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Mailed:September 28, 2012

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

O.T.H. Enterprises, Inc. d/b/a Frontera Music

v.

Federico Estevan Vasquez

Cancellation No. 92050569
to U.S. Registration No. 3129130
filed on February 11, 2009

Jim Garcia of Ceronsky, Rosen, Garcia, PC for Petitioner,
O.T.H. Enterprises, Inc., d/b/a/ Frontera Music.

Tracy Wells of Wells Law for Registrant, Federico Estevan
Vasquez.

Before Catlado, Wellington, and Kuczma,
Administrative Trademark Judges.

Opinion by Kuczma, Administrative Trademark Judge:

This cancellation proceeding stems from the 1985
breakup of the Mexican band Grupo Pegasso. O.T.H.
Enterprises, Inc. d/b/a Frontera Music ("petitioner"), a
Texas corporation, filed a petition to cancel Registration
No. 3129130, owned by Federico Estevan Vasquez

("registrant") for the mark GRUPO PEGASSO and Design, shown below:



for "Musical sound recordings" in International Class 9 and "Entertainment services, namely, live performances by a musical group" in International Class 41 ("the registered mark").¹

As grounds for cancellation, petitioner alleges priority of use and likelihood of confusion, abandonment of the registered mark, non-use and fraud in the procurement of respondent's trademark registration. In support of its claim of abandonment and non-use, petitioner alleges that registrant, a member of the Grupo Pegasso band, left the band in 1985 and formed a different band which used the name "Pegasso del Pollo Estevan," to record and manufacture

¹ Registration No. 3129130 alleges a date of first use and first use in commerce of September 9, 1979, for both Classes and issued on August 15, 2006, based on an application filed on May 17, 2005. The word "Grupo" is disclaimed and the English translation of the mark is Pegasus Group. Registrant filed its declaration of continued use pursuant to Section 8 of the Trademark Act of 1946, 15 U.S.C. §1058, on February 28, 2012, after the petition for cancellation was filed. The Section 8 declaration has been accepted.

recordings sold only in Mexico.² With respect to petitioner's fraud claim, it alleges that registrant made blatant misrepresentations with malice and an intent to defraud the U.S. Patent and Trademark Office ("USPTO"). Specifically, petitioner alleges that registrant's fraudulent conduct includes registrant's assertion that the registered mark was in use in the United States and that the specimen submitted by registrant to show use of its mark in commerce contained images of albums that are owned by petitioner and others that were digitally altered.

In his answer, registrant denied the salient allegations and alleged several defenses, identified as affirmative defenses, including that registrant is the legal owner of the registered mark in the United States and Mexico; that registrant has continuously used the registered mark in interstate commerce in the United States

² In its Petition to Cancel, petitioner alleged that registrant "left the group in 1985, thereby losing the right to use the name" and later alleged that after registrant "abandoned the original group, 'Grupo Pegasso,' he formed a different group under the name '**Pegasso del Pollo Estevan**'" (emphasis within). In its trial brief, petitioner also argued that registrant abandoned the GRUPO PEGASSO mark and built its reputation around the mark "Grupo Pegasso del Pollo Estevan." See Petitioner's Trial Brief, Docket # 47, p. 34. However unartfully pled, it is clear that registrant recognized petitioner's abandonment claim as evidenced by his devotion of a section of his Motion for Summary Judgment (see Registrant's Motion for Summary Judgment, Docket # 10, p. 21) to petitioner's allegations that registrant abandoned the mark, his identification of abandonment of the mark in his Statement of Issues, and his submission of arguments on abandonment in his Trial Brief. See Registrant's Trial Brief, Docket # 49, pp. 33-35.

and never granted permission to petitioner or petitioner's assignor to use the registered mark; that petitioner's assignor was an employee of registrant who is barred from using the mark in Mexico; and that petitioner's use of the registered mark in the United States is an infringing use, such that petitioner's claims should be barred under the doctrine of unclean hands based on petitioner's and its predecessors' misuse of the registered mark.

List of Relevant Persons

The following list identifies the various persons mentioned in this decision (persons listed in bold font have provided trial testimony in this case):

- **Christian Estevan Beeton** ("Estevan Beeton") - registrant's son and holder of power of attorney for father; assisted non-English speaking father in preparation of application for GRUPO PEGASSO and Design trademark.
- Ana Delia Benavides - wife of Roberto Benavides; petitioner alleges she continued Discos Remo after death of Roberto Benavides; petitioner refers to her as "Ana Benavidez."
- Roberto Benavides ("Benavides")- husband of Ana Benavides; sound engineer, part time musician, music promoter and alleged principal of the Discos Remo record production company; allegedly served as manager of Grupo

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Pegasso band from about 1981 until his death in 1989; petitioner alleges he was the owner of Discos Remo; petitioner refers to him as "Roberto Benavidezz."

- **Miguel Angel Cordero** ("Cordero") - Petitioner's CEO.
- **Felix Iniguez** ("Iniguez") - musician; member of Grupo Pegasso from approximately 1979-March 1980.
- **Juan Martinez** ("Martinez") - owns Novedades Musicales Martinez (record shop and car audio store) in Pharr Texas, operated for approximately 20 years (open since approximately 1991); arranges performances for musical groups in Texas and Mexican border cities.
- **Marta Quiroz** - secretary of Roberto Benavides; petitioner alleges she continued Discos Remo after Benavides' death; petitioner refers to her as "Martha."
- **Miguel Quiroz** - husband of Marta Quiroz, petitioner alleges he continued Discos Remo with his wife after Benavides' death; band member of Grupo Pegasso (evidence of dates of membership not presented, but allegedly joined and departed the group at the same time as Reyna).
- **Federico Estevan Vasquez** ("registrant") - owner of Registration No. 3129130 for GRUPO PEGASSO and Design Trademark; founder and member of Grupo Pegasso band from 1979-present.

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- Emilio Reyna Villarreal ("Reyna") - member of Grupo Pegasso band from 1981-1985; following 1985 band breakup, has performed and recorded under the band names Grupo Pegasso and Pega Pega de Emilio Reyna.
- **Guillermo "Memo" Villarreal** ("Villarreal," "Memo Villarreal") - owner of Discos Y Novedades Memo record shops in Houston, Texas operating since 1968, also involved in Mexican music business.

The Record

By operation of Trademark Rule 2.122, 37 CFR §2.122, the record includes the pleadings and the file history for Registration No. 3129130 which is the subject of this proceeding. The record also includes the following testimony and evidence:

A. Petitioner's Evidence

Petitioner introduced the following evidence via Notice of Reliance:³

1) Excerpts of the Discovery Deposition of Registrant Federico Estevan Vasquez [Docket #29, pp. 7-18] A];

2) Testimony deposition of Miguel Angel Cordero, petitioner's CEO, with attached exhibits [Docket ##30-31, 38];

³ Docket ## 28 and 37.

3) Testimony deposition of Guillermo "Memo" Villarreal, owner of Discos 'Y Novedades Memo, which operates two record stores under the aforementioned name in Houston, Texas [Docket #29, pp. 19-324];

4) Portions of the file history for cancelled U.S. Registration No. 1907663 for the mark "Grupo Pegasso and Design," owned by Emilio Reyna Villarreal, Jr.⁴ [Docket # 28, Tab A];

5) A copy of the file history for abandoned U.S. Application Serial No. 78/163307, filed by registrant for the virtually identical⁵ "Grupo Pegasso and Design" mark for "entertainment services in the nature of a musical group and musical recordings;"⁶ [Docket # 28, Tab B];

⁴ Although petitioner's Notice of Reliance states that it includes the entire file history, the exhibit submitted with the Notice of Reliance included only a barely legible printout of the USPTO TARR database for Registration No. 1907663, a printout of the USPTO's Trademark Document Retrieval database page for Application Serial No. 74/476205, which matured into Registration No. 1907663, and a copy of the registration certificate for Registration No. 1907663. Filed January 4, 1994, Registration No. 1907663 alleged a date of first use anywhere of February 1, 1981 and first use in commerce of October 1982. The Registration was cancelled on July 20, 2002, after the deadline for filing a Section 8 declaration expired.

⁵ The mark forms the same commercial impression as the mark shown in the current registration, with the placement of the word GRUPO appearing in all capital letters slightly to the left of the location of the word GRUPO in the present registration.

