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

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| Proceeding | 91202371 |
| Party | Plaintiff Embotelladora Aga Del Pacifico, S.A. de C.V. |
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the Matter of Trademark Application

Serial No.: 85149168
Mark: CABALLITO CERRERO
Filed: October 10, 2010
Published: July 5, 2011
Int'l Class:33

EMBOTELLADORA AGA DEL PACIFICO, S.A.
De C.V., a Mexican corporation,

Opposer,

v.

JOSE ALFONSO SERRANO GONZALEZ,
believed to be a Mexican Citizen,

Applicant.

Opposition No.: 91202371

Box TTAB FEE
Assistant Commissioner of Trademarks
PO Box 1451
Alexandria, VA 22313-1451

**OPPOSER' S MOTION FOR RECONSIDERATION OF IT' S MOTION FOR
SUMMARY JUDGMENT ON GROUNDS OF RES JUDICATA; OR IN THE
ALTERNATIVE MOTION FOR SUMMARY ADJUDICATION OF ISSUES ALREADY
DECIDED AND MOTION FOR SUMMARY JUDGMENT; AND REQUEST FOR
SUSPENSION PENDING RULING**

OPPOSER, EMBOTELLADORA AGA DEL PACIFICO, S.A. DE C.V., a Mexican corporation ("Opposer"), through its attorneys, hereby moves for reconsideration of its summary

judgment in this opposition on grounds of res judicata, as there are no genuine issues of material fact and this case should be resolved as a matter of law in the Opposer's favor. The Trademark Trial and Appeal Board's final decision in a prior Opposition attached hereto as Exhibit A dated December 3, 2008, entitled Embotelladora Aga Del Pacifico, S.A. De C.V. v. Jose Alfonso Serrano Gonzalez ("Applicant"), Opposition No. 91175952, involving the identical parties, the virtually identical marks and identical goods at issue here, after full litigation on the merits, has already determined as a matter of law that Opposer established its claim of likelihood of confusion under Trademark Act Section 2(d) between Opposer's CABALLITOS and CABALLITOS FRUITS marks for soft drinks and the applied for CABALLITO CERRERO mark for Tequila.

In the May 24, 2012 Order Denying Opposer's Motion For Summary Judgment, the Board held that "claim preclusion was inapplicable due to the different set of transactional facts present in this proceeding ... in view of the addition of design elements involved in the mark in this proceeding." The Board deemed the Stylized design mark for the present CABALLITO CERRERO mark "is a different mark than the CABALLITO CERRERO mark involved in the parties' prior proceeding." The Board cited *Institut National Des Appellations d' Origine v. Brown-Forman Corp.*, 47 USPQ2d 1894-1895 (TTAB 1998) in support of its holding. However, the *Institut National* case is entirely distinguishable from the facts in the present case. In *Institut National*, claim preclusion was found inapplicable due not to the addition of a stylization or minor design as here. Rather, in that case, applicant's second mark was completely different in sight, sound and meaning as it was changed from CANADIAN MIST AND COGNAC simply MIST AND COGNAC. These COGNAC marks were completely different

word marks and obviously made a different commercial impression such that res judicata was rightfully inapplicable in that case.

However, the present case is far more analogous to a different case with a nearly identical set of facts. In *Miller Brewing Company v. Coy International Corporation*, 230 USPQ 675 (TTAB1986), the Board sustained the opposition based on res judicata under a far more analogous set of facts. In *Miller*, the first opposed application was for registration of a mark which was different in some respects from the mark opposed in the second proceeding. However, the Board found that both applications constituted a single transaction or a series of transactions within the meaning of the Restatement (Second) of Judgments (1982); that evidence relating to the claim of likelihood of confusion would be the same in both oppositions; and hence that the judgment in the first proceeding operated as claim preclusion to bar the second application. *Id.* (See Also, *In re Orion Research Inc.*, 669 F.2d 689, 205 USPQ 688 (C.C.P.A. 1980)(holding that slight differences in a mark or in an identification of goods/services will not avoid application of res judicata or other preclusion doctrines). Hence, the Board found that the two marks created "substantially the same commercial impression" (*Id.* at 678) and commented that losing parties should not be encouraged to modify their marks insignificantly following an adverse ruling in order to avoid the res judicata effect of the earlier adjudication!

