

This Opinion is not a
Precedent of the TTAB

Mailed: September 30, 2024

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board

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In re Waterloo Sparkling Water Corp.

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Serial No. 90843090

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Allison Hagey, Mitchell C. Stein, Yekaterina Kushnir and Allyson Madrid
of Braun Hagey & Borden LLP
for Waterloo Sparkling Water Corp.

Giancarlo Castro, Trademark Examining Attorney, Law Office 110,
Chris Pedersen, Managing Attorney.

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Before Adlin, Goodman, and Elgin,
Administrative Trademark Judges.

Opinion by Goodman, Administrative Trademark Judge:

Waterloo Sparkling Water Corp (“Applicant”) seeks registration on the Principal Register of the standard character mark WATERLOO SPIKED SPARKLING WATER (SPIKED SPARKLING WATER disclaimed) for “Spiked seltzer containing alcohol; ready-to-drink cocktails; alcoholic seltzers; flavored alcoholic seltzer; hard

seltzer; alcoholic beverages except beer, wine, and spirits; pre-mixed alcoholic beverages; carbonated alcoholic beverages except beer” in International Class 33.¹

The Trademark Examining Attorney has refused registration of Applicant’s mark under Trademark Act Section 2(d), 15 U.S.C. § 1052(d), on the ground that Applicant’s mark so resembles the standard character Principal Register mark WATERLOO NO.9 GIN (GIN disclaimed) for “spirits” in International Class 33, that it is likely to cause confusion.²

We reverse the refusal to register.

¹ Application Serial No. 90843090 was filed on July 22, 2021 under Section 1(b) of the Trademark Act, 15 U.S.C. § 1051(b), based on a bona fide intent to use the mark in commerce. Applicant had initially identified Class 32 goods as well, but these were later deleted in response to a refusal to register. October 17, 2022 Response to Office action at TSDR 1.

Page references to the application record are to the online database of the USPTO’s Trademark Status & Document Retrieval (TSDR) system. References to the briefs on appeal are to the Board’s TTABVUE docket system. Applicant’s brief is at 4 TTABVUE and the amended reply brief is at 11 TTABVUE. The reply brief was initially rejected as overlong, 10 TTABVUE, but was resubmitted and now is in compliance with the Trademark Rules. The Examining Attorney’s brief (corrected) is at 7 TTABVUE. *See* 8 TTABVUE (Board order). The corrected brief has a technical error, omitting the Examining Attorney’s signature line and name but we refer to the Examining Attorney identified in the earlier submission of the brief at 6 TTABVUE.

This opinion cites to the Federal Reporter (e.g., F.2d, F.3d or F.4th) for decisions of the U.S. Court of Appeals for the Federal Circuit and the U.S. Court of Customs and Patent Appeals and cites to the LEXIS database for decisions of the Board. The TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PROCEDURE (TBMP) § 101.03 (2024) provides information about recommended citation forms.

² Registration No. 6003279 issued March 3, 2020. A statement of use was filed January 7, 2020 alleging October 2011 as the date of first use anywhere and February 2012 as the date of first use in commerce.

The Examining Attorney also advised of potential likelihood of confusion with prior pending applications Serial Nos. 90658541, 90658540 and 90658535, also owned by Registrant, but never refused registration based on them. April 25, 2022 Office action at TSDR 1. Applicant advises that two of these applications stand abandoned. 4 TTABVUE 8.

I. Likelihood of confusion

Section 2(d) of the Trademark Act prohibits registration of a mark that so resembles a registered mark as to be likely, when used on or in connection with the goods or services of the applicant, to cause confusion, or to cause mistake, or to deceive. 15 U.S.C. § 1052(d). Our determination of likelihood of confusion under Section 2(d) is based on an analysis of all probative facts in the record that are relevant to the likelihood of confusion factors set forth in *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 1361 (CCPA 1973) (“*DuPont*”). See also *In re Majestic Distilling Co.*, 315 F.3d 1311, 1315 (Fed. Cir. 2003). We consider each *DuPont* factor for which there is evidence and argument. See, e.g., *In re Guild Mortg. Co.*, 912 F.3d 1376, 1379 (Fed. Cir. 2019); *In re Country Oven, Inc.*, Ser. No. 87354443, 2019 TTAB LEXIS 381, at *2 (TTAB 2019).

In every Section 2(d) case, two key factors are the similarity or dissimilarity of the marks and the goods or services. See *In re i.am.symbolic, llc*, 866 F.3d 1315, 1322 (Fed. Cir. 2017) (quoting *Herbko Int’l, Inc. v. Kappa Books, Inc.*, 308 F.3d 1156, 1165 (Fed. Cir. 2002)); *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 1103 (CCPA 1976) (“The fundamental inquiry mandated by § 2(d) goes to the cumulative effect of differences in the essential characteristics of the goods and differences in the marks.”). These factors, and, crucially, Applicant’s and Registrant’s consent agreement, are discussed below.

