

THIS OPINION IS NOT A  
PRECEDENT OF THE TTAB

Mailed: July 18, 2025

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board

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*JT Spirits, LLC*<sup>1</sup>

*v.*

*Global Brands Manufacturing, S.A. de C.V.*

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Cancellation No. 92079052

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J. Scott Gerien and Joy L. Durand of Dickenson, Peatman & Fogarty,  
for JT Spirits, LLC.

Felipe Rubio of Rubio & Associates,  
for Global Brands Manufacturing, S.A. de C.V.

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Before Greenbaum, Thurmon, and Lavache,  
Administrative Trademark Judges.

Opinion by Lavache, Administrative Trademark Judge:

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<sup>1</sup> On April 22, 2024, the Board granted JaM Cellars, Inc.’s motion to substitute JT Spirits, LLC as petitioner, in view of an assignment of pleaded Application Serial No. 90787816 from JaM Cellars to JT Spirits, recorded in the USPTO’s Assignment Recordation Branch on February 9, 2023, at Reel/Frame 7966/0569. 32 TTABVUE. See TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PROCEDURE (TBMP) § 512.01 (2025).

Citations in this opinion to the appeal record refer to the Board’s TTABVUE electronic docket system. The number preceding “TTABVUE” corresponds to the docket entry number, and any numbers following “TTABVUE” refer to the page numbers of the docket entry where the cited materials appear.

Global Brands Manufacturing, S.A. de C.V. (“Respondent”) owns a registration on the Principal Register for the standard character mark **DESPACITO** for “Alcoholic beverages, except beer; Alcoholic beverages, namely, distilled blue agave liquor; Distilled spirits,” in International Class 33.<sup>2</sup>

JT Spirits, LLC (“Petitioner”) applied to register the standard character mark **DESPACITO** on the Principal Register for “Alcoholic beverages except beers,”<sup>3</sup> but the USPTO refused registration under Section 2(d) of the Trademark Act, 15 U.S.C. § 1052(d), on likelihood-of-confusion grounds in view of Respondent’s registered mark.<sup>4</sup> Petitioner seeks to cancel Respondent’s registration under: (1) Trademark Act Section 14(6), 15 U.S.C. § 1064(6), based on a claim that, when the petition to cancel was filed, the registration was more than three years old and Respondent had never used the registered mark in commerce on any of the registration’s listed goods; and (2) Trademark Act Section 45, 15 U.S.C. § 1127, based on a claim that Respondent abandoned the registered mark.<sup>5</sup>

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<sup>2</sup> Registration No. 5442524, issued on April 10, 2018, based on Trademark Act Section 44(e), 15 U.S.C. § 1126(e); maintained.

<sup>3</sup> Application Serial No. 90787816, filed on June 22, 2021, based on an intent to use the mark in commerce, under Trademark Act Section 1(b), 15 U.S.C. § 1051(b).

<sup>4</sup> See Petitioner’s Testimony Declaration, 26 TTABVue 7-9, 11-18.

<sup>5</sup> The Petition for Cancellation also included a claim that the registration was void ab initio on the ground that Respondent’s predecessor in interest did not have a bona fide intention to use the subject mark. 1 TTABVue 4. However, because Petitioner has not argued this claim in its main brief, we deem it impliedly waived. See, e.g., *Alcatraz Media, Inc. v. Chesapeake Marine Tours, Inc.*, Can. No. 92050879, 2013 TTAB LEXIS 347, at \*6 (TTAB 2013); TBMP § 801.01 (“If a party fails to reference a pleaded claim . . . in its brief, the Board will deem the claim . . . to have been waived or forfeited.”).

Case citations in this opinion are in a form recommended in TBMP § 101.03. This opinion cites decisions of the U.S. Court of Appeals for the Federal Circuit and the U.S. Court of

In its answer, Respondent denied almost all of the salient allegations in the petition to cancel, admitting only that its registration for the subject mark issued on April 10, 2018.<sup>6</sup> The proceeding is fully briefed.<sup>7</sup>

As explained below, we find that cancellation of Respondent's registration is not warranted under either Section 14(6) or Section 45 of the Trademark Act. We therefore **deny** the petition to cancel.

## **I. Record**

The record includes the pleadings and, by rule, the file of Respondent's subject registration. *See* Trademark Rule 2.122(b)(1), 37 C.F.R. § 2.122(b)(1). In addition, the record includes the evidence summarized below.

### **A. Petitioner's Evidence**

Petitioner's evidence consists of the testimony declaration of Joy Durand,<sup>8</sup> counsel for Petitioner (Durand Declaration), and accompanying exhibits, including:

- A TSDR printout of the USPTO record for pleaded Application Serial No. 90787816;
- A copy of a USPTO Office action refusing registration of pleaded Application Serial No. 90787816, based on a likelihood of confusion with the mark in Registration No. 5442524; and

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Customs and Patent Appeals by the pages on which they appear in the Federal Reporter (e.g., F.2d, F.3d, or F.4th). For opinions of the Board, this opinion cites to the Lexis legal database and cites only precedential decisions. Practitioners should also adhere to the practice set forth in TBMP § 101.03.

<sup>6</sup> Respondent's Answer, 7 TTABVUE 2-3.

<sup>7</sup> Petitioner's Main Brief, 28 TTABVUE; Respondent's Brief, 29 TTABVUE; Petitioner's Reply Brief, 31 TTABVUE.

<sup>8</sup> 26 TTABVUE.

- Excerpts from Petitioner's First Set of Requests for Admission, First Set of Interrogatories, and First Set of Requests for Production, and Respondent's responses thereto.

## **B. Respondent's Evidence**

Respondent's evidence consists of the testimony declaration of Carlo Campos,<sup>9</sup> Respondent's legal representative (Campos Declaration), and accompanying exhibits, including:

- A copy of a response to a USPTO Office action concerning Application No. 87536604;
- The declaration of José Ángel González Aldana, authorized representative and general manager of Corporación Ansan, S.A. de C. V., which produces, manufactures, and bottles alcoholic beverages;
- The declaration of Abraham Checa Santillan, Sales Manager of Punto Único, S.A. de C.V., which manufactures and prints labels for alcoholic beverage bottles;
- The declaration of Luis Manuel Llamas Altamirano, Sales Manager of Stickers Lab, S.A. de C.V., which manufactures and prints labels for alcoholic beverage bottles;<sup>10</sup>

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<sup>9</sup> 27 TTABVUE 2-8.

