

**UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451**

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Mailed: June 12, 2013

Opposition No. 91203745

Diageo North America, Inc.

v.

Captain Russell Corp.

Before Quinn, Ritchie and Wolfson,
Administrative Trademark Judges.

By the Board:

Captain Russell Corp. ("applicant") filed an application to register the mark CAPTAIN RUSSELL CUBA LIBRE (standard characters; "CUBA LIBRE" disclaimed) for "alcoholic cocktail mixes, namely, rum and cola mixes" in International Class 33.¹

Diageo North America, Inc. ("opposer") opposes registration on the grounds of 1) priority and likelihood of confusion under Trademark Act Section 2(d), and 2) dilution under Trademark Act Section 43(c), asserting prior common law rights in the marks CAPTAIN MORGAN and CAPTAIN for alcoholic beverages, as well as ownership of the following registered marks:

- 1) CAPTAIN MORGAN (typed) for "rum" in International Class 33;²

¹ Application Serial No. 85372597, filed July 15, 2011 based on a bona fide intent to use the mark in commerce pursuant to Trademark Act Section 1(b).

² Registration No. 0972985 registered November 13, 1973; third renewal January 8, 2013.

- 2) CAPTAIN MORGAN (standard characters) for "brewed malt-based alcoholic beverage in the nature of a beer" in International Class 32;³
- 3) CAPTAIN MORGAN (standard characters) for "brewed malt based alcoholic beverage in the nature of beer; beer; lager" in International Class 33;⁴
- 4) CAPTAIN MORGAN (stylized) for "alcoholic beverage, namely, distilled spirits" in International Class 33;⁵ and
- 5) CAPTAIN (standard characters) for "distilled spirits, excluding tequila and mescal" in International Class 33.⁶

Opposer filed a motion for leave to amend its pleading pursuant to Fed. R. Civ. P. 15 to add a ground that applicant lacked a bona fide intent to use the mark as of the filing date of the application, and concurrently moved for summary judgment pursuant to Fed. R. Civ. P. 56(a) with respect to the new ground, as well as priority and likelihood of confusion. The motions have been fully briefed.

Opposer's motion to amend

Amendments to pleadings in inter partes proceedings before the Board are governed by Fed. R. Civ. P. 15, which is made applicable to Board proceedings by Trademark Rule 2.116(a). See also TBMP § 507.01. Fed. R. Civ. P. 15(a) governs amendments before trial. Pursuant to Fed. R. Civ.

³ Registration No. 3466371 registered July 15, 2008.

⁴ Registration No. 3509465 registered September 30, 2008.

⁵ Registration No. 3159948 registered October 17, 2006; Section 8 affidavit accepted and Section 15 affidavit acknowledged March 21, 2012.

⁶ Registration No. 3805205 registered June 22, 2010.

P. 15(a)(2), where, as here, a party may not amend its pleading as a matter of course,

...a party may amend its pleading only with the opposing party's written consent or the court's leave. The court should freely give leave when justice so requires.

The Board liberally grants leave to amend pleadings at any stage of a proceeding when justice so requires, unless entry of the proposed amendment would violate settled law or be prejudicial to the rights of the adverse party or parties. See TBMP § 507.02. Where the moving party seeks to add a new claim or defense, and the proposed pleading thereof is legally insufficient, or would serve no useful purpose, the Board normally will deny the motion for leave to amend. See *Octocom Systems Inc. v. Houston Computer Services Inc.*, 918 F.2d 937, 16 USPQ2d 1783, 1785 (Fed. Cir. 1990).

Opposer seeks leave to add the following allegations (amended notice of opposition, para. 19):

Applicant did not have a *bona fide* intention to use the mark in commerce on the specified goods when it filed the application for CAPTAIN RUSSELL CUBA LIBRE (Ser. No. 85/372,597). Because Applicant did not possess a *bona fide* intention to use the CAPTAIN RUSSELL CUBA LIBRE mark, the application is void *ab initio*.

Opposer states that it learned of the basis for the additional claim through applicant's supplemental responses to discovery, served 5 days before the close of discovery, and

through the Fed. R. Civ. P. 30(b)(6) deposition of applicant's president, taken on the last day of discovery.

For its part, applicant counters that allowing the amendment would be unduly prejudicial to applicant because it would require new discovery. It also argues that the claim is untrue.