⁶ The application was filed on September 12, 2002, based on an allegation of a bona fide intent to use the mark in commerce under 1(b) of the Trademark Act. The application was abandoned on November 11, 2003, and registrant's May 12, 2004 Petition to Revive was denied on September 24, 2004.

6) A copy of U.S. Registration No. 3129130⁷ [Docket # 28, Tab C]; and

7) A printout of an electronic search of the U.S. Copyright Office's public catalog from 1978 to present for keyword "Pegasso" containing 93 entries listed by title, copyright number and issue date⁸ [Docket # 28, Tab D].

B. Registrant's Evidence

Registrant introduced the following evidence via Notice of Reliance:

1) Testimony deposition of Christian Estevan Beeton, registrant's son and holder of power of attorney for registrant who assisted registrant in the preparation of the application for the mark in the subject registration [Docket # 40, pp.7-263];

⁷ Pursuant to Rule 2.122(b), 37 C.F.R. 2.122(b), the record automatically includes the application file for Registration No. 3129130 which is the subject of this proceeding, and therefore submission of a copy of the registration was unnecessary.

⁸ Although petitioner characterizes this printout as the "Official Records of the United States Copyright Office listing the registration of copyrights for albums and songs of 'Grupo Pegasso,'" this characterization is incorrect. The document relied upon by petitioner is merely a printout of the summary search results from the U.S. Copyright Office's online database and does not display any information regarding copyright registrations for albums and songs of Grupo Pegasso. Further, the document lacks any relevant information which would support petitioner's claim of priority, such as authorship, publication dates, or release dates. Accordingly, this document has little probative value.

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2) Testimony deposition and accompanying exhibits of Felix Iniguez, member of the Grupo Pegasso band from 1979 to March 1980 [Docket ## 40-41, pp. 263-300;1-37];

3) Testimony deposition and accompanying exhibits for Juan Martinez, owner of record shop Discos y Novedades Martinez in Pharr, Texas, who has been active in the music industry for over 20 years, representing and arranging performance dates for musical groups such as "Renacimiento 74" and "Seven Days" in Texas and Mexican border cities [Docket # 41, pp.37-100];

4) A copy of selected excerpts from Petitioner's [a]dmissions to Registrant's Third Set of Requests for Admissions [Docket # 39, Attachment A];

5) Newspaper Article from *Ultima Hora*, dated July 31, 2009 [Docket # 39, Attachment B];

6) Excerpts of the Discovery Deposition of Registrant Federico Estevan Vasquez [Docket # 39, Attachment C];

7) (a) Copy of Mexican Trademark Registration No. 533577 [Docket # 39, Attachment D];

(b) Copy of Mexican Trademark Registration No. 320663 [Docket # 39, Attachment E]; and

8) Certified copy of an April 29, 1992 Administrative ruling issued by Instituto Mexicano de la

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Propiedad Industrial (IMPI), a government agency in Mexico, regarding "commission of action that may constitute an offense set forth by Article 211 Section IV of the Laws of Inventions and Trademarks regarding the recorded trademark 320663 PEGASSO"⁹ [Docket # 39, Attachment F].

C. Petitioner's Objections to Registrant's Evidence

In combination with the filing of its trial brief, petitioner submitted a document entitled "Petitioner's Objections to Registrant's Evidence," pursuant to TMBP § 901.03, which objects to the following evidence submitted via registrant's Notice of Reliance:

1) Attachment B: Copy of an article entitled "Today is the great anniversary bash at Exponex," from the publication, *Ultima Hora*, dated July 21, 2009;

2) Attachment C: Copy of excerpts of Federico Estevan Vasquez' discovery deposition;

3) Attachment D: Copy of Mexican Trademark Registration No. 533577;

4) Attachment E: Copy of Mexican Trademark Registration No. 320663; and

⁹ The IMPI proceeding concerned an action for trademark infringement of the Mexican trademark PEGASSO (Registration No. 320663) brought by registrant against former band members of Grupo Pegasso Miguel Quiroz, Javier Ramirez, Jose Santos Rodriguez, Marco Vinicio Gomex, Emilo Reyna Villarreal, Juventino Espinosa, Reynaldo Flores and Enrique Santos.

5) Attachment F: Certified copy of an April 29, 1992 Administrative ruling from Instituto Mexicano de la Propiedad Industrial.

We will address each objection in turn.

Petitioner has objected to the article published in *Ultima Hora* as inadmissible hearsay. Copies of printed publications are specifically permitted pursuant to TBMP §704.08(a) when the publication is available to the general public in libraries, or of general circulation among members of the public or that segment of the public which is relevant to an issue in a proceeding. However, such printed publications are admissible and probative only for what is shown on their face, not for the truth of the matters contained therein, unless a competent witness has testified to the truth of such matters. TBMP §704.08(a). Thus, at a minimum, the *Ultima Hora* article, published in Mexico and distributed in the United States, is admissible for what it shows on its face.¹⁰ Accordingly, petitioner's objection to this printed publication is overruled.

Similarly, we overrule petitioner's objection to registrant's submission of excerpts of registrant's discovery deposition made pursuant to TBMP §801.05 which

¹⁰ As noted by registrant, much of the content of the *Ultima Hora* article is corroborated by testimony of registrant, Christian Estevan Beeton, and Felix Iniguez.

indicates that evidentiary matters not made properly of record during the testimony period may be stricken from the record. Petitioner's objection ignores the fact that registrant has made selected portions of his discovery deposition of record via his Notice of Reliance.

Pursuant to TBMP §704.09(4), the adverse party may offer the discovery deposition of anyone designated as a party under Rule 30(b) (6) or Rule 31(a) of the Federal Rules of Civil Procedure; however, if the adverse party only introduces portions of a discovery deposition, the other party may introduce any other part of the deposition which, in fairness, should be considered so as to make what was offered by the submitting party not misleading. The responding party must explain via its notice of reliance why the responding party needs to rely on each portion listed in the responding party's notice. TBMP §704.09(4). Here, registrant filed a Notice of Reliance indicating that the selected excerpts he submitted constitute proper rebuttal to ensure that the excerpts submitted by petitioner were not misleading. Further, to the extent that registrant cites to pages of his discovery deposition submitted by petitioner, we find no problem with registrant citing to testimony properly made of record by petitioner

to prove or dispute petitioner's claims or interpretation of the testimony.

Finally, petitioner's objections to registrant's submission of copies of its Mexican trademark registrations and a certified copy of an April 29, 1992 Administrative ruling from Instituto Mexicano de la Propiedad Industrial are overruled in part. While the decisions and actions of foreign courts concerning trademark rights are not controlling on determination of a party's right to register in the United States, like printed publications, such decisions are admissible and probative only to the extent of what they show on their face, i.e., their historical significance, and not for the truth of the matter contained therein.¹¹ Accordingly, registrant's Mexican registrations and the IMI administrative rulings are admissible to prove their existence, but not to prove evidence of their status, or the use, registrability, or ownership of the subject mark in the United States.¹²

¹¹ See *Boston Chicken Inc. v. Boston Pizza International Inc.*, 53 USPQ2d 1053, 1055 (TTAB 1999); *Societe Civile des Domaines Dourthe Freres v. S.A. Consortium Vinicole de Bordeaux et de la Gironde*, 6 USPQ2d 1205, 1207 n. 6 (TTAB 1988); *Faberge, Inc. v. Dr. Bador GmbH & Co.*, 219 USPQ 848,850 (TTAB 1983); and *Beck & Co. v. Package Distributors of America, Inc.*, 198 USPQ 573, 575 n. 4 (TTAB 1978).

¹² See TBMP §704.03(b)(1)(A) (3rd ed. June 2012) citing *Societe Anonyme Marne et Champagne v. Myers*, 250 F.2d 374, 116 USPQ 153, 155-56 (CCPA 1957); *Bureau National Interprofessional Du Cognac*

As discussed below, the evidence entered into the record by the parties has different levels of credibility and probativeness, and some of the evidence strains credulity. Accordingly, we will treat such evidence with an understanding of the limitations of credibility and probativeness and consider the admissible evidence as a whole to determine priority in this case. *West Florida Seafood, Inc. v. Jet Restaurants, Inc.*, 31 F.3d 1122, 31 USPQ2d 1660, 1663 (Fed. Cir. 1994).