<sup>10</sup> The declarations of Messrs. Aldana, Santillan, and Altamirano are captioned as affidavits in Respondent's testimony declaration. *See id.* at 20-25. However, they are more accurately described as declarations, all of which were executed on March 30, 2023, well before Respondent's trial period opened on October 10, 2023. *See* 25 TTABVUE 7 (trial schedule). Generally, under Trademark Rule 2.121(a), 37 C.F.R. § 2.121(a), "[n]o testimony shall be taken or evidence presented except during the times assigned, unless by stipulation of the parties approved by the Board, or upon motion granted by the Board, or by order of the Board." *See Robinson v. Hot Grabba Leaf, LLC*, Can. No. 92060394, 2019 TTAB LEXIS 96, at \*11 (TTAB 2019) ("Absent a stipulation or Board order, a testimony affidavit or declaration must be taken—that is, executed—during the assigned testimony period."), *cancellation order vacated on default judgment*, No. 0:19-cv-61614-DPG (S.D. Fla. Dec. 17, 2019), *cancellation order reinstated*, No. 0:19-cv-61614-GAYLES (S.D. Fla. Sept. 2, 2021) In this case, however, Petitioner treated these declarations as if they were of record and specifically discussed them in its reply brief. *See* Petitioner's Reply Brief, 31 TTABVUE 10-11. Therefore, we deem them to be stipulated into the record and have considered them for whatever probative value they may have.

- Screenshots from *tequiladespacito.com* and other websites showing Respondent's product available for sale; and
- Materials described by Respondent as "showing the commercialization of the Despacito trademark in the United States," including "invoices, purchase orders, shipping labels, label approvals and other materials to show [Respondent's] use of the . . . trademark in U.S. Commerce."

## II. Evidentiary Objections

Before turning to the merits, we address Petitioner's objections to certain portions of Respondent's evidence. First, Petitioner objects to Exhibit A of the Campos Declaration,<sup>11</sup> consisting of a copy of a Mexican trademark registration for the mark DESPACITO, as well as certain other documents in Exhibit F,<sup>12</sup> all of which are written in Spanish. Petitioner asserts that the registration and documents should be stricken from the record because Respondent has not provided an English translation of them.<sup>13</sup>

Petitioner is correct that parties must submit English translations of any non-English evidence, because Board proceedings are conducted on the written record and in English. *See* Trademark Rule 2.191, 37 C.F.R. § 2.191 ("The action of the Office will be based exclusively on the written record."); *Hard Rock Cafe Licensing Corp. v. Elsea*, Opp. No. 91093436, 1998 TTAB LEXIS 124, at \*12 (TTAB 1998) (sustaining objections to exhibits in a language other than English). As the Board warned Respondent in a prior order, "[i]f a party intends to rely upon any submissions that are in a language other than English, the party should also file a translation of the

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<sup>11</sup> 27 TTABVUE 11.

<sup>12</sup> *Id.* at 69-82.

<sup>13</sup> Petitioner's Main Brief, 28 TTABVUE 7.

submissions”; otherwise, “the submissions may not be considered.”<sup>14</sup> We note, however, that a translation of the Mexican registration is included in the file of Respondent’s subject registration<sup>15</sup> and thus, by rule, is already of record. *See* 37 C.F.R. § 2.122(b)(1). Therefore, Petitioner’s objection to the introduction of the Mexican registration is moot. But we do sustain Petitioner’s objection to the other documents in Spanish, and have not considered them, because Respondent has not submitted an English translation of them. *See, e.g., Lacteos de Honduras S.A. v. Industrias Sula, S. de R.L. De C.V.*, Opp. No. 91243095, 2020 TTAB LEXIS 13, at \*17 (TTAB 2020) (declining to consider exhibits in Spanish in the absence of an English translation).

Second, Petitioner objects to Internet materials concerning COVID-19’s impact on Mexico, because Respondent’s brief merely provides web addresses for the relied-upon materials without attaching a copy of the materials,<sup>16</sup> which, as the Board previously warned Respondent, is insufficient to make them of record.<sup>17</sup> *See Int’l Dairy Foods Ass’n v. Interprofession du Gruyère*, Opp. No. 91232427, 2020 TTAB LEXIS 268, at \*24 (TTAB 2020) (“The mere listing of a web address or hyperlink is insufficient to make the webpages associated with that address or hyperlink of record.”), *aff’d*, 575 F. Supp. 3d 627 (E.D. Va. 2021), *aff’d*, 61 F.4th 407 (4th Cir. 2023); *TV Azteca, S.A.B.*

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<sup>14</sup> Order Denying Motion for Summary Judgment, 25 TTABVUE 5 n.2.

<sup>15</sup> *See* December 4, 2017 Response to Nonfinal Office Action at TSDR 3. TSDR refers to the USPTO’s Trademark Status and Document Retrieval system.

<sup>16</sup> *See* Petitioner’s Reply Brief, 31 TTABVUE 5-6. The evidence Petitioner objects to can be found at 29 TTABVUE 12 and accompanying footnotes.

<sup>17</sup> Order Denying Motion for Summary Judgment, 25 TTABVUE 5 n.2.

*de C.V. v. Martin*, Can. No. 92068042, 2018 TTAB LEXIS 417, at \*11 n.15 (TTAB 2018) (“The Board does not accept Internet links as a substitute for submission of a copy of the resulting page.”). In addition, because “[a] brief may not be used as a vehicle for the introduction of evidence,” we “will not consider evidence . . . attached to the briefs unless they were properly made of record during the time assigned for taking testimony.” *Hole in 1 Drinks, Inc. v. Lajtay*, Can. No. 92065860, 2020 TTAB LEXIS 9, at \*5 (TTAB 2020); *see* TBMP § 704.05(b). Accordingly, given that the Internet evidence at issue here was not properly introduced, and otherwise untimely, we sustain Petitioner’s objection and give this evidence no consideration in our analysis.