However, the May 24, 2012 Order in the present matter on Opposer' s Mostion for Summary Judgment encourages exactly that. Applicant here has made an insignificant change to the applied for mark (namely adding stylization and a tiny insignificant horse design element) in order to avoid the res judicata effect of the earlier adjudication. Adding stylization, as here, is a far cry from an entirely different word mark (removing "CANADIAN"), as was the case in the *Institut National* case relied upon by the Board in denying Summary Judgment. Worse

still, the egregious effort to make a minor change to the Applicant's mark passed through the Examination process without any note, and shockingly survived Summary Judgment. For the foregoing reasons, Opposer respectfully requests that the Board reconsider its prior decision. The present Opposition must be summarily granted in Opposer's favor. To hold otherwise, would subject the Board to a needless waste of its precious administrative resources devoted to handling a hefty docket of cases awaiting one final decision. Similarly and likewise, Opposer would be subject to needless relitigation of a prior final decision. Finally and most importantly, to hold otherwise would tend to invite parties to Board litigation to simply keep refiled rejected applications with slight insignificant changes, to litigate and relitigate in disregard to the finality of Board's orders, against the express warning of the Board in the *Miller* case.

Opposer has already prevailed before the Trademark Trial and Appeal Board in the virtually identical proceedings after an entire Opposition proceeding was heard with full litigation on the merits, taking of testimony at substantial financial expense. The essential finding after full litigation on the virtually identical merits was that the Examiner should have rejected the CABALLITO CERRERO application in the first instance.¹

**IN THE ALTERNATIVE, ALTHOUGH SEEMINGLY UNNECESSARY,
COLLATERAL ESTOPPEL MANDATES A FINDING OF SUMMARY
ADJUDICATION ON SEVERAL OTHER ISSUES ALREADY DECIDED IN THE
PRIOR PROCEEDINGS**

In the absence of res judicata, the related principle of collateral estoppel or issue preclusion can also bar relitigation of the same issue in a second action. Collateral estoppel

¹ The examining attorney should issue refusals based on res judicata, collateral estoppel, or stare decisis, as appropriate, but should not rely exclusively on such doctrines. TBMP Section 1217.

applies where: (1) there was an identical issue in a prior proceeding; (2) the issue was actually litigated; (3) determination of the issue was necessary to the judgment in the prior proceeding; and (4) the party defending against preclusion had a full and fair opportunity to litigate the issue in the prior proceeding. *Mayer/Berkshire*, 424 F.3d at 1232, 76 USPQ2d at 1313; *Jet, Inc. v. Sewage Aeration Systems*, 223 F.3d at 1366, 55 USPQ2d at 1859.

The Board in this case has already found issue preclusion with respect to the similarity or dissimilarity of the goods, Dupont Factor number 2. (See May 24, 2012 Order on Motion For Summary Judgment, page 4). However, in addition to similarity of the goods, numerous other findings were litigated and decided upon in the prior proceedings which should also be given preclusive effect.

First, In Opposition No. 91175952, the Board held the following with regard to the Applicant' s Marks and Opposer' s marks:

“The marks are similar in appearance and sound in that they share the common term CABALLITO (in applicant' s mark) and its plural, 2 CABALLITOS (in both of opposer' s marks). We find that CABALLITO and its plural are the dominant portion of all three marks. As a general matter, in marks that contain both figurative and literal elements, it is the literal portion which dominates, because it is used by customers calling for the goods. *In re Appetito Provisions Co., Inc.*, 3 USPQ2d 1553 (TTAB 1987). That is especially true, where – as here- the figurative elements reinforce the literal meaning of the words, rather than creating a different commercial impression...Further, while applicant' s mark includes the term “CERRERO” and opposer' s ‘565 Registration includes the term “FRUITS,” neither term dominates its respective trademark. In the case of the subject mark, the term CERRERO is translated by applicant as “roaming” (see *infra*) an adjective modifying CABALLITO. In opposer' s registration the term “FRUITS” is disclaimed, presumably because it is descriptive of an ingredient or flavor of opposer' s soft drinks. In both cases, the additional wording is subordinate to the term CABALLITOS. In both

2 The use of singular and plural forms of CABALLITO provides no basis for distinguishing the marks. *Wilson v. Delauney*, 245 F.2d 877, 114 USPQ 339, 341 (CCPA 1957); *In Re Pix of America, Inc.*, 225 USPQ 691, 692 (TTAB 1985).

its registrations, opposer translates CABALLITOS as " little horses. " Applicant translates his mark, CABALLITO CERRERO as "roaming pony." (Although the parties' translations of "CABALLITO," differ, the difference between "pony" and "little horse" is inconsequential for these purposes). The marks thus present a similar arbitrary meaning, and as noted above, that meaning is reinforced by the horse designs included in opposer' s marks. In sum, we recognize that-considered in their entirety, the marks differ in several respects. Nonetheless, we conclude that these differences are outweighed by the marks substantially similarity in appearance, sound, meaning and commercial impression. This finding supports a finding of likelihood of confusion."

