O'Hagan Wolfe

UNITED STATES SECOND CIRCUIT COURT OF APPEALS

MANDATE

1:17-cv-00873-NRB

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DOC #: ____________
DATE FILED: Aug 21 2026

24-1903(L)
Peju Province Winery L.P. v. Cesari S.R.L.

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

SUMMARY ORDER

RULINGS BY SUMMARY ORDER DO NOT HAVE PRECEDENTIAL EFFECT. CITATION TO A SUMMARY ORDER FILED ON OR AFTER JANUARY 1, 2007, IS PERMITTED AND IS GOVERNED BY FEDERAL RULE OF APPELLATE PROCEDURE 32.1 AND THIS COURT'S LOCAL RULE 32.1.1. WHEN CITING A SUMMARY ORDER IN A DOCUMENT FILED WITH THIS COURT, A PARTY MUST CITE EITHER THE FEDERAL APPENDIX OR AN ELECTRONIC DATABASE (WITH THE NOTATION "SUMMARY ORDER"). A PARTY CITING TO A SUMMARY ORDER MUST SERVE A COPY OF IT ON ANY PARTY NOT REPRESENTED BY COUNSEL.

At a stated term of the United States Court of Appeals for the Second Circuit, held at the Thurgood Marshall United States Courthouse, 40 Foley Square, in the City of New York, on the 8th day of June, two thousand twenty-six.

PRESENT:

RICHARD C. WESLEY,
RICHARD J. SULLIVAN,
JOSEPH F. BIANCO,
Circuit Judges.

PEJU PROVINCE WINERY L.P., a California Limited Partnership, PEJU FAMILY OPERATING PARTNERSHIP L.P., a California Limited Partnership,

Defendants-Appellants-Cross-Appellees,

PEJU PROVINCE CORPORATION, a California Corporation,

Defendant,

Nos. 24-1903 (Lead)
24-2014 (XAP)

MANDATE ISSUED ON 08/21/2026

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
----------------------------------X
CESARI S.R.L.,

Plaintiff,

- against -

PEJU PROVINCE WINERY L.P., PEJU PROVINCE CORPORATION, and PEJU FAMILY OPERATING PARTNERSHIP, L.P.,

Defendants.
----------------------------------X

MEMORANDUM AND ORDER

17 Civ. 873(NRB)

NAOMI REICE BUCHWALD
UNITED STATES DISTRICT JUDGE

In 2004, the Trademark Trial and Appeal Board ("TTAB") of the United States Patent and Trademark Office ("USPTO") adjudicated a trademark opposition proceeding between two vintners: Cesari S.r.L. ("Cesari") and Peju Province Winery L.P. ("Peju Province"). The TTAB ultimately refused Peju Province's pending trademark application upon concluding that its mark, LIANA, was likely to cause confusion with Cesari's previously registered mark, LIANO. After Peju Province persisted in using the refused mark over the next thirteen years, Cesari filed this infringement action. Cesari now moves for partial summary judgment on a narrow issue: whether Peju Province is—along with its co-defendants, Peju Family Operating Partnership, L.P. ("Peju Partnership"), and Peju Province Corporation ("Peju Corporation," and collectively, "defendants")—precluded from re-litigating the likelihood of confusion between the parties' marks. For the reasons discussed below, Cesari's motion is granted in part and denied in part.

Background[1]

Cesari is an Italian winery based in San Pietro that produces wine bearing the mark LIANO. See Ariana Peju Declaration ("Peju Decl.") ¶ 8.[2] In August 2001, Cesari filed an application with the USPTO to register the "LIANO" mark with respect to wines in International Class 33. Plaintiff's Rule 56.1 Statement ("Pl.'s 56.1") ¶ 2. The application was granted in January 2003. Id. ¶ 3. Meanwhile, in 2002, Peju Province, a family-operated winery in Northern California,[3] began producing a wine named LIANA. Peju Decl. ¶ 4. In February 2003, Peju Province filed its own application with the USPTO to register "LIANA" with respect to wines in International Class 33. Pl.'s 56.1 ¶¶ 8, 27.