Lastly, Petitioner objects to certain statements in Respondent’s brief that Petitioner asserts are “not supported by properly introduced evidence”<sup>18</sup> and thus should not be considered. We decline to rule on these objections individually, but generally agree that factual assertions in a party’s brief can be given no consideration unless they are supported by properly introduced evidence. *See Cai v. Diamond Hong, Inc.*, 901 F.3d 1367, 1371 (Fed. Cir. 2018) (agreeing with the Board that factual assertions made in a brief are not evidence); TBMP § 704.06(b). And we note generally that, in our analysis below, we have kept in mind Petitioner’s objections, giving appropriate probative value to the testimony and documentary evidence according to its merits, citing any particular evidence we have credited, and giving no weight to any factual assertions that are not sufficiently supported by the record. *See Pierce-*

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<sup>18</sup> Petitioner’s Reply Brief, 31 TTABVUE 6-7.

*Arrow Soc’y v. Spintek Filtration, Inc.*, Opp. No. 91224343, 2019 TTAB LEXIS 388, at \*9 (TTAB 2019); *Krause v. Krause Publ’ns Inc.*, Can. No. 92041171, 2005 TTAB LEXIS 487, at \*10 (TTAB 2005) (“Where we have relied on testimony to which respondent objected, it should be apparent to the parties that we have deemed the material both admissible and probative to the extent indicated in the opinion.”).

### **III. Petitioner’s Entitlement to a Statutory Cause of Action**

Establishing an entitlement to a statutory cause of action is a threshold requirement in every inter partes case. *See Corcamore, LLC v. SFM, LLC*, 978 F.3d 1298, 1303 (Fed. Cir. 2020); *Australian Therapeutic Supplies Pty. Ltd. v. Naked TM, LLC*, 965 F.3d 1370, 1373 (Fed. Cir. 2020). To establish an entitlement to a statutory cause of action, Petitioner, as plaintiff in this proceeding, must demonstrate by a preponderance of evidence: (1) an interest falling within the zone of interests protected by the statute, and (2) a reasonable belief in damage proximately caused by the registration of the mark. *Curtin v. United Trademark Holdings, Inc.*, 137 F.4th 1359, 1367 (Fed. Cir. 2025) (citing *Lexmark Int’l, Inc. v. Static Control Components, Inc.*, 572 U.S. 118, 129-34 (2014)); *Corcamore*, 978 F.3d at 1304-07; *see also Made in Nature, LLC v. Pharmavite LLC*, Opp. No. 91223352, 2022 TTAB LEXIS 228, at \*18 (TTAB 2022).

Here, the record contains evidence showing that Petitioner’s Application Serial No. 90787816, seeking registration of the mark DESPACITO for “Alcoholic beverages except beers,” was refused under Trademark Act Section 2(d) based on a likelihood of

confusion with Respondent's registered mark.<sup>19</sup> This evidence demonstrates that Petitioner has a real interest in the proceeding and a reasonable belief that it would be damaged by the continued registration of Respondent's mark, thus establishing Petitioner's entitlement to a statutory cause of action.<sup>20</sup> *See, e.g., Australian Therapeutic*, 965 F.3d at 1375 ("A petitioner may demonstrate a real interest and reasonable belief of damage where the petitioner has filed a trademark application that is refused registration based on a likelihood of confusion with the mark subject to cancellation.").

#### **IV. Trademark Act Section 14(6) Claim**

We turn now to Petitioner's claim under Trademark Act Section 14(6) that Respondent's registration for DESPACITO should be cancelled on the ground that the mark "was registered over three years ago and . . . has never been used in U.S. commerce on any of the goods identified in the . . . Registration."<sup>21</sup>

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<sup>19</sup> *See* Durand Declaration, 26 TTABVUE 7-9 (TSDR printout concerning Application Ser. No. 90787816), 11-18 (nonfinal Office action concerning Application Ser. No. 90787816).

<sup>20</sup> Respondent argues that an entitlement to a statutory cause of action does not exist here because JT Spirits, LLC, the current petitioner, owned Application Ser. No. 90787816 when JaM Cellars, Inc., the original petitioner, filed its main brief. *See* Respondent's Brief, 29 TTABVUE 16-17. However, as referenced earlier in this opinion, *see supra* note 1, after the parties filed their main briefs, and without objection from Respondent, the Board granted JaM Cellars' motion to substitute JT Spirits as Petitioner based on an assignment of Application Serial No. 90787816 from JaM Cellars to JT Spirits. *See* Order Granting Substitution, 32 TTABVUE. Further, the record shows that the original petitioner, JaM Cellars, was the owner of the subject application at the time the petition to cancel was filed, and JT Spirits, the properly substituted petitioner, is the owner now. Accordingly, entitlement to a statutory cause of action was appropriately and sufficiently alleged at the pleading stage of this proceeding and has been proved at trial.

<sup>21</sup> 1 TTABVUE 4.

Trademark Act Section 14(6) provides that a petition to cancel a registration may be filed “at any time after the 3-year period following the date of registration, if the registered mark has never been used in commerce on or in connection with some or all of the goods or services recited in the registration.” 15 U.S.C. § 1064(6).<sup>22</sup> However, if the registration at issue was registered under Trademark Act Section 44(e), 15 U.S.C. § 1126(e), as is the case here, it “shall not be cancelled” “if the registrant demonstrates that any nonuse is due to special circumstances that excuse such nonuse.” 15 U.S.C. § 1064 (unnumbered paragraph following paragraph (6)).

**A. Nonuse of DESPACITO Mark**

On the record here, there is no dispute that Respondent did not use the DESPACITO mark in commerce on any of the registration’s listed goods in the three years following its registration on April 10, 2018, or at any time up to the filing of the petition to cancel on February 7, 2022. Indeed, as Petitioner notes, Respondent states in its brief that it began exporting DESPACITO-branded products to the U.S. “[o]n or about August of 2022,”<sup>23</sup> which is supported by testimony from Carlos Campos, Respondent’s legal representative, that Respondent “exported its first case of

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<sup>22</sup> “The term ‘use in commerce’ means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For purposes of this chapter, a mark shall be deemed to be in use in commerce . . . on goods when . . . (A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and (B) the goods are sold or transported in commerce.” 15 U.S.C. § 1127.

