

This Opinion is not a  
Precedent of the TTAB

Mailed: October 16, 2015

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

*Serine-Cannonau Vineyard, Inc. dba Terry Hoage Vineyards*  
*v.*  
*Viña Undurraga S.A.*

Cancellation No. 92053854

Anne Hiaring Hocking and Kusch Hatami of Donahue Fitzgerald, LLP,  
for Petitioner Serine-Cannonau Vineyard, Inc. dba Terry Hoage Vineyards.

George W. Lewis of Westerman, Hattori, Daniels & Adrian, LLP,  
for Respondent Viña Undurraga S.A.

Before Mermelstein, Wolfson, and Hightower,  
Administrative Trademark Judges.

Opinion by Hightower, Administrative Trademark Judge:

Petitioner Serine-Cannonau Vineyard, Inc. dba Terry Hoage Vineyards seeks  
cancellation of Respondent Viña Undurraga S.A.'s registration for the mark TH (in  
standard characters) for "wines" in International Class 33<sup>1</sup> pursuant to Section 2(d)

<sup>1</sup> Registration No. 3523399, issued Oct. 28, 2008 pursuant to Trademark Act Section 44(e);  
filed Oct. 2, 2007 claiming a *bona fide* intention to use the mark in commerce under Section  
1(b) and priority under Section 44(d) based on Chilean Application No. 789.034, which was  
filed on September 14, 2007 and matured into Chilean Registration No. 814.456 on  
April 21, 2008. A declaration of continued use under Trademark Act Section 8 was accepted  
on April 29, 2015.

of the Trademark Act, 15 U.S.C. § 1052(d), on the ground of priority and likelihood

of confusion with its marks TH VINEYARDS and



We grant the petition to cancel.

## I. Record

The pleadings and the file of the registration against which the petition for cancellation is filed form part of the record automatically. Trademark Rule 2.122(b)(1), 37 C.F.R. § 2.122(b)(1). Petitioner submitted the following evidence:

- Testimony Deposition of Terrell Lee Hoage (“Hoage Tr.”), Petitioner’s chief executive officer, with Exhibits 1-32,<sup>2</sup> and
- Testimony Deposition of Rachel Dumas Rey, founder and president of Compli Compliance Services and Software, which provides consulting, software licensing, and outsourced compliance management for the alcoholic beverage industry, with Exhibits 1-15.<sup>3</sup>

Respondent submitted no evidence.

## II. Petitioner’s Standing

Standing is a threshold issue that must be proven by the plaintiff in every *inter partes* case. See *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999); *Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F. 2d 1024, 213 USPQ 185, 188 (CCPA 1982); *John W. Carson Found. v. Toilets.com Inc.*, 94 USPQ2d 1942, 1945 (TTAB 2010). A party has standing to seek cancellation of a


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<sup>2</sup> 62 TTABVUE. Petitioner designated portions of Exhibits 5 and 18, pertaining to its sales, as Trade Secret/Commercially Sensitive and filed them under seal. 61 TTABVUE.

<sup>3</sup> 63 TTABVUE.

registration if the party believes it is likely to be damaged by the registration. *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1844 (Fed. Cir. 2000). Proof that Petitioner filed a trademark application that was rejected because of Registrant's registration is sufficient. *Lipton*, 213 USPQ at 189.

Petitioner made of record two applications owned by Serine-Cannonau Vineyard, Inc.<sup>4</sup> and their file histories showing that they have been refused registration on the ground of a likelihood of confusion with Respondent's involved registration. The refused applications, both for "wine" in International Class 33, are for TH VINEYARDS (in standard characters, with "vineyards" disclaimed)<sup>5</sup> and the

mark .<sup>6</sup> The latter application includes the following description: "The mark consists of the letters t and h intertwined."

Based on this evidence, we find that Petitioner has proven its standing.

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<sup>4</sup> The applications do not include "dba Terry Hoage Vineyards." However, Petitioner made of record a fictitious business name statement dated September 1, 2005 showing that Serine-Cannonau Vineyards, Inc. is doing business as Terry Hoage Vineyards. Exhibit 3 to Hoage Tr., 62 TTABVUE 131; *see also* Hoage Tr. at 10:18-11:21, 62 TTABVUE 14-15.

<sup>5</sup> Application Serial No. 77957129, filed March 11, 2010 based on an allegation of first use anywhere and in commerce on November 8, 2004. Exhibit 19 to Hoage Tr., 62 TTABVUE 253-309.

<sup>6</sup> Application Serial No. 77957906, filed March 12, 2010 based on an allegation of first use anywhere and in commerce on November 8, 2004. Exhibit 20 to Hoage Tr., 62 TTABVUE 310-64.