1 The following facts are undisputed except where otherwise noted.

2 Citations to "SJX" refer to the Summary Judgment Appendix.

3 The Peju winery was formed by Anthony and Herta Peju, husband and wife, in 1982. Peju Decl. ¶ 2; Pl.'s 56.1 ¶ 5. Anthony and Herta formed Peju Province and Peju Corporation in 1995. Peju Decl. ¶ 2. Peju Partnership was formed in 2012 as part of a corporate restructuring "to convey ownership of the Peju winery business" to Anthony and Herta's daughters, Ariana and Lisa. Id.; Pl.'s 56.1 ¶ 9. Anthony is the President, and Ariana is the Executive Vice President, of Peju Province. Pl.'s 56.1 ¶¶ 16-17. Anthony is the CEO of Peju Partnership, id. ¶ 21, and along with Herta, a director of Peju Corporation. Id. ¶ 26. The three entities share an address in Rutherford, California. Id. ¶¶ 13, 19, 24. The parties dispute the identity of Peju Province's general partner. Cesari notes that Anthony and Herta Peju were listed as the general partners in Peju Province's 2003 trademark application. SJX-162. Ariana Peju, however, declares that was incorrect, "[t]he general partner of Peju Province Winery L.P. is and has always been Peju Province Corporation." Peju Decl. ¶ 2.

Cesari opposed Peju Province's application, initiating an opposition proceeding before the TTAB. Id. ¶ 28. Cesari asserted, *inter alia*, that Peju Province's applied-for mark was likely to cause confusion with its own. SJX-036. In a July 2004 ruling, the TTAB agreed, granting summary judgment to Cesari and refusing Peju Province's registration application. Cesari S.r.L. v. Peju Province, No. 91158374, 2004 WL 1703103 (T.T.A.B. July 20, 2004).[4]

The TTAB applied several of the factors enumerated in In re E.I. DuPont DeNemours & Co., 476 F.2d 1357, 1361, 177 U.S.P.Q. 563, 567 (C.C.P.A. 1974), to assess the likelihood of confusion between the parties' marks. Cesari, 2004 WL 1703103, at *2. In considering the marks themselves, the TTAB noted that LIANO and LIANA were "almost identical": "The sole distinction between the two marks is the last letter, which is insufficient to distinguish the marks' high degree of similarity." Id. There was also "no genuine issue" that the goods of the pleaded registration and the application—wines—were "identical." Id. The TTAB rejected Peju Province's effort to distinguish the goods based on the *types* of wines the parties produced: that Cesari's wine was "an Italian red

4 Cesari had originally moved, pursuant to Rule 12(c) of the Federal Rules of Civil Procedure, for judgment on the pleadings. Id. at *1. Because Cesari had attached a certified status and title copy of its pleaded registration to its motion, the TTAB *sua sponte* (and apparently without prior notice) converted Cesari's motion to one for summary judgment under Rule 56 of the Federal Rules of Civil Procedure. See id.

Sangiovese/Cabernet Sauvignon," whereas Peju Province's wine "originate[d] from Napa Valley and [wa]s 'a late harvest Chardonnay Dessert wine.'" Id. at *1-2. "[R]egistrability of an applicant's mark," the TTAB explained, "must be decided on the basis of the identification of goods set forth in the application regardless of what the record may reveal as to the particular nature of an applicant's goods." Id. at *2 (quoting Octocom Sys., Inc. v. Houston Computs. Servs., Inc., 918 F.2d 937, 942, 16 U.S.P.Q.2d 1783, 1787 (Fed. Cir. 1990)).

Rather than appealing the TTAB decision, or even filing a new application to register LIANA with respect to narrower usages, Peju Province simply continued using the LIANA mark. Indeed, since 2003 approximately 460 cases of the 2002 LIANA wine have been sold. See Peju Decl. ¶ 4. Moreover, in 2013, defendants began producing yet another "'LIANA' late harvest white dessert wine," this time from 100% Orange Muscat grapes. Id. ¶ 5. The first release of the 2013 LIANA wine was in September 2014; defendants subsequently produced 2014 and 2015 vintages. Id. As of June 2017, over 530 cases of the 2013-15 LIANA wines have been sold. Id. Defendants also founded an entirely new winery, Liana Estates, "based on the 'LIANA' name given to the California dessert wines offered by the Peju winery since 2003." Id. ¶¶ 6-7.