<sup>23</sup> Respondent’s Brief, 29 TTABVUE 14. We note that Respondent’s statement in its brief refers to the relevant mark as DEPACITO, but, in context, it is clear that this is an inadvertent misspelling of DESPACITO.

DESPACITO Tequila to its United States distributor on or about August 23, 2022.”<sup>24</sup> In addition, Respondent’s interrogatory answers indicate the first shipment of a DESPACITO-branded product arrived in the U.S. “on or about September 12, 2022,”<sup>25</sup> and the first sale of such product in the U.S. occurred “approximately October 4, 2022.”<sup>26</sup> All of these events occurred more than four years after Respondent’s registration issued and more than six months after the filing of the petition to cancel.<sup>27</sup>

### **B. Excusable Nonuse**

While the parties do not dispute the period of Respondent’s nonuse of the mark, they do dispute whether, under the statutory exception to Trademark Act Section 14(6), Respondent has demonstrated that its “nonuse is due to special circumstances that excuse such nonuse.”

Respondent argues that the global COVID-19 pandemic disrupted its plans to begin exporting DESPACITO-branded products to the U.S. and that this disruption qualifies under the statutory exception to Section 14(6).<sup>28</sup> Petitioner, on the other

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<sup>24</sup> Campos Declaration, 27 TTABVUE 7.

<sup>25</sup> Durand Declaration, 26 TTABVUE 47.

<sup>26</sup> *Id.* at 46.

<sup>27</sup> For purposes of our analysis, we need not determine which of these events actually establishes the requisite use in commerce, because even the earliest possible use date of August 23, 2022, is more than three years after Respondent’s registration issued, and months after the filing of the petition to cancel.

<sup>28</sup> Respondent’s Brief, 29 TTABVUE 7 (“Registrant[s] non-use of the Mark in commerce coincided with the COVID-19 pandemic, which common sense, dictionary definitions, relevant court decisions in other contexts, and the legislative history to the [Trademark Modernization Act], the USPTO’s own policy changes during COVID-19, read in whole, all indicate qualifies as a ‘catastrophe.’”).

hand, contends that “[t]o establish special circumstances that excuse nonuse, a respondent must put forth evidence of specific conditions which excuse the nonuse.”<sup>29</sup> According to Petitioner, the record here indicates Respondent’s nonuse was not due to COVID-19 at all, but instead resulted from Respondent’s own inaction.<sup>30</sup>

Because Section 14(6) is a relatively recent addition to the Trademark Act,<sup>31</sup> we lack Board precedent, or other binding case law, specifically addressing the section’s interpretation or the application of its excusable nonuse exception. That said, while Section 14(6) itself is relatively new, the concept of excusable nonuse is not, as it frequently arises in the context of both inter partes abandonment claims and ex parte registration maintenance determinations under Trademark Act Sections 8 and 71, 15 U.S.C. §§ 1058, 1141k. Thus, as both parties have suggested, case law discussing excusable nonuse in those contexts is instructive here. For instance, within the framework of abandonment, the U.S. Court of Appeals for the Federal Circuit’s predecessor court described “excusable nonuse” as “a mere temporary withdrawal from the market forced by outside causes.” *Miller Brewing Co. v. Oland’s Breweries (1971) Ltd.*, 548 F.2d 349, 352 (CCPA 1976). Similarly, in the context of registration maintenance determinations, “excusable nonuse” has been defined as “a temporary nonuse that is beyond the control of the registrant or forced by outside causes.” *In re*

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<sup>29</sup> Petitioner’s Reply Brief, 31 TTABVue 8.

<sup>30</sup> *Id.* at 11.

<sup>31</sup> Section 14(6) was added to the Trademark Act by the Trademark Modernization Act of 2020. Pub. Law No. 116-260, Div. Q, Tit. II, Subtit. B, §§ 221-228 (codified as amended at 15 U.S.C. §§ 1051(f), 1062(b), 1064, 1065, 1066a, 1066b, 1068, 1070, 1092, 1094, 1116(a)).

*Moorman Mfg. Co.*, 1979 Commr. Pat. LEXIS 75, at \*4-5 (Dec. Comm’r Pat. 1979) (internal quotations omitted).

We are also guided by the legislative history of the Trademark Modernization Act of 2020,<sup>32</sup> which, in addition to providing the inter partes basis for cancellation under Section 14(6), established a counterpart ex parte expungement proceeding allowing for cancellation of registrations that have never been used in commerce. *See* 15 U.S.C. § 1066a. Like Section 14(6), the ex parte expungement procedures include an excusable nonuse exception for Section 44(e)-based registrations. *See* 15 U.S.C. § 1066a(f) (“[T]he examiner shall determine whether the facts and evidence demonstrate excusable nonuse and shall not find that the registration should be cancelled . . . for any good or service for which excusable nonuse is demonstrated.”); Trademark Rule 2.93(b)(5)(ii), 37 C.F.R. § 2.93(b)(5)(ii). The legislative history for the ex parte nonuse exception indicates that the “circumstances that satisfy excusable nonuse are limited and must be due to special circumstances beyond the registrant’s control (e.g., trade embargo, fire or **other catastrophe**).” H.R. REP. NO. 116-645 (2020) (emphasis added).

Without question, COVID-19 resulted in a global disruption to business activities, among other things.<sup>33</sup> And, undoubtably, a pandemic could lead to temporary

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<sup>32</sup> *Id.*

<sup>33</sup> Respondent has provided testimony as to the effects of the COVID-19 pandemic in Mexico. *See, e.g.*, Campos Declaration, 27 TTABVUE 4-6. These effects are discussed in detail later in our opinion. In addition, during the pandemic the USPTO acknowledged in official notices that, “[a]mong other things, the spread of the virus . . . significantly disrupted the operations of numerous businesses and law firms” and therefore implemented certain relief measures, including extending filing deadlines for certain trademark-related documents. *See, e.g.*,

marketplace conditions beyond a trademark owner's control that might prevent the owner from using (or commencing use of) its mark in commerce. We therefore find that the COVID-19 pandemic is exactly the type of "catastrophe" that qualifies as special circumstances beyond the owner's control that could excuse nonuse of a registered mark.<sup>34</sup> However, as Petitioner aptly puts it, "the inquiry here is not whether the Covid-19 pandemic was an unforeseeable catastrophe[;] [t]he inquiry . . . is whether Registrant's 'nonuse is **due** to special circumstances that excuse such nonuse.'"<sup>35</sup>

In other words, to excuse its nonuse of the DESPACITO mark, Respondent must do more than generally invoke the specter of the pandemic. Instead, to avoid cancellation, Respondent must provide sufficient facts connecting the special circumstances of the pandemic to the specific events or conditions experienced by Respondent that precluded its use of the mark. *Cf. Rivard v. Linville*, 133 F.3d 1446,

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USPTO, Notice of Extended Waiver of Trademark-Related Timing Deadlines Under the Coronavirus Aid, Relief, and Economic Security Act (Apr. 28, 2020), <https://www.uspto.gov/sites/default/files/documents/TM-Notice-CARES-Act-2020-04.pdf> (accessed on March 20, 2025).

