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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91183753
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

HEAVEN HILL DISTILLERIES, INC.,)		
)		
Opposer,)	Opposition No.	91183753
)		
v.)		
)	Serial No.	77/266,196
DIALLO YASSINN PATRICE,)	Mark:	HYPNOTIZER
)	Intl Class:	033
Respondent.)		

OPPOSER’S BRIEF

Heaven Hill Distilleries, Inc., the Opposer, submits this Brief in opposition to Application Serial Number 77/266,196 pursuant to 37 C.F.R. § 2.128.

INTRODUCTION

Applicant Diallo Yassin Patrice (“Diallo”) has applied to register the mark HYPNOTIZER for use with “alcoholic beverage produced from a brewed malt base with natural flavors, alcoholic beverages of fruit, alcoholic fruit extracts, alcoholic malt coolers, alcoholic punch, cachaca, cognac, distilled spirits, fruit wine, gin, hard cider, natural sparkling wines, prepared cocktail drink, prepared wine cocktails, rum, sparkling fruit wine, sparkling grape wine, sparkling wines, tequila, vodka, whiskey, wine coolers, wines.” Heaven Hill Distilleries, Inc. (“Heaven Hill”) is the owner of the well-known and distinct mark HPNOTIQ for which it holds federally registered trademarks for use of the mark with liqueur, candles, beverage and glassware, and clothing. The undisputed evidence also shows that Heaven Hill has common law rights in a number of related, unregistered marks for use in connection with prepared cocktail drinks made with HPNOTIQ liqueur, including the HPNOTIZER and HYPNOTIZE marks and a number of marks that begin “HPNO.”

The undisputed proof in this case demonstrates that Diallo's use of HYPNOTIZER on or in connection with the beverage alcohol products listed in his application is likely to cause confusion and mistake and will deceive consumers. Accordingly, the Trademark Trial and Appeal Board should deny Diallo's application to register the HYPNOTIZER mark.

TABLE OF CONTENTS

INTRODUCTION.....1

TABLE OF CONTENTS.....3

INDEX OF CASES4

DESCRIPTION OF THE RECORD6

STATEMENT OF THE ISSUES.....7

FACTS8

ARGUMENT21

1. Heaven Hill’s Prior Use and Registration of the HPNOTIQ Mark and Its Prior Use of the HPNOTIZER, HYPNOTIZE, and HPNO Marks Precludes Registration of the HYPNOTIZER Mark.....21

2. Diallo’s Use of the HYPNOTIZER Mark in Connection with Beverage Alcohol Products Is Likely to Cause Confusion With Heaven Hill’s Use of Its Registered HPNOTIQ Mark and Its Unregistered HPNOTIZER, HYPNOTIZE, and HPNO Marks.....22

 A. Strength of Heaven Hill's Marks.....23

 [1] Strength of Heaven Hill’s HPNOTIQ Mark.....23

 [2] Strength of Heaven Hill’s Unregistered Marks.....24

 B. Relatedness of the Parties’ Goods.....25

 C. Similarity of the Marks.....25

 D. Evidence of Actual Confusion.....29

 E. Marketing Channels Used.....29

 F. Likely Degree of Purchaser Care.....30

 G. Intent of Applicant.....31

 H. Likelihood of Expansion of Product Lines.....32

3. Doubts As To Likelihood Of Confusion Must Be Resolved In Favor Of The Senior User—Heaven Hill.....32

CONCLUSION.....33

INDEX OF CASES

<u>Cases</u>	<u>Page</u>
<i>Beck & Co. v. Package Distribs. of America, Inc.</i> , 198 U.S.P.Q. 573 (T.T.A.B. 1978)	26
<i>Brown-Forman Distillery Co. v. Arthur M. Bloch Liquor Importers, Inc.</i> , 99 F.2d 708 (7th Cir. 1938)	26, 27
<i>Champions Golf Club, Inc. v. The Champions Golf Club, Inc.</i> , 78 F.3d 1111 (6th Cir. 1996)	22, 29
<i>Daddy's Junky Music Stores, Inc. v. Big Daddy's Family Music Center</i> , 109 F.3d 275, 42 U.S.P.Q.2d 1173 (6th Cir. 1997)	22, 23, 29, 30, 31
<i>David Sherman Corp. v. Heublein, Inc.</i> , 340 F.2d 377 (8th Cir. 1965)	25, 26, 27
<i>Educational Testing Serv. v. Touchstone</i> , 739 F. Supp. 847, 16 U.S.P.Q.2d 1865 (S.D.N.Y. 1990).....	25
<i>Faberge, Inc. v. Madison Shirt Corp.</i> , 192 U.S.P.Q. 223 (T.T.A.B. 1976)	28
<i>Florence Mfg. Co. v. J.C. Dowd & Co.</i> , 178 F. 73 (2d Cir. 1910).....	32
<i>Frisch's Restaurants, Inc. v. Elby's Big Boy of Steubenville, Inc.</i> , 670 F.2d 642 (6th Cir. 1982)	30
<i>In re E. I. duPont de Nemours & Co.</i> , 476 F.2d 1357, 177 U.S.P.Q. 563 (C.C.P.A. 1973).....	22
<i>In re Elbaum</i> , 211 U.S.P.Q. 639 (T.T.A.B. 1981)	29
<i>Interstate Brands Corp. and Interstate Brands West Corp. v. McKee Foods Corp.</i> , 53 U.S.P.Q.2d 1910 (T.T.A.B. 2000)	33
<i>John Walker & Sons, Ltd. v. Bethea</i> , 305 F. Supp. 1302 (D.S.C. 1969).....	32
<i>Jules Berman</i> , 202 U.S.P.Q. 67 (T.T.A.B. 1979).....	26, 27

<i>Nina Ricci, S.A.R.L. v. E.T.F. Enterprises, Inc.</i> , 889 F.2d 1070, 12 U.S.P.Q.2d 1901 (Fed. Cir. 1989)	31
<i>Standard Oil Co. v. Standard Oil Co.</i> , 252 F.2d 65, 116 U.S.P.Q. 176 (10th Cir. 1958).....	28
<i>Stork Rest. v. Sahati</i> , 166 F.2d 348 (9th Cir. 1948)	32
<i>TCIP Holding Co. v. Haar Communications</i> , 244 F.3d 88, 57 U.S.P.Q.2d 1969 (2d Cir. 2001)	23
<i>The NASDAQ Stock Market, Inc.</i> , 69 U.S.P.Q.2d 1718 (T.T.A.B. 2003)	29, 30
<i>Virgin Enters. Ltd. v. Nawab</i> , 335 F.3d 141, 67 U.S.P.Q.2d 1420 (2d Cir. 2003)	23, 24, 25
<u>Statutes</u>	
15 U.S.C. § 1052(d)	21, 33
37 C.F.R. § 2.128	1
<u>Other Authorities</u>	
<i>McCarthy on Trademarks and Unfair Competition</i> § 23.65 (4th ed. rel. 40 12/2006).....	33

DESCRIPTION OF THE RECORD

The evidence in this case consists of the following: (1) The January 22, 2010, trial deposition of Justin Ames, Heaven Hill Distilleries, Inc.'s Senior Brand Manager for HPNOTIQ, and the exhibits attached thereto; (2) The January 22, 2010, trial deposition of Norman Drew Wesley, Vice-President of Keller Crescent Company, and the exhibits attached thereto; and (3) Opposer Heaven Hill Distilleries, Inc.'s Notice of Reliance, which includes certified copies of Registration Numbers: 2834133 for HPNOTIQ for candles and beverage glassware; 2834130 for HPNOTIQ for clothing, namely shirts; 2822475 HPNOTIQ HQOPN (and bottle design) for liqueur; and 2642855 for HPNOTIQ for liqueur.

