

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

Mailed:
July 13, 2011

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board
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Productos Lacteos Tocumbo S.A. de C.V.

v.

Paleteria La Michoacana, Inc.

—————
Cancellation No. 92047438
—————

REQUEST FOR RECONSIDERATION

Stephen L. Anderson of Anderson & Associates for Productos Lacteos Tocumbo S.A. de C.V.

Rosemary S. Tarlton of Morrison & Foerster LLP for Paleteria La Michoacana, Inc.

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Before Walters, Bergsman and Ritchie,
Administrative Trademark Judges.

Opinion by Bergsman, Administrative Trademark Judge:

On June 17, 2011, respondent, Paleteria La Michoacana, Inc. filed a request for reconsideration from the May 20, 2011 decision granting the petition for cancellation and ordering Registration No. 3210304 to be cancelled. The registration at issue is for the mark LA INDITA MICHOACANA and design, shown below, for "ice cream and fruit products, namely fruit bars," in International Class 30.¹

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¹ Issued February 20, 2007.



The pertinent ground for cancellation was likelihood of confusion. Specifically, petitioner alleged that prior to any use by respondent of its mark, petitioner and its related company or licensees have used the marks LA MICHOACANA NATURAL and design and LA FLOR DE MICHOACAN for, *inter alia*, ice cream, fruit ice bars and retail store services featuring ice cream and fruit ice bars and that respondent's mark so resembles petitioner's marks as to be likely to cause confusion. Furthermore, petitioner claimed ownership of Registration No. 2830401 for the mark LA FLOR DE MICHOACAN, in typed drawing form, for "ice cream," in Class 30.² Also, petitioner claimed ownership of application Serial No. 78954490 for the mark LA MICHOACANA NATURAL and design, shown below, for the following goods and services:

Cones for ice cream; flavored ices;
frozen yoghurt; fruit ice; fruit ice

² Issued April 6, 2004; Sections 8 and 15 affidavits accepted and acknowledged. Petitioner's registration states that "[t]he English translation for the word [sic] 'LA FLOR DE MICHOACAN' in the mark is 'The blossom of Michoacan.'"

bar; fruit ices; ice; ice candies; ice cream; ice cream drinks; ice cream mixes; ice cream powder; ice cubes; ice milk bars; ice-cream cakes, in Class 30; and

Retail shops featuring ice cream, fruit bars, drinks and snacks; retail stores featuring ice cream, fruit bars, drinks and snacks, in Class 35.³



Finally, petitioner, in its brief, claimed rights to the mark LA MICHOCANA and the mark comprising the design of an Indian girl, shown below (hereinafter "petitioner's Indian girl"). In the May 20, 2011 decision, the Board found that the issue of likelihood of confusion for these two marks had been tried by implied consent.



In its request for reconsideration, respondent argued that the Board made three erroneous findings of fact. First, the petitioner claimed use of its marks in the United

³ Filed August 17, 2006. Petitioner disclaimed the exclusive right to use the word "Natural."

States through licensees; however, "there was no evidence of the existence of quality control over use of its mark by purported licensees with respect to [ice cream]." ⁴ Second, the evidence surrounding petitioner's priority was characterized by contradictions and inconsistencies. ⁵ Finally, the Board erred in finding that petitioner had established rights in the word MICHOACANA because it "is a Spanish term referring to the region in Michoacán and the style of ice cream produced there." ⁶

Despite respondent's contention that it has not reargued issues presented in its trial brief, that is precisely what it does. Respondent is essentially disagreeing with our findings of fact and has written a brief in opposition to the May 20, 2011 decision. For that reason alone we may deny respondent's request for reconsideration. Nevertheless, for the sake of completeness, we address below respondent's arguments.

A. Whether petitioner's licenses had the requisite quality control?

Respondent contends that because petitioner failed to offer any admissible evidence that it exercised any quality control over its licensees, the Board erred in finding that petitioner had proven priority of use. We disagree. The

⁴ Request for reconsideration, p. 3.