Opposer's addition of allegations of a claim that applicant lacked the requisite bona fide intent to use the mark when it filed the subject application does not violate settled law, and the allegations setting forth the ground are legally sufficient. There is no indication in the record that adding the ground would prejudice applicant's ability to put on its case. Applicant's argument that it would be prejudiced because it would be required to take new discovery is noted; however, it is highly unlikely and unnecessary that applicant would need additional discovery with respect to the issue of its own bona fide intent to use its mark.

In view of these findings, opposer's motion to amend is granted. The amended notice of opposition is now its operative pleading in this proceeding.

Opposer's motion for summary judgment

Summary judgment is appropriate where the movant shows that there is no genuine dispute as to any material fact and that it is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(a). The movant carries the burden of proof. See

Celotex Corp. v. Catrett, 477 U.S. 317, 323-24 (1986). A party asserting that a fact cannot be true or is genuinely disputed must support its assertion by either 1) citing to particular parts of materials in the record, or 2) showing that the materials cited do not establish the absence or presence of a genuine dispute, or that an adverse party cannot produce admissible evidence to support the fact. Fed. R. Civ. P. 56(c). In deciding a summary judgment motion, all evidence is viewed in a light favorable to the nonmovant, and all justifiable inferences are to be drawn in the nonmovant's favor. The function of the Board is not to resolve issues of material fact, but to ascertain whether such issues are present. See *Lloyd's Food Products Inc. v. Eli's Inc.*, 987 F.2d 766, 25 USPQ2d 2027 (Fed. Cir. 1993); *Opryland USA Inc. v. Great American Music Show Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992); *Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542 (Fed. Cir. 1992); *Honda Motor Co. v. Winkelmann*, 90 USPQ2d 1660 (TTAB 2009). See also TBMP § 528.01.

To prevail on its claim of a lack of bona fide intent to use, opposer must prove that there is no genuine dispute of material fact that 1) it has standing,⁷ and 2) applicant did

⁷ With both its original and amended notices of opposition, opposer made of record copies of its pleaded registrations showing the current status and ownership thereof. See Trademark Rule 2.122(d)(1). Thus, the record reflects no genuine dispute that opposer has established its real interest in preventing the

not have a bona fide intent to use the mark CAPTAIN RUSSELL CUBA LIBRE on "alcoholic cocktail mixes, namely, rum and cola mixes" as of July 15, 2011, the filing date of the application. Opposer has the initial burden of demonstrating that applicant lacked a bona fide intent to use the mark on the identified goods, such as by showing the absence of any documentary evidence regarding applicant's bona fide intent. If opposer satisfies that burden, the burden then shifts to applicant to come forward with evidence which would adequately explain or outweigh the lack of documentary evidence. The absence of any documentary evidence or adequate explanatory evidence on the part of an applicant regarding such intent constitutes objective proof sufficient to demonstrate that applicant lacks a bona fide intention to use its mark in commerce. See *Commodore Electronics Ltd. v. CBM Kabushiki Kaisha*, 26 USPQ2d 1503, 1507 (TTAB 1993).

As a general rule, the factual question of intent is unsuited to disposition on summary judgment. See *Copelands' Enterprises, Inc. v. CNV, Inc.*, 945 F.2d 1563, 20 USPQ2d 1295 (Fed. Cir. 1991). However, the absence of any documentary evidence regarding an applicant's bona fide intention to use a mark in commerce is sufficient to prove that an applicant lacks such intention as required by Section 1(b) of the Trademark

registration of applicant's mark for the identified goods. See *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842

Act, unless other facts are presented which adequately explain or outweigh applicant's failure to provide such documentary evidence. *Honda Motor Co. v. Winkelmann*, 90 USPQ2d at 1662.

A determination of whether an applicant has a bona fide intention to use the mark in commerce is an objective determination based on all the circumstances. *Boston Red Sox Baseball Club LP v Sherman*, 88 USPQ2d 1581, 1587 (TTAB 2008), citing *Lane Ltd. v. Jackson International Trading Co.*, 33 USPQ2d 1351, 1355 (TTAB 1994).