Finally, in March 2016, Peju Partnership submitted a new application with the USPTO to register LIANA, this time for all alcoholic beverages except for beer.[5] SJX-130-35. Cesari, in turn, filed an opposition to this new application with the USPTO;[6] soon thereafter, Cesari brought the instant trademark infringement action before this Court. SJX-145-55; Pl.'s 56.1 ¶ 39.

Discussion

A motion for summary judgment may be granted if there is no genuine dispute as to any material fact and the moving party is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(a). The court's function is not to "weigh the evidence and determine the truth of the matter but to determine whether there is a genuine issue for trial." Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 249 (1986); see Ideal Steel Supply Corp. v. Anza, 652 F.3d 310, 326 (2d Cir. 2011). In ruling on a summary judgment motion, we are to "resolve all ambiguities, and credit all factual inferences that could rationally be drawn, in favor of the party opposing summary judgment." McCarthy v. Dun & Bradstreet Corp., 482 F.3d 184, 202 (2d Cir. 2007)(internal quotation marks omitted).

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5 While both the 2003 and 2016 applications bear Anthony Peju's signature, Ariana Peju declares that she, who has power of attorney for her parents, signed the 2016 application in his name. Peju Decl. ¶¶ 11-12. She has also declared that she "had no knowledge" of Peju Province's prior application to register the LIANA mark. Id. ¶ 12.

6 The opposition proceeding is suspended pending final disposition of this action. Notice, Cesari S.r.l v. Peju Family Operating Partnership, LP, No. 91232542 (Mar. 14, 2017).

I. Issue Preclusion

The issue pending before this Court is whether defendants are precluded from relitigating the TTAB's determination that the LIANA mark is likely to cause confusion with Cesari's mark, LIANO.

"[I]ssue preclusion," also known as collateral estoppel, bars "successive litigation of an issue of fact or law," New Hampshire v. Maine, 532 U.S. 742, 748-49 (2001), when (1) "the issues in both proceedings are identical," (2) "the issue in the prior proceeding was actually litigated and actually decided," (3) "there was a full and fair opportunity for litigation in the prior proceeding," and (4) "the issues previously litigated were necessary to support a valid and final judgment on the merits." Ali v. Mukasey, 529 F.3d 478, 489 (2d Cir. 2008)(internal quotation marks omitted). Only the first and third elements are disputed in this case.

The Supreme Court has recently addressed the applicability of issue preclusion to TTAB adjudications, concluding that "[s]o long as the other ordinary elements of issue preclusion are met, when the usages adjudicated by the TTAB are materially the same as those before the district court, issue preclusion should apply." B&B Hardware, Inc. v. Hargis Indus., Inc., 135 S. Ct. 1293, 1310 (2015).

A. Identity of Issues

In a trademark infringement action, a court determines the likelihood of confusion between the parties' marks by "analyz[ing] the defendant's 'use in commerce' of its mark and compar[ing] that use to that of the plaintiff and its mark." 3 Anne Gilson LaLonde, Gilson on Trademarks § 11.08[4][i][iv][C][I] (Matthew Bender ed.); see id. ("Federal courts are focused on what is happening in the marketplace rather than in an application or registration."). The court does "not look just at the typewritten and aural similarity of the marks, but how they are presented in the marketplace." Sports Auth., Inc. v. Prime Hosp. Corp., 89 F.3d 955, 962 (2d Cir. 1996); accord GMA Accessories, Inc. v. BOP, LLC, 765 F. Supp. 2d 457, 468 (S.D.N.Y. 2011).

By contrast, in a TTAB opposition proceeding, "a party opposing an application to register a mark . . . often relies only on its federal registration, not on any common-law rights in usages not encompassed by its registration." B&B Hardware, 135 S. Ct. at 1307 (internal quotation marks omitted). The TTAB "typically analyzes the marks, goods, and channels of trade only as set forth in the application and in the opposer's registration, regardless of whether the actual usage of the marks by either party differs." Id. (internal quotation marks omitted). Thus, unlike in infringement litigation, the TTAB's "determination that a likelihood of confusion does or does not exist will not resolve the confusion issue with respect to non-disclosed usages." Id. at 1308 (internal quotation marks omitted).