Standing

Standing is a threshold issue that must be proved in every *inter partes* case. *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982). In order to meet the standing requirement, a plaintiff need only show that it has a real interest, *i.e.*, a personal stake, in the outcome of the proceeding. See *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1026 (Fed. Cir. 1999); and *Jewelers Vigilance Committee, Inc. v. Ullenberg Corp.*, 823 F.2d 490, 2 USPQ2d 2012, 2023-24 (Fed. Cir. 1987).

Petitioner has alleged prior use of the term GRUPO PEGASSO in connection with musical recordings and live

v. International Better Drinks Corp., 6 USPQ2d 1610, 1618 (TTAB 1988).

performances, which is identical to the word portion of the registered mark and used in connection with goods and services that are substantially identical to the registered goods and services. Petitioner also alleges that the registered mark is likely to cause confusion, mistake, or deception within the meaning of 2(d) of the Trademark Act such that petitioner will be harmed. Given petitioner's allegations that the marks are identical and the goods and services are substantially identical, this is sufficient to show that petitioner has a real interest in this proceeding and, therefore, has standing. *See Toufigh v. Persona Parfum Inc.*, 95 USPQ2d 1872, 1874 (TTAB 2010) (standing found where petitioner holds a reasonable belief that "there is a likelihood of confusion between the marks, or that the presence on the register of the respondent's mark may hinder the petitioner in using or registering [its] mark").

Additionally, registrant sent cease and desist letters to Wal-mart Stores, Univision, and Escapade 2001 music hall asserting his rights in the registered mark and requesting that the recipients cease and desist from promoting Reyna as Grupo Pegasso or selling or distributing products of

Emilio Reyna or petitioner bearing the name Grupo Pegasso.¹³ These cease and desist letters, which resulted in Wal-mart pulling all Grupo Pegasso albums produced by petitioner from its shelves, provide additional evidence that petitioner has business interests that have been affected, i.e., a real interest in the proceeding, and thus, has standing.

Ownership of the GRUPO PEGASSO Mark

It is undisputed that registrant and Reyna (petitioner's alleged predecessor-in-interest) were members of the Grupo Pegasso band from at least as early as 1981 to 1985. The parties dispute whether the GRUPO PEGASSO mark was used by registrant in the United States in connection with the goods and services listed in the Registration prior to Reyna's participation in the band and whether registrant, Reyna, or any other party, asserted a claim of ownership or otherwise held themselves out as the owner of the GRUPO PEGASSO mark. While ownership is not a pleaded ground for cancellation, it is relevant to our determination of the pleaded grounds.

Inasmuch as the mark at issue incorporates the Grupo Pegasso band name, our analysis of the evidence presented

¹³ Cordero Test. Dep. Vol. I, Docket ## 30-31, pp. 116-118, Exhibit 45.

by the parties requires a review of the relevant case law concerning ownership of a band name. The following test is generally applied to determine ownership of the name of a performing group: (1) whether the group name is personal to the members; (2) if the name is not personal to the members, for what quality or characteristic is the group known; and (3) who controls that quality?¹⁴ Here the Grupo Pegasso name is not personal to registrant or any other band member.¹⁵ Over the years, the membership of the Grupo Pegasso band, except for registrant, changed at least three times, all while retaining a specific quality of music.¹⁶

Petitioner contends that Roberto Benavides, who was a sound engineer, part time musician, music promoter and principal of the Discos Remo record production company, controlled the quality of Grupo Pegasso's music performances from 1985 until his death in 1989,¹⁷ after

¹⁴ See *McCarthy on Trademarks and Unfair Competition*, §16:45 (4th ed. 2012) (citing *Cheng v. Thea Dispeker, Inc.*, 1955 WL 86353 (S.D.N.Y.), 35 USPQ2d 1493 (S.D.N.Y. 1995) (adopting the two-part test of the treatise). *Accord Robi v. Reed*, 173 F.3d 736, 50 USPQ2d 1315 (9th Cir. 1999) (as between the original founder, manager and performer and a long-departed group member, the founder had the right to use the name of the group because he was the person who controlled the quality of its services).

¹⁵ Both petitioner and registrant characterize the GRUPO PEGASSO trademark as not personal to any member of the group. See Petitioner's Reply Brief, Docket # 51, p. 8; Registrant's Trial Brief, Docket # 49, p. 29.

¹⁶ See *Iniguez Test. Dep.*, Docket ## 40-41, pp. 10, 13-16, 43-45; *Estevan Vasquez, Disc. Dep.*, Docket # 39, pp. 21-25, 28.

¹⁷ Petitioner argues that no one claimed ownership of the Grupo Pegasso name during the early years (1981-1985) until Roberto

which time Reyna, as lead singer of Grupo Pegasso, asserted ownership and control of Grupo Pegasso. Registrant, on the other hand, contends that he founded the Grupo Pegasso band in 1979, adopting the name from his participation in a local rotary club in the town of Cerralvo, State of Nuevo Leone, Mexico, which bore the name Pegasso and designing a logo which contained the image of a horse's head forming the "P" in the word Pegasso.

In support of its contention that Roberto Benavides was the owner of Grupo Pegasso, petitioner provides the following evidence:

- (1) business records of Discos Remo acquired by petitioner at the time it acquired the rights to

Benavides filed an assumed name with the County of Bexar, Texas. See Petitioner's Trial Brief, Docket #47, p. 14. While petitioner makes earlier statements that Grupo Pegasso was introduced to Roberto Benavides on or about 1980-1981, this overstates or misstates the scarce testimony. Petitioner's witness Memo Villarreal indicates the first time he learned of Grupo Pegasso was between 1980 or 1981. At that time he was familiar with Discos Remo and knew that Benavides was in charge of the records produced by Discos Remo. However, Villarreal never testified about Benavides' assertion of control over Grupo Pegasso during this time period. See Villarreal Test. Dep. Docket # 29, pp. 16-17. Cordero testified that Discos Remo started around the end of 1981 or beginning of 1982, but never links Roberto Benavides to these dates, only later asserting that Benavides was in control of everything that had to do with the Grupo Pegasso band. See Cordero Test. Dep. Vol. I, Docket #30, p. 34.

- the sound recordings of Grupo Pegasso Volumes 1-9 from Discos Remo;¹⁸
- (2) trial testimony of petitioner's CEO, Miguel A. Cordero;¹⁹
- (3) trial testimony of Guillermo "Memo" Villarreal, owner of owner of Discos 'Y Novedades Memo, who operates two record stores under the aforementioned name in Houston, Texas;²⁰ and
- (4) the filing of an assumed business name in Bexar County, Texas.²¹

Our review of this evidence, coupled with petitioner's assertion that Benavides only asserted ownership rights to the Grupo Pegasso name in 1985 when he filed the aforementioned assumed business name in Bexar County, Texas and alternative theory of Reyna's ownership of the GRUPO PEGASSO mark from 1989 onward, leads to the conclusion that Benavides lacked any ownership rights in the GRUPO PEGASSO mark. Specifically, petitioner did not provide any

¹⁸ See Cordero Test. Dep. Vol. I, Docket ## 30-31, Exhibit 6. While many of the records are undated, those records that contain dates appear to span a period from 1985-1988.

¹⁹ See Cordero Test. Dep. Vol. I, Docket ## 30-31; Cordero Test. Dep. Vol. II, Docket # 38.

²⁰ See Villarreal Test. Dep., Docket # 29.

²¹ See Cordero Test. Dep. Vol. I, Docket ## 30-31, Exhibit 14. The assumed business name listed "GRUPO PEGASSO" with address of 8534 Oak Timber San Antonio, Tex. 78251 as the assumed name for the individual Jose R. Benavides, with the same address. It was signed personally by Jose R. Benavides [Roberto Benavides] and notarized on November 12, 1985.

corporate records or witness testimony concerning the alleged ownership of Discos Remo by Benavides (or anyone else) or their clear ownership or control of the Grupo Pegasso band. Petitioner merely provided copies of documents it refers to as "business records" which consist of various receipts for band lodging and transportation costs, as well as three contracts executed by Benavides for performances of Grupo Pegasso. These "business records" were unauthenticated and unclear in both legibility and substance necessary to connect the documents to a claim of ownership of the GRUPO PEGASSO mark.

Neither Cordero nor Memo Villarreal was present at the time the Grupo Pegasso band was founded nor did they possess any personal knowledge of the ownership rights in the GRUPO PEGASSO mark. As such, any testimony provided by Cordero or Memo Villarreal as to the formation and ownership of the Grupo Pegasso band constitutes inadmissible hearsay. *See Ariola-Eurodisc Gesellschaft v. Eurotone International, Ltd.*, 175 USPQ 250 (TTAB 1972). Thus, petitioner's only probative evidence supporting its claim that Benavides was owner of the GRUPO PEGASSO mark is Benavides' filing of an assumed business name in Bexar County, Texas.