A. Market Interface and Consent Agreement

We first address the tenth *DuPont* factor, the market interface between Applicant and Registrant, which in this case involves an evaluation of their consent and settlement agreement (“consent agreement”).

“[D]epending on the circumstances,” consent agreements “may ... carry great weight” since the parties to the agreement are in a “better position to know the real life situation than bureaucrats or judges.” *Bongrain Int’l (Am.) Corp. v. Delice de France Inc.*, 811 F.2d 1479, 1485 (Fed. Cir. 1987); *In re Bay State Brewing Co.*, Ser. No. 85826258, 2016 TTAB LEXIS 46, at *32 (TTAB 2016) (“[W]e unmistakably recognize the Federal Circuit’s instruction that consent agreements are frequently entitled to great weight.”). That being said, “there is no per se rule that a consent, whatever its terms, will always tip the balance to finding no likelihood of confusion, and it therefore follows that the content of each agreement must be examined.” *In re Bay State Brewing Co.*, 2016 TTAB LEXIS 46, at * 16-17.

Factors to be considered in weighing a consent agreement include the following:

- (1) Whether the consent shows an agreement between both parties;
- (2) Whether the agreement includes a clear indication that the goods and/or services travel in separate trade channels;
- (3) Whether the parties agree to restrict their fields of use;
- (4) Whether the parties will make efforts to prevent confusion, and cooperate and take steps to avoid any confusion that may arise in the future; and
- (5) Whether the marks have been used for a period of time without evidence of actual confusion. *See*

generally *In re Four Seasons Hotels Ltd.*, 987 F.2d 1565 (Fed. Cir. 1993); *In re Mastic Inc.*, 829 F.2d 1114, 1117-18 (Fed. Cir. 1987); *DuPont*, 467 F.2d at 1362-63.

Applicant argues that the Examining Attorney did not give any weight to the settlement agreement entered into between Applicant and Registrant in connection with a prior civil action between them, May 22, 2023 Response to Office action at TSDR 7-12; October 17, 2022 Response to Office action at TSDR 3-9, and that the agreement is acceptable under *In re Dare Foods Inc.*, Ser. No. 88758625, 2022 TTAB LEXIS 92 (TTAB 2022). 4 TTABVUE 13-21; 11 TTABVUE 3-4. The Examining Attorney, on the other hand, argues that the agreement is a “naked consent,” and does not overcome likelihood of confusion, because it neither (1) sets forth reasons why the parties believe there is no likelihood of confusion, nor (2) describes the arrangements undertaken by the parties to avoid confusing the public. 7 TTABVUE 7-8.

We find the settlement agreement is more than a naked consent and is clothed, showing an agreement between both Applicant and Registrant under factor 1 of *Four Seasons*. The agreement does not explicitly address factors 2-5 discussed in *Four Seasons Hotels*, 987 F.2d at 1565, by using the same terms as the Federal Circuit did in *Four Seasons*. However, in *Dare Foods*, 2022 TTAB LEXIS 92, at *24, which involved similar marks, related goods, and similar trade channels, the Board stated “we are aware of no authority requiring a consent agreement to discuss all of these factors [listed in *Four Seasons Hotels*] in order to be probative.” And in *In re Am. Cruise Lines, Inc.*, Ser. No. 87040022, 2018 TTAB LEXIS 363, at *19 (TTAB 2018),

involving identical services, trade channels, and similar marks, the Board stated that provisions regarding efforts to prevent confusion or to cooperate and take steps to avoid future confusion “may render the agreement more probative, but it is not an essential provision for the agreement to have probative value.” Obviously, “the more information that is in the consent agreement as to why the parties believe confusion to be unlikely, and the more evidentiary support for such conclusions in the facts of record or in the way of undertakings by the parties, the more we can assume that the consent is based on a reasoned assessment of the marketplace, and consequently the more weight the consent will be accorded.” *In re Donnay Int’l, SA*, Ser. No. 74160268, 1994 TTAB LEXIS 21, at *9 (TTAB 1994).