Accordingly, "[i]f a mark owner uses its mark in ways that are materially the same as the usages included in its registration application, then the TTAB is deciding the same likelihood-of-confusion issue as a district court in infringement litigation." Id. On the other hand,

> if a mark owner uses its mark in ways that are materially unlike the usages in its application, then the TTAB is not deciding the same issue. Thus, if the TTAB does not consider the marketplace usage of the parties' marks, the TTAB's decision should have no later preclusive effect in a suit where actual usage in the marketplace is the paramount issue.

Id. (internal quotation marks omitted).

The parties each use their mark in ways that are materially the same as the usages adjudicated by the TTAB. Cesari registered its trademark, LIANO, with respect to "wines" in International Class 33. Pl.'s 56.1 ¶ 2. Peju Province applied to register its mark, LIANA, with respect to "wine" in International Class 33. Id. ¶ 27. Cesari has continued to use its LIANO mark on wines. See, e.g., Peju Decl. ¶ 8. Likewise, Peju Province has used its LIANA mark on the 2002, 2013, 2014, and 2015 LIANA vintages and the 2014 Liana Estates vintage. See id. ¶¶ 4-7.

Defendants, however, argue that their *actual* marketplace usage of LIANA is materially different from that which the TTAB adjudicated. This usage, according to defendants, is limited to:

wines from grapes grown in Northern California, *wines* purchased by sophisticated customers; new world *wines*; *wines* priced between $40 and $60 a bottle; and *wines* sold on specific websites and at specific wineries. Defs.' Supp'l 56.1 Statement ¶¶ 8, 10-14.

Defendants' argument is a distinction without a difference in this context. "In the absence of any limitations in the parties' identifications of goods, [the TTAB] must presume that the goods move through all reasonable trade channels for such goods to all usual classes of consumers for such goods." C&N Corp. d/b/a/ Door Peninsula Winery v. Ill. River Winery, Inc., No. 91174718, 2008 WL 4803896, at *3 (T.T.A.B. Oct. 21, 2008). The specific trade channels and classes of consumers that purportedly characterize the LIANA mark's usage are among the "reasonable trade channels" and "usual classes of consumers" the TTAB considered. In other words, the marketplace usage the TTAB considered, wines, entirely encompasses the narrower usages defendants proffer in this litigation. Wines purchased by sophisticated consumers, after all, are still wines. Because defendants have not offered any evidence that LIANA is used with respect to goods other than wines (bicycles or soda, for instance), there are no "non-disclosed" usages that might necessitate a successive adjudication. See B&B Hardware, 135 S. Ct. at 1307-08.

B. Full and Fair Opportunity to Litigate

Defendants claim Peju Province was deprived of a full and fair opportunity to litigate before the TTAB because the TTAB converted Cesari's motion for judgment on the pleadings into a motion for summary judgment without affording the parties prior notice. Defs.' Opp'n at 22-25. Defendants allege that, by doing so, the TTAB violated not only its own internal rules of procedure (i.e., the TTAB Manual of Procedure), but also Rule 12(d) of the Federal Rules of Civil Procedure.[7] Defendants' argument is entirely unpersuasive.

Issue preclusion will not apply "if there is reason to doubt the quality, extensiveness, or fairness of procedures followed in prior litigation." Montana v. United States, 440 U.S. 147, 164 n.11 (1979); see Restatement (Second) of Judgments § 28(5)(c) ("[R]elitigation . . . in a subsequent action between the parties is not precluded [if] . . . [t]here is a clear and convincing need for a new determination of the issue . . . because the party sought to be precluded . . . did not have an adequate opportunity . . . to obtain a full and fair adjudication in the initial action."). The requisite showing of unfairness must be "compelling"; "such instances must be the rare exception, and litigation to establish an exception in a particular case should not be encouraged." Restatement (Second) of Judgments § 28 cmts. g, j. While there

7 Rule 12(d) is among many of the Federal Rules of Civil Procedure made applicable to TTAB proceedings. See 37 C.F.R. § 2.116(a).

is no categorical "reason to doubt the quality, extensiveness, or fairness [of] the [TTAB's] procedures," it is "conceivable" that they may prove "ill-suited" for a particular case, such as if a party is prevented from introducing material evidence. B&B Hardware, 135 S. Ct. at 1309.