The filing of an assumed business name does not equate to ownership of a trademark. While the filing of an assumed business name may indicate an intent to use a name in connection with a business, it does not constitute evidence of the use of a name as a trademark for goods or services. See *McCarthy on Trademarks and Unfair Competition*, §9:9 (4th ed. 2012). A trademark owner possesses the right to exclude others from using its mark.²² The filing of an assumed business name is not evidence of a person's right to exclude others from using a mark. It also does not provide sufficient evidence of control of the quality of a music group such that Benavides can be viewed as the owner of the trademark. At most, petitioner's evidence shows that Benavides acted as a business manager for the Grupo Pegasso band from 1985-1989.

Finally, if we were to accept petitioner's ownership theory, it would, at a minimum, leave ownership of the GRUPO PEGASSO trademark unaccounted for during the years 1979-1985, during which time the group performed and released five albums in the United States. As such, it is

²² See *In re Deister Concentrator Co.*, 289 F.2d 496, 129 USPQ 314, 320 (CCPA 1961) (explaining that the Lanham Act does not create ownership of a trademark, but only evidence thereof and to say that one has a "trademark" implies ownership and the right to exclude others); *College Sav. Bank v. Florida Prepaid Postsecondary Educ. Expense Bd.*, 527 U.S. 666, 51 USPQ2d 1065, 1068 (1999).

difficult for us to accept petitioner's allegations of ownership without addressing the ownership rights from 1979-1985, and determining whether Roberto Benavides then acquired rights from such owner.

Petitioner has provided no clear explanation concerning ownership of the GRUPO PEGASSO mark from 1979-1985, or how such ownership rights came to be vested in Benavides. In view of the foregoing and given the lack of any convincing evidence concerning Benavides' control of the GRUPO PEGASSO mark, we conclude that Benavides had no ownership rights in the GRUPO PEGASSO mark.

Petitioner's alternative theory of ownership is that petitioner's assignor, Reyna (a former band member), owned the mark from 1989 to the present or, as also contended, from at least as early as 1981 to the present.²³

Petitioner's evidence in support of this theory also includes testimony depositions of its CEO Miguel Cordero and Memo Villarreal, as well as an affidavit from Reyna that was submitted as an exhibit during the course of Cordero's testimony²⁴ and the issuance of cancelled Registration No. 1907663²⁵ for a slightly different version

²³ See Petitioner's Trial Brief, Docket # 47, pp. 18-21.

²⁴ Cordero Test. Dep. Vol. 1, Docket #30-31, Exhibit 59.

²⁵ Registration No. 1907663 was based on an application filed January 4, 1994, and registered July 25, 1995, alleging a date of

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of the GRUPO PEGASSO and Design mark, registered by Reyna. For the reasons discussed above, both Cordero and Memo Villarreal's testimony constitute inadmissible hearsay on the subject of ownership of the Grupo Pegasso name. In addition, as the authenticity and circumstances of Reyna's affidavit are unclear and registrant did not have the opportunity to cross-examine Reyna, his affidavit is inadmissible. See *Tri-Star Marketing LLC v. Nino Franco Spumanti S.R.L.*, 84 USPQ2d 1912, 1914 (TTAB 2007) (declaration cannot be submitted in lieu of testimony deposition absent a stipulation of the parties); TBMP §703.01(b). Further, to the extent that the information contained in Reyna's affidavit contradicts other testimony and arguments presented by petitioner, the affidavit cannot be relied upon for truthfulness.

Similarly, while Reyna was able to register the GRUPO PEGASSO and Design mark, the submitted evidence does not contain a complete copy of the USPTO file history for Registration No. 1907663. This limited evidence is probative to show that Reyna asserted ownership rights in the GRUPO PEGASSO and Design mark, but is not probative on the issue of whether Reyna exhibited the necessary control

first use of February 1, 1981, and a date of first use in commerce of October 1982.

of the quality of the music recorded and performed by the Grupo Pegasso band to be considered the owner of the mark. As petitioner provided no evidence concerning Reyna's control over the GRUPO PEGASSO mark, we also conclude that Reyna was not the owner of the mark.

In evaluating the parties' evidence, we conclude that registrant is the owner and founder of the Grupo Pegasso band and, as musical director and performer, controlled the quality for which the group is known.

Specifically, in his discovery deposition, registrant asserted that he formed the Grupo Pegasso band and recorded its first album, Grupo Pegasso Vol. 1 in San Antonio, Texas in 1979. This testimony is corroborated by the trial testimony of Felix Iniguez, an original member of Grupo Pegasso.²⁶ Iniguez also noted it was registrant who recruited him to join the Grupo Pegasso band and who acted as director and guided the band.²⁷ For example, Iniguez testified that the style of the Grupo Pegasso band was more sophisticated than the other groups and registrant would guide the men in the group, instructing them how to play certain arrangements. Iniguez' testimony corroborates the

²⁶ Iniguez, Test. Dep., Docket ## 40-41, pp. 8-11.

²⁷ *Id.* at 8. Iniguez testified that registrant, who played guitar for Grupo Pegasso, was responsible for musical arrangements, obtaining the contracts, and providing room and board for the band members.

statement²⁸ made on the back of Grupo Pegasso Vol. 1 album which indicates:

"El Pollo [i.e., registrant], director, arrangement, guitarist of the group, he always adds that special flavor to the melodies that they perform and a great deal of that is what gives the Grupo Pegasso so much success." ²⁹

Next, in his declaration attached to his testimony deposition, Felix Iniguez also notes that registrant can be heard introducing Reyna and others as the new members of Grupo Pegasso on the last track of the re-release of Grupo Pegasso Vol. 2.³⁰

Registrant also provided the following evidence in support of his claim of ownership of the registered mark: (1) ownership of Mexican trademark registrations for the trademarks GRUPO PEGASSO and Design (Mexican Trademark Registration No. 533577)³¹ and PEGASSO (Mexican Trademark Registration No. 320663);³² (2) his son's testimony based on personal knowledge of his father's fame as owner and founder of the Grupo Pegasso band;³³ (3) a copy of a newspaper article from the publication *Ultima Hora*, dated

²⁸ *Id.* at 9-10, Exhibit 1.

²⁹ *See Id.* at 19. Iniguez later comments that the details registrant (i.e., Estevan) added to Grupo Pegasso, such as the clothing, light shows, organ, and the keyboard gave the group a specific sound that contributed to its success.

³⁰ *Id.* Exhibit 2, Paragraph 16.

³¹ Docket # 39, Attachment D.

³² Docket # 39, Attachment E.

³³ Docket # 40, pp. 7-263.

July 21, 2009 and circulated in Laredo, Texas which discussed the 30th anniversary performance of the Grupo Pegasso band, along with its history;³⁴ and (4) a letter from registrant to Oscar Loza Ramirez, General Secretary of the Music Worker's Union of the State of N.I., informing the union that "on October 20, 1985, Emilio Reyna V., Miguel Quiroz, Juventino Espinosa and Jose Santos Rodriguez notified [him] that they were splitting from Grupo Pegasso" and that he registered the new members of the group so that Grupo Pegasso can "keep working" and "comply with its pending contracts."³⁵

In sum, we find registrant's evidence sufficient to establish his ownership of the GRUPO PEGASSO trademark as the founder of the group and the individual who controlled the quality of music and performances. As noted above, registrant added unique characteristics such as lighting, costumes, musical arrangement and overall sound for which the group became known. Further, registrant served as the sole original member and constant face of the Grupo Pegasso band as members joined and left the group over the years.

This finding is consistent with case law on ownership of the names of performance groups which holds that the

³⁴ Docket # 39, Attachment B.

