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Battle of the beers

The rise of alcohol related trademark infringement



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Monica Talley



Shana L. Olson

Vampires drink beer? The battle of the trademarked alcohol

‘Vampire’ beer caused controversy in 2013, and Clown Shoes Beer were forced to change the name of their product. Now, Monica Talley and Shana L. Olson of Sterne, Kessler, Goldstein & Fox, highlight the recent surge of alcohol businesses struggling with trademark claims.

In May 2013, Clown Shoes Beer (“Clown Shoes”), a brewery located in California, was served with a complaint alleging that its VAMPIRE SLAYER SMOKED IMPERIAL STOUT trademark was confusingly similar to Vampire Brands’ registered VAMPIRE trademark for beer. Vampire Brands (“Vampire”), also of California and co-owned by a trademark attorney, sold a limited run Belgian beer under the VAMPIRE PALE ALE mark.

Although VAMPIRE PALE ALE purportedly came to market six months after VAMPIRE SLAYER SMOKED IMPERIAL STOUT, Vampire Brands had proactively filed an intent-to-use trademark application with the U.S. Patent and Trademark Office (USPTO) on February 19, 2010 for VAMPIRE per se for ale and beer in Class 32. Vampire filed an Amendment to Allege Use claiming a first-use date of September 13, 2012, and the application proceeded to registration on November 13, 2012. Thus, although believed to have reached market six months after Clown Shoes, Vampire’s complaint (correctly) alleged that their earlier filing date gave them priority for the VAMPIRE mark in connection with beer.

As Clown Shoes explains in a colorful post on its website, it consulted with an attorney, and was still

convinced that it had an excellent chance of winning in court – given the differences in the styles and countries of origin of the respective beers, and the differences in the overall branding and appearance of the labels. However, after hearing that a court battle to protect VAMPIRE SLAYER may cost up to \$400,000 (US), Clown Shoes reconsidered and settled on a licensing deal with Vampire Brands to use the VAMPIRE trademark for its beer, ultimately phasing-out the VAMPIRE SLAYER brand.

Unhappy with the outcome, Clown Shoes rebranded its stout with the name UNDEAD PARTY CRASHER SMOKED IMPERIAL STOUT. As a last jab at the trademark attorney co-owner of Vampire Brands – and, perhaps, all trademark attorneys – the label includes a banner reading “Welcome, Trademark Attorneys!”

While this battle over vampire-themed beer names happened outside of the United States Patent and Trademark Office (USPTO) and was not ultimately decided by a court, it is nonetheless instructive on the importance of conducting a pre-use and filing trademark clearance search in the United States. It also raises the question of just how close alcohol marks must be to one another to be considered confusingly similar.

Résumés

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Monica is based at the intellectual property law firm’s Washington DC office where she heads the firm’s Trademark, Advertising and Anti-Counterfeiting Practice. For more than 18 years she has specialized in strategic trademark counseling and portfolio management, developing anti-counterfeiting solutions and strategies, and trademark enforcement.

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Alternative examples of alcohol oppositions

In answer to the latter question, the USPTO’s Trademark Trial and Appeal Board (TTAB) has decided a slew of instructive alcohol oppositions and *ex parte* appeals in 2014 and 2015, some of which appear to accord a rather broad scope of protection to registered alcohol marks, finding confusion between not just marks for the same types of alcohol, such as beer, but between alcohol categories as well. This recent trend in cases suggests that not only would such tribunals find confusion between marks sharing the same root term for smoked imperial ale versus pale ale, but also virtually any version of alcohol, even those that fall in different International Classes.

For example, in the case of *Abita Brewing Company, LLC v. Mother Earth Brewing, LLC* (TTAB, Sep. 11, 2014)

the TTAB considered an opposition to registration of the mark SUNNY HAZE for beer based on the opposers prior-registered mark PURPLE HAZE for “beer, ale, lager, [and] malt liquor.” In considering whether confusion was likely between two formative marks that shared the term HAZE, the Board considered several factors, including the definition of HAZE as it relates to beer color, the dissimilarity of SUNNY and PURPLE as modifying HAZE, and actual coexistence of the brands for three years in North Carolina, Georgia, and Washington, DC without evidence of actual confusion. In the end, the Board sustained the opposition for all claimed goods and services, concluding that the goods were identical, the trade channels and consumers of the goods overlapped, and the marks were similar.

Similarly, in a recent *ex parte* appeal the TTAB partially affirmed a refusal to register the mark BRUTOPIA BREWERY (BREWERY disclaimed) for pubs and beer, based on a prior registration for BREWTOPIA for beer events and festivals (*In re Grill 505 LLC*, TTAB March 31, 2015). When conducting its multi-factor likelihood-of-confusion analysis, the Board found that customers may believe “that the goods and services originate from or are associated with or sponsored by the same source.” The Board affirmed the Examining Attorney’s 2(d) refusal for “beer,” but reversed the refusal for “pubs” after finding no likelihood of confusion between pubs and beer events and festivals.