(See Exhibit A, P. 11-12).

Accordingly, as shown, in the excerpt above, the following issues were decided in the prior proceedings that should be precluded in the present proceedings; 1) that CABALLITOS is the dominant portion of the mark; 2) the two marks are substantially similar in appearance, sound, meaning and commercial impression. The Board even noted opposer' s horse design and held nonetheless, the marks were substantially similar when viewed in their entirety. It is axiomatic then that Opposer' s inclusion of stylization and a tiny horse design could not possibly change any of this analysis on these issues. These issues meet all the requirements for issue preclusion, namely that: (1) there was an identical issue in a prior proceeding; (2) the issue was actually litigated; (3) determination of the issue was necessary to the judgment in the prior proceeding; and (4) the party defending against preclusion had a full and fair opportunity to litigate the issue in the prior proceeding. The fact that the determination of this issue was necessary to the judgment in the prior proceeding is reinforced by the Board' s statement that "This finding supports a finding of likelihood of confusion." Even if the Board were inclined to find that the appearance and commercial impression findings from the previous proceeding should not be precluded because Applicant has now made slight changes to the mark that is

subject of the present proceedings, than, at a minimum, the Board must at least concede that the holdings that the “Sound and meaning” are similar, still must hold true since the word marks have not changed at all. Hence what the marks at issue sound like and mean are the same in both proceedings irrespective of the Applicant’s new stylization, and it is beyond peradventure ~~that the issue regarding sound and meaning was necessarily decided in the prior proceeding and~~ must be precluded in the present proceedings.

Finally, the Board in the prior proceedings held that “purchasers of the parties’ goods are not likely to exercise more than ordinary care in their purchasing decisions.” (See Exhibit A, p. 17). This issue was actually litigated, determined, after full and fair opportunity to be heard and necessary to the judgment finding likelihood of confusion. Accordingly, this issue must also be precluded in the present proceedings.

CONCLUSION

Here we have the identical facts and claims pertinent to these Opposition proceedings involving the identical parties, virtually identical marks, a prior judgment on the merits, and the same transactional facts as those already decided in the prior proceeding. A slight change in the stylization and design of the mark cannot avoid application of res judicata or other preclusion doctrines as decided in the *Miller* case. Therefore, the Board should reconsider its previous ruling and grant Opposer’s Motion For Summary Judgment. Even if the Board declines to grant the reconsideration, at a minimum, it must preclude the issues that CABALLITOS is the dominant portion of the mark and that the applicant’s mark and Opposer’s marks are substantially similar in appearance, sound, meaning and commercial impression, and that consumers do not exercise more than ordinary care. Furthermore, preclusion of these issues

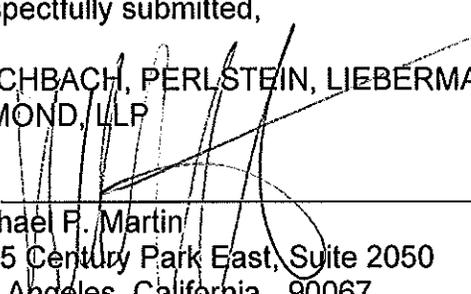
together with the similarity of the goods already precluded in the May 24, 2012 Order, there is no real triable issue of fact left to litigate. Similarity of the marks as to appearance, sound, meaning and commercial impression along with similarity of the goods, the Board already has enough to grant Summary Judgment in these proceedings without the need for the parties to waste valuable time and judicial resources re-hearing this case, when the critical issues necessary to a final decision have already been pre-determined. To hold otherwise, would subject the Board to a needless waste of its precious administrative resources devoted to handling a hefty docket of cases awaiting one final decision. Similarly and likewise, Opposer would be subject to needless relitigation of a prior final decision. Finally and most importantly, to hold otherwise would tend to invite parties to Board litigation to simply keep making slight changes to rejected marks, re-filing rejected applications, and litigating and re-litigating in disregard to the finality of Board's orders.

For the above-reasons, the present Opposition must be summarily granted in Opposer's favor, or at a minimum the issues discussed herein, precluded under the doctrine of Collateral Estoppel.

Respectfully submitted,

FISCHBACH, PERLSTEIN, LIEBERMAN &
ALMOND, LLP

Dated: June 22, 2012

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A

Mailed: December 3, 2008

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Embotelladora Aga del Pacifico, SA de CV

v.