The TTAB converted Cesari's motion for judgment on the pleadings into one for summary judgment, without prior notice, because Cesari had attached a copy of its trademark registration to its motion. See Cesari, 2004 WL 1703103, at *1. Peju Province, however, did not suffer any resulting prejudice. Regardless of the designation, the TTAB was entitled to take judicial notice of Cesari's trademark registration, a public record of the USPTO. See Staehr v. Hartford Fin. Servs. Grp., Inc., 547 F.3d 406, 426 (2d Cir. 2008)("[M]atters judicially noticed by the District Court are not considered matters outside the pleadings."); Wells Fargo Bank, N.A., v. Wrights Mill Holdings, LLC, 127 F. Supp. 3d 156, 166 (S.D.N.Y. 2015)("When considering a . . . Rule 12(c) motion, the Court may take judicial notice of certain matters of public record without converting the motion into one for summary judgment."); Telebrands Corp. v. Del Labs., Inc., 719 F. Supp. 2d 283, 287 n.3 (S.D.N.Y. 2010)("The Court may properly take judicial notice of official records of the United States Patent and Trademark Office."); cf. Island Software & Comput. Serv., Inc. v. Microsoft Corp., 413 F.3d 257, 261 (2d Cir. 2005)(taking judicial notice of federal copyright registration, as published in the Copyright Office's registry).

Moreover, even if, *arguendo*, Peju Province *had* suffered prejudice from the conversion *sans* notice, it had multiple forms of recourse at its disposal. Not only could Peju Province have appealed to the Federal Circuit, it could also have brought a new action in federal district court, in which the parties would have been permitted to conduct additional discovery, and registration would have been decided *de novo*. See 15 U.S.C. § 1071. Instead, Peju Province ignored the TTAB's order and continued to produce wines bearing the refused mark.

II. Non-Party Preclusion[8]

Cesari seeks to extend the preclusive effect of the TTAB judgment to Peju Partnership and Peju Corporation, neither of which were parties to the 2003 TTAB litigation. This extension is warranted, Cesari claims, because these entities are "owned, controlled or in privity with Anthony and Herta Peju and with Peju Province . . . who use all three defendant entities to run their family owned wine business." Pl.'s Supp. at 18.

In general, "one is not bound by a judgment *in personam* in a litigation in which he is not designated as a party or to which he has not been made a party by service of process." Hansberry v.

8 Defendants did not brief this issue.

Lee, 311 U.S. 32, 40 (1940); Briscoe v. City of New Haven, 654 F.3d 200, 203 (2d Cir. 2011). There are, however, multiple recognized exceptions to this rule. See Taylor v. Sturgell, 553 U.S. 880, 893–95 (2008)(categorizing exceptions to the non-party preclusion rule). "[A] nonparty is bound by a judgment if she 'assume[d] control' over the litigation in which that judgment was rendered." Id. at 895 (quoting Montana, 440 U.S. at 154). Preclusion is also "appropriate when a nonparty later brings suit as an agent for a party who is bound by a judgment," i.e., "if the putative agent's conduct of the suit is subject to the control of the party who is bound by the prior adjudication." Id. at 895, 906. A "mere whiff of 'tactical maneuvering,'" however, "will not suffice." Id. at 906.

According to Cesari, preclusion is appropriate because members of the Peju family serve as directors, executives, and partners of all three entities. See Pl.'s Supp. 18–19; see also supra at note 3. As an initial matter, simply holding these positions is not enough to extend preclusive effect to the Pejus themselves; "active participation" or "control" of litigation is necessary. See Restatement (Second) of Judgments §§ 59(3)(a) ("The judgment in an action by or against the [closely held] corporation is conclusive upon the holder of its ownership if he actively participated in the action on behalf of the corporation."); 60(1)(b)(ii) ("A judgment in an action by an injured person against a partner upon an obligation or liability incurred in the course of partnership business . . . [i]f in favor of the injured person . . . is not otherwise binding on a partner who was not a party to the action unless he controlled or participated in controlling the defense of the action.").