### III. Priority

In a cancellation proceeding, to establish priority on a likelihood of confusion claim<sup>7</sup> brought under Section 2(d), a party must prove that, vis-à-vis the other party, it owns “a mark or trade name previously used in the United States . . . and not abandoned.” Trademark Act § 2(d). A party may establish its own prior proprietary rights in a mark through actual use, use analogous to trademark use, or an earlier constructive use date accorded to the party’s own application. *See Giersch v. Scripps Networks Inc.*, 90 USPQ2d 1020, 1022 (TTAB 2009). Petitioner’s prior use need not be in interstate commerce; intrastate use is sufficient to establish priority. *Panda Travel Inc. v. Resort Option Enters. Inc.*, 94 USPQ2d 1789, 1794-95 (TTAB 2009). The testimony of a single witness, moreover, may be sufficient to establish priority when the testimony is proffered by a witness with knowledge of the facts. *See, e.g., id.* at 1795 n.15; *Liwacon Corp. v. Browning-Ferris Indus., Inc.*, 203 USPQ 305, 316 (TTAB 1979).

Respondent filed the Chilean application on which its U.S. registration is based on September 14, 2007, and filed its U.S. application under Trademark Act § 44 (including a claim of entitlement to its Chilean filing date) within six months afterward, on October 2, 2007. Respondent may rely on the filing date of the foreign application as its constructive use priority date. *See Karsten Mfg. Corp. v. Editoy*

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<sup>7</sup> In an opposition proceeding, it is unnecessary to prove priority of use when the opposer alleges likelihood of confusion based on a mark “registered in the Patent and Trademark Office.” Trademark Act § 2(d); *King Candy Co. v. Eunice’s King’s Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108, 110 (CCPA 1974). But in a cancellation proceeding, where the respondent also owns a registration, priority must be established by the petitioner. *See Brewski Beer Co. v. Brewski Bros. Inc.*, 47 USPQ2d 1281, 1284 (TTAB 1998).


AG, 79 USPQ2d 1783, 1787 (TTAB 2006). Respondent has not submitted evidence of any earlier use of the TH mark. In order to establish its priority, therefore, Petitioner must prove priority before September 14, 2007.

We focus our analysis for both priority and likelihood of confusion on Petitioner's

stylized mark .

Petitioner's CEO, Terry Hoage, a former professional football player, testified that he moved to the central coast of California in 2000, started Terry Hoage Vineyards in 2002, and has been growing wine grapes and making wine since that time.<sup>8</sup> Petitioner's first wholesale sale, to a central California distributor, took place on November 8, 2004,<sup>9</sup> and sales have continued since that date.<sup>10</sup> Mr. Hoage

testified that Petitioner's mark  has been used on its wine labels continuously.<sup>11</sup>

We find that Petitioner has established priority of use in its mark  as of November 8, 2004, nearly three years before Petitioner's priority date of September 14, 2007.

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<sup>8</sup> Hoage Tr. at 12:4-22, 62 TTABVUE 16.

<sup>9</sup> *Id.* at 13:9-22 & Exhibit 5, 62 TTABVUE 17, 137.

<sup>10</sup> *Id.* at 40:9-12, 42:16-25, 62 TTABVUE 44, 46.

<sup>11</sup> *Id.* at 33:8-34:21, 62 TTABVUE 37-38.

#### IV. Likelihood of Confusion

Section 14(1) of the Trademark Act provides that a cancellation action may be brought on the ground of likelihood of confusion before a registration is five years old. The petition before us was filed on April 6, 2011, within five years from the date the subject registration issued on October 8, 2008.

Our determination under Trademark Act Section 2(d) is based on an analysis of all probative facts in evidence that are relevant to the factors bearing on the issue of likelihood of confusion. *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563, 567 (CCPA 1973); *see also In re Majestic Distilling Company, Inc.*, 315 F.3d 1311, 65 USPQ2d 1201, 1203 (Fed. Cir. 2003). In any likelihood of confusion analysis, however, two key considerations are the similarities between the marks and the similarities between the goods. *See Federated Foods, Inc. v. Fort Howard Paper 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.”).

We first address *du Pont* factors two through four, the similarity of the goods, channels of trade, and classes of customers.

The goods in the subject registration are “wines.” As discussed in the preceding subsection, Petitioner has established that its goods are wine. Thus, the parties’ goods are identical.

We presume that the goods move in all normal channels of trade and are available to all potential classes of ordinary consumers. *See Citigroup Inc. v. Capital*


*City Bank Group Inc.*, 637 F.3d 1344, 98 USPQ2d 1253, 1261 (Fed. Cir. 2011). Accordingly, because the goods here are identical, we presume the trade channels and classes of customers to be the same. *See American Lebanese Syrian Assoc. Charities Inc. v. Child Health Research Inst.*, 101 USPQ2d 1022, 1028 (TTAB 2011); *see also In re Viterra Inc.*, 671 F.3d 1358, 101 USPQ2d 1905, 1908 (Fed. Cir. 2012) (finding Board entitled to rely on this presumption).

The second, third, and fourth *du Pont* factors strongly support a finding of likely confusion.

