

**This Opinion is Not a
Precedent of the TTAB**

Mailed: October 30, 2017

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board
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In re 8-Bit Brewing LLC
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Serial No. 86760527
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Lorie K. Mallari of The Craft Beer Attorney, APC for
8-Bit Brewing, LLC.

Daniel F. Capshaw, Trademark Examining Attorney, Law Office 110,
Chris A. F. Pedersen, Managing Attorney.

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Before Cataldo, Wellington, and Hightower,
Administrative Trademark Judges.

Opinion by Wellington, Administrative Trademark Judge:

8-Bit Brewing LLC (“Applicant”) seeks registration on the Principal Register of the mark **8-Bit Aleworks**, in standard character format, for “beer” in International Class 32.¹

¹ Application Serial No. 86760527 was filed on September 17, 2015, based on Applicant’s allegation of an intent to use the mark in commerce, under Trademark Act Section 1(b).

The Trademark Examining Attorney has refused registration of Applicant's mark on the ground of a likelihood of confusion under Section 2(d) of the Trademark Act, 15 U.S.C. §1052(d), in view of the registered marks:

8 bit Brewing Company, in standard characters (Reg. No. 4564603); and



(Reg. No. 4564602).²

The two registrations are owned the same entity and are for "Beer, ale, lager, stout and porter; Malt liquor; Pale beer." Each registration contains a disclaimer of the wording BREWING COMPANY.

When the refusal was made final, Applicant filed a request for reconsideration which was denied by the Examining Attorney. Applicant then filed a timely appeal which has been briefed. For the following reasons, we affirm the refusal.

Likelihood of Confusion

Our determination of the issue of likelihood of confusion is based on an analysis of all of the probative facts in evidence that are relevant to the factors set forth in *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973); *see also In re Majestic Distilling Co.*, 315 F.3d 1311, 65 USPQ2d 1201 (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 or services.

² Both registrations issued on July 8, 2014.

See Federated Foods, Inc. v. Fort Howard Paper Co., 544 F.2d 1098, 192 USPQ 24 (CCPA 1976); *see also In re Dixie Restaurants Inc.*, 105 F.3d 1405, 41 USPQ2d 1531 (Fed. Cir. 1997). We further note that the record includes a consent agreement entered into by Applicant and Registrant. A consent agreement presented in an effort to overcome a Section 2(d) refusal is given consideration in conjunction with the *du Pont* factor concerning the market interface between Applicant and Registrant. *du Pont*, 177 USPQ at 567; *In re Bay State Brewing Co.*, 117 USPQ2d 1958, 1959 (TTAB 2016). The market interface *du Pont* factor is taken into account with all other relevant circumstances bearing on a likelihood of confusion determination. *In re N.A.D. Inc.*, 754 F.2d 996, 224 USPQ 969, 971 (Fed. Cir. 1985); *du Pont*, 177 USPQ at 567. Here, we first address several other relevant factors before addressing market interface in order to properly weigh the consent agreement's importance in the context of the full *du Pont* analysis. *Bay State Brewing Co.*, 117 USPQ2d at 1959.

Identity of Goods and Trade Channels

We first consider the *du Pont* factors involving the relatedness of goods and their established, likely to continue trade channels. It is settled that in making our determinations, we must look to the goods as identified in the application vis-à-vis the goods recited in the cited registrations. *See Octocom Sys., Inc. v. Houston Computers Servs., Inc.*, 918 F.2d 937, 16 USPQ2d 1783, 1787 (Fed. Cir. 1990); *In re*

Giovanni Food Co., 97 USPQ2d 1990, 1991 (TTAB 2011). In this case, the application and registration identify the same goods – beer.³

Because the involved goods are identical, we must presume that the channels of trade and classes of purchasers are the same. *Stone Lion Capital Partners, LP v. Lion Capital LLP*, 746 F.3d 1317, 110 USPQ2d 1157, 1161 (Fed. Cir. 2014); *In re Fat Boys Water Sports LLC*, 118 USPQ2d 1511, 1518-19 (TTAB 2016); *see also In re Viterra Inc.*, 671 F.3d 1358, 101 USPQ2d 1905, 1908 (Fed. Cir. 2012) (finding Board entitled to rely on this legal presumption in determining likelihood of confusion).