More importantly, it is not the Pejus as individuals, but the other entities, whom Cesari seeks to bind. To extend the preclusive effect of the TTAB judgment to Peju Province and/or Peju Corporation, Cesari must show either that (a) Peju Corporation and/or Peju Partnership controlled Peju Province in the TTAB litigation, or (b) Peju Province is controlling Peju Corporation and/or Peju Partnership in the instant litigation. As the record currently stands, the strongest connection between any of these entities is disputed; Cesari contends that Anthony and Herta Peju are the general partners of Peju Province, whereas defendants assert that Peju Corporation is the sole general partner. See supra at note 3.

Because the record is insufficiently developed at this time, summary judgment with respect to this issue is denied without prejudice to refiling following further development of the record. See Brown v. City of Syracuse, 673 F.3d 141, 147 n.2 (2d Cir. 2012)(recognizing the district court's discretion to permit successive summary judgment motions, particularly where the movant has expanded the record on which summary judgment is sought).

However, non-party preclusion notwithstanding, we find it very difficult to envision a scenario in which Peju Corporation and Peju Partnership would be entitled to use the LIANA mark. Therefore, the issue of preclusion may be academic.

Conclusion

For the reasons discussed, Cesari's motion for partial summary judgment is granted in part and denied in part. Peju Province is precluded from re-litigating the likelihood of confusion between the parties' marks. Cesari's motion to similarly preclude Peju Corporation and Peju Partnership, however, is denied without prejudice.

Counsel are directed to appear telephonically for a status conference on Thursday, January 4, 2018, at 3:00 pm.

Dated: New York, New York
December 11, 2017

Naomi Reice Buchwald
NAOMI REICE BUCHWALD
UNITED STATES DISTRICT JUDGE

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

---X

CESARI S.R.L.,

Plaintiff,

-against-

PEJU PROVINCE WINERY L.P., PEJU FAMILY OPERATING PARTNERSHIP L.P., and PEJU PROVINCE CORPORATION,

Defendants.

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17 **CIVIL** 0873 (NRB)

AMENDED JUDGMENT

It is hereby **ORDERED, ADJUDGED AND DECREED:** That for the reasons stated in the Court's Opinion and Order dated September 22, 2023, the Court concludes that plaintiff is entitled to profits in the amount of $666,214 and Memorandum and Order dated July 11, 2024, plaintiff's motion is granted in part and denied in part. Plaintiff is entitled to attorney's fees of $666,214, costs of $14,661.97, expert witness fees under Rule 26(b)(4)(E)(i) of $2,697.75, and post judgment interest.

Judgment is entered for the plaintiff in accordance with the opinion, and the case is closed.

Dated: New York, New York
July 12, 2024

DANIEL ORTIZ

Acting Clerk of Court

BY: Nelson Dubal

Deputy Clerk

THIS DISPOSITION IS NOT CITABLE AS PRECEDENT OF THE T.T.A.B.

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
2900 Crystal Drive
Arlington, Virginia 22202-3513

Lykos

Mailed: July 20, 2004

Opposition No. 91158374

Cesari S.r.L.

v.

Peju Province

Before Simms, Hohein and Hairston, Administrative Trademark Judges.

By the Board:

On February 10, 2003, Peju Province ("applicant") filed an intent-to-use application to register the mark LIANA for "wine" in International Class 33.[1] Cesari S.r.L. ("opposer") has opposed registration on the ground that applicant's applied-for mark so resembles opposer's previously used and registered mark LIANO for "wines" in International Class 33 that it is likely to cause confusion, mistake, or deceive prospective consumers.[2]

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[1] Application Serial No. 76489316.

[2] Registration No. 2671495, registered on the Principal Register under Section 2(f) on January 7, 2003, alleging January 26, 1989 as the date of first use anywhere and in commerce.