³⁵ Docket # 31, Exhibit 13.

owner of a group (and thus its trademarks) exerts control over the quality or characteristic of the group.³⁶ *Bell v. Streetwise Records, Ltd.*, 761 F.2d 67, 226 USPQ 745 (1st Cir. 1985), on remand, 640 F. Supp. 575, 231 USPQ 281 (D. Mass. 1986); *Cheng v. Thea Dispeker, Inc.*, 1995 WL 86353 (S.D.N.Y.), 35 USPQ2d 1493 (S.D.N.Y. 1995). It is also consistent with case law which holds that band members such as Reyna, who leave a performance group, have no right to use the trademark and service marks of the group. See *Five Platters, Inc. v. Purdie*, 419 F. Supp. 372, 193 USPQ 411 (D. Md. 1976); *HEC Enters., Ltd. v. Deep Purple, Inc.*, 213 USPQ 991 (C.D. Cal. 1980); *Kingsmen v. K-Tel Int'l Ltd.*, 557 F. Supp. 178, 220 USPQ 1045 (S.D.N.Y. 1983); *Robi v. Reed*, 173 F.3d 736, 50 USPQ2d 1315 (9th Cir. 1999); *Brother Records, Inc. v. Jardine*, 318 F.3d 900, 65 USPQ2d 1620 (9th Cir. 2003).

Likelihood of Confusion

In their trial briefs, both petitioner³⁷ and registrant³⁸ concede that the goods and services of

³⁶ This is also consistent with the administrative ruling by IMPI [Docket #39, Attachment F], finding that registrant possessed the ownership rights in the PEGASSO name in Mexico, and the fact that Reyna and other band members who split off from the band did not have the right to continue using the PEGASSO name.

³⁷ Petitioner's Trial Brief, Docket # 47, pp. 37-38.

³⁸ Registrant's Trial Brief, Docket # 49, pp. 39-40 indicating that "there is no factual dispute that the GRUPO PEGASSO marks at issue here are confusingly similar."

registrant and petitioner (and petitioner's putative predecessor(s)-in-interest) are substantially identical and the marks used by each respective party are identical such that it is likely consumers will be confused or deceived by the parties' use of their respective marks. We agree that both the marks used by the respective parties and the goods and services are virtually identical, if not identical. As such, a detailed analysis of the relevant factors set forth in *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563, 567 (CCPA 1973), is unnecessary.

We note that both parties appear to have adopted and used other unique identifiers to distinguish the names of their bands from one another,³⁹ however, our review is limited to the registration at issue⁴⁰ and to determine which party has prior rights in the GRUPO PEGASSO mark.

Priority

In order for petitioner to prevail on its § 2(d) claim, it must prove that it has a proprietary interest in

³⁹ Registrant uses a number of variations of "del Pollo Estevan," as well as a Chickenhead Logo combined with the word "Pollo," while petitioner's band which is led by Reyna uses "Pega Pega de Emilio Reyna." See e.g., Villarreal Test. Dep., Docket # 29, Exhibits 4-7 for examples of such uses.

⁴⁰ See *Person's Co. Ltd. v. Christman*, 900 F.2d 1565, 1569, 14 USPQ2d 1477, 1479 (Fed. Cir. 1990) and *Fort James Operating Company v. Royal Paper Converting, Inc.*, 83 USPQ2d 1624, 1629 (TTAB 2007).

the mark GRUPO PEGASSO and that interest was obtained prior to either the filing date of respondent's application for registration or respondent's date of first use in commerce.

Herbko International Inc. v. Kappa Books Inc., 308 F.3d 1156, 64 USPQ2d 1375, 1378 (Fed. Cir. 2002); *Otto Roth & Co., Inc. v. Universal Corp.*, 640 F.2d 1317, 209 USPQ 40, 43 (CCPA 1981); *Miller Brewing Co. v. Anheuser-Busch Inc.*, 27 USPQ2d 1711, 1714 (TTAB 1993).

Petitioner does not own an existing registration and relies on its alleged common law rights in the mark GRUPO PEGASSO. To establish priority on its likelihood of confusion claim under § 2(d) of the Trademark Act, petitioner must prove by a preponderance of the evidence that, vis-à-vis registrant, it owns "a mark or trade name previously used in the United States . . . and not abandoned" Thus, petitioner must prove that it owned and used a trademark or service mark that is likely to be confused with the registered mark prior to registrant's first use of the registered mark. See *Cunningham v. Laser Golf Corp.*, 55 USPQ2d 1842, 222 F.3d 943 (Fed. Cir. 2000).

If petitioner cannot prove that it used the mark as a trademark or service mark, or in a manner analogous to a mark, before either the filing date of the registration or

registrant's proven date of first use (whichever is earlier), petitioner cannot establish priority. Cf. *Herbko International*, 64 USPQ2d at 1381; *Otto Roth*, 209 USPQ at 43; and *Miller Brewing*, 27 USPQ2d at 1714.

Registrant filed his application on May 17, 2005, but asserts September 9, 1979 as his date of first use and date of first use of the mark in commerce. Our review of the evidence concerning registrant's adoption and use of the GRUPO PEGASSO name confirms his use of the name as a trademark and service mark several years prior to his application filing date and prior to any date of use upon which petitioner can prove. Specifically, Felix Iniguez, an original member of Grupo Pegasso from approximately 1979-March 1980 testified that Grupo Pegasso Volume 1 was recorded at Joey Records in San Antonio, Texas in 1979 and that he participated in performances with Grupo Pegasso at the "Continental" in San Antonio, Texas and in Dallas, Waco, and Forth Worth, Texas, as well as border cities in Mexico.⁴¹ Further, on or about 1981, Grupo Pegasso performed at Gregg's Ballroom in Mission, Texas, a performance which was personally attended by Juan Martinez.⁴² Finally, petitioner's own witness, Memo

⁴¹ Iniguez Test. Dep., Docket ## 40-41, pp. 8-11.

⁴² Martinez Test. Dep., Docket #41, p. 41.

Villarreal, testified that he sold registrant's albums bearing the GRUPO PEGASSO mark in his stores since their first release in the early 1980's.⁴³

We first turn to the question of whether petitioner acquired any proprietary rights in the mark prior to registrant's May 17, 2005 filing date. Petitioner bases its rights in the GRUPO PEGASSO mark on a combination of assignments acquired from the alleged predecessors-in-interest of Discos Remo, the company which produced and released the five Grupo Pegasso albums in the United States during the time that registrant and Reyna were both members of Grupo Pegasso, and for Reyna's band after the split. We address petitioner's alternative theories of how it acquired ownership of the GRUPO PEGASSO trademark in turn.

Petitioner first contends that it acquired rights originally owned by band manager Roberto Benavides. According to petitioner, during the period from 1981 to 1989, Roberto Benavides, as a result of his role in Discos Remo, was the owner of the Grupo Pegasso band.⁴⁴ Petitioner bases its contention on statements made by Memo Villarreal during his testimony deposition and a number of "business

⁴³ See Villarreal, Test. Dep., Docket # 29, pp. 167-168, 190. Memo Villarreal confirms that he sold Grupo Pegasso albums featuring Pollo Estevan (i.e., registrant's albums) from the time the albums were first released, since approximately the 1980's.

⁴⁴ Petitioner's Trial Brief, Docket # 47, p. 15.

records"⁴⁵ submitted in connection with the testimony deposition of its Chief Executive Officer, Miguel Cordero. Specifically, petitioner points to Roberto Benavides' filing of an assumed name certificate in Bexar County, Texas as evidence of his ownership of the GRUPO PEGASSO mark,⁴⁶ as well as the aforementioned business records which petitioner obtained when it acquired Discos Remo.

Following Benavides' death in 1989, petitioner's CEO Cordero explains that Discos Remo was continued for a while by Roberto Benavides' wife, Ana Benavides, and Benavides' associates, Miguel and Marta Quiroz.⁴⁷ However, apart from Cordero's contentions, petitioner provides no evidence concerning the ownership transition of Discos Remo from Benavides to his heirs and the Quirozes. Subsequently, Ana Benavides and the Quirozes assigned their alleged rights to petitioner. Without any evidence in the record concerning who owned Discos Remo, there is no basis to determine whether Ana Benavides and the Quirozes were authorized to act on behalf of Discos Remo and assign the company's

⁴⁵ The business records in question comprise various receipts for lodging and transportation costs, as well as three contracts executed by Benavides for performances of Grupo Pegasso. Many of the records are illegible and unclear or lacking information necessary to connect the receipt to a specific action that supports a claim of ownership and control of the Grupo Pegasso mark. Accordingly, these records are of limited probative value.

⁴⁶ Cordero Test. Dep. Vol. I, Docket # 30-31, Exhibit 6.