Jose Alfonso Serrano Gonzalez

Opposition No. 91175952
to Application No. 78753088
filed on November 14, 2005

Michael P. Martin of Charlston, Revich & Wollitz for
opposer.

Kevin G. Smith of Sughrue Mion, PLLC for applicant.

Before Hairston, Drost, and Mermelstein, Administrative
Trademark Judges.

Opinion by Mermelstein, Administrative Trademark Judge:

Applicant seeks registration of the mark CABALLITO
CERRERO (in standard characters) for "tequila," in
International Class 33.¹

Embotelladora Aga del Pacifico, SA de CV filed an
opposition to registration, alleging that applicant's mark,

¹ Based upon use of the mark in commerce. First use: December 20, 2005; first use in commerce: August 23, 2006. The application includes the following statement: "The English translation of 'CABALLITO CERRERO' is 'roaming pony.'"

The application was originally filed based on a Mexican trademark registration for the same mark, pursuant to Trademark Act § 44(e). Applicant subsequently deleted this basis for registration and alleged instead use in commerce pursuant to

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when used on the identified goods, is likely to cause confusion, to cause mistake, or to deceive in light of the previously used and registered trademarks, Trademark Act § 2(d); 15 U.S.C. § 1052(d), and that applicant's use of his mark would be likely to cause dilution, Trademark Act § 43(c); 15 U.S.C. § 1125(c). Opposer's notice of opposition pleads ownership of the following registration and application, both for "soft drinks" in International Class 32:



Registration No. 1594478² and



Application No. 78737754.³

Trademark Act § 1(a).

² Issued May 1, 1990. Affidavits under Trademark Act §§ 8, 9, and 15, accepted, acknowledged, and granted, respectively. The registration includes the following statement: "The English translation of the word 'CABALLITOS' in the mark is 'little horses.'"

³ Filed October 21, 2005. Subsequent to the commencement of this proceeding, this application matured into Registration No. 3320565, issued October 21, 2007. Opposer has disclaimed the

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By his answer, applicant denied the salient allegations of the notice of opposition.

We sustain the opposition.

I. Record

Pursuant to the Trademark Rules, the record in this case includes the pleadings and the file of the involved application. In addition, the record includes the following items, introduced by opposer during its case-in-chief:

- Notice of reliance on applicant's responses to opposer's discovery requests, filed January 11, 2008;
- Notice of reliance on applicant's responses to opposer's interrogatories, filed under seal, January 14, 2008;
- Notice of reliance on the file of the opposed application, filed January 14, 2008;⁴
- Notice of reliance on Registration Nos. 1594478 and 3320565, filed January 14, 2008;
- Notice of reliance on a trademark search report generated by the USPTO's TESS system, filed January 14, 2008;
- Testimony of Gustavo Ramirez, opposer's manager of corporate marketing, taken December 21, 2007;
- Testimony of Mauricio Uribe, Sales Director of Dos Amigos Distributors, taken January 10, 2008.

Applicant did not take testimony or file a notice of

exclusive right to use "FRUITS" apart from the mark as shown. The registration includes the following statement: "The foreign wording in the mark translates into English as little horses."

⁴ Submission of this notice of reliance was unnecessary. The file of an opposed trademark application is automatically considered part of the record. Trademark Rule 2.122(b)(1).

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reliance. Nonetheless, applicant attached to his brief what appears to be an excerpt from a book⁵ and an article from the Wikipedia database entry on "tequila," and requests that we take judicial notice of both items. Opposer objects, Reply Br. at 1.

First, we will not take judicial notice of evidence from Wikipedia or other sources which are available only online. *In re CyberFinancial.Net Inc.*, 65 USPQ2d 1789, 1791 n.3 (TTAB 2002); *see also, In re IP Carrier Consulting Group*, 84 USPQ2d 1028 (TTAB 2007) (Wikipedia evidence only admissible when there is an opportunity to verify its accuracy).

Second, applicant presents his excerpt from Guía del Artes, as evidence that the term "caballito" refers to a glass traditionally used for tequila. We cannot determine whether this material is generally available in the United States or if the matters stated therein are widely known. As is the case with applicant's Wikipedia evidence, it cannot be said that the matter stated in the proffered book excerpt "is either (1) generally known within the territorial jurisdiction of the trial court or (2) capable of accurate and ready determination by resort to sources whose accuracy cannot reasonably be questioned." Fed. R.

⁵ Alberto Ruy Sanchez Lac, Guía del Artes (1998). Although this book is labeled "Bilingual Edition," and includes text in both English and Spanish, it appears to have been published in Mexico.

