

**THIS OPINION IS NOT A  
PRECEDENT OF  
THE T.T.A.B.**

Mailed: March 24, 2011

**UNITED STATES PATENT AND TRADEMARK OFFICE**

**Trademark Trial and Appeal Board**

Luxco, Inc.

v.

Tovaritch & Spirits International SARL

Cancellation No. 92047201

Michael R. Annis of Husch Blackwell Sanders LLP, for Luxco, Inc.

Jess N. Collen of Collen IP, for Tovaritch & Spirits International SARL.

Before Walters, Bucher, and Ritchie, Administrative Trademark Judges.

Opinion by Ritchie, Administrative Trademark Judge:

On June 26, 2001, Tovaritch & Spirits International SARL (respondent), applied to register TOVARITCH for "vodka," in International Class 33, which registration was granted on January 9, 2007.<sup>1</sup> On March 9, 2007, Luxco, Inc. (petitioner), filed a petition to cancel the registration of

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<sup>1</sup> Registration No. 3197190, based on Section 1(a) and 44(e) of the Trademark Act, alleging dates of first use on June 26, 2000, and first use in commerce on August 27, 2006, and claiming priority from foreign Registration No. 478884 (Switzerland), registered on May 11, 2000.

applicant's mark on the ground that respondent's mark is likely to cause confusion with petitioner's marks. Petitioner asserted that it owns Registration No. 1036350 for the mark TVARSCKI in typed character form for "vodka and gin," in International Class 33<sup>2</sup> as well as Registration No. 1161228 for the mark TV in typed form for "vodka," in International Class 33.<sup>3</sup> Respondent denied the salient allegations of the petition and asserted the affirmative defense of laches. Both parties filed briefs and petitioner filed a reply brief.

We find it necessary to note that both parties submitted a significant amount of information into the record under the label of "confidential" or "highly confidential." Some of this information is clearly not confidential, including public advertisements and dictionary definitions. We have of course kept confidential information that is appropriately designated, but we will not be hamstrung in our analysis. Accordingly, we advise counsel to use these designations more judiciously as it makes it more difficult for us to include in our decisions information which is appropriately public.

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<sup>2</sup> Registered March 23, 1976, based on first use and first use in commerce on December 31, 1959. Sections 8 and 15 affidavits accepted and acknowledged. Renewed twice.

<sup>3</sup> Registered July 14, 1981, based on first use and first use in commerce on December 31, 1959. Sections 8 and 15 affidavits accepted and acknowledged. Renewed.

**The Record and Evidentiary Objection**

The record consists of the pleadings; the file of the application for the contested registration; and notices of reliance submitted by both parties including discovery responses; dictionary definitions; excerpts from printed publications; and status and title copies of the trademark registrations pleaded by petitioner. The record also contains the testimonial deposition of Stephen P. Soucy, petitioner's Chief Financial Officer, taken during petitioner's testimony period on December 4, 2009.

Respondent attempted to enter into the record the testimonial deposition of its Chief Executive Officer, Eugenio Litta Modignani, taken on March 19, 2010, the last, extended day of respondent's testimonial period. Petitioner objected to the entry of Mr. Modignani's deposition into the record on the grounds that it was procedurally erroneous, in violation of the Federal Rules of Civil Procedure. Specifically, petitioner notes that respondent took Mr. Modignani's deposition via telephone with Mr. Modignani located in Switzerland, and the court reporter located at the law offices of respondent's counsel in Ossining, New York. Petitioner's counsel also attended via telephone. Since neither the court reporter nor petitioner's counsel was located with the witness, respondent alleges that no one can attest to the veracity of the witness' identity nor of

his statements (e.g., that he was not being coached). Respondent, on the other hand, points to the Board order of March 19, 2010, granting respondent the right to a telephonic deposition of Mr. Modignani, and says that it was "obvious" that Mr. Modignani would be located in Switzerland while the court reporter would be in New York. (Resp's brief at 5).

Preliminarily, we note that petitioner properly made and preserved its objection. Petitioner first lodged its objection in a timely manner during the actual deposition and then renewed it again in its trial brief. The applicable rule provides that "a deposition may be taken in a foreign country: on notice, before a person authorized to administer oaths either by federal law or by the law in the place of examination." Fed.R.Civ.Pro. 28(b)(1)(C). As to the meaning of the phrase "before," we find it to be fairly clear in indicating that the witness must be in the presence of the official recording the testimony. As one court noted: "the applicable rules require the notary public to be present with the witness at a telephonic deposition rather than in the presence of the persons conducting the examination." *Hudson v. Spellman High Voltage*, 178 F.R.D. 29, 32 (EDNY 1998). Another court, albeit in an unreported decision, but one that is instructive in language, explained: "I find that the administration of the oath to

[witness] by a court reporter who is authorized to administer an oath in the United States but not in Poland and who is located in New Orleans at the time of the deposition fails to comply with the rules." *Loucas G. Matsas Salvage & Towage Maritime Co. v. M/T Cold Spring I*, 1997 WL 102491 E.D.La., March 5, 1997.