⁴⁷ See Petitioner's Brief, Docket # 47, p. 2, citing Cordero, Test. Dep. Vol. II, Docket # 38, pp. 16-18.

rights to petitioner. Based solely on the face of the assignment, we cannot conclude that Ana Benavides, Miguel Quiroz, and Marta Quiroz had authority to properly assign any of Discos Remo's rights to petitioner.

Nevertheless, petitioner relies on assignments from alleged successors-in-interest of Discos Remo to establish its ownership of the GRUPO PEGASSO mark. The first assignment, shown below, between Miguel and Marta Quiroz, and petitioner (as "OTH Enterprises Corp.") "sells all rights and title to all masters that have been produced or are the property of DISCOS REMO, including Volume 1 to 9 of Grupo Pegasso":⁴⁸

⁴⁸ Cordero Test. Dep. Vol. I, Docket## 30-31, Exhibit 1.

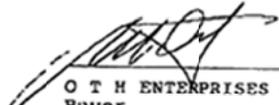
COUNTY OF HARRIS)
STATE OF TEXAS) KNOW A'L MEN BY THESE PRESENTS:

That on this day, MIGUEL & MARTA QUIROZ, known to be the owners of music recorded under the name of DISCOS REMO, DO sell all rights and title to all masters that have been produced or are the property of DISCOS REMO, including Volume 1 to 9 of GRUPO PEGASSO, as well as any other music that have been recorded under the label of DISCOS REMO, to O T H ENTERPRISES CORP. and do agree to turn over all recorded master to O T H ENTERPRISES CORP. for their exclusive use and distribution worldwide.

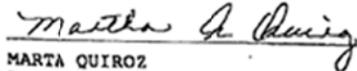
MIGUEL & MARTA QUIROZ, agree that they will be responsible for any liabilities which may be outstanding regarding these masters, including royalties for any sales of music prior to this transfer of ownership.

) The PRICE AND TERMS agreed upon by both parties are as follows:
Total price is to be [REDACTED] U.S., payable at the rate of [REDACTED] upon signing of this agreement, and the balance of [REDACTED] to be paid in [REDACTED], beginning on January 5, 1996 and continuing for each consecutive week until all of the balance has been paid in full. No interest shall accrue on this indebtedness.

Signed this 16th day of November, at Houston, Texas.


O T H ENTERPRISES CORP.
Buyer


MIGUEL QUIROZ
Seller


MARTA QUIROZ
Buyer SELLER

This assignment transfers all rights to "all masters that have been produced . . . as well as any other music that have been recorded." Notably, this assignment makes no mention of the GRUPO PEGASSO trademark or the goodwill associated with the GRUPO PEGASSO trademark, nor does it constitute evidence of the sale of the entire business of Discos Remo. A later confirmatory assignment between assignors Ana Delia Benavides, individually on behalf of

Discos Remo, Inc. and as the heir and representative of the estate of Roberto Benavides, Miguel Quiroz, and Marta Quiroz, and assignee, O.T.H. Enterprises Corp., assigns effective November 16, 1995, "all right, title, interest, vested and contingent, including all copyrights, reproduction rights, distribution rights, titles, and causes of action to...Grupo Pegasso albums one (1) through nine (9).":⁴⁹

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is hereby verified and clarified that the undersigned have, effective November 16, 1995, sold, assigned and transferred unto O.T.H. Enterprises Corp., its successors and assigns (hereinafter the "Assignee") all right, title, and interest, vested and contingent, including all copyrights, reproduction rights, distribution rights, titles, and causes of action in and to the following musical sound recordings, master recordings, and digital audio tapes (D.A.T.s), including all master photographs, graphic design work, and artwork: Grupo Pegasso albums one (1) through nine (9), which also may be identified as Discos Remo Albums #1001 through 1019 inclusive, and any other recordings, phonorecords, and albums owned by Discos Remo, Inc. and the undersigned (hereinafter referred to as the "Sound Recordings"), which Assignment is hereby reaffirmed and revalidated.

Similarly, this confirmatory assignment makes no mention of any trademark rights or goodwill associated with the trademark GRUPO PEGASSO. Accordingly, we find that neither assignment transfers any rights in the GRUPO PEGASSO mark to petitioner.

Alternatively, as discussed below, petitioner contends that Reyna "took the reins" of the Grupo Pegasso band

⁴⁹ *Id.*

following Benavides' death in 1989.⁵⁰ Under this scenario, neither Discos Remo nor Benavides' heirs would have any rights to the mark after 1989 and thus, the assignment they executed in November 1995 would not have transferred any trademark rights to petitioner.

Accordingly, the final assignment on which petitioner relies to establish its rights in the GRUPO PEGASSO mark is a Trademark Assignment and Assignment of Causes of Action⁵¹ between Reyna, as assignor, and petitioner O.T.H Enterprises, Inc., dba, Frontera Music. While Reyna owned now expired Registration No. 1907663 for a similar GRUPO PEGASSO and Design mark, we are somewhat perplexed by petitioner's alternate theories for acquisition of its alleged rights in the GRUPO PEGASSO mark. Assuming, *arguendo*, that Roberto Benavides through Discos Remo owned the GRUPO PEGASSO mark from 1981 to 1989, it is unclear how Reyna obtained rights in the GRUPO PEGASSO mark. Nevertheless, as stated in the assignment shown below, effective August 7, 2008, Reyna sold, assigned, and transferred all common law rights to the GRUPO PEGASSO mark, together with the goodwill of the business relating

⁵⁰ *Id.* at 36.

⁵¹ Cordero, Test. Dep. Vol. II, Docket # 38, Exhibit 9.

to the goods and services in connection which the mark is used to petitioner O.T.H. Enterprises, Inc.:

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Reyna hereby sells, assigns, and transfers to OTH:

1. All the property, right, title and interest in and to the Mark including all common law rights connected therein, together with the goodwill of the business relating to the goods and services in respect of which the Mark is used and all rights therein at common law, along with the right to register the Mark and receive any registration thereof from any governmental agency, including the United States Patent and Trademark Office; and,

This assignment assigns all common law rights Reyna had in the mark as of the date of the assignment.⁵² The record indicates three possible scenarios concerning the earliest rights Reyna could have obtained in the mark, but none of these dates are prior to registrant's first use of the mark. Specifically, Reyna cannot claim rights to the GRUPO PEGASSO mark before he joined the band. As he did not join Grupo Pegasso until after its first album had been released and the group had been performing in the United States and Mexico, any date of first use by Reyna must necessarily be later than registrant's first use of the mark in 1979.

Alternatively, we can view the 1985 breakup of Grupo Pegasso as the earliest date Reyna can claim rights in the

⁵² As noted above, while petitioner alleged that Reyna used the GRUPO PEGASSO mark in connection with live entertainment performances and sound recordings, petitioner has not provided evidence concerning how such use amounted to ownership of the GRUPO PEGASSO mark or evidence, such as an assignment, that explains how Reyna acquired rights from Roberto Benavides or Discos Remo. Instead, petitioner merely stated that Reyna was the person who capitalized on the opportunity to "take the 'reins'" of Grupo Pegasso after Benavides' death.

GRUPO PEGASSO mark. This date, however, is contradicted by petitioner's own arguments that Benavides owned the GRUPO PEGASSO mark from 1981-1989. Additionally, the case law indicates that members who leave a performance group lose all rights they may have had with respect to the trademarks. See *Five Platters*, 193 USPQ at 411; *Kingsmen*, 220 USPQ at 1045; *Robi*, 50 USPQ2d at 1315; *Brother Records*, 65 USPQ2d at 1620.

Petitioner also argues that Reyna acquired rights in the GRUPO PEGASSO mark in 1989, when he "took the reins" of the group following Benavides' death. However, this scenario conflicts with petitioner's contention that Ana Benavides and the Quirozés acquired trademark rights from Discos Remo after Roberto Benavides died. Regardless, we find that none of the dates establish that Reyna, petitioner's alleged predecessor-in-interest, acquired ownership rights in the GRUPO PEGASSO mark prior to registrant.

As such, none of the assignments offered by petitioner establish petitioner's ownership and prior rights in the GRUPO PEGASSO mark earlier than registrant's date of first use of the GRUPO PEGASSO mark. Accordingly, petitioner cannot prevail on its likelihood of confusion claim.

