

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

Butler/DelGizzi

Mailed: April 24, 2015

Concurrent Use No. 94002580

Morro Castle Corporation
(*Serial No. 85405169*)

v.

Morro Castle Cafeteria Restaurant
Corp. dba Morro Castle
(*Named Excepted User*)

By the Trademark Trial and Appeal Board:

Applicant, Morro Castle Corporation, seeks a concurrent use registration for the mark MORRO CASTLE and design for “restaurant services.”¹

Applicant’s claimed territory of use is “the area comprising the entire United States except in the limited territory which comprises the corporate boundaries of the cities of Hialeah and Miami Lakes, Florida.”

Applicant names use by Morro Castle Cafeteria Restaurant Corp., d/b/a/ Morro Castle (hereinafter also “Cafeteria” or “excepted user”) as the sole exception to its exclusive right to use its mark. Applicant identifies Cafeteria’s territory of use as “the area comprising the limited territory which

¹ Application Serial No. 85405169, filed August 23, 2011 under Section 1(a) of the Trademark Act, 15 U.S.C. § 1051(a), alleging a date of first use anywhere and a date of first use in commerce of 00/00/1964.

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comprises the corporate boundaries of the cities of Hialeah and Miami Lakes, Florida.”

With its application, filed August 23, 2011, Applicant submitted a copy of a 1994 “Concurrent Use Agreement” between the parties. This concurrent use proceeding was instituted on October 6, 2013.² Cafeteria, as a named excepted user, was allowed time to answer.

On August 27, 2014, the Board entered default judgment against Morro Castle Cafeteria Restaurant Corp., d/b/a/ Morro Castle because of its failure to file an answer, or otherwise respond to the concurrent use allegations. The Board indicated that the excepted user against whom default judgment has been entered is precluded from claiming any right more extensive than that acknowledged in the involved application. The Board advised Applicant that it still had the burden of proving its entitlement to the registration sought against the defaulting party. *See* TBMP §§ 1107 and 1108 (2014). That is, Applicant still must prove that there will be no likelihood of confusion by reason of the concurrent use by the parties of their respective marks, and, where necessary, that the parties have become entitled to use their marks as a result of their concurrent lawful use in commerce prior to the application filing date. *See* Trademark Act § 2(d), 15 U.S.C. § 1052(d). The Board

² At the time Applicant’s application was filed, Cafeteria owned a prior pending application, Serial No. 85312784, seeking registration on the Supplemental Register. Cafeteria’s application was abandoned on February 21, 2012. The Board notes in passing that an application seeking registration on the Supplemental Register is not subject to concurrent use registration proceedings. 37 CFR § 2.99(g); TBMP § 1105 (2014). Cafeteria is a named excepted user at common law. *See* TBMP § 1104.

indicated that Applicant may prove its entitlement by making an *ex parte* showing, and allowed Applicant time to do so.³

This case now comes up on Applicant's response, filed October 27, 2014, comprising its *ex parte* showing. Applicant, in its response, submitted the declaration of Alberto Villalobos, President of Morro Castle Corporation, accompanied by a copy of the parties' 1994 "Concurrent Use Agreement."⁴

Mr. Villalobos states in the declaration that he is aware of the common law excepted user and its stated excluded territory, explaining further that the named common law user is owned by his uncle. Mr. Villalobos states that Applicant has used the mark MORROW CASTLE and design since at least 1964; that Applicant has not, and will not, operate its business or provide its services in the limited territory which comprises the corporate boundaries of the cities of Hialeah and Miami Lakes, Florida (the excepted territory), and will not use or advertise using the mark in the area comprising excepted territory. Mr. Villalobos further states that he does not believe Applicant's concurrent use and registration with the user's mark is likely to result in consumer confusion, that he is unaware of any actual confusion and in the

³ The availability of making an *ex parte* showing allows a concurrent use applicant the right to prove its entitlement to registration by less formal procedures (such as by the submission of affidavit evidence) than those (such as depositions upon oral examination) normally required for the introduction of evidence in an *inter partes* proceeding. Such a showing usually suffices if the concurrent use applicant can address many of the factors the Board looks at in settlement agreements. *See* TBMP § 1108, 1110.

⁴ Ordinarily the Board would have considered the parties agreement upon institution of this concurrent use proceeding. The Board regrets the delay occasioned in this proceeding in considering the agreement in connection with Applicant's most recent filing.

event applicant encounters any actual confusion, Applicant agrees to cooperate with the user to take reasonably necessary steps to eliminate or minimize any actual or likely confusion. Mr. Villalobos also states that the parties previously entered into a concurrent use agreement.

According to the agreement, Applicant has been using (as the time of the agreement) its mark for “approximately 30 years” and Cafeteria has been using its mark since as early as 1966; Cafeteria’s limited territory of use comprises the corporate boundaries of the cities of Hialeah and Miami Lakes, Florida; the parties agree to cooperate with each other to ensure no likelihood of confusion; the parties shall use advertising to avoid confusion, and each party will clearly disclose its location in advertising; and the parties will notify each other of any third-party infringer of the marks. The parties have included a provision addressing compliance with the agreement by any franchisees or licensees.

Upon consideration of the parties’ agreement, the long period of contemporaneous use by each party of its mark, and Applicant’s *ex parte* showing, the Board finds that the evidence sufficient to establish that confusion is unlikely, and that Applicant is entitled to a concurrent use registration with the appropriate geographical restrictions as detailed in its concurrent use statement, and as stated below.

In making this determination, the Board has taken into account not only Applicant’s *ex parte* showing, the provisions of the agreement and the actual geographic delineations of use, but also the voluntary entrance by the

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parties into an agreement which includes provisions for concurrent use when it would be clearly against their business interests to cause confusion on the part of the public. *See Amalgamated Bank of New York v. Amalgamated Trust & Savings*, 842 F.2d 1270, 6 USPQ2d 1305 (Fed. Cir. 1988).

Decision: Applicant, Morrow Castle Corporation, is entitled to registration of its mark MORRO CASTLE for “restaurant services” in the area comprising the entire United States except in the limited territory which comprises the corporate boundaries of the cities of Hialeah and Miami Lakes, Florida.” Serial No. 85405169.

The Order Restricting Scope statement in application Serial No. 85405169 states as follows:

Registration limited to the area comprising the entire United States except the limited territory which comprises the corporate boundaries of the cities of Hialeah and Miami Lakes, Florida pursuant to Concurrent Use Proceeding No. 94002580. Concurrent use with Morro Castle Cafeteria Restaurant Corp., d/b/a Morro Castle, 1201 West 44th Place, Hialeah, FLorida 33012.