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Evid. 201(b). We accordingly sustain opposer's objection to judicial notice in both instances.⁶

II. Applicable Law

Our determination under Trademark Act § 2(d) is based on an analysis of all of the probative facts in evidence that are relevant to the factors bearing on the likelihood of confusion issue. See *In re E.I. du Pont de Nemours and Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). See also *Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772*, 396 F.3d 1369, 73 USPQ2d 1689 (Fed. Cir. 2005); *In re Majestic Distilling Co., Inc.*, 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003); *In re Dixie Rests. Inc.*, 105 F.3d 1405, 41 USPQ2d 1531 (Fed. Cir. 1997).

In considering the evidence of record on these factors, we keep in mind that "[t]he fundamental inquiry mandated by Section 2(d) goes to the cumulative effect of differences in the essential characteristics of the goods [or services] and differences in the marks." *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24, 29 (CCPA 1976); *In re Azteca Rest. Enters., Inc.*, 50 USPQ2d 1209 (TTAB 1999).

⁶ We hasten to add that consideration of this evidence would not change the result in our analysis.

III. Background

A. Applicant⁷

Applicant uses his mark on tequila imported into the United States from Mexico. Applicant first used the mark in the United States on August 23, 2006, as evidenced by an invoice indicating a sale in the amount of \$58.00 for "TEQUILA CABALLITO CERRERO REPOSADO 750 ML 12 B/C." Exh. CABA 0001. It appears from the evidence of record that this was applicant's only sale of tequila under the mark at the time of trial. Although applicant indicated that his product is advertised on two web sites, Interrog. 18, the nature of such advertisement is not apparent, and applicant also stated that he has expended no money on advertisement of the product. Supp. Resp., Interrog. 19. Applicant also uses or intends to use the mark on promotional items such as brochures, pens, posters, t-shirts, hats, and cocktail stirrers, Interrog. 5, and that he promotes or intends to promote his goods through trade shows, advertising brochures, and promotional giveaways. Interrog. 13.

B. Opposer

According to the testimony of Gustavo Ramirez, opposer

⁷ As noted, applicant did not submit testimony or a notice of reliance. Our discussion of applicant and its business is thus gleaned from the pleadings, the subject application and opposer's evidence, including those of applicant's discovery responses which opposer has properly made of record by notice of reliance. Factual statements in applicant's brief which are not supported by the record have been disregarded.

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is a 45-year old Mexican firm producing soft drinks, including mandarin, pineapple, strawberry, and tamarind flavored sodas, among others. Opposer sells approximately six million cases of drinks per year in Mexico under various CABILLITOS marks and the mark SIDRAL AGA. Opposer introduced status and title copies of its pleaded registrations under notice of reliance.

Although it is clear that opposer's products are sold in this country, the record does not reveal the extent of opposer's exports to the United States. During his testimony, Mr. Ramirez identified advertising circulars from several Spanish language newspapers in southern California, indicating opposer's products for sale in supermarkets in that area. While the circulars evidenced CABILLITOS soft drinks at several small supermarket chains, opposer provided no circulation numbers for the advertisements or sales figures for the product at such markets. Mr. Ramirez testified that CABILLITOS is "a very well-known brand here in the U.S. by the Hispanic people, Mexican-American people. Very famous here. Because Mexican-American people remember that trademark from Mexico." Ramirez Dep. pp. 25-26.

Mr. Ramirez, who testified that he is fluent in both English and Spanish, testified that the word CABALLITOS means "little horses," and that he was not aware of any

relevance of that term with respect to beverages. P. 27.

IV. Discussion

A. Standing and Priority

Opposer made its pleaded registrations of record, thus establishing its standing to oppose registration of applicant's mark. See *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842 (Fed. Cir. 2000); *Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982). Moreover, because opposer's pleaded registrations are of record, priority is not an issue. *King Candy Co. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974).

B. Likelihood of Confusion

1. The Fame Of The Prior Marks (Sales, Advertising, Length of Use)

We begin with a discussion of the fame of opposer's marks because fame, when found, is entitled to great weight in a likelihood of confusion analysis. *Recot Inc. v. Becton*, 214 F.3d 1322, 54 F.2d 1894 (Fed. Cir. 2000); *Kenner Parker Toys, Inc. v. Rose Art Indus.*, 963 F.2d 350, 22 USPQ2d 1453 (Fed. Cir. 1992).