<sup>34</sup> This finding is consistent with the USPTO's position and actions during the pandemic. For instance, in April 2021, the USPTO issued a "Trademark Alert" to trademark owners with upcoming registration maintenance filing deadlines, stating that "[i]f COVID-19 has directly impacted you or your business and temporarily prevented you from using your trademark, you may request to be temporarily excused from using your trademark." USPTO, Trademark Alert – Maintenance Filings, COVID-19, and Excusable Nonuse (April 9, 2021), <https://www.uspto.gov/subscription-center/2021/maintenance-filings-covid-19-and-excusable-nonuse> (accessed on March 20, 2025). The message indicated that affected trademark owners could provide a statement regarding the nonuse of their mark in post-registration maintenance filings, including an explanation of how COVID-19 caused the trademark owner to temporarily stop using the mark and when use was expected to resume. *Id.*

<sup>35</sup> Petitioner's Reply Brief, 31 TTABVue 8.

1449 (Fed. Cir. 1998) (“[T]o prove excusable nonuse [in the context of abandonment], the registrant must produce evidence showing that, under his particular circumstances, his activities are those that a reasonable businessman, who had a bona fide intent to use the mark in United States commerce, would have undertaken.”); *Wirecard AG v. Striatum Ventures B.V.*, Can. No. 92069781, 2020 TTAB LEXIS 12, at \*20 (TTAB 2020) (“Respondent may establish its intent to commence use by **showing** ‘special circumstances’ relevant to its nonuse.”) (emphasis added); *In re Conusa Corp.*, 1993 Commr. Pat. LEXIS 24, at \*7 (Dec. Comm’r Pat. 1993) (“Since ‘showing’ implies proof, merely stating that special circumstances exist . . . is not enough. Sufficient facts must be set forth to demonstrate clearly that nonuse is due to some special circumstance beyond a registrant’s control or ‘forced by outside causes.’”); *Moorman*, 1979 Commr. Pat. LEXIS 75, at \*5 (“[S]ufficient facts must be set forth to demonstrate clearly that nonuse is due to circumstances beyond the registrant’s control”); TRADEMARK MANUAL OF EXAMINING PROCEDURE § 1613.11 (May 2025) (discussing the excusable nonuse showing in the context of registration maintenance determinations). The question, then, is whether Respondent has set forth sufficient facts demonstrating that its nonuse was due to special circumstances caused by the COVID-19 pandemic and beyond Respondent’s control. This determination includes consideration of any evidence of Respondent’s plans and actions concerning its intended use of the mark leading up to the pandemic.

### **C. Respondent's Arguments and Evidence**

To that end, Respondent contends that it “is an exporter and marketer of alcoholic beverages”<sup>36</sup> and “is not a vertically integrated company.”<sup>37</sup> Thus, “[i]t does not grow or harvest the agave crops used to produce the beverages it sells, does not distill the liquor produced from those crops, does not bottle the product, does not apply labels to the bottles, and does not package the bottles in boxes.”<sup>38</sup> Instead, Respondent relies on “a complex supply chain”<sup>39</sup> for “producing, bottling, labeling, and packaging the DESPACITO product before it is finally exported by the [Respondent] for sale in other countries.”<sup>40</sup> Against this backdrop, Respondent explains that, in 2017, it “conceived the idea that tequila and other alcoholic beverage products would be marketed under the word mark DESPACITO.”<sup>41</sup> After Respondent obtained its registration for the mark in April 2018, its “initial plan was to begin exporting the DESPACITO product to the United States through various distributors in the U.S., primarily in the states of California, Arizona, New York and Florida by the year 2020.”<sup>42</sup> However, that plan “became unfeasible” with the onset of the COVID-19 pandemic and its attendant global disruptions to business operations.<sup>43</sup>

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<sup>36</sup> Campos Declaration, 27 TTABVUE 4; *see also* Respondent's Brief, 29 TTABVUE 10.

<sup>37</sup> Campos Declaration, 27 TTABVUE 4.

<sup>38</sup> Respondent's Brief, 29 TTABVUE 10; *see also* Campos Declaration, 27 TTABVUE 4.

<sup>39</sup> Respondent's Brief, 29 TTABVUE 10.

<sup>40</sup> *Id.*; *see also* Campos Declaration, 27 TTABVUE 4.

<sup>41</sup> Campos Declaration, 27 TTABVUE 2.

<sup>42</sup> *Id.* at 4.

<sup>43</sup> *Id.*

Mr. Campos, Respondent's legal representative, further specified the cause and nature of these disruptions, testifying that, "[p]rior to, and during the COVID-19 pandemic, . . . [Respondent] entered into agreements with a variety of companies whose involvement would be essential to the production and export of DESPACITO products,"<sup>44</sup> including a "supplier of agave plants, [a] supplier of bottles in order to package the product, [a] supplier of bottle caps, [a] supplier of product labels, and finally, the company authorized to produce and package the Tequila product."<sup>45</sup> However, Mr. Campos explained, "[i]n response to the COVID-19 pandemic, the Mexican federal government, as well as the . . . local government [of Jalisco, where Respondent is domiciled,] began to impose restrictions on travel and meetings, and eventually imposed mandatory closures of businesses deemed non-essential."<sup>46</sup>

According to Mr. Campos, "[t]he combination of severe illness and death, government restrictions, and individual efforts to avoid infection had a strong effect on public services, business sector activity, and social interactions throughout the country."<sup>47</sup> In particular, Mr. Campos testified, "the closure of both domestic and international companies [during the COVID-19 pandemic] . . . caused a shortage of raw materials and essential finished products used for the manufacturing and bottling of Tequila."<sup>48</sup> Mr. Campos indicated that these included glass bottles, labels,

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<sup>44</sup> *Id.*

<sup>45</sup> *Id.* at 4-5.