⁵ *Id.*

⁶ *Id.*

testimony of the witnesses demonstrates that petitioner is a family-owned and run business and that there is a unity of control. Marco Antonio Andrade Malfavón (hereinafter "Marco Malfavón") is a director of petitioner. Jorge Andrade Malfavón (hereinafter "Jorge Malfavón") is a director of petitioner, an officer of petitioner's licensee El Michoacana Natural, Inc., and the brother of Marco Malfavón. At the same time that petitioner licensed the marks to El Michoacana Natural, Inc., it also licensed those marks to Rigoberto Fernandez.⁷ Mr. Fernandez is also an officer of El Michoacana Natural, Inc.⁸ In 2001, El Michoacana Natural, Inc. sold various products for manufacturing ice cream to Rigoberto Fernandez on behalf of petitioner.⁹ Petitioner's quality control is further corroborated by the testimony that the licensees bought ingredients and supplies from petitioner. Mr. Fernandez identified an October 28, 2003 invoice from petitioner featuring the mark LA MICHOACANA NATURAL and design for products used to make ice cream, such as plastics, bags, cans, the sticks, "equipment so I can get some juices, bags, blender and the lids."¹⁰

Q. Have you also obtained a number of other products like we've seen

⁷ Marco Malfavón Dep., pp. 34-39, question Nos. 96-110 and Exhibit 13; Rigoberto Fernandez Dep., pp. 8-10.

⁸ Rigoberto Fernandez Dep., p. 6.

⁹ Jorge Malfavón Dep., pp. 18-19.

¹⁰ Rigoberto Fernandez Dep., pp. 10-11, Exhibit 14. Marco Malfavón also identified this exhibit (Marco Malfavón Dep., pp. 40-41, question No. 112, Exhibit 14).

before earlier today from
[petitioner] for the purpose of
advertising and promoting the brand
La Flor de Michoacan?

- A. From [petitioner] was flavors, all
the materials that I need for
making the ice cream bars, ice
cream, juices, equipment.¹¹

Petitioner also provides uniforms.¹²

Finally, we note that in its trial brief, respondent
referenced the license agreements which respondent
characterized as purporting "to require the licensee to sell
the products with the same quality as the ones made by the
licensor, and to achieve the highest quality of foods safety
and hygiene."¹³ While respondent argues that petitioner
failed to submit any evidence regarding its exercise quality
control, respondent does not point to any evidence that
demonstrates a failure on the part of the licensees to meet
the requirements to provide products and services of
acceptable quality. Thus, there is no evidence that
petitioner's quality control was ineffectual or nonexistent.

¹¹ Rigoberto Fernandez Dep., p. 21.

¹² Rigoberto Fernandez Dep., p. 26.

¹³ Respondent's trial brief, p. 20. In the May 20, 2011, we held that because the licenses were in Spanish without English translations, they had no probative value. However, because respondent did not raise any objections to the testimony regarding the documents and treated them as being of record, we considered the testimony of the witnesses regarding the documents.

In view of the foregoing, we find that respondent failed to show that the Board erroneously found that petitioner's licenses are invalid.

B. Whether petitioner's testimony regarding priority was characterized by contradictions and inconsistencies?

Respondent contends that "the Board erred in finding that Petitioner's contradictory, inconsistent, and unsupported oral testimony sufficiently established that Petitioner had prior rights in petitioner's Girl Design and Petitioner's Michoacana Marks."¹⁴ Respondent identified the following purported contradictions and inconsistencies:

1. Neither Mr. Fernandez nor Mr. Malfavón recalled ever paying any royalties or other consideration to petitioner;

2. Mr. Fernandez did not understand the license because he does not speak Spanish;

3. Neither licensee could provide estimates of sales and revenues for products sold under the licensed marks;

4. The earliest-issued license for Mr. Fernandez to sell ice cream dates from April 2003, more than two years after Mr. Fernandez testified that he began manufacturing petitioner's licensed products;

¹⁴ Request for reconsideration, p. 6.