Applicant Diallo Yassin Patrice ("Diallo") has never introduced any proof in this case. Diallo did not take any trial depositions of his own, and despite ample notice, he chose not to participate in the trial depositions of Ames and Wesley.

Diallo did, however, file a "Brief on the Merit for Defendant" on the final day of his testimony period. This brief, however, contains numerous factual allegations that are not included in the record of this case and a number of exhibits that have not been properly entered into evidence. Pursuant to the Rules of Procedure for proceedings before the Board, the Board should give no consideration to the factual allegations and exhibits that are not properly part of the record of this case. Moreover, Diallo's brief does not comply with the formal requirements for a brief on the merits and should be struck in its entirety. Heaven Hill is submitting with this brief a separate motion to strike Diallo's brief and certain exhibits thereto.

STATEMENT OF THE ISSUES

Whether the registration of the HYPNOTIZER mark for use in connection with a variety of beverage alcohol products would create a likelihood of confusion in the marketplace causing consumers to incorrectly conclude that there is some connection or association with Heaven Hill Distilleries, Inc.'s liqueur product that is identified by the registered HPNOTIQ mark and marketed by Heaven Hill Distilleries, Inc. using the registered HPNOTIQ mark and an number of unregistered, related marks, including a series of "HPNO" marks and the HYPNOTIZE and HPNOTIZER marks that are used in connection with prepared cocktail drinks that feature HPNOTIQ liqueur as an ingredient.

FACTS

Opposer Heaven Hill Distilleries, Inc. (“Heaven Hill”) acquired the rights to HPNOTIQ liqueur in 2003. Due to Heaven Hill’s substantial investments of time, money, and effort, HPNOTIQ liqueur has grown into the fourth largest imported liqueur in the United States in terms of volume in 2008, the latest year for which such information is available [Ames pp. 37-38, Ex. 13]. The retail value of the sales of HPNOTIQ liqueur in 2008 alone was approximately \$150 million [Ames p. 39] and since 2003, more than \$900 million [*see* Ames p. 39, Ex. 13]. The success of the HPNOTIQ brand has not been accidental. Since acquiring the HPNOTIQ brand, Heaven Hill has invested more than \$90 million in developing and implementing sophisticated and comprehensive advertising and promotional campaigns to create a brand aura that has instilled in the coined HPNOTIQ trademark a connotation that the mark is related to hypnosis or hypnotism [*see* Ames pp. 45, 57; Wesley p. 36]. This aura has been enhanced by the use of marks related to the HPNOTIQ mark and the term hypnotic for prepared cocktail drinks made with HPNOTIQ liqueur [Ames pp. 25-28]. Heaven Hill is the only entity that uses a mark related to or derivative of the term hypnotic in connection with a beverage alcohol product [Ames p. 19; Wesley p. 16]. Because of these efforts, consumers positively associate the HPNOTIQ mark with experiences that may be hypnotic, spellbinding, or mesmerizing. These are associations and connotations that consumers find to be appealing, differentiate Heaven Hill’s HPNOTIQ liqueur from all other beverage alcohol products in the marketplace, and provide an important reason for consumers to purchase HPNOTIQ liqueur [Ames p. 18].

The term “hpnotiQ” is a coined term created by Heaven Hill’s predecessor as the trademark for the liqueur that is now widely recognized as HPNOTIQ liqueur [Ames pp. 17-18]. Accordingly, the term hpnotiQ has no literal meaning other than as a trademark for Heaven Hill’s liqueur product that is sold under the HPNOTIQ mark. Through its efforts, Heaven Hill has,

however, built on the similarity of its HPNOTIQ mark to the word “hypnotic” to instill in the HPNOTIQ mark a connotation consumers associate with the word hypnotic¹ and the related terms hypnosis and hypnotism [Ames p. 57; Wesley p. 36].

The liqueur sold under the HPNOTIQ brand is an exclusive blend consisting of premium vodka, fine cognac, and tropical fruit flavors [Ames p. 15; Wesley p. 13]. Heaven Hill has positioned this brand as a “life-style” brand, meaning that Heaven Hill markets the product at “a high price point to individuals who are considered influential” while also making the product available at reasonable prices in other forms and outlets for “the general mainstream consumer” [Ames p. 21].

When Heaven Hill acquired the HPNOTIQ brand in 2003, it engaged the services of Keller Crescent Advertising (“Keller Crescent”) to assist Heaven Hill in developing the marketing materials and campaign for the brand [Wesley p. 14]. The initial campaign Keller Crescent created for HPNOTIQ liqueur was built around the use of “optical art,” which features “movement and swirling that people associate with hypnosis” [Wesley p. 36, Ex. 24]. The purpose of this campaign was to build upon and strengthen the connection of the HPNOTIQ brand to hypnosis and hypnotism [Wesley p. 36]. Another print campaign, which ran in early 2007, featured advertisements headlined with the term “HPNOTIZED” (pronounced identically to the word hypnotized) [Ames p. 33, Ex. 10], again reinforcing the connection between HPNOTIQ liqueur and hypnosis and hypnotism. According to Justin Ames, Heaven Hill’s Senior Brand Manager for HPNOTIQ liqueur, Heaven Hill’s efforts have succeeded in establishing such a connection of the HPNOTIQ brand to hypnosis and hypnotism and today consumers view the HPNOTIQ brand as being “mesmerizing and spellbinding . . . [i]n the sense

¹ Hypnotic means of or pertaining to hypnosis or hypnotism or inducing or like something that induces hypnosis [Ames p. 65, Ex. 32; Wesley p. 39].

of hypnotic” [Ames p. 18]. And this connection is indisputably a positive reason that consumers purchase HPNOTIQ liqueur [Ames p. 18].

Creating such a theme for the HPNOTIQ brand was, however, only the first step in building the HPNOTIQ brand. Heaven Hill had to actively promote and advertise the brand to build awareness of the brand among consumers. To accomplish this, Heaven Hill developed a multi-faceted advertising strategy with Keller Crescent and Heaven Hill’s public relation firm employing traditional print advertising as well as less traditional methods. Heaven Hill’s traditional print advertising has involved the placement of advertisements in a variety of national, regional, and local publications throughout the United States beginning no later than May, 2004, and continuing through the present [Wesley p. 12, Ex. 14; Ames p. 40]. The print advertising for HPNOTIQ liqueur purchased for Heaven Hill’s 2008-2009 fiscal advertising year alone resulted in over 100 million individual consumer impressions² [Wesley pp. 24-26, Ex. 15; Ames pp. 42-43]. Since the inception of Heaven Hill’s traditional print advertising campaigns for HPNOTIQ liqueur, Ames and Wesley each estimates that such traditional print advertising efforts have resulted in more than half a billion consumer impressions for HPNOTIQ liqueur [Ames p. 44; Wesley p. 28].