<sup>46</sup> *Id.* at 4.

<sup>47</sup> *Id.*

<sup>48</sup> *Id.* at 6.

and caps,<sup>49</sup> and that, consequently, “the DESPACITO Tequila project suffered constant rescheduling during [Respondent’s] plans for market release and commercialization within the United States.”<sup>50</sup>

Most significantly, Mr. Campos testified that, because of these “COVID-19 implications, [he] was unable to manufacture the [DESPACITO] product, even though [he] was in constant contact” with manufacturers and suppliers.<sup>51</sup> In support of this testimony, Respondent provided the declarations of Abraham Checa Santillan and Luis Manuel Llamas Altamirano, each of whom are sales managers at two different companies that manufacture and print labels for alcoholic beverage bottles.<sup>52</sup> Both Mr. Santillan and Mr. Altamirano attested that, from March 2020 to November 2021, global supply chains for relevant raw materials were disrupted by COVID-19 and thus there was a shortage of label printing supplies such that the sales managers’ companies could not meet the demand for labels for use on alcoholic beverage bottles.<sup>53</sup> Therefore, despite being “in constant contact with Carlo Campos,” both Mr. Santillan and Mr. Altamirano were, according to their declarations, unable to fulfill his request for bottle labels for Respondent’s DESPACITO-branded tequila.<sup>54</sup>

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<sup>49</sup> *See id.*

<sup>50</sup> *Id.*

<sup>51</sup> *Id.*

<sup>52</sup> *Id.* at 22-25 (Santillan and Altamirano Declarations).

<sup>53</sup> *Id.*

<sup>54</sup> *Id.*

The record also includes the declaration of José Ángel González Aldana, authorized representative and general manager of a company in Jalisco, Mexico that produces, manufactures, and bottles alcoholic beverages.<sup>55</sup> In his declaration, Mr. Aldana attested that “[a]pproximately from March 2020 to August 2021 the worldwide supply chain of glass for the tequila industry was interrupted due to the presence of COVID-19 pandemic, which caused among other problems, the shortage of glass supply” and “the temporary closure of our bottling plan for substantial periods of time . . . as a result of direct indications from the Government of the State of Jalisco.”<sup>56</sup> Consequently, Mr. Aldana attested, “the company was not in a position to schedule the bottling for the DESPACITO trademark in a timely manner,” and despite being in “constant contact” “[d]uring this period of time” with Mr. Campos, “who had requested the bottling of Tequila for the promotion of his brand DESPACITO,” his “needs could not be met.”<sup>57</sup>

#### **D. Petitioner’s Arguments**

For its part, Petitioner argues that Respondent has not made the requisite showing of excusable nonuse, asserting that Respondent “has not provided any documentary evidence to corroborate its claim that its nonuse of the DESPACITO mark in the United States was due to Covid-19,” such “as business plans, production plans or marketing plans which evidence any timeline for export and sale of the DESPACITO Tequila in the United States which can be shown to have been

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<sup>55</sup> *Id.* at 20-21 (Aldana Declaration).

<sup>56</sup> *Id.* at 20.

<sup>57</sup> *Id.* at 21.

interrupted by the pandemic.”<sup>58</sup> Petitioner also points to the timing of Respondent’s eventual DESPACITO-related business activities, which, according to Petitioner, demonstrates instead that Respondent’s failure to use the mark was the result of its own inaction, not COVID-19.<sup>59</sup> Specifically, Petitioner notes that:

- Respondent “conceded it could not legally use the term ‘Tequila’ in connection with its DESPACITO product until February 2022 . . . despite the fact that it could have started the certification process much earlier . . . prior to the Covid-19 pandemic”;<sup>60</sup>
- Respondent “admits that it did not complete branding for the launch of DESPACITO until around August 23, 2022”;<sup>61</sup> and
- Respondent “did not even apply for a Certificate of Label Approval, a prerequisite for the legal sale of an alcohol beverage in the U.S. . . . until June 23, 2022.”<sup>62</sup>

#### **E. Analysis of Petitioner’s Section 14(6) Claim**

Petitioner criticizes Respondent’s arguments and testimony for being self-serving, vague, and unsupported by documentary evidence, asserting that the declarations do

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<sup>58</sup> *Id.* at Petitioner’s Reply Brief, 31 TTABVUE 10.

<sup>59</sup> *Id.* at 9.

<sup>60</sup> *Id.* (citing Respondent’s Brief, 29 TTABVUE 11); *see also* Campos Declaration, 27 TTABVUE 5 (“As a result of ‘Tequila’ being regulated in Mexico as a protected designation of origin, before marketing the Tequila products under the DESPACITO trademark, the Registrant had to obtain a Co-responsibility Agreement with the company that is approved by the Tequila Regulatory Council, an interprofessional organization based in Zapopan, Jalisco, Mexico, which comprises all the actors and producers associated with the production of Tequila. This agreement is registered before the MPI, in order to have legal effects, and has been registered since February 2022.”).

<sup>61</sup> Petitioner’s Reply Brief, 31 TTABVUE 9 (citing Campos Declaration, 27 TTABVUE 7).

<sup>62</sup> *Id.* (citing Respondent’s Brief, 29 TTABVUE 13).

not provide “any nexus as to how [the business impacts of COVID-19] changed Registrant’s plans or ability to produce and export its product.”<sup>63</sup> We disagree.