The agreement is phrased more broadly in terms of Applicant’s covenant not to sue Registrant than a typical co-existence agreement. It provides that Applicant will not take action against Registrant in connection with use of a tagline (“Approved Tagline”) for a carbonated alcoholic beverage (“Sparkling Alcoholic Beverage”) which includes a phrase “made by” or “featuring,” inter alia, WATERLOO NO. 9 GIN if:

- i. The Approved Tagline is not used as the primary trademark or brand name for the Sparkling Alcoholic Beverage;³
- ii. The primary trademark/brand name for the Sparkling Alcoholic Beverage does not contain the word “Waterloo” or any other word that is confusingly similar in sight, sound, connotation, or commercial impression to “Waterloo” or any trade dress that is confusingly similar to Waterloo’s trade dress;

³ The approved tagline is “in the format ‘[X] [Y],’ where ‘X’ is the word or phrase ‘made with’ or ‘featuring’ or a phrase with the same meaning and ‘Y’ is one of the following: ‘WATERLOO No. 9 GIN,’ WATERLOO TEXAS STRENGTH GIN,’ ‘WATERLOO YAUPON GIN’ and ‘WATERLOO ANTIQUE GIN.’” *Id.* at 7.

- iii. The Approved Tagline appears in a font and presentation that is smaller than the primary trademark/brand name and that visually distinguishes it from the primary trademark/brand name for the Sparkling Alcoholic Beverage; and
- iv. The Approved Tagline is accurate (meaning that the Sparkling Alcoholic Beverage contains the referenced alcohol ingredient).

May 22, 2023 Response to Office action at TSDR 7-8.

The parties plainly intended that Registrant's current use and registration of WATERLOO marks for "spirits" is permitted under agreed-upon conditions. For example, Applicant will not take action against Registrant for "use of any of its marks as the product name, primary mark, or trademark for its alcohol products that are not Sparkling Alcoholic Beverages, such as its WATERLOO No. 9 GIN for 'spirits.'" *Id.* at 4. Applicant and Registrant also agreed to limit their fields of use (i.e., different products) under factor 3 of *Four Seasons*, and the Agreement permits Applicant to bring an action against Registrant regarding a Sparkling Alcoholic Beverage "on any ground other than its use of an Approved Tagline," *id.*, which would include use of WATERLOO as a product name for Sparkling Alcoholic Beverages.

To ensure compliance with the agreement and that the parties to it consent to each other's use of the term WATERLOO, the contract includes a provision for Registrant to deliver certificate of label (COLA) approvals to Applicant when they include the word WATERLOO or WATERLOO trade dress: "Treaty Oak Distilling shall deliver to Waterloo copies of any certificate of label approval ... that contains the word WATERLOO or the Waterloo Trade Dress as a primary trademark or the word WATERLOO as part of a tagline..." and Applicant has "the right to confer with

Treaty Oak Distilling regarding any Potentially Disputed Labels.” *Id.* at 8-9. Although a COLA label is more related to compliance with the TTB (Alcohol and Tobacco Tax and Trade Bureau) regulations, it still shows efforts by the parties to cooperate as to labeling, from which we infer as efforts to avoid confusion in the marketplace under factor 4 of *Four Seasons*.

Although the Examining Attorney criticizes the agreement for lacking specific statements to avoid actual confusion, we can infer from the requirement to deliver COLA labels to Applicant that the parties have an agreement and system to avoid confusion as regards use of WATERLOO for carbonated alcoholic beverages. We find that these provisions are substantively and essentially efforts to avoid actual and future confusion under factor 4 of *Four Seasons*.

Importantly, the agreement addresses Registrant’s consent to Applicant’s subject application and right to register WATERLOO SPIKED SPARKLING WATER, implying Applicant’s right to use this mark. It provides that the Registrant will “take no further action to oppose or seek to impair, restrict or prevent the registrations of Waterloo’s pending trademark application for WATERLOO SPIKED SPARKLING WATER Ser. No. 90843090.” May 22, 2023 Response to Office action at TSDR 9; October 17, 2022 Response to Office action at TSDR 5. The consent to register at the very least “negates the presumption that doubts about likelihood of confusion are to be resolved in favor of the Registrant.” *In re Wacker Neuson*, Ser. No. 79060553, 2010 TTAB LEXIS 440, *at 27 (TTAB 2010) (citing *Donnay Int’l*, 1994 TTAB LEXIS 21, at *11).

Under the guidance set forth in *In re Mastic*, 829 F.2d at 1117, any consent, whether “naked” or “clothed,” is evidence that must be considered in the likelihood of confusion analysis. In view of the foregoing, we accord this agreement weight and find the consent agreement supports Applicant’s position of no likelihood of confusion based on the reasoned analysis of Applicant and Registrant who understand the nature of their businesses. We should not substitute our views for theirs. *Four Seasons Hotels, Ltd.*, 987 F.2d at 1569; *Amalgamated Bank of N.Y. v. Amalgamated Tr. & Sav. Bank*, 842 F.2d 1270, 1275 (Fed. Cir. 1988); *Bongrain Int’l*, 811 F.2d at 1484-85.