5. The undated photographs of the licensee's purported use of petitioner's marks do not support use of the petitioner's marks dating back to 2001.¹⁵

As indicated in the May 20, 2011 decision at pages 28-29, the testimony of petitioner's witnesses regarding the first use of petitioner's marks as of 2001 was clear, convincing, consistent and uncontradicted. In view of the close relationship between petitioner and the licensees, the facts that the witnesses could not recall paying any royalties, could not estimate the sales and revenues for the licensed products, or that Mr. Fernandez did not understand the license because he does not speak Spanish indicate that petitioner and its licensees view the written licenses as "legal" formalities. That petitioner has not enforced all the terms of the license does not invalidate the existence of the license and the clear, consistent and uncontradicted testimony that petitioner began use of the marks through its licensees in 2001.

Assuming Mr. Fernandez failed to get a Florida license to manufacture ice cream until after he had been manufacturing ice cream for two years, determining whether the use of petitioner's mark is lawful involves two questions: (1) whether a court or government agency having competent jurisdiction under the statute involved has

¹⁵ *Id.* at pp. 8-10.

previously determined that party is not in compliance with the relevant statute; or (2) whether there is a *per se* violation of a statute regulating the sale of a party's goods. *Automedix Inc. v. Artivent Corp.*, 95 USPQ2d 1976, 1984 (TTAB 2010); *General Mills Inc. v. Healthy Valley Foods*, 24 USPQ 1270, 1273 (TTAB 1992). In this case, there has been no final determination of noncompliance by a court regarding the manufacture of ice cream by Mr. Fernandez. Thus, respondent is left with demonstrating that the pre-2003 activities of Mr. Fernandez were *per se* violations of Florida law.

[I]t is incumbent upon the party charging that the use was unlawful to demonstrate by clear and convincing evidence more than that the use in question was not in compliance with applicable law. Such party must prove also that the non-compliance was material, that is, was of such gravity and significance that the usage must be considered unlawful – so tainted that, as a matter of law, it could create no trademark rights – warranting cancellation of the registration of the mark involved.

General Mills Inc. v. Healthy Valley Foods, 24 USPQ2d at 1274. Furthermore, "there must be some nexus between the use of the mark and the alleged violation before the unlawfulness of a shipment can be said to result in the invalidity of a registration." *Id. citing Satinine Societa v. P.A.B. Produits*, 209 USPQ 958, 967 (TTAB 1981). In this regard, we find that respondent failed to show that there

was a *per se* violation of any Florida law. Respondent did not submit a copy of the Florida statute requiring Mr. Fernandez to obtain a license before manufacturing ice cream so we cannot analyze the affect of the failure by Mr. Fernandez to obtain the license.¹⁶ Moreover, respondent failed to prove that the failure of Mr. Fernandez to obtain a license was so significant that the use of the trademarks were unlawful.

Finally, the undated photographs of the licensee's purported use of petitioner's marks were introduced into evidence as representative of the use of the marks since 2001. The probative value of the testimony was to illustrate of how petitioner's licensee's used petitioner's marks since 2001. We did not make our finding that petitioner used its marks as of 2001 based solely on the undated photographs.

In view of the foregoing, we find that respondent failed to show that the Board erroneously ignored inconsistent and contradictory statements by petitioner's witnesses regarding petitioner's first use of its marks.

¹⁶ In respondent's trial brief, p. 40 n. 23, respondent explained that "FLA. STAT. § 503.041 requires that any frozen dessert plant that manufactures frozen desserts 'must hold a valid license.'" (Emphasis in the original). "A failure to obtain a license constitutes a misdemeanor of the second degree. FLA. STAT. § 503.071."

C. Whether "Michoacana" is merely descriptive and/or primarily geographically descriptive of ice cream?

Respondent contends that "[i]n the context of ice cream products, the term MICHOACANA is merely descriptive and/or primarily geographically descriptive and thus is only protectable upon a showing of secondary meaning."¹⁷

Mr. Gutierrez testified that while he lived in Mexico and before moving to the United States in 1986, he saw "La Michoacana" used on the front of ice cream shops (I.G. TD, 10:2-5; 10:8-24; 11:6-14), and the words were used in arrays of different colors and different lettering, with some used with different versions of an Indian girl (I.G. TD, 10:2-5; 10:8-11:14.) He also testified that he saw the ice cream being made in the shops and those shops were in states other than Michoacan. (I.G. TD, 11:12-19.) ...