Despite respondent's assertion to the contrary, we find that it was not "obvious" to petitioner that the witness would be located in a different location from the court reporter taking his testimony. The Board granted respondent the right to take a telephonic deposition of foreign national Mr. Modignani with the understanding that the applicable procedural rules would be followed. Having waited until the last, extended day of its testimonial period to arrange for that deposition of its own witness, respondent had plenty of time to also arrange for the proper procedure to be followed, including arranging for a court reporter or other appropriate official to record Mr. Modignani's testimony in Switzerland while counsel for both parties participated by telephone. Accordingly, we see no reason to waive the rules in this case, and the objection is sustained. We have not considered Mr. Modignani's

deposition in our decision.<sup>4</sup>

### Priority and Standing

Standing is a threshold issue that must be proven in every *inter partes* case. See *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982) ("The facts regarding standing . . . must be affirmatively proved. Accordingly, [plaintiff] is not entitled to standing solely because of the allegations in its [pleading]."). To establish standing in a cancellation, petitioner must show both "a real interest in the proceedings as well as a 'reasonable' basis for his belief of damage." See *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999).

As a result of petitioner's submission of status and title copies of its TVARSCKI (No. 1036350) and TV registrations (No. 1161228), petitioner has established its standing in this action.

Respondent's inability to contest petitioner's priority in this case was granted as a discovery sanction by Board order of May 5, 2009, provided petitioner, "put in evidence of its priority sufficient to make a *prima facie* case." We find that petitioner has made that *prima facie* case with the

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<sup>4</sup> We do note, however, that considering the nature of the deposition testimony and exhibits attached thereto, had we reached a different conclusion and decided to accept the deposition into evidence, it would not change the result in this decision.

entry of its pleaded registrations into evidence.

Petitioner's witness also testified that petitioner acquired the TVARSKI and TV brands in 1987 and has used the marks on vodka continuously since. (Soucy depo. at 19-20; 57; and Ex 9).

Laches

Prior to our consideration of petitioner's pleaded claim of likelihood of confusion, we must first address respondent's affirmative defense of laches to determine whether petitioner's claim is barred thereby. It is settled that laches generally is available against a Section 2(d) claim of likelihood of confusion in a cancellation proceeding.<sup>5</sup> See *National Cable Television Association Inc. v. American Cinema Editors Inc.*, 973 F.2d 1572, 19 USPQ2d 1424 (Fed. Cir. 1991) (defense of laches was considered in connection with a cancellation proceeding brought under Section 2(d)); and *Christian Broadcasting Network Inc. v. ABS-CBN International*, 84 USPQ2d 1560 (TTAB 2007) (because defense of laches found to apply, petition to cancel brought under Section 2(d) dismissed).

In order to prevail on the affirmative defense of laches, respondent must establish that there was undue or

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<sup>5</sup> The only exception is when confusion is inevitable, because any injury to respondent caused by petitioner's delay is outweighed by the public's interest in preventing confusion. See *Turner v. Hops Grill & Bar Inc.*, 52 USPQ2d 1310 (TTAB 1999).

unreasonable delay by petitioner in asserting its rights, and that prejudice to respondent resulted from that delay. *See Bridgestone/Firestone Research Inc. v. Automobile Club de l'Ouest de la France*, 245 F.3d 1359, 58 USPQ2d 1460, 1462 (Fed. Cir. 2001) ("Mere delay in asserting a trademark-related right does not necessarily result in changed conditions sufficient to support the defense of laches. There must also have been some detriment due to the delay.") With regard to delay, the focus is on reasonableness and the Board must consider any excuse offered for the delay. *See A. C. Aukerman Co. v. R. L. Chaides Construction Co.*, 960 F.2d 1020, 22 USPQ2d 1321, 1329 (Fed. Cir. 1992).

Respondent filed its trademark application on June 26, 2001, and the mark was published for opposition on December 13, 2005. However, the application was initially filed as a Section 44(e) application, and registration was not granted until January 9, 2007. The registration constitutes constructive notice to petitioner of respondent's registration. *See Teledyne Technologies, Inc. v. Western Skyways, Inc.*, 78 USPQ2d 1203 (TTAB 2006), *aff'd*, 208 Fed. Appx. 886, unpublished Nos. 2006-1336, 2006-1367 (Fed. Cir. December 6, 2006). There is nothing in the record to indicate that petitioner had actual notice of the

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application or of respondent's use of its TOVARITCH mark in the United States prior to the January 9, 2007 registration date. Petitioner initiated this cancellation proceeding a mere two months from that date, on March 9, 2007.