Again, to show that its nonuse is excusable, Respondent need only establish sufficient facts to demonstrate that Respondent was precluded from use of its mark due to the special circumstances Respondent experienced as a result of the pandemic. *Cf. Rivard*, 133 F.3d at 1449; *Wirecard AG*, 2020 TTAB LEXIS 12, at \*20; *Conusa Corp.*, 1993 Commr. Pat. LEXIS 24, at \*7; *Moorman*, 1979 Commr. Pat. LEXIS 75, at \*5. The un rebutted testimony of Messrs. Campos, Aldana, Santillan, and Altamirano establishes that Respondent attempted to obtain labels and bottles to begin using its DESPACITO-branded tequila in 2020, in accordance with Respondent’s initial plan for U.S. distribution, but was unable to do so because of the effects of the COVID-19 pandemic, which specifically included government restrictions, businesses closures, and supply chain issues. And Mr. Campos specifically testified that “[p]rior to, and during the COVID-19 pandemic, . . . [Respondent] entered into agreements with a variety of companies whose involvement would be essential to the production and export of DESPACITO products.”<sup>64</sup> Also, given that Respondent approached bottle and label suppliers, it is reasonable to infer that there must have been at least some prior planning as to how Respondent would use the mark, because Respondent would have needed to provide these suppliers information about the quantity and nature of the bottles and labels that would be required. Therefore, we find that Respondent had

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<sup>63</sup> *Id.* at 10-11.

<sup>64</sup> Campos Declaration, 27 TTABVUE 4 (emphasis added).

plans to export its DESPACITO-branded products to the U.S., and thus commence use of its registered mark well within the three years following the mark's registration, but ultimately could not do so because of special, temporary circumstances beyond its control.

We are not persuaded by Petitioner's argument that Respondent has not established that its nonuse is excusable because it has not submitted documentary evidence in support of its provided testimony.<sup>65</sup> We agree that "[o]ral testimony is strengthened by corroborative documentary evidence." *Exec. Coach Builders, Inc. v. SPV Coach Co.*, Opp. No. 91212312, 2017 TTAB LEXIS 201, at \*36 (TTAB 2017). And we also acknowledge that a mere proclamation of intent to commence use is an insufficient basis for excusing nonuse. *Cf. Imperial Tobacco v. Philip Morris, Inc.*, 899 F.2d 1575, 1581 (Fed. Cir. 1990) ("In every contested abandonment case, the respondent denies an intention to abandon its mark; otherwise there would be no contest.").

However, Respondent has provided more than a mere proclamation of its intent to use the mark during the relevant period and, as a general matter, a lack of documentary evidence in an inter partes matter before the TTAB is not fatal if the testimony evidence is otherwise sufficient.<sup>66</sup> *See Productos Lacteos Tocumbo S.A. de*

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<sup>65</sup> *See, e.g.*, Petitioner's Reply Brief, 31 TTABVue 10 ("However, Registrant has not provided any documentary evidence to corroborate its claim that its nonuse of the DESPACITO mark in the United States was due to Covid-19. . . . [A]bsent any documentary evidence of Registrant's own plans to sell the DESPACITO Tequila in the U.S., self-serving claims that Covid-19 derailed such purported plans should be given no weight.").

<sup>66</sup> Again, as discussed *supra* note 34, during the pandemic the USPTO allowed mark owners to claim excusable nonuse in post-registration maintenance filings by providing a statement

*C.V. v. Paleteria La Michoacana, Inc.*, Can. No. 92047438, 2011 TTAB LEXIS 164, at \*32 (TTAB 2011) (“While it is certainly preferable for a party’s testimony to be supported by corroborating documents, the lack of documentary evidence is not fatal.”), *aff’d*, 188 F. Supp. 3d 22 (D.D.C. 2016), *aff’d*, 743 F. App’x 457 (D.C. Cir. 2018). Here, the testimony of multiple witnesses presented by Respondent, including from third parties, is clear, consistent, convincing, and otherwise uncontradicted, and indicates that Respondent intended to use the mark but was prevented from doing so due to the special circumstances created by COVID-19. *See id.* at \*33-34 (crediting clear, convincing, consistent, and uncontradicted evidence). Under Trademark Rule 2.123(a)(1), 37 C.F.R. § 2.123(a)(1), Petitioner could have elected to cross-examine Respondent’s witnesses, but apparently chose not to. In these circumstances, we have no reason to disregard or discount this evidence. *See, e.g., Kemi Organics, LLC v. Gupta*, Can. No. 92065613, 2018 TTAB LEXIS 149, at \*24-25 (TTAB 2018).

We also disagree with Petitioner that, because Respondent did not establish use until after Petitioner filed the petition to cancel, we should infer that Respondent’s nonuse was due only to Respondent’s inaction.<sup>67</sup> According to Respondent’s testimony,

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regarding the nonuse of their mark, including an explanation of how COVID-19 caused the trademark owner to temporarily stop using the mark and when use was expected to resume. *See* USPTO, Trademark Alert – Maintenance Filings, COVID-19, and Excusable Nonuse (April 9, 2021), <https://www.uspto.gov/subscription-center/2021/maintenance-filings-covid-19-and-excusable-nonuse> (accessed on March 20, 2025).

<sup>67</sup> *See* Petitioner’s Reply Brief, 31 TTABVUE 11 (“Given that Registrant did not even start the process of exporting branded product to the U.S. until after the filing date of the Petition, Registrant’s failure to use the DESPACITO mark in the U.S. until well after the three-year anniversary of the U.S. registration was due solely to Registrant’s inaction, not the pandemic or any other excusable reason.”).

in 2022 Respondent “began to normalize the supply of all inputs and raw materials for the production of Tequila Despacito.”<sup>68</sup> This was only two years after the start of the COVID-19 pandemic and its far-reaching and enduring effects on commerce. Thus, this testimony provides a reasonable and credible explanation, beyond mere inaction, as to why Respondent was not able to establish use of the mark earlier. *Cf. Exec. Coach Builders*, 2017 TTAB LEXIS 201, at \*36 (noting that, to prove excusable nonuse, evidence must show that the trademark owner’s activities “are those that a reasonable business with a bona fide intent to use a mark in U.S. commerce would have undertaken”). The testimony, when viewed together with the timing of Respondent’s efforts, also supports the conclusion that Respondent had an intent to commence use once marketplace conditions allowed.<sup>69</sup> *Cf. Azeka Bldg. Corp. v. Azeka*, Opp. No. 91218679, 2017 TTAB LEXIS 123, at \*38 (TTAB 2017) (noting that, for nonuse to be excusable in the abandonment context, “[t]he owner must produce evidence of intent to resume use within the reasonably foreseeable” (quoting

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<sup>68</sup> Campos Declaration, 27 TTABVUE 6.