We turn next to the first *du Pont* factor, the similarity of the marks. Where, as here, the parties use their marks in connection with identical goods, the similarity between the marks necessary to support a determination that confusion is likely declines. *See Bridgestone Americas Tire Operations LLC v. Federal Corp.*, 673 F.3d 1330, 102 USPQ2d 1061, 1064 (Fed. Cir. 2012).

The involved registration is for the mark TH, in standard characters.



Petitioner's mark is . Although the letters in Petitioner's mark are highly stylized, we find that consumers would recognize them to represent the initials "th," which Respondent did not dispute. In addition, Respondent's mark is not limited to any particular display and could appear in stylization similar to Petitioner's mark. *See Citigroup*, 98 USPQ2d at 1256.

Because the marks are highly similar at least in sound, meaning, and overall commercial impression, the first *du Pont* factor also supports a finding of likely confusion.

#### V. Respondent's Argument<sup>12</sup>

Respondent submitted a two-page trial brief in which it argued that Petitioner failed to prove that it will be damaged by the continued registration of its mark because Respondent owns a second registration, for TH TERROIR HUNTER,<sup>13</sup> which also was cited against both of Petitioner's applications but which Petitioner has not petitioned to cancel.

Although not nominated as such, Respondent's argument constitutes a prior registration defense stemming from *Morehouse Mfg. Corp. v. J. Strickland & Co.*, 407 F.2d 881, 160 USPQ 715, 717 (CCPA 1969). The *Morehouse* defense is an equitable affirmative defense which may be asserted by a defendant in an *inter partes* proceeding in appropriate circumstances. It is based on the principle that an opposer or petitioner cannot be further "damaged" within the meaning of the Trademark Act by registration of a mark for particular goods or services if the defendant owns an existing registration for the same or substantially identical mark for the same or substantially identical goods. 3 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS & UNFAIR COMPETITION §§ 20:38, 20:78 (4th ed.

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<sup>12</sup> Respondent asserted three "affirmative defenses" in its answer. Because they were not briefed, we deem them waived. *Miller v. Miller*, 105 USPQ2d 1615, 1616 n.3 (TTAB 2013); *Baroness Small Estates Inc. v. American Wine Trade Inc.*, 104 USPQ2d 1224, 1225 n.2 (TTAB 2012).

<sup>13</sup> Registration No. 3523400, issued October 28, 2008. Exhibits 19 & 20 to Hoage Tr., 62 TTABVUE 267-77, 324-34.



September 2015). The defense is proper where the existing registration relied on is for essentially the same mark for essentially the same goods or services as the challenged registration. *O-M Bread Inc. v. U.S. Olympic Comm.*, 65 F.3d 933, 36 USPQ2d 1041, 1045 (Fed. Cir. 1995) (stating that the *Morehouse* defense requires “that the prior and proposed marks be essentially the same”); *Mag Instrument Inc. v. Brinkmann Corp.*, 96 USPQ2d 1701, 1711 (TTAB 2010) (“For purposes of the *Morehouse* defense, the two marks must be ‘substantially identical,’ meaning that they are either literally identical or legally equivalent.”), *aff’d unpublished*, Nos. 2011-1052, -1053 (Fed. Cir. Nov. 9, 2011).

Respondent did not plead a *Morehouse* defense; nor was it tried by consent. A party may not rely on an unpleaded defense. *See* FED. R. CIV. P. 8(b), 12(b). Even were we to consider the defense, although the parties’ goods are identical, Respondent’s registered mark TH TERROIR HUNTER is not essentially the same mark as TH, the mark in the involved registration. Accordingly, the prior registration defense does not apply in this case, and Respondent’s ownership of the TH TERROIR HUNTER registration cannot preclude Petitioner from contesting Respondent’s right to maintain the registration Petitioner seeks to cancel. *See, e.g., Mag Instrument*, 96 USPQ2d at 1711 (finding *Morehouse* defense unavailable where registered mark MAGNUM MAX was not substantially the same as applied-for mark MAGNUM MAXFIRE); *Green Spot (Thailand) Ltd. v. Vitasoy Int’l Holding Ltd.*, 86 USPQ2d 1283, 1287 (TTAB 2008).

Having found that Petitioner has priority, that the parties' marks are similar, and that the goods, channels of trade, and customers are identical, we conclude that Respondent's mark TH is likely to cause confusion with Petitioner's pleaded mark



, and that Petitioner will be damaged by the continued registration of Respondent's mark.

Because we have found confusion likely between Respondent's mark TH and



Petitioner's mark, we need not consider Petitioner's other pleaded mark, TH VINEYARDS. *See, e.g., See Multisorb Techs., Inc. v. Pactiv Corp.*, 109 USPQ2d 1170 (TTAB 2013); *In re Max Capital Group Ltd.*, 93 USPQ2d 1243, 1243 (TTAB 2010).

*Decision:* The petition to cancel is granted and Registration No. 3523399 will be cancelled in due course.