Abandonment

Abandonment is one of the statutory grounds for cancellation of a trademark registration, § 14(3) of the Trademark Act, 15 U.S.C. § 1064(3). The burden of persuasion remains with petitioner to prove abandonment by a preponderance of the evidence. See *On-Line Careline Inc. v. America Online Inc.*, 229 F.3d 1080, 56 USPQ2d 1471, 1476 (Fed. Cir. 2000) and *Cerveceria Centroamericana S.A. v. Cerveceria India Inc.*, 892 F.2d 1021, 1024, 13 USPQ2d 1307, 1310 (Fed. Cir. 1989).

A mark is deemed to be "abandoned," if the following occurs:

When its use has been discontinued with intent not to resume such use, intent not to resume use may be inferred from circumstances. Nonuse for 3 consecutive years shall be prima facie evidence of abandonment. "Use" of a mark means the bona fide use of such mark made in the ordinary course of trade, and not made merely to reserve a right in a mark.

15 U.S.C. § 1127.

There are two elements to an abandonment claim that a plaintiff must prove: non-use of the mark and intent not to resume use. Because registrations are presumed valid under 15 U.S.C. § 1057, the party seeking cancellation based on abandonment bears the burden of proving a *prima*

facie case. *Quality Candy Shoppes/Buddy Squirrel of Wisconsin Inc. v. Grande Foods*, 90 USPQ2d 1389, 1393 (TTAB 2007) *citing On-Line Careline*, 56 USPQ2d at 1476.

If petitioner can show three consecutive years of non-use, this suffices for purposes of establishing a *prima facie* showing of abandonment, creating a rebuttable presumption that registrant has abandoned the mark without intent to resume use. The burden of production, i.e., going forward, then shifts to registrant to produce evidence that he has either used the mark, or intended to resume use. Petitioner has not made a *prima facie* showing of abandonment or otherwise established that registrant has abandoned the registered mark. Petitioner contends that registrant lost all rights to the GRUPO PEGASSO mark when he left the group in 1985. As noted above, petitioner and registrant have very different characterizations of the 1985 breakup of Grupo Pegasso, but the evidence of record indicates that registrant remained with the group while others, including Reyna, petitioner's putative predecessor-in-interest, left the band in 1985.

Petitioner relies on the deposition testimony of Miguel Cordero and Memo Villarreal in support of its abandonment claim. Cordero's testimony with respect to the issue of abandonment consists mainly of inadmissible

hearsay, as Cordero was not present during the 1985 breakup of the Grupo Pegasso band and bases his knowledge on information acquired from Roberto Benavides and Reyna. *Ariola-Eurodisc*, 175 USPQ at 250. Memo Villarreal confirms that he has sold registrant's records in his stores since at least as early as the 1980's⁵³ and that he currently sells registrant's albums.⁵⁴ Villarreal also confirms registrant's use of the mark in connection with the live music performances⁵⁵ and testified to a battle of the bands type duel held at El Portal Disco in Houston, Texas where registrant's Grupo Pegasso band performed together with the Renacimiento '74 band, and Reyna's Pega Pega de Emilio Reyna band.⁵⁶ Thus, despite petitioner's contentions to the contrary, petitioner's own witness confirms that registrant has used the GRUPO PEGASSO mark continuously. Further, registrant's witness, Juan Martinez, also confirmed that he has continuously sold registrant's albums in his store Discos y Novedades Martinez in Pharr, Texas since as least

⁵³ See Villarreal Test. Dep., Docket # 29, pp. 167-168, 190.

⁵⁴ *Id.* at 183-185, Exhibits 6 and 7. Villarreal confirms the albums *Grupo Pegasso 30 Aniversario* and *Lo Romantico de Grupo Pegasso del Pollo* were purchased from his Memo #1 store on August 19, 2010 (Exhibit 6) and the albums *20 Exitos Grupo Pegasso* and *La Duda Grupo Pegasso* were purchased from his Memo #2 store on August 10, 2010 (Exhibit 7). All of these albums were recorded by registrant's Grupo Pegasso band.

⁵⁵ *Id.* at 149-150. Memo Villarreal indicated he sold tickets for performances by Estevan as Grupo Pegasso at El Portal Disco in Houston, Texas.

⁵⁶ *Id.* at 151-154, Exhibit 4.

as early as its opening in 1991 and that he has personally attended Grupo Pegasso performances during a period from 1981 to 1991.⁵⁷ With nothing more than bold assertions, petitioner has not carried its burden of making a *prima facie* showing of abandonment of the registered mark.

Further, petitioner greatly weakens its abandonment claim by arguing that registrant abandoned the registered mark when he adopted and started using the mark "Grupo Pegasso del Pollo Estevan." Contrary to petitioner's contentions, the addition of "del Pollo Estevan" to registrant's GRUPO PEGASSO mark is additional matter that identifies the registrant as the source of the goods and services bearing the GRUPO PEGASSO mark. Moreover, the registered GRUPO PEGASSO and Design mark forms a separate commercial impression from the composite mark "Grupo Pegasso del Pollo Estevan." The evidence also shows that registrant continues to use GRUPO PEGASSO as a stand-alone mark. Examples of registrant's use of GRUPO PEGASSO, with

⁵⁷ Martinez Test. Dep. Docket #41, p.41 and Exhibit 1. Martinez indicates that he attended performances of Grupo Pegasso in 1981 at Gregg's Ballroom in Mission, Texas, in 1991 at La Pulga Alamo, Texas in 1991, and during the period between 1985 and 1991.

and without the "del Pollo Estevan" language are shown



below:⁵⁸

In view of the foregoing, we find that registrant has not abandoned use of the GRUPO PEGASSO mark.

Fraud

We next consider petitioner's fraud claim including the underlying allegation that respondent had not made use of the mark either at the time of filing his application or at the time he submitted a substitute specimen and accompanying declaration attesting that the mark was in use.

⁵⁸ Cordero Test. Dep. Vol. II, Docket # 38, Exhibits 5, 7; Villarreal Test. Dep., Docket # 29, Exhibit 6.

The relevant standard for proving fraud set forth in *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938 (Fed. Cir. 2009), requires a showing of the following four elements:

- (1) applicant/registrant made a false representation to the USPTO;
- (2) the false representation is material to the registrability of a mark;
- (3) applicant/registrant had knowledge of the falsity of the representation; and
- (4) applicant/registrant made the representation with intent to deceive the USPTO.

Id., 91 USPQ2d at 1941.

Petitioner's fraud claim alleges that registrant submitted a trademark application that contained false information and submitted false specimens in response to an Office Action requiring substitute specimens.⁵⁹ Petitioner

⁵⁹ Petitioner's allegations concerning false specimens are only with respect to the specimen submitted to show use in commerce for the goods in International Class 9. On January 23, 2006, registrant submitted a specimen for the goods in International Class 9 which consisted of a 1-page printout of a webpage that shows the covers of Grupo Pegasso albums 1-9. Following the submission of this specimen, a Final Office Action was issued on February 9, 2006, requiring registrant to amend the indefinite wording in the identification of goods and services and submit a substitute specimen showing use of the mark in connection with the services in International Class 41. In an Office Action response of February 13, 2006, registrant amended the application to add "musical sound recordings" in International Class 9 to the identification of goods and services and submitted a specimen comprising two posters advertising the applied-for mark with respect to live musical performances and a second copy of the

further contends that such blatant misrepresentations were made by registrant with malice and with the intent to defraud the USPTO.

Turning to the first element required to find fraud, petitioner has alleged that registrant (1) knowingly misrepresented the dates of first use of the registered mark, and (2) submitted false specimens to the USPTO which were intentionally altered. As discussed above, registrant began use of the GRUPO PEGASSO mark at least as early as 1979 and currently uses the registered mark in commerce. While petitioner has provided various theories concerning registrant's non-use of the mark, multiple witnesses confirm that registrant named and formed the Grupo Pegasso band in Mexico at least as early as 1979. Although there are contradictory statements concerning whether registrant's first album was released in 1979 or later in 1980, petitioner has not met its burden of proving that the date of first use is incorrect and therefore false.

