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

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 SUMMARY JUDGMENT ON GROUNDS OF RES

JUDICATA 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 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 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 marks for soft drinks and the applied for CABALLITO CERRERO mark for Tequila. Specifically, in Exhibit A, p. 19 the Board concluded the following:

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."

Opposer has already prevailed before the Trademark Trial and Appeal Board in the identical proceedings after an entire Opposition proceeding was heard with full litigation on the merits, taking of testimony and substantial financial expense. The essential finding after full

litigation on the identical merits was that the Examiner should have rejected the CABALLITO CERRERO application in the first instance.¹

Now Applicant has simply decided to refile the identical word mark application already rejected by the Board, in a different stylized format, and the Examiner inexplicably did not even issue an office action citing Opposer's registrations which had already been determined by this Board to be substantially similar to the Applicant's subject application herein. This oversight occurred despite the fact that the marks are virtually identical, for related goods and the register is virtually devoid of any other marks containing the strong dominant term CABALLITO. Hence the issues of ownership, substantial similarity, related goods and resulting likelihood of confusion have already been litigated and decided by the Trademark Trial and Appeal Board at great time and expense to Opposer and the United States taxpayers.

RES JUDICATA PRECLUDES RELITIGATION OF THE CASE AT BAR

This motion for summary judgment is the appropriate procedural method to raise the issue of res judicata, since if the matter has been previously determined, there remains no triable issue of fact or law left for litigation in this litigation. *Old Grantian Co. v. William Grant & Sons, Ltd.*, 1361 F.2d 1018, 180 USPQ 58 (CCPA 1966); *Robi v. Five Platters, Inc.*, 939 F.2d 318, 5 USPQ2d 1709 (9th Cir. 1988), appeal after remand, 918 F.2d 1439, 16 USPQ2d 2015 (9th Cir. 1990). Principles of res judicata- claim preclusion and issue preclusion apply in Trademark Trial and Appeal Board proceedings to earlier decisions by the Board. *Vitaline Corp. v. General Mills, Inc.*, 891 F.2d 273, 13 USPQ2d 1172 (CAFC 1989)(cancellation counterclaim for fraud

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.

based on nonuse held precluded by prior Board proceeding decision against abandonment claim); *Miller Brewing Co. v. International Corp.*, 230 USPQ 675 (TTAB 1986); *BF Goodrich Co. v. Fritz Muller Colorplast KG*, 138 USPQ 319 (TTAB 1963).

The prior adjudication against the Applicant is dispositive of the present subsequent filed application for registration of the same mark on the basis of the same facts and issues, under the doctrine of res judicata, collateral estoppel, or stare decisis. (See TBMP Section 1217). Prior adjudications include decisions of the Trademark Trial and Appeal Board or any of the reviewing courts. (*Id.*). In the instant case, it is the strongest scenario for finding res judicata because it is the identical forum which previously decided the matter.

Res judicata, or claim preclusion, protects against relitigation of a previously adjudicated claim between the same parties or their privies based on the same cause of action. *In re Bose Corp.*, 476 F.3d 1331, 81 USPQ2d 1748 (Fed. Cir. 2007) (application for registration of speaker design barred by the Federal Circuit's 1985 decision affirming refusal of registration of the same mark for the same goods on the ground that the proposed mark was functional). A plaintiff is barred by res judicata from bringing a second action if: (1) there is identity of parties (or their privies); (2) there has been an earlier final judgment on the merits of a claim; and (3) the second claim is based on the same set of transactional facts as the first. *Sharp Kabushiki Kaisha v. ThinkSharp, Inc.*, 448 F.3d 1368, 1370, 79 USPQ2d 1376, 1378 (Fed. Cir. 2006); *Mayer/Berkshire Corp. v. Berkshire Fashions, Inc.*, 424 F.3d 1229, 1232, 76 USPQ2d 1310, 1312 (Fed. Cir. 2005); *Jet, Inc. v. Sewage Aeration Systems*, 223 F.3d 1360, 1362, 55 USPQ2d 1854, 1856 (Fed. Cir. 2000).

Furthermore, a defendant in an earlier proceeding is precluded from bringing a later action if: (1) the claim or defense asserted in the second action was a compulsory counterclaim that the defendant failed to assert; or (2) the claim or defense represents what is essentially a collateral attack on the first judgment. *Nasalok Coating Corp. v. Nylok Corp.*, 522 F.3d 1320, 1324, 86 USPQ2d 1369, 1372 (Fed. Cir. 2008) (cancellation petitioner was barred from challenging the validity of the subject registration where the petitioner could have asserted, but did not assert, a claim of invalidity in an earlier infringement action, the Court finding that the cancellation petition amounted to an attack on the district court's judgment). Accordingly, any new arguments Applicant may intend to make are barred to the extent that they could have been raised in the prior proceedings. In short, Applicant can't simply have another bite at the apple after having already lost in prior proceedings. It is nothing short of shocking that Opposer is being forced to go through this process again. The Examiner should have refused the application for the registration in the first instance (and especially the second instance) and avoided this tremendous waste of time and expense.²

ALTHOUGH UNNECESSARY, SINCE RES JUDICATA PRECLUDES APPLICANT'S REGISTRATION, COLLATERAL ESTOPPEL ALSO MANDATES A FINDING IN FAVOR OF OPPOSER

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 applies where: (1) there was an identical issue in a prior proceeding; (2) the issue was actually

² Applicant's change to the stylization is of no significance in this matter as slight differences in a mark or in an identification of goods/services will not avoid application of res judicata or other preclusion doctrines. *In re Orion Research Inc.*, 669 F.2d 689, 205 USPQ 688 (C.C.P.A. 1980); *Miller Brewing Co. v. Coy Int'l Corp.*, 230 USPQ 675 (TTAB 1986).

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. Upon a cursory review of the Order attached here as Exhibit A, the Board can see that each and every issue required to reject Applicant's application for CABALLITO CERRERO was painstakingly reviewed, considered and decided in favor of Opposer.

CONCLUSION

Here we have the identical facts and claims pertinent to these Opposition proceedings involving the identical parties, identical marks, a prior judgment on the merits, and the same transactional facts as those already decided in the prior proceeding. Accordingly, the res judicata and the principles of claim preclusion and issue preclusion apply to prevent relitigation of this issue in yet another Opposition between the parties. 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 prior final decisions. Finally and most importantly, to hold otherwise would tend to invite parties to Board litigation to simply keep refiling rejected applications, to litigate and relitigate in disregard to the finality of Board's orders.

For the above-reasons, the present Opposition must be summarily granted in Opposer's favor.

Respectfully submitted,

FISCHBACH, PERLSTEIN, LIEBERMAN &
ALMOND LLP

Dated: February 15, 2012

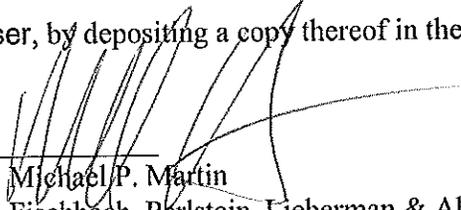
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CERTIFICATE OF SERVICE

I hereby certify that on the 16th day of February, 2012, I served a true and correct copy of the above and foregoing Motion For Summary Judgment on:

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15213 CORDARY AVE
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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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THIS OPINION IS NOT A
PRECEDENT OF THE TTAB

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 Fondée 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

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.

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 Weinbrennerei 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.tequilaquiete.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

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.