In addition to the traditional print advertising campaigns, Heaven Hill has also used other forms of traditional advertising to promote the brand. For example, HPNOTIQ liqueur has been promoted using outdoor billboards and radio advertising spots [Wesley p. 27]. Heaven Hill has promoted the product online in a variety of ways including the operation of a website to promote the brand, www.hpnotiq.com (the “HPNOTIQ website”), and the use of

² The number of impressions for an advertisement is based on the circulation of the publication in which an advertisement and number of readers each copy of the publication has on average as determined by an unbiased third party [Wesley pp. 25-26].

banner ads on the sites of others, such as evite.com, to promote HPNOTIQ liqueur and to link consumers to Heaven Hill's HPNOTIQ website [Wesley pp. 27-28].

Another form of traditional advertising Heaven Hill has used extensively to advertise and promote HPNOTIQ liqueur is the placement of point-of-sale advertising materials in both off-premise and on-premise outlets [Ames p. 43; Wesley pp. 27, 29]. For example, Heaven Hill has produced table tents and recipe cards promoting HPNOTIQ liqueur and distributed these items to establishments that sell HPNOTIQ liqueur to induce consumers to choose HPNOTIQ liqueur over other available choices at the point of sale [Wesley p. 29]. Heaven Hill has also arranged to have the HPNOTIQ mark featured on signs in establishments where HPNOTIQ liqueur is sold as well as on other items that are consumed by, or displayed or provided to, patrons in establishments where HPNOTIQ liqueur is sold such as napkins, matches, bar mats, posters, and mint tins [Wesley p. 29]. Heaven Hill has also promoted HPNOTIQ liqueur via the production and distribution of recipe booklets featuring a variety of prepared cocktail drinks that include HPNOTIQ liqueur as an ingredient [Ames pp. 25-28; Wesley pp. 17-19].

In naming the particular prepared cocktail drinks featured in such recipe booklets and on such recipe cards, Heaven Hill frequently selects or coins marks similar to or derivative of the HPNOTIQ mark "to incorporate the name of Hpnotiq into the drink so the consumer can quickly and easily associate the drink with the Hpnotiq mark" [Ames p. 25]. For example, Heaven Hill developed recipes for a number of drinks with names that begin HPNO: HPNO-TINI; HPNO GRAND SHOT; HPNO MEISTER; HPNO-BLUE DREAMSICLE; HPNO-BLUE LOUNGE LIZARD; HPNO-BLUE RASPBERRY; HPNO-BLUE SEA; HPNO-COLADA; HPNO-PURPLE RAIN; and HPNO-RITA (the "HPNO" marks) [Ames pp. 31-32]. Heaven Hill

has also promoted a martini made with HPNOTIQ liqueur, the HYPNOTIZE martini, and a cocktail made with HPNOTIQ liqueur that Heaven Hill named the HPNOTIZER³ [Ames pp. 25-28; Wesley pp. 18-19].

The recipes for these and other prepared cocktail drinks made with HPNOTIQ liqueur were created and first used sometime before May, 2005, the printing date of the first HPNOTIQ liqueur recipe booklet [Ames p. 26, Ex. 5; Wesley p. 18]. Heaven Hill distributed the first recipe booklets by the hundreds of thousands and followed with a second recipe booklet in 2006 that also featured all of the drinks mentioned above [Ames p. 28, Ex. 6; Wesley pp. 19-20]. Heaven Hill has also featured these recipes on the HPNOTIQ website since before the printing of the first recipe booklet in May, 2005 [Ames pp. 29-30, Exs. 7-9]. Since creating these recipes to promote the sale and consumption of HPNOTIQ liqueur, Heaven Hill has also used the drink recipes and names in advertisements and all sorts of promotional materials in on-premise outlets, including table tents and drink menus [Ames p. 32]. Such promotional materials have variously featured the “HPNO” drinks as well as the HYPNOTIZE martini and the HPNOTIZER cocktail [Ames p. 32]. Heaven Hill has also used the drink name HALLOWEEN HPNOTIST to promote its HPNOTIQ liqueur [Ames pp. 34-35, Ex. 11].

In addition to these relatively traditional methods of advertising and promoting its HPNOTIQ liqueur, Heaven Hill has used a variety of non-traditional means of promoting HPNOTIQ liqueur. These less traditional methods have included the use of social media “to build brand awareness or brand recognition with the general [populace]” [Ames p. 43]. The use of social media has allowed Heaven Hill to engage potential consumers of HPNOTIQ liqueur where they look for information, buy their products, or spend their free time [Ames pp. 43-44].

³ This is pronounced identically to the word “hypnotizer” [Ames p. 27].

Heaven Hill's activities have included efforts to engage consumers online, for example via Facebook and bloggers, and one-on-one engagement in locations where HPNOTIQ liqueur is consumed or sold [Ames p. 44]. These one-on-one engagements have been and are accomplished using internal sales people as well as "ambassadors" and field marketing representatives engaged by Heaven Hill [Ames p. 44].

Heaven Hill's non-traditional methods of marketing HPNOTIQ liqueur have been so innovative and successful that they were featured in an article entitled "Guerilla Drinks" that appeared in the October, 2004, issue of *Market Watch* [Ames p. 54, Ex. 23]. This article specifically noted Heaven Hill's efforts to create a "Hpnotiq experience" using Hpnotiq girls to hand out samples [Ames p. 54, Ex. 23]. Another of Heaven Hill's non-traditional methods has been the enlistment of disc jockeys who play music in nightclubs to give "shout-outs" for HPNOTIQ liqueur [Ames p. 54]. A "shout-out" consists of a disc jockey continually making verbal references to HPNOTIQ liqueur over a public address system while the disc jockey is performing [Ames p. 54]. Such efforts continue today through Heaven Hill's "Night School for Girls" events, a variation on traditional "ladies' nights," during which the HPNOTIQ brand is displayed and samples of HPNOTIQ liqueur are provided to attendees [Ames p. 55].

Another form of non-traditional advertising Heaven Hill has used with great success in marketing HPNOTIQ liqueur has been "celebrity seeding," which is the placement of HPNOTIQ liqueur in the "hand[s] of influencers, or celebrities, so they'll talk about the brand" [Ames p. 58]. Celebrity seeding includes sponsorship of celebrity events, which Heaven Hill has done on multiple occasions over the years since acquiring the HPNOTIQ brand [Ames p. 57, Ex. 25]. The goal of such expensive undertakings is "to create a word of mouth buzz and to make people aware of the Hpnotiq brand" [Ames pp. 57-58]. This marketing strategy capitalizes on

the fact that modern consumer behavior is greatly influenced by the consumption habits of celebrities.

As with any beverage alcohol product, the general target audience for Heaven Hill's HPNOTIQ liqueur is anyone that can legally purchase and consume beverage alcohol products. This is especially true for HPNOTIQ liqueur because HPNOTIQ liqueur is a popular product to mix with other spirits [Ames p. 17]. Within this general audience, Heaven Hill has focused its marketing on recognized groups at various points in the brand's evolution but always with the goal of selling HPNOTIQ liqueur to the broadest possible audience. For example, Heaven Hill presently markets HPNOTIQ liqueur to women of all ages and race along with the men who would be interested in buying a drink for a woman [Ames pp. 16-17]. In the beverage alcohol industry, it is common for the focus of the marketing for a brand to change over time because brands have to be constantly promoted to new legal age drinkers [Ames p. 17].