<sup>69</sup> Petitioner argues that “[i]f registrants are permitted to avoid cancellation under [Trademark Act Section 14(6)] by initiating efforts to use marks in the U.S. after a petition to cancel has been filed, as Registrant is requesting here, then it would nullify [that] section . . . and frustrate the purpose of the [Trademark Modernization Act].” See Petitioner’s Reply Brief, 31 TTABVUE 11. We agree that use occurring after the filing of a petition to cancel based on Section 14(6) cannot negate the claim that the mark has “never been used in commerce.” *Cf. Trademark Rule 2.93*, 37 C.F.R. § 2.93(b)(5)(i) (indicating that, in an ex parte expungement proceeding, the registrant’s evidence must establish that use of the mark in commerce occurred before the filing date of the relevant petition to expunge). However, as is the case here, such later use may be relevant to whether the nonuse was excusable if it suggests that there was an intent to commence use—and that Respondent, in fact, followed through on that intent—after the temporary conditions precluding use subsided.

*Emergency One Inc. v. Am. FireEagle Ltd.*, 228 F.3d 531, 537 (4th Cir. 2000)); *Hornby v. Tjx Cos.*, Can. No. 92044369, 2008 TTAB LEXIS 19, at \*34 (TTAB 2008) (“A proprietor who temporarily suspends use of mark can rebut the presumption of abandonment by showing reasonable grounds for the suspension and plans to resume use in the reasonably foreseeable future when the conditions requiring suspension abate.” (quoting *Silverman v. CBS Inc.*, 870 F.2d 40, 47 (2d Cir. 1989))).

Accordingly, we find that Respondent has established that its nonuse of the DESPACITO mark on the identified goods was excusable and therefore cancellation of the registration is not warranted under Trademark Act Section 14(6).

## **V. Abandonment Claim – Analysis**

Having found that cancellation of Respondent’s registration is not appropriate under Trademark Act Section 14(6) in view of Respondent’s excusable nonuse of the registered mark, we must now consider Petitioner’s claim that Respondent has abandoned its mark.

Under Section 45 of the Trademark Act, a mark shall be deemed abandoned:

[w]hen its use has been discontinued with intent not to resume such use. Intent not to resume 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: non-use and an intent not to resume use. A plaintiff must show both of these elements unless it can show three years of nonuse, which prima facie establishes abandonment, in which case the burden shifts to the defendant to show either that it has used the mark, or that it has

an intent to resume use.” *Toufigh v. Persona Parfum, Inc.*, Can. No. 92048305, 2010 TTAB LEXIS 237, at \*7 (TTAB 2010); *see also Crash Dummy Movie, LLC v. Mattel, Inc.*, 601 F.3d 1387, 1391 (Fed. Cir. 2010). If the mark owner has not used the mark, but shows that the nonuse is excusable, “it has overcome the presumption that its nonuse was coupled with an intent not to resume use; if the activities are insufficient to excuse nonuse, the presumption is not overcome.” *Exec. Coach Builders*, 2017 TTAB LEXIS 201, at \*85. As mentioned above, in this context a registrant “must produce evidence showing that, under his particular circumstances, his activities are those that a reasonable businessman, who had a bona fide intent to use the mark in United States commerce, would have undertaken.” *Rivard*, 133 F.3d at 1449.

As already discussed, there is no dispute that Respondent did not use the DESPACITO mark in commerce on any of the registration’s listed goods for at least three years after the registration issued. Thus, Petitioner has established a prima facie case of abandonment under Trademark Act Section 45. However, our finding above that Respondent’s nonuse is excusable also serves to rebut this presumption of abandonment. That is, Respondent has established that it attempted to commence use of the mark in 2020 (two years after the registration issued) but was prevented from doing so because of the COVID-19 pandemic. And the record indicates that, under these circumstances, Respondent’s activities are those that a reasonable business person with a bona fide intent to use the mark in U.S. commerce would have undertaken. *See id.*

In addition, “[w]e may consider evidence regarding practices that occurred before or after the three-year period of nonuse to infer intent to resume use during the three-year period.” *Exec. Coach Builders*, 2017 TTAB LEXIS 201, at \*86. In this case, the inference would concern an intent to **commence**, rather than resume, use, but the principle remains the same. *C.f., e.g., Rivard*, 133 F.3d at 1448 (“Where a registrant has never used the mark in the United States because the registration issued on the basis of a foreign counterpart registration, . . . cancellation is proper if a lack of **intent to commence use** in the United States accompanies the nonuse.”) (emphasis added). Here, Petitioner acknowledges that Respondent ultimately engaged in efforts to use the mark in commerce, albeit after the filing of the petition to cancel.<sup>70</sup> These efforts suggest that Respondent intended to commence use of the DESPACITO mark once the effects of the COVID-19 pandemic subsided. *See Exec. Coach Builders*, 2017 TTAB LEXIS 201, at \*85-86. And, again, Respondent’s efforts commenced within two years of the start of the COVID-19 pandemic, which is a reasonable delay in view of Respondent’s testimony regarding the pandemic’s lasting negative effects on supply chains in its industry.<sup>71</sup> Accordingly, on this record, we cannot conclude that Respondent’s nonuse was coupled with an intent not to commence use. We therefore find that cancellation of Respondent’s DESPACITO mark is not warranted under Trademark Act Section 45.

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<sup>70</sup> *See* Petitioner’s Reply Brief, 31 TTABVUE 9.

<sup>71</sup> *See* 27 TTABVUE 6 (Campos Declaration), 20-21 (Aldana Declaration), 22-25 (Santillan and Altamirano Declarations).

## **VI. Conclusion**

Having reviewed all of the evidence and arguments of record, we find that Petitioner established that Respondent did not use the DESPACITO mark for at least three years after it was registered, but Respondent rebutted this showing by setting forth sufficient facts to demonstrate that the nonuse is excusable because it was due to special circumstances beyond Respondent's control. Petitioner's claims under Section 14(6) and Section 45 thus fail.

**Decision:** The petition to cancel Respondent's registration for the **DESPACITO** mark under Section 14(6) and Section 45 of the Trademark Act is **denied**.