Accordingly, the *du Pont* factors involving the relatedness of the goods and trade channels weigh in favor of finding a likelihood of confusion.

Similarity of the Marks

We move now to the *du Pont* likelihood of confusion factor focusing on “the similarity or dissimilarity of the marks in their entirety as to appearance, sound, connotation and commercial impression.” *Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1691 (Fed. Cir. 2005) (quoting *du Pont*, 177 USPQ at 567). “The proper test is not a side-by-side comparison of the marks, but instead whether the marks are sufficiently similar in terms of their commercial impression such that persons who encounter the marks would be likely to assume a connection between the parties.” *Coach Servs. Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 101 USPQ2d 1713, 1721 (Fed. Cir. 2012)

³ The registrations also list “ale, lager, stout and porter; malt liquor; pale beer,” which are encompassed by, and thus legally identical to, Applicant’s beer.

(citation omitted). The focus is on the recollection of the average purchaser, who normally retains a general rather than a specific impression of trademarks. *In re C.H. Hanson Co.*, 116 USPQ2d 1351, 1353 (TTAB 2015). In this case, because the goods are beer, the average purchaser is an ordinary consumer. *See Bay State Brewing Co.*, 117 USPQ2d at 1960 & n.4.

When, as here, marks appear on goods that are identical, “the degree of similarity necessary to support a conclusion of likely confusion declines.” *Century 21 Real Estate Corp. v. Century Life of Am.*, 970 F.2d 874, 23 USPQ2d 1698, 1700 (Fed. Cir. 1992); *Jansen Enters. Inc. v. Rind*, 85 USPQ2d 1104, 1108 (TTAB 2007).

The involved marks in this case are extremely similar given that the most important, source-identifying literal portions of the marks are virtually identical. In each of the three marks, the distinctive term **8 BIT** or **8-BIT** precedes disclaimed, highly descriptive or generic terms. “8 BIT” or “8-BIT” has no known significance in the context of beer. Rather, both Applicant and Registrant use the term in their marks to evoke classic video games and the technology used at the time. Specifically, “8-Bit” is defined as:⁴

...a measure of computer information generally used to refer to hardware and software in an era where computers were only able to store and process a maximum of 8 bits per data block. ... The 8-bit architecture is particularly popular with gamers, as the first truly classic game consoles, which paved the way for the game industry started in 8-bit.

⁴ Definition taken from online dictionary, Technopedia (www.technopedia.com) and attached to Office Action issued on February 24, 2017.

Applicant readily admits that the commercial impression of its mark “is reliant on the nostalgia one feels when reminiscing about one’s childhood and video games.”⁵ Applicant further admits its beers “are all [video] game inspired.”⁶ The record shows that Registrant also uses its marks as a nod to the technology behind early video games.⁷ Indeed, the cited registered mark with design contains lettering and graphic design akin to that used in older video games.

Applicant attempts to distinguish the overall commercial impressions of the marks by arguing that “Registrant is located in California and features a more modern gaming experience.”⁸ There is no evidence to support this contention or indicate whether such a nuance, purportedly based upon Registrant’s use of the term “8 Bit” and being located in California, even exists. We further note that Applicant makes reference to Registrant’s use of a “highly dissimilar” mark featuring a mug of beer; however, that mark is not before us for and whether Registrant uses other marks that are distinguishable from the ones at hand is inconsequential to our analysis. Ultimately, we agree with the Examining Attorney’s conclusion that the “commercial impression created by the marks is identical.”⁹

We emphasize too that 8 BIT (or 8-BIT), apart from being the only source-identifying literal portion of each mark, appears first in each mark and thus is more

⁵ 4 TTABVUE 7.

⁶ *Id.* at 8.

⁷ Printouts from Registrant’s website attached to Office Action issued on February 24, 2017.