The constant for Heaven Hill's marketing of HPNOTIQ liqueur has, however, been Heaven Hill's continued efforts to relate the brand to hypnosis and hypnotism. And the record indisputably establishes that Heaven Hill's efforts have established HPNOTIQ liqueur as the only beverage alcohol product in the marketplace that utilizes a mark that is related to or synonymous with hypnosis or hypnotism [Ames p. 19]. Moreover, Norman Drew Wesley, Vice-President of Keller Crescent Advertising, has provided undisputed testimony that consumers encountering a prepared cocktail drink or beverage alcohol product with a theme related to hypnosis or hypnotism are likely to associate that product with HPNOTIQ liqueur [Wesley p. 17].

One consequence of the strong connotation of being associated with hypnosis and hypnotism Heaven Hill has instilled in the HPNOTIQ mark is that the mark, when being used to

refer to Heaven Hill's HPNOTIQ liqueur, is frequently misspelled, with the most common misspelling being "HYPNOTIQ" [Ames p. 47, Ex. 17; Wesley p. 30]. This, however, is not surprising since many consumers initially encounter the brand aurally. While these misspellings frequently occur in contexts where accuracy is not always at a premium, Heaven Hill is familiar with numerous instances where entities seeking to sell advertising and sponsorships to Heaven Hill have misspelled HPNOTIQ [Ames pp. 49-50; Wesley pp. 31-34]. For example, Grace Ormond Wedding Style, a popular wedding magazine, misspelled HPNOTIQ in a letter requesting Heaven Hill to advertise in its magazine [Ames p. 51, Ex. 21]. Similarly, invitations for events promoting HPNOTIQ liqueur have included misspellings of HPNOTIQ [Ames p. 51, Ex. 20]. Heaven Hill has even received formal presentations from the Style Network and E! Networks in which HPNOTIQ was misspelled in the presentations [Ames pp. 49-5, Exs. 18-19; Wesley pp. 31-33]. Both of these proposals included "voice over" identification of HPNOTIQ liqueur, meaning that the HPNOTIQ liqueur would be mentioned orally as part of the sponsorship package [Ames pp. 49-50, Ex. 18-19; Wesley pp. 31-33]. Such misspellings of HPNOTIQ have also appeared in a number of widely read publications such as Wine Spectator and Modern Luxury [Ames p.48, Ex. 17]. What is notable is that many of these examples are unsolicited references to Heaven Hill's HPNOTIQ liqueur, further demonstrating the widespread recognition and popularity of the brand [Ames Ex. 17].

The undisputed evidence of record further demonstrates Heaven Hill's success in establishing HPNOTIQ liqueur as a well-known and frequently discussed brand. This evidence includes numerous documents demonstrating published mentions of HPNOTIQ liqueur from 2007 through 2009 resulting from the efforts of Heaven Hill's public relations firm to promote HPNOTIQ liqueur [Ames pp. 59-60, Ex. 26]. The record also includes numerous publications

that have mentioned HPNOTIQ liqueur, some of which are also the fruit of Heaven Hill's public relations efforts, but many of which "are organic in nature in the sense that when people talk about liqueurs or talk about fun drinks, they reference HPNOTIQ" liqueur [Ames pp. 45-46, Ex. 16]. HPNOTIQ liqueur has also been mentioned in a number of songs and displayed in a number of music videos by popular musicians [Ames p. 52, Ex. 22]. None of these musical references were solicited or paid for by Heaven Hill [Ames p. 53]. All of these "organic," unsolicited references to HPNOTIQ liqueur bespeak the success of Heaven Hill's various marketing efforts and show that HPNOTIQ is becoming an iconic, famous brand.

The numerous awards Heaven Hill has received based on the success of HPNOTIQ liqueur further demonstrates the effectiveness of Heaven Hill's marketing efforts establishing HPNOTIQ as a well-known and frequently discussed brand. In 2004, HPNOTIQ liqueur received the Impact Hot Brand award due to the outstanding performance in the year Heaven Hill rolled out its campaign to grow the brand [Ames p. 61]. HPNOTIQ liqueur received this same award in 2006 due to the continued strong performance of the brand [Ames p. 61]. HPNOTIQ liqueur also received the Adams Growth Brand award in 2003 and 2004, recognizing HPNOTIQ liqueur as one of the fastest growing brands at that time [Ames pp. 61-62].

Against this backdrop of having one of the hottest, fastest-growing alcohol brands in the industry, in 2005 Heaven Hill first learned of Diallo's intent to use the mark HYPNOTIZER in connection with numerous beverage alcohol products in France, the United States, the United Kingdom, and elsewhere and believed this to be an attempt by Diallo to "free ride" on and take unfair advantage of the tremendous success of HPNOTIQ liqueur [Ames p. 66]. After learning of these efforts by Diallo to register the HYPNOTIZER mark for use in connection with beverage alcohol products, Heaven Hill sought cancellation of the French

registration Diallo had obtained for the HYPNOTIZER mark [Ames pp. 67-68, Ex. 28]. This French proceeding ultimately resulted in judgment against Diallo prohibiting him from using the HYPNOTIZER mark in connection with beverage alcohol products in France [Ames p. 68, Ex. 28]. Heaven Hill also prevailed in its opposition to Diallo's application to register the HYPNOTIZER mark in the United Kingdom for use in connection with a variety of beverage alcohol products [Ames pp. 68-69, Ex. 29]. The registrar's opinion specifically found Diallo's HYPNOTIZER mark to have similarity to Heaven Hill's HPNOTIQ mark that is "at the higher end of the scale" and, therefore, concluded there to be a likelihood of confusion with regard to the use of HYPNOTIZER with the beverage alcohol goods claimed in Diallo's application [Ames Ex. 29].

Here in the U.S., Diallo filed the application that is subject to this opposition, Serial No. 77/266,196 (the "196 application"), on August 28, 2007, almost six years after Heaven Hill began use of the HPNOTIQ mark and more than two years after Heaven Hill began use of the HYPNOTIZER mark in connection with a prepared cocktail drink made with HPNOTIQ liqueur. In the '196 application, Diallo seeks protection of the HYPNOTIZER mark for use in connection with:

Alcoholic beverage produced from a brewed malt base with natural flavors, Alcoholic beverages of fruit, Alcoholic fruit extracts, Alcoholic malt coolers, Alcoholic punch, Cachaca, Cognac, Distilled Spirits, Fruit wine, Gin, Hard cider, Natural sparkling wines, Prepared alcoholic cocktail, Prepared wine cocktails, Rum, Sparkling fruit wine, Sparkling grape wine, Sparkling wines, Tequila, Vodka, Whiskey, Wine coolers, wines.

The '196 application contains no restrictions on the channels of trades through which Diallo intends to distribute his HYPNOTIZER products.