Petitioner has also not provided sufficient evidence to show that the webpage specimen filed by registrant was

previously submitted specimen, which this time displayed the album covers of Grupo Pegasso Volumes 1-12 and a partial image of three additional covers. On March 31, 2006, the application was subsequently amended via examiner's amendment to cover "musical sound recordings" in International Class 9 and "Entertainment services, namely, live recordings by a musical group" in International Class 41, and approved for publication.

false. By petitioner's own admission, the webpage submission contained copies of five original GRUPO PEGASSO albums produced by Discos Remo (pre-1985 band split-off). Although petitioner contends these albums are its property by virtue of the assignment from Discos Remo, as discussed *infra*, petitioner has not proved Discos Remo's ownership of trademark rights in the GRUPO PEGASSO mark. Discos Remo's role as a music publisher does not endow it with ownership rights in the name of the GRUPO PEGASSO band. There is no evidence that Discos Remo exerted control over the quality or personality of the band. To the contrary, the evidence establishes that registrant was the person who founded and named the band, and controlled the quality and personality of the band. Thus, any use of the GRUPO PEGASSO name by Discos Remo was with the authorization of registrant and the placement of the GRUPO PEGASSO trademark on the albums produced by Discos Remo constitutes evidence of use of the mark in commerce by registrant. In view of the foregoing, petitioner has not shown that registrant made false statements by submitting images of these album covers as specimens.

We next turn to the remaining images that appear on the webpage specimen submitted by registrant. As explained by registrant's son, the specimen was taken from a website

designed by registrant's other son after a *Google* search was conducted for images of registrant's albums.⁶⁰

Petitioner contends that these images are false because they lack the wording "Del Pollo Estevan" which appears on albums of the same title submitted as evidence by petitioner. Petitioner does not argue that the albums were not in use in commerce. Rather, petitioner contends that the images of the album covers shown in the specimen were altered to remove the wording "Del Pollo Estevan."

Petitioner's only evidence that these images were altered by registrant consists of Miguel Cordero's testimony that the album covers do not match the album covers he has seen or come across during a cursory search for such covers.⁶¹ Registrant's son testified that the images were obtained from a search for such albums conducted on the internet via the *Google* search engine.⁶² Registrant also presented evidence which was corroborated through his son's testimony that various versions of an album cover may exist depending upon who distributed or released the album and the format in which the album was

⁶⁰ See Estevan Beeton Test. Dep., Docket # 40, p. 18. Registrant's statement made in connection with submission of the specimens that "the specimen consist of an image taken from the website with CD Covers from Grupo Pegasso (pegasus group), more can be found at: <http://www.grupopegasso.net/Galeria.htm>."

⁶¹ Cordero Test. Dep. Vol II, pp. 14, 47-56.

⁶² See Estevan Beeton Test. Dep., Docket # 40, p. 18.

released.⁶³ This scenario is also supported by evidence submitted during Cordero's testimony deposition which shows different formats of the albums contained different covers,⁶⁴ as well as Villarreal's testimony that discusses how record companies repackage and remix albums.⁶⁵ As such, we find that petitioner has not established that the specimens submitted by registrant are somehow false or were doctored by registrant.

Since the first element for proving fraud was not met, we need not examine the other elements of fraud. However, for purposes of completeness and clarity, we will briefly comment on the material nature of petitioner's allegations of registrant's intent to defraud the USPTO.

Petitioner has alleged that registrant's dates of first use alleged in the application were false. Our review of the evidence indicates that petitioner has failed to prove that registrant did not use the registered mark in connection with the goods and services as of his alleged dates of use. We must emphasize, however, that even if we found that registrant's statements were false with respect to the September 9, 1979 dates of use, such false statements would not rise to the level of fraud.

⁶³ *Id.* at 19-20.

⁶⁴ Cordero Test. Dep. Vol. I, Docket ## 30-31, Exhibits 3-5, 11-12, 47-49m, 51-52.

⁶⁵ Villarreal Test. Dep., Docket # 29, pp. 171-177.

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Specifically, as explained in *Hiraga v. Arena*, 90 USPQ2d 1102, 1107 (TTAB 2009), the critical question is whether the mark was in use in connection with the identified goods as of the filing date of a use-based application. That is, if the mark was in use in commerce as of the filing date, then the claimed dates of first use, even if false, do not constitute fraud because the dates of use are not material to the Office's decision to approve a mark for publication, citing, *Colt Industries Operating Corp. v. Olivetti Controllo Numerico S.p.A.*, 221 USPQ 73, 76 (TTAB 1983) ("The [Trademark] Examining Attorney gives no consideration to alleged dates of first use in determining whether conflicting marks should be published for opposition."). Here, the evidence establishes that registrant was clearly using the mark at the time he filed his application.

Further, with respect to petitioner's allegations concerning doctored specimens, if successfully proved, these allegations would only lead to the cancellation of International Class 9 because a finding of fraud with respect to a particular class renders the registration void as to that specific class and does not result in cancellation of any other classes in the registration. *Meckatzer Löwenbräu Benedikt Weiß KG v. White Gold, LLC*, 95 USPQ2d 1185, 1188 (TTAB 2010) ("*In re Bose* did not change

the consequences of fraud, when it is proved. A finding of fraud with respect to a particular class of goods or services renders any resulting registration void as to that class."). See also, *Herbaceuticals*, 86 USPQ2d at 1577 ("the registration is void in the international class or classes in which fraud based on nonuse has been committed.").

Nevertheless, in addition to failing because petitioner did not provide convincing evidence that the specimens were false and therefore not in use in commerce, petitioner's allegations also fail because there is no evidence of registrant's intent to deceive the USPTO. Petitioner argued that registrant's intent to deceive the USPTO can be presumed from registrant's submission of specimens that lacked any reference to "Del Pollo Estevan" following the USPTO's issuance of an initial Office Action that rejected the specimens submitted with the application because "Del Pollo Estevan" was superimposed over the mark. As explained by registrant's son, registrant's submission of the webpage specimen was in response to the initial Office Action which objected to the specimen submitted with the application because it did not agree with the drawing of the mark due to the overlapping proximity of the wording "del Pollo Estevan" to the GRUPO PEGASSO mark. Based on

our review of the language in the outstanding Office Action, registrant was required to submit a substitute specimen that showed the mark as it appeared on the drawing page, but importantly, this requirement did not indicate that the specimen be utterly devoid of the wording "Del Pollo Estevan." Accordingly, petitioner's argument that registrant's intent to deceive⁶⁶ may be inferred from the Office Action requirements is without support. Further, registrant's son specifically testified that he did not alter the specimens, his father did not alter the specimens, and he is unaware of anyone who altered the specimens.⁶⁷ Without evidence of intent to deceive the USPTO, petitioner's allegations of fraud fail.

Furthermore, petitioner did not object to the first five album cover images⁶⁸ that appeared on the specimen as being altered. As discussed within, although these albums were released by Discos Remo, the use of the mark on these albums inures to registrant's benefit as the mark owner, not to Discos Remo and petitioner (its alleged successor-in-interest) as record producer and distributor. Thus, under the circumstances, even if portions of the specimens

⁶⁶ Petitioner's Main Brief, Docket # 47, p. 39.

⁶⁷ Estevan Beeton Test. Dep., Docket # 40 pp. 18-19.

⁶⁸ Petitioner alleged that these images were improper because they were albums released by Discos Remo while Reyna and registrant were both members of Grupo Pegasso.

at issue were altered, without proof of the registrant's intent to deceive, the submission of a partially altered specimen is not material to registration where portions of the specimen show the mark as actually used in commerce.

In sum, even if petitioner had provided evidence that registrant's specimens and dates of use were false, petitioner's fraud claim would fail because petitioner has not proved registrant's intent to deceive the USPTO or the materiality of the allegedly false statements made. Accordingly, petitioner has not met its burden of proof to show that registrant committed fraud in the procurement of his registration.

Conclusion

In view of the fact that petitioner's predecessors-in-interest did not own any rights in the GRUPO PEGASSO trademark, petitioner could not acquire rights from any predecessors-in-interest that were prior to registrant's date of first use. As such, petitioner's priority and likelihood of confusion claim fails.

Because registrant has continuously used the registered mark in commerce since as least as early as the filing date of the application for registration, petitioner has not met its burden of proving prior use of the GRUPO

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PEGASSO mark or abandonment of the mark by a preponderance of evidence.

Further, petitioner has not proven its allegations that registrant committed fraud upon the USPTO because petitioner did not provide conclusive evidence that registrant made false statements or submitted false specimens in support of its application. In addition, even if we assume that registrant's statements were false, petitioner has not established that registrant submitted material statements to the USPTO with intent to defraud the USPTO.

For the reasons set forth above, priority rests with registrant as the founder of the Grupo Pegasso band and owner of the GRUPO PEGASSO and Design trademark and service mark.

Decision: The cancellation proceeding is dismissed with prejudice.