⁸ 4 TTABVUE 8.

⁹ 6 TTABVUE 7.

likely to be remembered by consumers. *See Palm Bay Imports*, 73 USPQ2d 1692 (“Veuve” is the most prominent part of the mark VEUVE CLICQUOT because “veuve” is the first word in the mark and the first word to appear on the label); *Century 21 Real Estate*, 23 USPQ2d 1700 (upon encountering the marks, consumers will first notice the identical lead word); *Presto Prod. Inc. v. Nice-Pak Prod., Inc.*, 9 USPQ2d 1895, 1897 (TTAB 1988) (“it is often the first part of a mark which is most likely to be impressed upon the mind of a purchaser and remembered”).

The additional wording, ALEWORKS in Applicant’s mark and BREWING COMPANY in Registrant’s marks, does little, if anything, to distinguish the marks. As mentioned, these disclaimed terms are highly descriptive or generic with regard to beer and ale. To reinforce this point, the Examining Attorney submitted numerous third-party use registrations and some website printouts showing that it is fairly common for entities to adopt marks that incorporate these terms in connection with beer.¹⁰ Consumers are accustomed to seeing these terms in others’ marks and are thus unlikely to view the wording in either Applicant’s or Registrant’s marks as distinctive.

In sum, we find the marks to be overall very similar, particularly in light of the identical commercial impression created by the marks. This *du Pont* factor therefore weighs in favor of finding a likelihood of confusion.

¹⁰ Website printouts and third-party registrations attached to Office Action issued on November 28, 2016.

Market Interface and Consent Agreement

We now consider the *du Pont* factor involving the market interface between Applicant and Registrant including, as mentioned, consideration of the proposed consent agreement.¹¹ Factors to be considered in weighing a consent agreement include the following:

- (1) Whether the consent shows an agreement between both parties;
- (2) Whether the agreement includes a clear indication that the goods and/or services travel in separate trade channels;
- (3) Whether the parties agree to restrict their fields of use;
- (4) Whether the parties will make efforts to prevent confusion, and cooperate and take steps to avoid any confusion that may arise in the future; and
- (5) Whether the marks have been used for a period of time without evidence of actual confusion.

See generally In re Four Seasons Hotels Ltd., 987 F.2d 1565, 26 USPQ2d 1071 (Fed. Cir. 1993); *In re Mastic Inc.*, 829 F.2d 1114, 4 USPQ2d 1292 (Fed. Cir. 1987); *du Pont*, 177 USPQ at 568; *cf. Bongrain Int'l (Am.) Corp. v. Delice de Fr., Inc.*, 811 F.2d 1479, 1 USPQ2d 1775 (Fed. Cir. 1987). In the seminal case on consent agreements, the *du Pont* court also cautioned that while “a naked ‘consent’ may carry little weight,” “substantial” weight should be conferred to “more detailed agreements.” *du Pont*, 177 USPQ at 568.

¹¹ There are actually two consent agreements of record. Applicant first submitted a consent agreement with its response filed on August 8, 2016. Applicant submitted a second consent agreement with its request for reconsideration, filed on February 3, 2017. The latter agreement is essentially a revised version of the first, providing slightly more detailed information and attaching an exhibit. Although we have considered both agreements, it is the second agreement that we refer to for purposes of this decision.

It can be safely taken as fundamental that reputable businessmen-users of valuable trademarks have no interest in *causing* public confusion. The genius of the free competitive system is the paralleling of the interest of the entrepreneur and the consuming public so far as possible. Altruism aside, it is in his *pecuniary* interest, indeed a matter of economic survival, that the businessman obtain and retain customers, the very purpose and function of a trademark, and that he avoid and preclude confusion. Millions of advertising dollars are spent daily for that precise purpose. The history of trademark litigation and the substantial body of law to which it relates demonstrate the businessman's alertness in seeking to enjoin confusion. In so doing he guards both his pocketbook and the public interest.

...

[E]xperienced businessmen fully and continuously alert to each other's products, labels, trade channels and advertising . . . will be quick to act against confusion. . . . Dollars were at stake. Decisions of men who stand to lose if wrong are normally more reliable than those of examiners and judges.