Accordingly, we cannot consider that there was an undue delay by petitioner after the registration issued, and respondent has not alleged or shown any detriment caused thereby.

Although there is evidence (in the confidential record) that petitioner was aware of respondent's ownership of the TOVARITCH mark outside the United States, and possibly aware of respondent's intent to begin use of the mark in the United States, there is no evidence of clear notice in that regard, nor of petitioner's awareness that respondent would file a registration with the USPTO, which is at issue in this proceeding. The petition for cancellation was filed just months after the registration was granted. Meanwhile there is no evidence that respondent has used its mark in the United States, and petitioner's witness has testified that he is not aware of any sales by respondent in the United States (Soucy depo. at 92-93). We therefore find it completely plausible that petitioner was not aware that respondent had entered the United States market or really intended to do so until respondent filed for and received this registration. On that record, we do not find that

respondent has established undue delay by petitioner in filing this action or resulting prejudice thereby. Respondent's defense of laches, therefore, fails.

**Likelihood of Confusion**

Our determination under Section 2(d) is based on an analysis of all of the relevant, probative evidence in the record related to a likelihood of confusion. *See In re E. I. du Pont de Nemours & 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 Company, Inc.*, 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003); and *In re Dixie Restaurants Inc.*, 105 F.3d 1405, 41 USPQ2d 1531 (Fed. Cir. 1997). In any likelihood of confusion analysis, two key considerations are the similarities between the marks and the similarities between the goods. *See Federated Foods, Inc. v. Fort Howard Co.*, 544 F.2d 1098, 192 USPQ 24, 29 (CCPA 1976) ("The fundamental inquiry mandated by §2(d) goes to the cumulative effect of differences in the essential characteristics of the goods and differences in the marks"). Petitioner has pleaded two marks. For purposes of likelihood of confusion, however, we focus our analysis on the most relevant pleaded registration, Registration No. 1036350 for TVARSCKI, as discussed below. If we find likelihood of confusion as to

this registration, then our analysis as to TV will be moot. If on the other hand, we do not find it, then we would not find it as to TV either.

Fame

Petitioner argues that the strength of its mark should be taken into account in our analysis. This factor plays a dominant role in cases featuring a famous or strong mark. *Kenner Parker Toys Inc. v. Rose Arts Industries, Inc.*, 963 F.2d 350, 22 USPQ2d 1453 (Fed. Cir. 1992). Famous marks are accorded more protection precisely because they are more likely to be remembered and associated in the public mind than a weaker mark. *Id.* A famous mark is one "with extensive public recognition and renown." *Id.* See also *Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1694 (Fed. Cir. 2005).

In this regard, petitioner submitted evidence of sales, advertising, and length of use. This was all submitted on the confidential record. Accordingly, we are not at liberty to mention it here. Suffice to say, petitioner failed to provide sufficient context in the industry for its figures in order for us to determine the possible strength of the TVARSCKI mark. Mr. Soucy was not even able to state what percentage of vodka sales in the United States are provided by petitioner annually, mentioning only his estimate of

petitioner's share of the "spirits industry" overall, and even there he provided no context of how much a percentage any other company provides. This record is simply insufficient for us to find any degree of fame.

The Goods and Channels of Trade

The identification of goods in the application covers "alcoholic beverages, notably vodka." The identification of goods in petitioner's Registration No. 1036350 for TVARSCKI covers "vodka and gin." Accordingly, the goods overlap and are in-part identical.

Moreover, because the goods identified in the application and the TVARSCKI registration are in-part identical, we must presume that the channels of trade and classes of purchasers are the same. See *Genesco Inc. v. Martz*, 66 USPQ2d 1260, 1268 (TTAB 2003) ("Given the in-part identical and in-part related nature of the parties' goods, and the lack of any restrictions in the identifications thereof as to trade channels and purchasers, these clothing items could be offered and sold to the same classes of purchasers through the same channels of trade"). In particular, there is nothing that prevents respondent from selling its "vodka" in the same stores, and indeed on the same shelves, as petitioner's "vodka," including to the same customers. This is particularly true where, as here, the goods are in-part identical. Accordingly, we find that

these *du Pont* factors weigh heavily in favor of finding a likelihood of confusion.