Ms. Gutierrez testified that when she was a girl living in Mexico and before she moved to the United States in 1999, she saw ice cream parlors making ice cream on the premises throughout different cities with different owners that had a "La Michoacana" sign. (P.G. TD, 13:6-16; 13:22-14:1.) ... "some of them would have a little girl." (P.G. TD; 14:6-8; 14:14-22; see also, 85:13-86:2.) ...

It is apparent that in Mexico, no one party has exclusive rights to either "La Michoacana" or use of an Indian girl in connection with ice cream. Rather, as Ms. Gutierrez testified, "I know there's a state in Mexico call Michoacan" and "[t]he style of paleta with a lot of fruit, its supposed to be a tradition or

¹⁷ Request for reconsideration, p. 11.

something that was created in Michoacan." (P.G. TD, 69:3-8.).¹⁸

Respondent also relies on the testimony of Marco Malfavón who testified regarding petitioner's adoption and use of the mark LA MICHOACANA and LA MICHOACANA NATURAL in Mexico.

LA MICHOACANA is the trademark which have been working for decades, and arises under which we come from the State of Michoacan. Hence, the idea to register a trademark using the NATURAL element to show that are products are made from natural fruits. Under this trademark LA MICHOACAN NATURAL we have marketed and distributed products such as dairy products, "paleta" and comestible ice creams and water.¹⁹

While both Ignacio and Patricia Gutierrez testified that LA MICHOACANA is commonly used as the name for ice cream stores in Mexico, neither provided any further testimony as how that might relate to its use in the United States. Although Ms. Gutierrez said that the "paleta" (a fruit bar) "was supposed to be a tradition or something that was created in Michoacan,"²⁰ she did not explain whether that was known in the United States.

In the May 20, 2011 decision, we acknowledged that to analyze the word marks, we must first determine the meaning of the word "Michoacana." Michoacán is a state in west-

¹⁸ Respondent's trial brief, pp. 29-30.

¹⁹ M. Malfavón testimony upon written questions, No. 53.

²⁰ Patricia Gutierrez Dep., p. 69.

central Mexico.²¹ The term "La Michoacana" means "the woman from Michoacán."²² "La Michoacana" or "the woman from Michoacán" suggests that the product may originate in Michoacán, but is not merely descriptive or primarily geographically descriptive.

This finding is corroborated by the three third-party registrations with the word "Michoacana" or "Michoacan" listed below introduced by respondent through its notice of reliance.

1. Registration No. 1552163 for the mark LA MICHOACANA for tortillas. The translation statement in the registration provides that "[t]he English translation of the words 'La Michoacana' in the mark is "A woman from the Michoacan region of Mexico." Registrant did not disclaim the word "Michoacan" and registration is on the Principal Register with no claim of acquired distinctiveness.

2. Registration No. 3623346 for the mark EL SABOR DE MICHOACAN for ice cream and sherbet. The translation statement in the registration provides that "[t]he English translation of the words 'El Sabor de Michocan' in the mark

²¹ Encyclopedia Britannica (2011). The Board may take judicial notice of information in encyclopedias. *B.V.D. Licensing Corp. v. Body Action Design Inc.*, 846 F.2d 727, 6 USPQ2d 1719 (Fed. Cir. 1988) (encyclopedias may be consulted); *Sprague Electric Co. v. Electrical Utilities Co.*, 209 USPQ 88 (TTAB 1980) (standard reference works). See also respondent's responses to interrogatory Nos. 7, 9 and 26.

²² Registration Nos. 1552163 and 2145216 attached to respondent's notice of reliance.

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is the flavor of Michoacan." Registrant disclaimed the exclusive right to use the name "Michoacan"; and

3. Registration No. 2145216 for the mark LA MICHOACANA PARADISIO SORBET and design for, *inter alia*, frozen fruit bars and ice cream. The translation statement in the registration provides that "[t]he English translation of 'La Michoacana Paradiso' is the 'The woman from Michoacan Paradise.'" Registrant did not disclaim the exclusive right to use "La Michoacana."

As indicated above, we find that the term "Michoacana" when used in connection with ice cream and/or fruit bars has some significance suggesting a connection with "Michoacan" but it is not clear to what extent people in the United States would understand or recognize that connection.

Decision: Respondent's request for reconsideration is denied.