This application is of grave concern to Heaven Hill because it is clearly calculated to divert sales from Heaven Hill's HPNOTIQ liqueur and to take unfair advantage of the more

than \$90 million Heaven Hill has invested to date in creating an aura surrounding its HPNOTIQ mark—an association in the minds of consumers between HPNOTIQ liqueur and the mysterious and fascinating aspects of hypnosis and hypnotism that is an important reason that consumers purchase HPNOTIQ liqueur. Since “hypnotizer” is a word that refers to one who practices hypnosis (i.e., is able to put another in a hypnotic state)⁴, consumers would be likely to associate Diallo’s HYPNOTIZER mark with hypnosis and hypnotism, the same connotation associated with Heaven Hill’s HPNOTIQ mark [Ames p. 72]. This would inevitably result in consumers drawing the inaccurate conclusion that the products Diallo intends to sell under the HYPNOTIZER mark are related to, or a brand extension of, Heaven Hill’s HPNOTIQ liqueur. Moreover, if Diallo is able to market his beverage alcohol products using the HYPNOTIZER mark, consumers in an on-premise sale setting who intend to purchase Heaven Hill’s HPNOTIQ liqueur will inevitably be served Diallo’s competing product by mistake and contrary to the consumers’ wishes.

In addition to the similar connotation of the marks, Diallo’s HYPNOTIZER mark is strikingly similar to Heaven Hill’s HPNOTIQ mark in pronunciation as well. The first syllable of Diallo’s mark is identical to the first syllable of Heaven Hill’s HPNOTIQ mark, and the second syllables of the marks are similar in that neither includes a long “O” sound and are closer to a “nuh” sound [Ames p. 66; Wesley pp. 39-40, Exs. 32-33]. The aural similarity is even closer for Heaven Hill’s unregistered HYPNOTIZE mark. Finally, Diallo’s HYPNOTIZER mark is phonetically identical to Heaven Hill’s unregistered HPNOTIZER mark [Ames p. 27; Wesley pp. 18-19].

⁴ Since hypnotize mean “to practice hypnosis, put or be able to put others into a hypnotic state” [Ames p. 64, Ex. 33], it is clear that hypnotizer refers to one who is able to accomplish this, such as a hypnotist.

Given the highly regulated nature of the beverage alcohol industry, there is no doubt that Diallo's HYPNOTIZER products would travel through the same marketing and distribution channels and be offered for sale through the same on and off-premise outlets to the same consumers. Under U.S. law, beverage alcohol products must be distributed through the three-tier system, meaning that it would not be unlikely for Diallo's HYPNOTIZER products to be sold through the same distributor as Heaven Hill's HPNOTIQ liqueur [Ames p. 70]. It is also virtually certain that Diallo's HYPNOTIZER products would be sold in the same on and off-premise outlets since HPNOTIQ liqueur is available in virtually every on and off-premise outlet in the United States that is legally licensed to sell beverage alcohol products [see Ames pp. 36-37].

In such licensed on-premise outlets, consumers primarily place oral orders for beverage alcohol products [Ames p. 71; Wesley p. 11]. At such outlets, bartenders and waitstaff also typically offer oral suggestions for specific drinks, often using drink names such as the HYPNOTIZE martini, HPNO-RITA, or HPNOTIZER, to their customers [Ames p. 71]. Sellers of beverage alcohol products, like Heaven Hill, also frequently arrange to have a disc jockey "shout-out" the name of a particular beverage alcohol product throughout the disc jockey's performance in such outlets [Ames pp. 54, 55]. In such a setting, the aural distinctiveness of a mark is of tremendous importance and consumers, bartenders, and waitstaff would have difficulty in distinguishing between requests for Heaven Hill's HPNOTIQ liqueur and Diallo's HYPNOTIZER products due to the similarity of the marks [Wesley p. 40-41]. Moreover, it would simply be impossible to distinguish between an oral request for a HPNOTIZER cocktail, made with HPNOTIQ liqueur, and an oral request for one of Diallo's HYPNOTIZER products [Ames p. 27; Wesley p. 19]. If registration is issued for Diallo's HYPNOTIZER mark, it is

inevitable that in the on-premise sales setting consumers who intend to buy Heaven Hill's HPNOTIQ product will mistakenly be served Diallo's competing products.

In licensed off-premise outlets such as liquor stores, consumers are frequently able to physically select a beverage alcohol product [Wesley p. 11]. Nevertheless, consumers often have to orally request HPNOTIQ liqueur because HPNOTIQ liqueur, due to its popularity, is frequently kept in a lockbox or behind a counter [Ames p. 70]. Consequently, inadvertent switching of a product called HYPNOTIZER for Heaven Hill's HPNOTIQ liqueur would likely occur even in off-premises sales settings.

Finally, considering that Diallo's HYPNOTIZER products would be directly competitive with Heaven Hill's HPNOTIQ liqueur and the similarity of the marks, each of the witnesses in this case have expressed concern that Diallo's intended use of the HYPNOTIZER mark would cause confusion. Specifically, Justin Ames, Heaven Hill's Senior Brand Manager, testified that Diallo's proposed use of the HYPNOTIZER mark would harm Heaven Hill because it would confuse "consumers of Heaven Hill's current HPNOTIQ product" and cause consumers "to think that [Diallo's HYPNOTIZER product] is an extension of [Heaven Hill's HPNOTIQ] product that already exists" [Ames p. 73]. Ames based this conclusion on the manner in which beverage alcohol products are marketed, the similar spelling of the marks, the aural similarity of the marks on products that are ordered orally, and the similar connotation of the marks [Ames p. 73]. Ames' conclusion is further supported by his undisputed testimony that the marketing focus for a beverage alcohol product must change over time to continually engage new consumers as they attain the legal drinking age [Ames p. 17]. Thus, consumers of beverage alcohol products are conditioned to expect new extensions of well-known brands and would therefore mistake a

HYPNOTIZER product from Diallo as a new extension of Heaven Hill's HPNOTIQ product line [Ames p. 73].

Similarly, Norman Wesley, Vice-President of Keller Crescent Advertising, has provided testimony that consumers encountering a prepared cocktail drink or beverage alcohol product with a theme related to hypnosis or hypnotism are likely to associate that product with HPNOTIQ liqueur [Wesley p. 17]. He, therefore, concluded that Diallo's selection of the HYPNOTIZER mark is intended to target the same consumers as Heaven Hill targets for its HPNOTIQ liqueur and will, therefore, result in confusion in the marketplace [Wesley p. 41].

There is no evidence to the contrary.

ARGUMENT

The law in this case is quite straightforward: The USPTO may not register a mark when it is confusingly similar to a previously registered mark or a previously used and not abandoned mark of another. 15 U.S.C. § 1052(d). The facts in this case are also straightforward: the HYPNOTIZER mark, when applied to the beverage alcohol products listed in Diallo's application, is confusingly similar to Heaven Hill's registered HPNOTIQ mark and many of Heaven Hill's common law marks, including its HPNO marks and its HYPNOTIZE and HPNOTIZER marks, all of which Heaven Hill has been using continuously since well before Diallo filed his application to register the HYPNOTIZER mark. Accordingly, the USPTO should deny Diallo's application to register the HYPNOTIZER mark.

1. Heaven Hill's Prior Use and Registration of the HPNOTIQ Mark and Its Prior Use of the HPNOTIZER, HYPNOTIZE, and HPNO Marks Precludes Registration of the HYPNOTIZER Mark.