B. Similarity or Dissimilarity of the Marks

The first *DuPont* factor requires us to determine the similarity or dissimilarity of the marks when viewed in their entirety in terms of appearance, sound, connotation and overall commercial impression. See *Palm Bay Imps., Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*, 396 F.3d 1369, 1371 (Fed. Cir. 2005) (quoting *DuPont*, 476 F.2d at 1361). The test, under the first *DuPont* factor, 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. *Coach Servs., Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 1368 (Fed. Cir. 2012) “[T]he marks ‘must be considered . . . in light of the fallibility of memory.’” *In re St. Helena Hosp.*, 774 F.3d 747, 751 (Fed. Cir. 2014) (quoting *San*

Fernando Elec. Mfg. Co. v. JFD Elecs. Components Corp., 565 F.2d 683, 685 (CCPA 1977)).

“No mechanical rule determines likelihood of confusion, and each case requires weighing of the facts and circumstances of the particular mark.” *In re Mighty Leaf Tea*, 601 F.3d 1342, 1346 (Fed. Cir. 2010). Our analysis cannot be predicated on dissecting the marks into their various components; the decision must be based on a comparison of the entire marks, not just part of the marks. *In re Nat’l Data Corp.*, 753 F.2d 1056, 1058 (Fed. Cir. 1985).

While the marks must be considered in their entirety, “in articulating reasons for reaching a conclusion on the issue of confusion, there is nothing improper in stating that, for rational reasons, more or less weight has been given to a particular feature of a mark, provided the ultimate conclusion rests on consideration of the marks in their entirety.” *Id.*

Here, Applicant argues that Applicant’s and Registrant’s marks are dissimilar in appearance, sound, meaning and commercial impression because of the additional terms in each mark. 4 TTABVUE 24; 11 TTABVUE 8-9. Registrant apparently agrees, provided Applicant and Registrant comply with their agreement. We accord more weight to Applicant’s and Registrant’s views on the subject than to our own, as our views can only be based on the somewhat “artificial” records developed in *ex parte* appeals. The parties operate in the “real world,” and are thus in a “better position to know the real life situation than bureaucrats or judges.” *Bongrain*, 811 F.2d at 1485.

If we did not have the benefit of Applicant's and Registrant's views, and the assurances contained in their agreement, we concede that we would likely notice and remark upon similarities between the marks. Following the lead of Applicant and Registrant, we find the agreement more important than the similarities we may see in the marks, because the parties have agreed to minimize consumers' exposure to the similarities, and draw their attention to dissimilarities, not just between Applicant's and Registrant's marks, but importantly between Applicant's and Registrant's "real world" marketing practices that impact (reduce) the likelihood of confusion.

In short, we accept Applicant's and Registrant's views concerning the marks over any of our own, given the protections and restrictions set forth in the agreement.

C. Similarity or Dissimilarity of the Goods

The second *DuPont* factor considers "[t]he similarity or dissimilarity and nature of the goods or services as described in an application or registration." *DuPont*, 476 F.2d at 1361. Our comparison is based on the goods as identified in Applicant's application and the cited registration. *In re Detroit Athletic Co.*, 903 F.3d at 1307 (citing *In re i.am.symbolic*, 866 F.3d at 1325).

Applicant's goods are "Spiked seltzer containing alcohol; ready-to-drink cocktails; alcoholic seltzers; flavored alcoholic seltzer; hard seltzer; alcoholic beverages except beer, wine, and spirits; pre-mixed alcoholic beverages; carbonated alcoholic beverages except beer." The goods in the cited registration are "spirits."

Obviously, there are similarities and differences between the goods. As with the marks, however, we decline to substitute our own views based on a standard *ex parte* appeal record for those of Applicant and Registrant in view of the parties' consent agreement. Indeed, whether or not Applicant and Registrant are direct competitors, they carefully negotiated and crafted a mutually satisfactory written agreement that there is no likelihood of confusion. Again, we follow their lead here.

II. Conclusion

Unlike the typical *ex parte* appeal, here we have heard from Applicant and Registrant about the likelihood of confusion refusal.

Applicant and Registrant believe that under the terms of their consent agreement there will be no likelihood of confusion, and the consent agreement meets the standards set forth in *Four Seasons*. We accordingly find that Applicant's mark WATERLOO SPIKED SPARKLING WATER for "Spiked seltzer containing alcohol; ready-to-drink cocktails; alcoholic seltzers; flavored alcoholic seltzer; hard seltzer; alcoholic beverages except beer, wine, and spirits; pre-mixed alcoholic beverages; carbonated alcoholic beverages except beer" is not likely to cause confusion with the registered mark WATERLOO NO. 9 GIN for "spirits."

Decision: The refusal to register Applicant's mark WATERLOO SPIKED SPARKLING WATER is reversed.