Id. at 568-69.

On the other hand, we have held that "there is no *per se* rule that a consent, whatever its terms, will always tip the balance to finding no likelihood of confusion, and it therefore follows that the content of each agreement must be examined. Few may be found lacking, but it is not a foregone conclusion that all will be determinative." *Bay State Brewing Co.*, 117 USPQ2d at 1953. The Federal Circuit in *In re Mastic*, 4 USPQ2d at 1294, has also instructed that the role of a consent agreement in the likelihood of confusion analysis is not always the answer in avoiding confusion:

[T]he *DuPont* case does not make it a "given" that experienced businessmen, in all cases, make an agreement countenancing each other's concurrent use of the same or similar marks only in recognition of no likelihood of confusion of the public. One must look at all of the surrounding circumstances, as in *DuPont*, to determine if the consent reflects the reality of no likelihood of confusion in the marketplace, or if the parties struck a bargain that may be beneficial to their own interests,

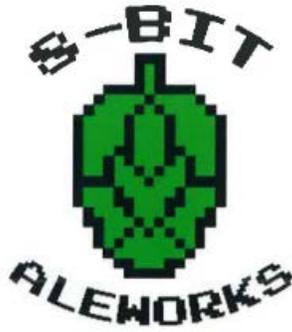
regardless of confusion of the public. For example, the parties may prefer the simplicity of a consent to the encumbrances of a valid trademark license. However, if the goods of the parties are likely to be attributed to the same source because of the use of the same or a similar mark, a license (not merely a consent) is necessary to cure the conflict. *See* 1 J. McCarthy, *Trademarks and Unfair Competition* § 18:25, at 866 (2d ed. 1984).

With the above in mind, we now analyze the consent agreement before us and what significance it has with respect to our likelihood of confusion analysis.

At the outset, we note the consent agreement correctly identifies the involved application, the cited registered marks and the parties' goods. However, the agreement also references an exhibit containing depictions of a purported composite mark of Applicant's and only one of the registered marks. Specifically, in Paragraph 1, the parties (Applicant and Registrant) state that they believe no likelihood of confusion exists because "each party currently uses, and shall continue to so use, their respective marks" in the following manner:

- a. In conjunction with highly dissimilar stylized designs, as shown in Exhibit A;
- b. In conjunction with commercially distinct product packaging that features highly dissimilar hyphenation, capitalization, formats, color schemes, and design elements;
- c. Such that the marks create highly dissimilar commercial impressions;
- d. Without reports of consumer confusion; and
- e. In different geographic markets, California and Arizona respectively.

The referenced "Exhibit A" contains the following depiction of marks:



Left: Applicant's logo. Right: Registrant's logo.

The only other substantive provisions in the agreement supporting their contention that there is no likelihood of confusion are:

(2) Each party acknowledges that it knows of no evidence of actual confusion between the parties' respective marks during the time both marks have been in use, namely, since June 2016. Both parties have agreed not to adopt any visual logos, trade dress, or other marketing materials similar to that of the other and have agreed to cooperate in good faith to avoid and/or minimize potential confusion amongst consumers as to the parties' marks.

(3) If, in the future such evidence comes to either party's attention, the party receiving and possessing such evidence shall promptly make the same available in detail to the other party. Additionally, in the event of such confusion, each party hereby agrees to cooperate with the other and to take reasonable steps to avoid future such confusion.

Taken in its entirety, the consent agreement does little to alleviate the concern of likelihood of confusion. Initially, we point out that the applied-for mark is 8-BIT ALEWORKS, in standard characters, and not the composite mark depicted in "Exhibit A" of the agreement; likewise, Exhibit A only shows Registrant's composite mark and not its standard character mark. Many of the agreement's provisions appear to relate only to the marks shown in Exhibit A. Thus, at the very least, it remains unclear if Registrant is consenting only to the coexistence of the marks

depicted in Exhibit A or if it is actually consenting to use and registration of Applicant's standard character mark, with or without the design element.