Under Section 2(d) of the Lanham Act, the USPTO may not register a mark when it is likely to cause confusion, mistake, or deception with a previously registered mark or an unregistered mark that was previously used and not abandoned. 15 U.S.C. § 1052(d). Here, the

undisputed evidence of record shows that Heaven Hill currently owns four federal registrations for the HPNOTIQ mark that issued before the filing date of Diallo's application, including two registrations claiming the use of the HPNOTIQ mark in connection with liqueur. *See* Opposer's Notice of Reliance (attaching certified copies of the HPNOTIQ registrations). The undisputed evidence of record also shows since at least early 2005, more than two years before Diallo filed Application Serial No. 77/266,196, Heaven Hill has used and continues to use a number of unregistered marks, including HPNOTIZER, HYPNOTIZE, and HPNO-RITA, in connection with prepared cocktail drinks that include HPNOTIQ liqueur. Heaven Hill, therefore, clearly has priority of use for its registered HPNOTIQ mark as well as its unregistered marks.

2. Diallo's Use of the HYPNOTIZER Mark in Connection with Beverage Alcohol Products Is Likely to Cause Confusion With Heaven Hill's Use of Its Registered HPNOTIQ Mark and Its Unregistered HPNOTIZER, HYPNOTIZE, and HPNO Marks.

The factors commonly considered in evaluating whether a likelihood of confusion exists include: "(1) strength of the senior mark; (2) relatedness of the goods or services; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) likely degree of purchaser care; (7) the intent of defendant in selecting the mark; and (8) likelihood of expansion of the product lines." *Daddy's Junky Music Stores, Inc. v. Big Daddy's Family Music Center*, 109 F.3d 275, 280, 42 U.S.P.Q.2d 1173 (6th Cir. 1997); *accord In re E. I. duPont de Nemours & Co.*, 476 F.2d 1357, 1361, 177 U.S.P.Q 563 (C.C.P.A 1973) (listing similar factors). Heaven Hill "need not show that all, or even most, of the factors listed are present in any particular case to be successful," however. *Champions Golf Club, Inc. v. The Champions Golf Club, Inc.*, 78 F.3d 1111, 1116 (6th Cir. 1996). Rather, the factors "are simply a guide to help determine whether confusion is likely," and "[t]he ultimate question remains whether relevant consumers are likely to believe that the products or services offered by the parties are affiliated

in some way.” *Daddy’s Junky Music Stores*, 109 F.3d at 280. An examination of these factors shows that all of these factors either weigh in Heaven Hill’s favor or are irrelevant; accordingly, the USPTO should not allow Diallo to register the HYPNOTIZER mark as a trademark for beverage alcohol products.

A. Strength of Heaven Hill's Marks.

[1] Strength of Heaven Hill’s HPNOTIQ Mark.

The strength of Heaven Hill’s HPNOTIQ mark is properly evaluated by looking at both its inherent strength and its acquired strength. *TCIP Holding Co. v. Haar Communications*, 244 F.3d 88, 100, 57 U.S.P.Q.2d 1969 (2d Cir. 2001). The inherent strength of a mark relates to its ”degree of inherent distinctiveness,” with an arbitrary and fanciful mark, such as HPNOTIQ, enjoying the broadest protection. *See id.*

The acquired strength of a mark relates to the consumer recognition of the mark in the marketplace, with more protection being provided to marks that have broad recognition in the marketplace. *See Virgin Enters. Ltd. v. Nawab*, 335 F.3d 141, 147, 67 U.S.P.Q.2d 1420 (2d Cir. 2003). Here, the testimony of Ames and Wesley indisputably establishes that the HPNOTIQ mark has acquired significant strength resulting from Heaven Hill’s investment, to date, of more than \$90 million in advertising and promoting the brand since acquiring the HPNOTIQ brand in 2003. In terms of volume, HPNOTIQ liqueur is currently one of the Top 10 liqueurs in the United States and the fourth largest imported liqueur. The retail value of the 510,000 nine-liter cases of HPNOTIQ liqueur that were sold in 2008 was more than \$150 million dollars.

The undisputed evidence also shows that HPNOTIQ liqueur is available throughout the United States in virtually every outlet that is legally licensed to sell beverage alcohol products, including at least 100 national chains. Heaven Hill’s print advertising campaigns since 2004 have resulted in at least half a billion individual consumer impressions,

with more than 100 million consumer impressions resulting from Heaven Hill's 2008-2009 campaign. Heaven Hill has also provided extensive evidence of publications that have included articles that either feature or mention HPNOTIQ liqueur as well as evidence that HPNOTIQ liqueur has been frequently mentioned in songs or shown in music videos of many popular musicians.

Wesley, an individual with more than twenty years of marketing experience including extensive experience in marketing beverage alcohol products, has also provided uncontroverted testimony that consumers encountering a beverage alcohol product or prepared cocktail drink with a name that has a theme related to hypnosis would likely believe the product to be related to Heaven Hill's HPNOTIQ liqueur. Thus, there can be no doubt that Heaven Hill's HPNOTIQ mark enjoys widespread recognition in the market for beverage alcohol products demonstrating that the mark has a high degree of acquired strength.

When such an inherently distinctive mark also enjoys widespread recognition in the marketplace, the mark is entitled to an even broader scope of protection. *Virgin Enters. Ltd.*, 335 F.3d at 148. Since HPNOTIQ is an inherently strong mark that also possesses a high degree of acquired distinctiveness, there can be no doubt that Heaven Hill's HPNOTIQ mark deserves broad protection; therefore, this factor weighs strongly in Heaven Hill's favor and against registration of the HYPNOTIZER mark.

[2] Strength of Heaven Hill's Unregistered Marks.

As with the registered HPNOTIQ mark, the strength of Heaven Hill's HPNOTIZER, HYPNOTIZE, and HPNO marks is properly assessed by looking at both the inherent strength of the marks and the strength the marks have acquired through their use. From an inherent strength standpoint, these marks, with the exception of the HYPNOTIZE mark, are coined terms, and none of the marks merely describes prepared cocktail drinks or any other type

of beverage alcohol product. Thus, each of these marks is inherently strong when used in connection with beverage alcohol products and prepared cocktail drinks.

There can also be no doubt that these marks have acquired strength in the marketplace. The undisputed evidence shows that Heaven Hill has used these marks in recipe books that have been distributed by the hundreds of thousands to consumers of beverage alcohol products and establishments that sell beverage alcohol products. The marks have also been used on table tents and other point of sale advertising in establishments across the country, and the marks have been featured on Heaven Hill's HPNOTIQ website since early 2005.

Based on both their inherent and acquired strength, Heaven Hill's HPNOTIZER, HYPNOTIZE, and HPNO marks are, therefore, entitled to broad protection. *See Virgin Enters. Ltd.*, 335 F.3d at 148. This factor, with respect to Heaven Hill's unregistered marks, therefore, weighs heavily in Heaven Hill's favor and against registration of the HYPNOTIZER mark.

B. Relatedness of the Parties' Goods.

The record here is clear that Diallo is seeking to register the HYPNOTIZER mark for use with a number of beverage alcohol products that are closely related or identical to and directly competitive with Heaven Hill's HPNOTIQ liqueur and cocktails prepared with Heaven Hill's HPNOTIQ liqueur that are promoted under the HPNOTIZER, HYPNOTIZE, and HPNO marks.