Somewhat in contrast to the prior two decisions, in a decision on an *ex parte* appeal of the refusal to register the mark KNOTTY BRUNETTE for beer, the Board confusion was not likely with the cited prior NUTTY BREWNETTE mark, also for beer (*In re Twin Restaurant IP LLC*, TTAB June 24, 2015). The Board disagreed with the Examining Attorney’s finding that the terms were phonetic equivalents, stating that there were “critical the obvious distinctions

between the marks in appearance, connotation and commercial impression.” Most compelling to the Board was the difference in connotation of the first portions of the marks. NUTTY as used in the registered mark described a quality of the beer – the website for BJ’s Restaurant and Brewhouse describes the flavor profile as “sweet with ‘nutty’ notes.” In contrast, the KNOTTY part of the pending mark “is more likely to project the connotation of a ‘naughty brunette,’ that is to say, a dark-haired woman displaying a playful type of sexiness.” Finding that the marks differ in appearance, meaning, and commercial impression, the Board reversed the 2(d) refusal.

Notably, although the KNOTTY BRUNETTE application was then published for opposition, the owner of a different mark – KNOTTY BLONDE also for beer – has now filed an extension of time to oppose.

Beer versus wine

Furthermore, the TTAB has made similar determinations when considering *ex parte* appeals of refusals to register arguably similar marks for beer versus wine:

- In *The Bruery, LLC* (Sep. 24, 2014): The Board affirmed a 2(d) refusal to register 5 GOLDEN RINGS for beer, because it so resembles GOLD RING for wine that it is likely to cause confusion. The Board specifies that likelihood of confusion analysis should rest “not [on] whether purchasers would confuse the goods, but rather whether there is a likelihood of confusion as to the source of [the] goods,” explaining why there is a likelihood of confusion even when different types of alcohol are compared.
- In *re High Water Brewing, Inc.* (Oct. 3, 2014): The Board affirmed a 2(d) refusal to register NO BOUNDARY IPA (IPA disclaimed) for beer, in light of registered mark NO BOUNDARIES for wine. Though the Applicant argued that the use of IPA in its mark should preclude consumer confusion, the Board found NO BOUNDARY to be the dominant element of the mark, given its location as the first part of the mark.
- In *re Sonoma Estate Vintners, LLC* (Jan. 9, 2015): The Board affirmed a refusal to register BLACKHAWK for wine as likely to cause confusion with the registered mark BLACK HAWK STOUT for “malt beverages, namely, beer, ales, and stout,” because the marks are similar and “the goods are related and move in the same channels of trade.”

Wine versus spirits

The TTAB has also reached similar conclusions in the following cases regarding wine versus spirit marks:

“ American trademark laws were enacted to protect consumers, thus the USPTO and the courts will sometimes interpret trademark rights more broadly than expected to ensure that consumers’ confusion does not arise.”



- *In re Millbrook Distillery, LLC* (Feb. 9, 2015): A refusal to register MILLBROOK DISTILLERY (DISTILLERY disclaimed) for whiskey was affirmed by the Board under Section 2(d), for likelihood of confusion with MILLBROOK for wine. The Board specifically found that “it is enough that the goods and/or services are related in some manner or that some circumstances surrounding their marketing are such that they would be likely to be seen by the same persons under circumstances which could give rise...to a mistaken belief that they originate from or are in some way associated with the same producer.” To support its finding, the Board discussed a number of combination wineries and distilleries, and also considers that wine and whiskey are sold in the same channels of trade.
- *In re Proximo Spirits, Inc.* (March 16, 2015): The Board affirmed a 2(d) refusal to register COCOMO for tequila and tequila based products because of a likelihood of confusion with KOKOMO for wine. Though the marks are visually different, the Board found they are audibly indistinct and have similar connotations. Further, the Board discusses evidence put forth by the Examining Attorney, who found “that some third parties distribute and sell both wine and tequila, that some restaurants offer wine and tequila pairings, and that wine and tequila may be mixed together as ingredients in drink recipes.”

Finally, in May of this year, the TTAB affirmed a refusal to register the mark GINGERELLA for vodka, gin, and rum, based on a prior registration for the identical mark for ginger based carbonated soft drinks (*In re Waiwera LLC*, TTAB May 15, 2015). The Board affirmed the Examiner’s refusal based on two factors: the identical nature of the marks, and the relatedness of the goods, to the extent that they are complementary.



Conclusion

The bottom line for trademark owners in the U.S.? First, don’t assume that differences in the goods, or additional wording in marks, will be sufficient to preclude likelihood of confusion for beverage marks. American trademark laws were enacted to protect consumers, thus the USPTO and the courts will sometimes interpret trademark rights more broadly than expected to ensure that consumers’ confusion does not arise. Furthermore, always rely on the advice of experienced trademark counsel and – if in doubt - err on the side of caution, as it can be costly and can also damage consumer goodwill to change a brand mid-stream.

Second, select marks early in the product-planning cycle, and file intent-to-use trademark applications as soon as brand names are selected. Even if use will not commence for several years from filing, such applications can essentially “hold your place in line” vis-à-vis subsequent adopters.



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