We find opposer's assertions of fame to be unsupported by the record. Mr. Ramirez testified that opposer sells approximately six million cases of soft drinks per year in Mexico. However, opposer has not provided a meaningful

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context for this figures, such as evidence of opposer's market share for the goods. As the Federal Circuit has stated, "[r]aw numbers of product sales and advertising expenses may have sufficed in the past to prove fame of a mark, but raw numbers alone in today's world may be misleading.... Consequently, some context in which to place raw statistics is reasonable." *Bose Corp. v. QSC Audio Prods.*, 293 F.3d 1367, 63 USPQ2d 1303, 1309 (Fed. Cir. 2002).

But even if we were able to put opposer's Mexican sales in context and conclude that opposer's marks⁸ were famous in Mexico, the question here is whether opposer's marks are famous in the United States. On that score, we cannot accept opposer's bald assertion that the "brand's fame in Mexico has carried over into the U.S., making it extremely well know [sic] in the Mexican American community." Opp. Br. at 19. As noted, there is no evidence of the extent of opposer's sales in the United States, the reach of opposer's advertising (beyond the several local sales circulars in the record), or any direct evidence of consumer perception.

⁸ Mr. Ramirez testified that opposer produces drinks under its CABALLITOS marks as well as under another mark (SIDRAL AGA). However, his testimony did not allocate opposer's Mexican sales between these marks. To be clear, the relevant question of fame is not whether opposer is famous, but whether opposer's marks are famous. Mr. Ramirez's testimony of opposer's gross sales of six million cases of soft drinks is thus of little probative value, because that number includes sales under both the SIDRAL AGA and CABALLITOS marks.

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We find that opposer's evidence of fame falls well short of the mark on this record, and we thus consider this factor neutral in our analysis.

2. The Similarity Or Dissimilarity Of The Marks

In comparing marks to ascertain whether confusion is likely, we consider the marks' appearance, sound, meaning and commercial impression. *Palm Bay*, 73 USPQ2d at 1692. "[T]he 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 so that confusion as to the source of the goods offered under the respective marks is likely to result." *H.D. Lee Co. v. Maidenform Inc.*, 87 USPQ2d 1715, 1727 (TTAB 2008).

While we must consider the marks in their entirety, it is entirely appropriate to accord greater importance to the more distinctive elements in the marks. As the Court of Appeals for the Federal Circuit observed, "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. Indeed, this type of analysis appears to be unavoidable." *In re Nat'l Data Corp.*, 753 F.2d 1056, 224 USPQ 749, 751 (Fed.

Cir. 1985).

The mark in the subject application is CABALLITO CERRERO. Opposer's pleaded marks are CABALLITOS and CABALLITOS FRUITS as used with the following designs:



The marks are similar in appearance and sound in that they share the common term CABALLITO (in applicant's mark) and its plural,⁹ CABALLITOS (in both of opposer's marks). We find that CABALLITO and its plural are the dominant portion of all three marks. As a general matter, in marks that contain both figurative and literal elements, it is the literal portion which dominates, because it is used by customers in calling for the goods. *In re Appetito Provisions Co., Inc.*, 3 USPQ2d 1553 (TTAB 1987). That is especially true where - as here - the figurative elements reinforce the literal meaning of the words, rather than creating a different commercial impression.

Further, while applicant's mark includes the term "CERRERO" and opposer's '565 Registration includes the term

⁹ The use of singular and plural forms of CABALLITO provides no basis for distinguishing the marks. *Wilson v. Delauney*, 245 F.2d 877, 114 USPQ 339, 341 (CCPA 1957); *In re Pix of America, Inc.*, 225 USPQ 691, 692 (TTAB 1985).

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"FRUITS," neither term dominates its respective trademark. In the case of the subject mark, the term CERRERO is translated by applicant as "roaming," (see *infra*) an adjective modifying CABALLITO. In opposer's registration, the term "FRUITS" is disclaimed, presumably because it is descriptive of an ingredient or flavor of opposer's soft drinks. In both cases, the additional wording is subordinate to the term CABALLITO(S).

In both its registrations, opposer translates CABALLITOS as "little horses." Applicant translates his mark, CABALLITO CERRERO as "roaming pony." (Although the parties' translations of "CABALLITO," differ, the difference between "pony" and "little horse" is inconsequential for these purposes.¹⁰) The marks thus present a similar arbitrary meaning, and as noted above, that meaning is reinforced by the horse designs included in opposer's marks.

In sum, we recognize that - considered in their entirety - the marks differ in several respects. Nonetheless, we conclude that these differences are outweighed by the marks' substantially similarity in appearance, sound, meaning, and commercial impression. This finding supports a finding of likelihood of confusion.