C. Similarity of the Marks.

When analyzing the similarity of marks, courts look to "the general impression conveyed to the purchasing public by the respective marks." *Educational Testing Serv. v. Touchstone*, 739 F. Supp. 847, 850, 16 U.S.P.Q.2d 1865 (S.D.N.Y. 1990) (citation omitted). When the product is frequently ordered by a verbal request, the phonetic similarity of the mark often guides the decisions, especially with respect to beverage alcohol products. *See, e.g., David*

Sherman Corp. v. Heublein, Inc., 340 F.2d 377 (8th Cir. 1965) (finding SARNOFF for vodka to be confusingly similar to SMIRNOFF also for vodka); *Brown-Forman Distillery Co. v. Arthur M. Bloch Liquor Importers, Inc.*, 99 F.2d 708 (7th Cir. 1938) (finding OLD FOSTER for whiskey to be confusingly similar to OLD FORESTER also for whiskey); *Jules Berman*, 202 U.S.P.Q. 67 (T.T.A.B. 1979) (finding CHULA for coffee-flavored liqueur to be confusingly similar to KAHLUA also for coffee-flavored liqueur); *Beck & Co. v. Package Distribs. of America, Inc.*, 198 U.S.P.Q. 573 (T.T.A.B. 1978) (finding EX BIER for beer to be confusingly similar to BECK'S BEER also for beer).

In each of these cases, the finder-of-fact recognized that the marks were not identical in sight, meaning, or sound, but concluded that the aural similarity of the marks was sufficient to support a finding that the junior mark would create a likelihood of confusion in the marketplace. For example, in *Beck & Co.*, the TTAB stated that “similarity in sound alone can lead to likelihood of confusion, particularly where the goods involved may be purchased by verbal order.” 198 U.S.P.Q. at 576. The TTAB further concluded that, even though it believed there would be no confusion if the products were encountered side-by-side in a supermarket, there was a likelihood of confusion resulting from the aural similarity of the junior user's EX BIER mark for beer to the senior user's BECK'S BEER mark for beer in light of the facts that both products were advertised on the radio and both products were sold in “restaurants and clubs, where they would be ordered orally.” *Id.*

The other cited cases reach similar conclusions. In *Jules Berman*, the TTAB concluded that since CHULA was “virtually identical” in sound to Kahlua, there existed a “viable likelihood of confusion and/or mistake . . . in crowded bars or restaurant where a bartender could serve ‘CHULA’ liqueur when ‘KAHLUA’ was ordered.” 202 U.S.P.Q. at 70-

71. In *Brown-Forman*, the court concluded that the marked auditory similarity between OLD FORESTER and OLD FOSTER would lead to a “probability of confusion” between the marks “when sales are made by the drink.” 99 F.2d at 710. Finally, in *David Sherman*, the court recognized that it is “well known that liquor is ordered by the spoken word” leading the court to conclude that SARNOFF for vodka was likely to cause confusion with SMIRNOFF for vodka. 340 F.2d at 382.

Here, since the first syllable of Diallo’s junior HYPNOTIZER mark is pronounced identically to the first syllable in Heaven Hill’s HPNOTIQ mark and the second syllable of the marks are similar in that neither is pronounced with a “nuh” sound, the marks are at least as aurally similar as those marks compared in the above-cited cases where a likelihood of confusion was found. Because consumers frequently order beverage alcohol products orally, especially in on-premise outlets, such aural similarities in marks used on competing goods make it more likely for customer confusion, mistake, or deception to occur. *See* 340 F.2d at 382. Furthermore, the close aural similarity of such marks can make them virtually indistinguishable when uttered in crowded bars and restaurants. *See* 202 U.S.P.Q. at 70-71.

Moreover, the term HPNOTIQ is a play on the word hypnotic that consumers associate with hypnosis and hypnotism due to Heaven Hill’s efforts. The word hypnotic is synonymous with the words mesmerizing and spellbinding, which suggest strongly appealing, desirable qualities or attributes that evoke positive responses among consumers. The use of HPNOTIQ to identify Heaven Hill’s liqueur product thus instantly captures consumers’ attention and fosters a psychological impression of attraction, appeal, and desirability in their minds. This strong psychological reaction to the HPNOTIQ mark is alone sufficient to overpower consumers’ ability to note the slight differences between the spelling and pronunciation of the HPNOTIQ

and HYPNOTIZER marks. *See Standard Oil Co. v. Standard Oil Co.*, 252 F.2d 65, 116 U.S.P.Q. 176 (10th Cir. 1958); *see also Faberge, Inc. v. Madison Shirt Corp.*, 192 U.S.P.Q. 223 (T.T.A.B. 1976) (finding that the marks “Brut” and “Brutus” both invoked similar mental reaction in the minds of consumers). HPNOTIQ’s strength as a mark rests in the fact that its phonetic association with the word hypnotic produces positive connotations that arise from that word’s synonyms, which consumers then, in turn, subconsciously associate with Heaven Hill’s product. The undisputed testimony of Wesley also establishes that consumers encountering a beverage alcohol product with a name that is related to hypnosis are likely to associate that beverage with Heaven Hill’s HPNOTIQ liqueur [Wesley p. 17].

Diallo’s attempt to register HYPNOTIZER as a mark to sell beverage alcohol products is a transparent attempt to evoke the same mental reaction in the minds of consumers through the use of a variation on the root word which is the phonetic equivalent of the HPNOTIQ mark. Thus, despite the slight differences in the spelling and phonetic pronunciation of the marks, the use of HYPNOTIZER as a mark to identify beverage alcohol products inevitably, and unavoidably, suggests an association between Heaven Hill and its HPNOTIQ product and Diallo and his product(s). Because there is no such association, consumers will be confused and Heaven Hill will be injured.

Similarly Diallo’s HYPNOTIZER mark is at least as similar to Heaven Hill’s unregistered marks as those marks compared in the above cited cases where a likelihood of confusion was found, and his mark is phonetically identical to Heaven Hill’s HPNOTIZER mark.

This factor, the similarity of the marks, therefore, weighs strongly against registration of the HYPNOTIZER mark.

D. Evidence of Actual Confusion.

Diallo's application is based on his intent to use the HYPNOTIZER marks and there is no evidence that Diallo has, in fact, begun using the mark in the United States. Thus, it is no surprise that there is no evidence of actual confusion. Such a lack of actual confusion, however, has no bearing on whether Diallo's HYPNOTIZER mark poses a likelihood of confusion with Heaven Hill's registered HPNOTIQ mark and its unregistered HPNOTIZER, HYPNOTIZE, and HPNO marks: "Due to the difficulty of securing evidence of actual confusion, a lack of such evidence is rarely significant, and the factor of actual confusion is weighted heavily only when there is evidence of past confusion, or perhaps, when the particular circumstances indicate such evidence should have been available." *Daddy's Junky Music Stores*, 109 F.3d at 284 (internal quotation marks omitted). Thus, the lack of evidence of actual confusion at this point is not significant.

E. Marketing Channels Used.

"This factor . . . consists of considerations of how and to whom the respective goods or services of the parties are sold." *Champions Golf Club*, 78 F.3d at 1120 (citation omitted). In this case, the parties' products are beverage alcohol products and neither Heaven Hill's registrations nor Diallo's application contains any restrictions on the distribution or the marketing channels that will be used or the customers to whom the liqueur sold under the respective marks will be marketed. This lack of restriction creates the presumption that the parties' products will move in the same marketing channels toward the same customers, meaning that the TTAB must assume that Heaven Hill's and Diallo's respective goods will reach the same audience. *See In re Elbaum*, 211 U.S.P.Q. 639, 640 (T.T.A.B. 1981); *accord The NASDAQ Stock Market, Inc.*, 69 U.S.P.Q.2d 1718, 1732 (T.T.A.B. 2003) ("Moreover, the channels of trade

are not limited, so our analysis of likelihood of confusion must assume that the goods will be marketed to all possible consumers.”).