The Marks

We consider and compare the appearance, sound, connotation and commercial impression of the marks in their entireties. *Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1692 (Fed. Cir. 2005). Preliminarily, we note that the more similar the goods at issue, the less similar the marks need to be for the Board to find a likelihood of confusion. *Century 21 Real Estate Corp. v. Century Life of America*, 970 F.2d 874, 23 USPQ2d 1698 (Fed. Cir. 1992). In comparing the marks, we are mindful that the 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. *San Fernando Electric Mfg. Co. v. JFD Electronics Components Corp.*, 565 F.2d 683, 196 USPQ 1, 3 (CCPA 1977); *Spoons Restaurants Inc. v. Morrison Inc.*, 23 USPQ2d 1735, 1741 (TTAB 1991), *aff'd unpublished*, No. 92-1086 (Fed. Cir. June 5, 1992). The proper focus is on the recollection of the average consumer, who retains a general rather than specific impression of the marks. *Winnebago Industries, Inc. v.*

*Oliver & Winston, Inc.*, 207 USPQ 335, 344 (TTAB 1980);  
*Sealed Air Corp. v. Scott Paper Co.*, 190 USPQ 106, 108 (TTAB  
1975)

Petitioner's mark TVARSCKI is an arbitrary or even fanciful mark, with no apparent meaning. There is no dictionary definition, or translation for the term, nor is it apparently a surname. (Soucy depo. at 14). Several dictionary definitions were submitted for terms similar to respondent's mark, TOVARITCH, but none matched it exactly. Even if we were to accept a definition of a different term, such as "tovarich" (meaning "comrade"),<sup>6</sup> this does not necessarily convey a different commercial impression than petitioner's mark since petitioner's mark is, as stated, arbitrary or fanciful, and does not have a definition.

Comparing the two marks, we find that both are arbitrary marks beginning with an unusual "TVAR" or "TOVAR."<sup>7</sup> Both have a Russian "look and feel." As to the sound, it is well-settled that there is no correct pronunciation of a trademark. *In re Teradata Corp.*, 223 USPQ 361, 362 (TTAB 1984). Accordingly, we find it plausible that consumers will pronounce these marks similarly. Certainly, the beginnings of the marks appear to

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<sup>6</sup> See Merriam-Webster's Collegiate Dictionary (11<sup>th</sup> ed. 2003).

<sup>7</sup> Petitioner submitted evidence in a notice of reliance showing the scarcity of words in the dictionary beginning with "TVAR" or "TOVAR."

be quite similar.

Accordingly, although the marks have dissimilarities in sight and sound, we find these to be outweighed by their similarities as to commercial impression, sufficient to find a likelihood of confusion, particularly in light of the identical goods. Thus, the first *du Pont* factor also weighs in favor of petitioner.

Third-Party Use of Shared Term

Respondent argues that under the sixth *du Pont* factor, we should consider in this case, the "number and nature of similar marks in use on similar goods." At core, the relevant question is whether so many third parties use the term shared between the mark in the application and the cited registration that consumers will look to even very nuanced points of differentiation. See *In re Broadway Chicken Inc.*, 38 USPQ2d 1559, 1564-1565 (TTAB 1996). In that case, the applicant submitted evidence that hundreds of businesses use the shared term for the goods for which applicant sought registration. Here, by contrast, respondent's brief cites to an insignificant number of third-party registrations attached to the Modignani deposition. Even if we had not struck the Modignani deposition from the record, these registrations would be insufficient to tip this *du Pont* factor in favor of respondent. Rather, we find it to be neutral.

Actual Confusion

Respondent argues that there is no evidence of actual confusion despite years of overlap in the marketplace. A lack of evidence of "actual confusion" carries little weight in our analysis however. Furthermore, there is no evidence that respondent has actually used its mark in the United States. (Soucy depo. at 92-93). Accordingly, we find this *du Pont* factor to be neutral.

Balancing the Factors

Considering all of the evidence of record as it pertains to the *du Pont* factors, in comparing respondent's TOVARITCH mark to respondent's Registration No. 1036350 for TVARSCKI, we conclude that the goods are in-part identical and are likely to be marketed through the same channels of trade; petitioner's mark is arbitrary or fanciful as applied to vodka; and the marks are similar enough to support a finding of likelihood of confusion under this set of circumstances. Resolving doubt in favor of petitioner as the prior registrant, which we must, we find a likelihood of consumer confusion. See *In re Martin's Famous Pastry Shoppe, Inc.*, 748 F.2d 1565, 223 USPQ 1289, 1290 (Fed. Cir. 1984); *Miss Universe L.P. v. Community Marketing Inc.*, 82 USPQ2d 1562, 1572 (TTAB 2007).

**DECISION:** The petition to cancel is granted.