¹⁰ "pony 1. a small horse of any of several breeds...." Dictionary.com Unabridged (v 1.1) based on RANDOM HOUSE UNABRIDGED DICTIONARY (2006). We take judicial notice of this definition. *In re Red Bull GmbH*, 78 USPQ2d 1375, 1377 (TTAB 2006).

3. The Similarity or Dissimilarity and Nature of the Goods

It is a general rule that goods or services need not be identical or even competitive in order to support a finding of likelihood of confusion. Rather, it is enough that goods 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, because of the marks used or intended to be used therewith, to a mistaken belief that they originate from or are in some way associated with the same producer or that there is an association between the producers of each parties' goods or services. *In re Melville Corp.*, 18 USPQ2d 1386 (TTAB 1991).

Applicant's goods are identified as "tequila," while the goods in opposer's pleaded registrations are identified as "soft drinks." Opposer argues that "[t]hese products are both beverages and are inextricably related." Opp. Br. at 17. In response, applicant cites a long line of cases in which the Board and our primary reviewing courts have rejected any presumption that alcoholic and non-alcoholic beverages are related simply because they are both drinks. App. Br. at 6-7

But just as "[t]here is and should be no per se rule that alcoholic and non-alcoholic beverages are related products," *In re Jacob Demmer KG*, 219 USPQ 1199, 1201 (TTAB

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1983) (emphasis added), the opposite is also true - there is no per se rule that such products are unrelated. Where appropriate, the Board and our reviewing court have not hesitated to find that alcoholic and non-alcoholic beverages were sufficiently related to support a finding of likelihood of confusion. For instance, in *In re Rola Weinbrenneri Und Likorfabrik GmbH & Co.*, 223 USPQ 57 (TTAB 1984), as in this case, applicant argued that laws controlling the sale and distribution of alcohol distinguish the goods. We disagreed:

Applicant stresses the special legal limitation placed on sale and advertising of alcoholic beverages and the fact that not all segments of the population (e.g., children) can consume them. Nevertheless, it is fair to say that adults who consume alcoholic beverages can and do consume soft drinks as well. There are no limitations as to channels of trade in the descriptions of goods before us and there can be little question that alcoholic beverages and soft drinks, traveling in their respective channels of trade (and, quite likely, overlapping in many respects) can and would come to the attention of the millions of adults who drink the former.

Id. at 58, n.1. See also *Pink Lady Corp. v. L.N. Renault & Sons, Inc.*, 265 F.2d 951, 121 USPQ 465, 466 (CCPA 1959) ("It does not seem unreasonable to assume that citrus fruit juices and wines are likely to be sold in the same stores over the same counters to the same prospective customers"); *Coca Cola Bottling Co.*, 188 USPQ at 106 (confusion likely between BENGAL for gin and BANGEL LANCER and design for club soda, quinine water, and ginger ale);

Here, opposer has introduced pages from a website,

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www.tequilaquiote.com, which applicant uses to advertise his product. Uribe Test. at 36-37, exh. 47-48; Resp. to Second Interrog. No. 3. The website indicates that tequila - and applicant's CABALLITO CERRERO tequila in particular - may be served mixed with soft drinks. "Enjoy it straight in a traditional tequila shot glass or in a cognac snifter, or if you prefer, mix it with your favorite juice or soda." *Id.* exh. 47. The website also includes a recipe for a drink called the "vampiro," comprising tequila, sangrita, and grapefruit soda. *Id.* exh. 48. Grapefruit soda is a soft drink and is similar to the fruit sodas and drinks produced by opposer. See Ramirez Test. 20-24, exh. 6-13.

This evidence makes clear that tequila, including applicant's specific product, is used and actually recommended for mixing with soft drinks such as those produced by opposer. Mr. Ramirez further testified that soft drinks are sometimes the subject of co-promotions with tequila (such as SQUIRT and tequila) Ramirez Test. at 28. While the evidence does not demonstrate that opposer's and applicant's goods are "substantially similar," as opposer contends, Opp. Br. at 6, it is nonetheless clear that tequila and soft drinks may be viewed to some extent as complementary, and thus associated with each other in the minds of a substantial portion of the public. This relationship is sufficient to support a finding of a

likelihood of confusion.

**4. The Similarity Or Dissimilarity Of
Established, Likely-To-Continue Trade
Channels**

Opposer notes that its soft drinks are sold in grocery stores, liquor stores, Mexican restaurants, restaurants and catering trucks, Ramirez Test. at 11, and that many of these outlets also sell tequila. Opp. Br. at 8. Opposer has also provided advertisements for grocery store chains indicating the sale of both tequila and soft drinks. Opposer concludes that the channels of trade for the parties' goods are therefore "identical."