This case now comes up for consideration of opposer's motion (filed February 17, 2004) for judgment on the pleadings. Applicant filed a brief in opposition thereto.[3]

At the outset, we note that inasmuch as opposer submitted a certified status and title copy of its pleaded registration with its motion, the Board will treat the motion as one for summary judgment under Fed. R. Civ. P. 56. *See* TBMP § 504.03 and authorities cited therein.

Opposer, in its motion, argues that its use of the registered trademark LIANO for wines predates applicant's constructive use date of February 10, 2003; that applicant's applied-for mark LIANA is virtually identical to opposer's mark; and that the goods in question are identical.

In response thereto, applicant contends that the parties' respective wines are distinguishable inasmuch as opposer's wine is "an Italian red Sangiovese/Cabernet Sauvignon," and applicant's wine originates from Napa Valley and is "a late harvest Chardonnay Dessert wine."

Summary judgment is an appropriate method of disposing of cases in which there are no genuine issues of material fact in dispute, thus leaving the case to be resolved as a matter of law. *See* Fed. R. Civ. P. 56(c). A party moving for summary judgment has the burden of demonstrating the

[3] The Board hereby discharges the previously issued notice of default judgment entered against applicant under Fed. R. Civ. P. 55(a), and notes applicant's answer as timely filed.

absence of any genuine issue of material fact, and that it is entitled to a judgment as a matter of law. *See Celotex Corp. v. Catrett,* 477 U.S. 317, 106 S.Ct. 2548 (1986). In a motion for summary judgment, the evidentiary record and all reasonable inferences to be drawn from the undisputed facts must be viewed in the light most favorable to the nonmoving party. *See Lloyd's Food Products Inc. v. Eli's Inc.,* 987 F.2d 766, 25 USPQ2d 2027 (Fed. Cir. 1993).

Based on the submissions of the parties, we find that opposer has met its burden of demonstrating that there are no genuine issues of material fact, and that opposer is entitled to judgment as a matter of law.

There is no genuine issue of fact as to opposer's priority because opposer has made of record a status and title copy of its pleaded Registration No. 2671495 showing that the registration is subsisting and is owned by opposer. *See King Candy Co. v. Eunice King's Kitchen,* 496 F.2d 1400, 182 USPQ 108 (CCPA 1974).

With respect to the issue of likelihood of confusion, we are guided by the factors set forth in the case of *In re E. I. du Pont de Nemours & Co.,* 476 F.2d 1357, 177 USPQ 563, 567 (CCPA 1973). Considering first the parties' marks, the test is not whether the marks can be distinguished when subjected to a side-by-side comparison, but rather whether the marks are sufficiently similar in terms of their overall commercial impression that confusion as to the source of the goods offered under the respective marks is likely to result. The focus is on the recollection of the average purchaser, who normally retains a general rather than a specific impression of trademarks. *See Sealed Air Corp. v. Scott Paper Co.*, 190 USPQ 106 (TTAB 1975). In this case, opposer's pleaded mark LIANO and applicant's mark LIANA, are almost identical. The sole distinction between the two marks is the last letter, which is insufficient to distinguish the marks' high degree of similarity.

With regard to the goods of the pleaded registration and involved application, there is no genuine issue that the parties' goods are identical. Applicant's assertion that its wine is distinguishable because it is a dessert wine is unpersuasive. *Octocom Systems, Inc. v. Houston Computers Services Inc.*, 918 F.2d 937, 16 USPQ2d 1783, 1787 (Fed. Cir. 1990) ("The authority is legion that the question of registrability of an applicant's mark must be decided on the basis of the identification of goods set forth in the application regardless of what the record may reveal as to the particular nature of an applicant's goods, the particular channels of trade or the class of purchasers to which the sales of goods are directed"). Here, neither opposer's pleaded registration nor the involved application has restrictions as to the channels of trade or purchasers.

Accordingly, inasmuch as there is no genuine issue of material fact and opposer is entitled to a judgment as a matter of law, opposer's motion for summary judgment is granted. *See* Fed. R. Civ. P. 56(e).

In view of the foregoing, the opposition is sustained, and registration of applicant's mark is refused.