Here, considering that the goods are directly competitive and considering that the goods in question, beverage alcohol products, are highly regulated goods that can only be sold through regulated channels using the three-tier distribution model, there can be no question that Heaven Hill’s HPNOTIQ liqueur and Diallo’s HYPNOTIZER products would have to move through the same marketing channels. Thus, this factor weighs against registration of the HYPNOTIZER mark.

F. Likely Degree of Purchaser Care.

“The degree of care with which consumers likely purchase the parties’ goods or services may affect the likelihood of confusion.” *Daddy’s Junky Music*, 109 F.3d at 285. When the purchaser of an item uses a low degree of care in purchasing an item, confusion is more likely to result since the purchaser is unlikely to discover the mistake. *Frisch’s Restaurants, Inc. v. Elby’s Big Boy of Steubenville, Inc.*, 670 F.2d 642, 648 (6th Cir. 1982). Here, it is undisputed that Heaven Hill’s HPNOTIQ liqueur sells for as little as \$2.00 at both off-premise outlets such as liquor stores and on-premise establishments such as nightclubs, making it a relatively low cost item [Ames p. 20]. It is, therefore, likely that the consumers of the parties’ products will exercise only minimal care in purchasing liqueur—a relatively low cost product that will be consumed in a relatively short period following its purchase. This factor, therefore, weighs against registration of the HYPNOTIZER mark.

The likelihood of confusion due to this lower degree of purchaser care is further increased by Diallo’s use of a mark that is strikingly similar to Heaven Hill’s well-known HPNOTIQ mark. In nightclubs and restaurants where orders are routinely placed orally, patrons may hear people order HPNOTIQ and HYPNOTIZER drinks without being able to distinguish

the phonetically similar marks in such noisy environments. Alternatively, they may even believe that one mark is simply a shortened abbreviation for the other. Finally, given the renown of HPNOTIQ as one of the Top 10 liqueurs in the United States and the fact that it is likely that some consumers of HPNOTIQ have only been aurally exposed to the mark in restaurants and nightclubs, consumers may also associate Diallo's HYPNOTIZER mark with Heaven Hill's mark when encountering the mark visually. *See Nina Ricci, S.A.R.L. v. E.T.F. Enterprises, Inc.*, 889 F.2d 1070, 1074, 12 U.S.P.Q.2d 1901, 1904 (Fed. Cir. 1989) ("there is no excuse for even approaching the well-known trademark of a competitor") (internal quotation marks omitted).

This factor further weighs against registration of the HYPNOTIZER mark with respect to Heaven Hill's unregistered HPNOTIZER mark. Since Diallo's HYPNOTIZER mark is phonetically identical to Heaven Hill's HPNOTIZER mark, even a high degree of care would not preclude confusion and inadvertent product substitution in on-premise sales settings where consumers purchase beverage alcohol products orally by the drink.

G. Intent of Applicant.

Diallo cannot deny knowledge of Heaven Hill's HPNOTIQ mark at the time he filed the '196 application to register the HYPNOTIZER mark. Applicant previously attempted to register the mark in France and was unsuccessful due to an opposition brought in 2005 by Heaven Hill based on the likelihood of confusion with Heaven Hill's HPNOTIQ mark when both marks were used, or intended to be used, in connection with beverage alcohol products. Therefore, Diallo's continued attempts to register the mark while knowledgeable of the previous findings of confusing similarity is sufficient to support a finding of intentional copying. *See Daddy's Junky Music Stores*, 109 F.3d at 286. As numerous courts have concluded, when a junior user, such as Diallo, attempts to enter the market and has the entire universe of marks to choose for his product that would have no possibility of causing confusion with the senior user's

mark, the junior user's choice should be looked on with suspicion when he chooses a mark that is "so near to his successful rival that the public may fail to distinguish between them." *Florence Mfg. Co. v. J.C. Dowd & Co.*, 178 F. 73, 75 (2d Cir. 1910); *see also Stork Rest. v. Sahati*, 166 F.2d 348, 361 (9th Cir. 1948) ("This thought that a newcomer has an 'infinity' of other names to choose from without infringing upon a senior appropriation runs through the decisions like a leitmotiv."); *John Walker & Sons, Ltd. v. Bethea*, 305 F. Supp. 1302, 1310 (D.S.C. 1969) ("At that point he [defendant] had an infinity of names from which to choose."). Therefore, Diallo's choice to play off the strength of Heaven Hill's HPNOTIQ mark when he conceived of the HYPNOTIZER mark is appropriately viewed with suspicion. Diallo has blatantly attempted to trade on the goodwill Heaven Hill has built in its HPNOTIQ mark that is evidenced in part by the remarkable sales growth experienced by HPNOTIQ since 2003. Diallo should not be allowed to free ride on Heaven Hill's substantial investments of time, effort, and money and misappropriate the goodwill associated with the HPNOTIQ mark.

H. Likelihood of Expansion of Product Lines.

This factor is irrelevant in this case. Diallo's application to register the HYPNOTIZER mark seeks protection for the use of the mark with a variety of beverage alcohol products, goods that are closely related to and directly competitive with Heaven Hill's HPNOTIQ liqueur.

3. Doubts As To Likelihood Of Confusion Must Be Resolved In Favor Of The Senior User—Heaven Hill.

The factors discussed above provide more than sufficient support for a finding of a likelihood of confusion between Heaven Hill's use of the HPNOTIQ mark in connection with a beverage alcohol product and Diallo's intended use of the HYPNOTIZER mark in connection with a variety of directly competitive beverage alcohol products. But even if there were any

doubts, these doubts must be resolved in favor of the senior user—Heaven Hill—for “one who adopts a mark similar to the mark of another for the same . . . good[] . . . does so at his own peril and any doubt as to the similarity of the marks must be resolved against him.” *Interstate Brands Corp. and Interstate Brands West Corp. v. McKee Foods Corp.*, 53 U.S.P.Q.2d 1910, 1915 (T.T.A.B. 2000). And where, as here, “the junior user [Diallo] knew of the senior user’s [Heaven Hill’s] mark before beginning use, the ‘acting at one’s peril’ rationale finds stronger support.” J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 23.65 (4th ed. rel. 40 12/2006) (citing *State Historical Soc. v. Ringling Bros. Barnum & Bailey Combined Shows, Inc.*, 190 U.S.P.Q. 25 (T.T.A.B. 1976)).

CONCLUSION

Diallo’s HYPNOTIZER mark is phonetically identical to Heaven Hill’s unregistered HPNOTIZER mark and strikingly similar to Heaven Hill’s registered HPNOTIQ mark and its unregistered HYPNOTIZE and HPNO Marks. Diallo intends to use his HYPNOTIZER mark on goods that are directly competitive with the goods for which Heaven Hill registered and uses the HPNOTIQ mark and with which it uses the HPNOTIZER, HYPNOTIZE, and HPNO marks. To prevent confusion from occurring, Diallo should find a different mark and the Board should deny registration of Diallo’s HYPNOTIZER mark pursuant to 15 U.S.C. § 1052.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and complete copy of the foregoing Opposer's Brief has been served, via Federal Express, International Priority, this 2nd day of **August, 2010**:

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