While the evidence provides some support for opposer's argument, our cases caution that little can be concluded merely from the fact that two items can both be found in retail outlets such as a grocery store or served in a restaurant. *Hi-Country Foods Corp. v. Hi Country Beef Jerky*, 4 USPQ2d 1169, 1171-72 (TTAB 1987). Such reasoning would require a conclusion that virtually all food and beverage items (and many other goods) are related in this respect. We therefore conclude that this factor is neutral or - at most - slightly favors opposer.

5. Other Factors

Based on the record testimony, opposer argues that the goods in question may be subject to impulse buying, a factor which would favor a finding of a likelihood of confusion.

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Opp. Br. at 19, see Ramirez Test. at 31; Uribe Test. at 35. However, as applicant argues, the testimony of Mr. Ramirez and Mr. Uribe in this regard consisted of the witnesses' conclusory opinions on this issue, and was not supported by specific factual testimony or other evidence to support this opinion. Nonetheless, we recognize that tequila need not be unusually expensive, and that soft drinks are typically inexpensive. Further, we note that applicant has introduced no evidence indicating that tequila sales are characterized by careful deliberation. We thus conclude that purchasers of the parties' goods are not likely to exercise more than ordinary care in their purchasing decisions.

Applicant points out that there is no evidence of actual confusion. The issue in this case is likelihood of confusion. While evidence of actual confusion is highly relevant, its absence is not, particularly where the evidence shows that there has been little opportunity for such confusion to occur. *In re RSI Syst. LLC*, 88 USPQ2d 1445, 1451 (TTAB 2008).

Finally, opposer argues that applicant was aware of opposer's mark prior to adopting his mark and filing the subject application. Opp. Br. at 20. However, opposer does not cite any evidence tending to show that applicant acted in bad faith in filing his application. Although the evidence indicates that opposer's mark was included in the

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results of a trademark search by applicant, we note that applicant may have believed that use of his mark would not create a likelihood of confusion. While we would disagree with that conclusion, we decline to elevate every case of likelihood of confusion into evidence of bad faith.

We conclude that these factors are neutral in our likelihood of confusion analysis.

C. Dilution

Fame is a prerequisite to a finding of dilution. Trademark Act § 43(c)(1). Inasmuch as opposer failed to demonstrate that its mark is famous, its dilution claim must fail. See *Toro Co. v. ToroHead Inc.*, 61 USPQ2d 1164, 1180 (TTAB 2001) ("Fame for dilution purposes is difficult to prove. ... The party claiming dilution must demonstrate by the evidence that its mark is truly famous.")

D. Applicant's Use of the Mark in Commerce

Opposer argues that applicant's use of the subject mark¹¹ is "grossly insufficient to warrant maintaining a federal registration...." Opp. Br. at 11. Whether applicant has made use of his mark in commerce sufficient to support his application was not pleaded as a ground for opposition, nor was it tried by the parties' express or implied consent. Accordingly, we give this issue no further

¹¹ From the discovery materials made of record by opposer, it appears that applicant's only use of its mark in the United States is a single sale of 12 bottles, for \$58.00.

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consideration.

V. Conclusion

After careful consideration of the evidence of record, we conclude that opposer has established its claim of likelihood of confusion under Trademark Act § 2(d). Opposer has established ownership of its pleaded registrations, and the marks therein are substantially similar to the mark in the subject application. Likewise, opposer has established that its goods, "soft drinks," are related in purpose and use to applicant's "tequila."

We conclude that registration of applicant's CABALLITO CERRERO mark would give rise to a likelihood of confusion in view of opposer's previously-used marks.

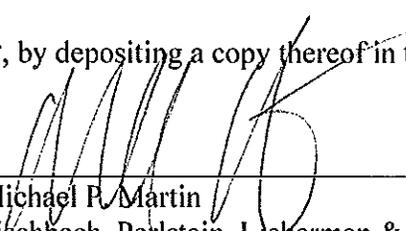
Decision: The opposition is accordingly sustained.

CERTIFICATE OF SERVICE

I hereby certify that on the 22nd day of June, 2012, I served a true and correct copy of the above and foregoing Motion For Reconsideration Or in The Alternative Motion For Summary Judgment/Adjudication of Issues on:

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Attorneys for Opposer, by depositing a copy thereof in the United States Mail, first class, postage prepaid.



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