Opposer argues that applicant conceded that it does not plan to use the mark, and that applicant produced no documentary evidence of its intent to use the mark, such as a business plan, a budget, market research, focus group testing, recipe development, discussions with advertising agencies, marketing plan, permits, legal analysis, capital, or manufacturing or distribution capability. It also argues that applicant admitted that it lacks the skill, experience and financing that is necessary to manufacture and bring to market an alcoholic beverage. To support these assertions, opposer submitted and relies on applicant's responses to discovery, as well as portions of the deposition of applicant's president, Michael Dyakiv.

Applicant argues that to have a bona fide intent to use its mark, it is not required to have a written business plan,

(Fed. Cir. 2000); *Lipton Industries, Inc. v. Ralston Purina Co.*,

paid advertising of the product, or formal market research. It submitted emails dated September 26, 2011 to November 2, 2011 - *after* the filing date of its application - between its president Michael Dyakiv, and opposer, in which it proposed to opposer a partnership to develop applicant's beverage. Other than the emails, applicant submitted 26 pages of materials which it does not authenticate or even identify in its brief; these materials include the application file, which is already of record by operation of Trademark Rule 2.122(b), third-party websites, and draft promotional materials dated August 14, 2011 - *after* the filing date of the application.

Lastly, applicant asserts that its president, Mr. Dyakiv, stated in his deposition "that there were other interactions with companies capable to produce Cuba Libre for Applicant" (applicant's brief, p.3). Applicant did not itself submit or identify any portion of Mr. Dyakiv's deposition, and did not cite to any part of the portion of his deposition transcript that was submitted by opposer with the summary judgment motion supporting its assertion; so as to be clear, there is no testimony presently of record in connection with the motion for summary judgment that serves to corroborate applicant's assertion regarding interactions with third parties.

Turning to the record, the Dyakiv deposition is supportive of opposer's arguments that applicant admitted

that it planned to select a brand, then create or come up with an operational business later (Dyakiv depo., 61:6-22), and admitted that it has no documents related to a budget (Dyakiv depo., 49:13-15), market research (Dyakiv depo., 51:13-17), focus group testing (Dyakiv depo., 52:17-20), recipe development or discussions with creative, promotional or advertising agencies (Dyakiv depo., 71:6-10; 72:12-23), or potential advertising or advertising plans for a product (Dyakiv depo., 119:21 - 120:10). Applicant admitted that it has yet to partner with investors and that it does not have money to produce the product (Dyakiv depo., 133:9-14). In its brief, applicant was clear that it lacks financial resources:

"[A]pplicant is a start-up company with limited resources but great idea for product"

"to proceed with development of this business and to produce Cuba Libre beverage and sell it on the market, Applicant has to either invest his own money or partner with other companies or investors. In order to get other investors to invest money in this business venture, it is imperative to those investors to know that CAPTAIN RUSSELL CUBA LIBRE trademark is granted to the Applicant."

(applicant's brief, p. 2).

Moreover, applicant stated in response to interrogatories that it does not plan to use the mark:

Q: Describe in detail all plans to use Applicant's mark.

A: Please note that entrepreneurs do not plan they usually react to opportunities at the market place and try to take advantage of those opportunities. As such

I do not plan to use Mark, but rather see opportunity that others do not see or refuse to see and use trademark as a tool that helps me take advantage of perceived opportunity. Since market changes all the time my plans for how to use mark will change accordingly.

(Applicant's Supplemental Response to Opposer's First Set of Interrogatories, Interrogatory No. 5; opposer's brief, Exh. 7).

The record demonstrates that applicant has no documentary evidence of business plans, marketing or promotional activities, or ongoing discussions with manufacturers or distributors such as would substantiate its claim of a bona fide intent to use the mark in commerce as of the application filing date. *Cf. Lane Ltd. v. Jackson Int'l Trading Co.*, 33 USPQ2d 1351 (TTAB 1994). Its response to the summary judgment motion does not include any objective evidence to support a finding that its bona fide intent is in genuine dispute. In its brief, applicant admits its lack of money "to proceed with development of this business and to produce Cuba Libre beverage and sell it on the market" (applicant's brief, p. 2). Applicant put forth no evidence to support its broad and general reference to having "other interactions with companies capable to produce Cuba Libre for Applicant" (applicant's brief, p. 3), and we can accord no evidentiary value or consideration to unsupported statements. The email communications that applicant sent to opposer took place subsequent to the

filing of the application, and as noted above the balance of applicant's materials are not identified or explained in its brief, are not self-authenticating and are not otherwise authenticated. As noted, such materials include third-party websites, which do not demonstrate anything about applicant's intent. The materials also include what appear to be draft promotional materials dated August 14, 2011, subsequent to the filing of the application; applicant does not explain these, to whom they are directed, or if, when or how it actually used or plans to use them in any promotional efforts. In summary, applicant has not provided evidence, documentary or otherwise, which offers pertinent support for its claimed bona fide intent to use the mark.