The agreement further acknowledges that there has been a very short period of coexistence thus far. While the parties affirmatively state that they are unaware of any instances of actual confusion since June 2016, the agreement was executed in November of 2016. A mere five months without any actual confusion is hardly indicative that confusion is unlikely. This stands in sharp contrast to provisions typically found in consent agreements noting that "each party had done business for many years under their present names, that each had been aware of the other's use of its name as at present, and neither knew of any instances of customers' confusion, mistake, or deception." *Amalgamated Bank of New York v. Amalgamated Trust & Savings Bank*, 842 F.2d 1270, 6 USPQ2d 1305, 1306 (Fed. Cir. 1988).

The agreement also fails to illustrate how Applicant's and Registrant's trade channels are different from one another. Furthermore, aside from stating that they will be using their marks in different geographic areas, namely California versus Arizona, the parties do not indicate how they will restrict their fields of use. Applicant and registrant will presumably be selling to the same types of individuals, restaurants or retailers and distributors. Beer is not necessarily an expensive consumer item and prices run the gamut; the agreement does not clarify the actual price ranges of the parties' beer nor do the identifications of goods in the application and cited registrations shed any light on this. Thus it is probable that the ultimate consumer of both Applicant's and Registrant's beer will, in many instances, be the

ordinary consumer of beer who will only exercise ordinary care that one takes in purchasing beer. *See Bay State Brewing Co.*, 117 USPQ2d at 1960 (taking judicial notice “that beer is often relatively inexpensive, subject to impulse purchase, and often ordered orally in a bar or restaurant”). No provisions have been made to diminish the likelihood of confusion for these consumers.

Applicant’s and Registrant’s agreement to use their marks “in conjunction with commercially distinct product packaging that features highly dissimilar hyphenation, capitalization, formats, color schemes, and design elements,” has little importance given that there are no examples of what this “distinct product packaging” will consist of or what distinctive color schemes will be used. This is indeed a vague statement, and given the similarity in the marks, both being used on beer, it would have behooved Applicant and Registrant to have identified the specific distinctive trade dress each would be employing to distinguish the sources of the beer. Without such information, we cannot gauge how effective the additional packaging design would be in diminishing the likelihood of confusion. We reiterate that because the involved application is for a standard character mark, the agreement to use it with a design or as part of a composite mark is irrelevant to our analysis.

Finally, as mentioned, Applicant and Registrant seemingly have agreed to limit use of their marks within their own states, respectively, California and Arizona, two states that share a border. However, the agreement is silent as to other states and we note that in order for the involved application to mature into a registration, Applicant must allege use in interstate commerce, as Registrant did with respect to

use of its registered marks. Moreover, Applicant is not seeking a concurrent use registration (with a corresponding geographical restriction in Registrant's registrations), but rather a nationwide registration. Because an applicant's right to a geographically restricted registration may only be considered in the context of a concurrent use proceeding, Trademark Rule 2.99(h), any geographic restrictions that Applicant and Registrant agree to will not be reflected in a registration that would issue from the involved application.

For the reasons explained above, the *du Pont* factor regarding market interface does not weigh in favor of lessening the likelihood of confusion; accordingly, we deem this factor neutral.

Conclusion

We have carefully reviewed the entire record and considered all relevant factors concerning the likelihood of confusion between Applicant's mark and the registered marks. Ultimately, in view of the identity of the involved goods, beer, and their trade channels, as well as the overall strong similarity of the marks, we conclude there is a likelihood of confusion between Applicant's applied-for mark **8-Bit Aleworks** and the registered marks, **8 bit Brewing Company** (with and without design). We make this conclusion bearing in mind that "consent agreements are frequently entitled to great weight." *Bay State Brewing Co.*, 117 USPQ2d at 1967. In this case, however, Registrant's consent is ambiguous and outweighed by the several other relevant *du Pont* factors. In other words, the shortcomings in the consent agreement are such that consumer confusion remains likely.

Decision: The refusal to register Applicant's mark is affirmed.