On this record, and having considered all of the relevant circumstances in the light most favorable to applicant, we find that there is no documentary evidence of applicant's bona fide intent to use the mark CAPTAIN RUSSELL CUBA LIBRE in commerce to identify its goods, and applicant has come forth with no evidence to adequately explain or outweigh this, so as to rebut the prima facie case that opposer has put forth.

In view of these findings, opposer has established that there is no genuine dispute of material fact as to applicant's lack of a bona fide intent to use the mark CAPTAIN RUSSELL CUBA LIBRE for "alcoholic cocktail mixes, namely, rum and cola mixes" as of the application filing date. In view thereof,

opposer's motion for summary judgment is granted on its claim of no bona fide intent to use the mark in commerce.

Priority and likelihood of confusion

Opposer also moved for summary judgment on its Section 2(d) claim. To prevail on this claim, opposer must prove that there is no genuine dispute of material fact that 1) it has standing to bring this proceeding; 2) it has registered or previously used a mark; and 3) contemporaneous use of the parties' respective marks on or in connection with their respective goods or services would be likely to cause confusion, mistake or to deceive consumers. See *Hornblower & Weeks, Inc. v. Hornblower & Weeks, Inc.*, 60 USPQ2d 1733, 1735 (TTAB 2001).

Regarding priority, inasmuch as opposer has pleaded ownership of its registrations, and has made of record copies of its pleaded registrations showing the current status and ownership thereof pursuant to Trademark Rule 2.122(d)(1) (see footnote 7, supra), opposer's priority is not in issue. See *King Candy Co., Inc. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108, 110 (CCPA 1974).

Regarding likelihood of confusion, the Board's determination is based on an analysis of all of the probative facts in evidence that are relevant to the factors bearing on the issue of likelihood of confusion as set forth in *In re E.*

I. du Pont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563, 567 (CCPA 1973).

On likelihood of confusion, opposer argues, inter alia, that both parties' marks include the term CAPTAIN, that this term is dominant and is identical in sound, sight and meaning, and that its marks are famous. It further argues that the parties' goods are virtually identical in that they are rum or rum-based beverages, that they are relatively inexpensive, and that ordinary consumers would exercise nothing more than ordinary care in their purchasing decisions. In support, opposer submitted the declaration of one of its vice presidents.

For its part, applicant argues, inter alia, that CAPTAIN MORGAN and CAPTAIN RUSSELL CUBA LIBRE share only one common word, and that they are dissimilar because the former "associates in the minds of most consumers with the colorful character of a Jamaican pirate Henry Morgan," a captain of pirate ships that looted trade ships, whereas the latter connotes "a US Army officer who invented famous Cuba Libre beverage drink sometime around 1898 in Cuba" and who was stationed there during the Spanish-American War of 1898 (applicant's brief, p. 4). It argues that both parties' goods have rum, but in different proportions and different alcohol-by-volume percentages; it also argues that opposer's product is sold with spiced rums and hard liquors, whereas

its product is likely to be sold with refrigerated premade drinks.

On the record on summary judgment, opposer has not met its burden such as would entitle it to judgment as a matter of law on the Section 2(d) claim. At a minimum, there is a genuine dispute of material fact with respect to the similarity or dissimilarity between the marks, and in particular, regarding the meanings or connotations created by the respective marks, and the commercial impression that each creates in the minds of consumers who encounter the goods.

In view of these findings, opposer's motion for summary judgment with respect to its Section 2(d) claim is denied.

Summary

Inasmuch as opposer's motion for summary judgment is granted with respect to the ground that applicant lacked a bona fide intent to use the mark in commerce as of the filing date of the application, the opposition is sustained and registration of the mark is refused.