

This Opinion Is Not a
Precedent of the TTAB

Hearing:
January 15, 2019

Mailed:
June 10, 2019

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board
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Los Santos, LLC
v.
Johnny D. Gabriel and Rosalie Gabriel
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Opposition No. 91223574
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Miles D. Scully, Susan B. Meyer, Michael D. Kanach, and Patrick J. Mulkern of Gordon Rees Scully Masukhani, LLP, for Los Santos, LLC.

Miguel Villarreal, Jr. and Brandon T. Cook of Gunn Lee & Cave, P.C., and Erik M. Pelton of Erik M. Pelton & Associates, PLLC, for Johnny D. Gabriel and Rosalie Gabriel.

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

Opinion by Hightower, Administrative Trademark Judge:

Johnny D. Gabriel and Rosalie Gabriel (“Applicants”) seek registration on the Principal Register of the mark MEZQUILA in standard characters for “alcoholic beverages except beers” in International Class 33.¹

¹ Application Serial No. 86518323 was filed on January 29, 2015, based on Applicants’ allegation of a bona fide intention to use the mark in commerce under Section 1(b) of the Trademark Act, 15 U.S.C. § 1051(b).

Los Santos, LLC (“Opposer”) opposes registration on the following grounds:

- Lack of bona fide intent to use the mark in commerce;
- MEZQUILA is generic or, alternatively, merely descriptive without acquired distinctiveness;
- MEZQUILA is geographically deceptively misdescriptive; and
- MEZQUILA is deceptively misdescriptive.

The proceeding is fully briefed, and an oral hearing was held before the Board on January 15, 2019. We sustain the opposition based on the ground that Applicants lacked a bona fide intent to use the mark in commerce at the time of filing their application under Trademark Act Section 1(b).

I. Opposer’s Objections

Opposer’s objection that Applicants’ brief is overlength due to excessive footnote use is overruled. Opposer also objects to most of the documents proffered by Applicants and to portions of the testimony declaration of Applicants’ witness Johnny D. Gabriel. Rather than rule on each objection, we will address objections only to evidence material to our decision.

II. Record

The record consists of the pleadings and, without any action by the parties, the file of the involved application. Trademark Rule 2.122(b)(1), 37 C.F.R. § 2.122(b)(1). Subject to the discussion in the preceding section concerning Opposer’s objections, the record also comprises the evidence summarized below.

A. Opposer’s Evidence

Opposer submitted the following evidence by notice of reliance:

- Documents relating to Applicants' trademark applications in Mexico² and the U.S. Patent and Trademark Office (USPTO) (Exhibit A, 27 TTABVUE 12-214);
- Documents concerning Opposer's and third-party trademark applications in Mexico and the USPTO (Exhibit B, 27 TTABVUE 215-75);
- Printed publications and Internet printouts (Exhibits C-D, 27 TTABVUE 276-28 TTABVUE 218);
- Excerpts from the discovery deposition of Applicant Johnny D. Gabriel ("Gabriel Discovery Test."), with exhibits (Exhibit E, 28 TTABVUE 219-416); and
- Applicants' interrogatory responses and admissions³ (Exhibit F, 28 TTABVUE 417-42).

Opposer also submitted oral trial testimony of the following witnesses, with exhibits:

- Applicant Johnny D. Gabriel ("Johnny Gabriel Trial Test."), taken in January and November 2017 (37, 38 [confidential] and 51 TTABVUE);
- Applicant Rosalie Gabriel ("Rosalie Gabriel Test.") (39 and 40 [confidential] TTABVUE);
- Alejandro Valdes, a former importer and distributor of alcoholic beverages who did business with Applicants ("Valdes Test.") (41 TTABVUE);
- Amar Ali, owner of A to Z Wholesale Wine and Spirits, LLC, an alcoholic beverage importer and distributor (42 and 43 [confidential] TTABVUE);
- Raul Romero Ornelas of Compania Tequilera de Arandas ("CTA"), an alcoholic beverage vendor who does business with Applicants ("Romero Test.") (44 and 45 [confidential] TTABVUE);
- Kimberly Frost, attorney for Azar Distilling, LLC (46 TTABVUE);

² Foreign trademark applications and registrations are irrelevant to the issues before us. *See Double J of Broward Inc. v. Skalony Sportswear GmbH*, 21 USPQ2d 1609, 1612 (TTAB 1991).

³ Opposer submitted all of Applicants' responses to Opposer's requests for admission, but many are denials, which cannot be submitted by notice of reliance. Trademark Rule 2.120(k)(3), 37 C.F.R. § 2.120(k)(3); *see also, e.g., Ayoub, Inc. v. ACS Ayoub Carpet Serv.*, 118 USPQ2d 1392, 1395 n.9 (TTAB 2016). We have considered only Applicants' admissions.

- Mike Paul, a former attorney for Applicants (47 TTABVUE); and
- Richard “Trey” Azar, III, owner of Azar Distilling, LLC, which sells vodka and gin to Applicants for retail sale through a distributor (“Azar Test.”) (49 and 50 [confidential] TTABVUE).

B. Applicants’ Evidence

Applicants submitted the following evidence by notice of reliance:

- Printouts of third-party trademark applications, registrations, and related documents (Exhibits 1-2, 34 TTABVUE 15-155);
- File histories of Opposer’s trademark applications (Exhibit 3, 34 TTABVUE 156-863);
- A copy of Registration No. 5359467 for the mark BETTER THAN PERFECT for “retail liquor store services” in Class 35 listing Applicants as owners (Exhibit 4, 34 TTABVUE 864-66);
- Internet printouts (Exhibit 5, 34 TTABVUE 867-89); and
- Additional excerpts from the discovery deposition of Applicant Johnny D. Gabriel (Exhibit 6, 34 TTABVUE 890-901).

Applicants also submitted the following testimony, with exhibits:

- An oral deposition of Marco Monroy, a member of Opposer (“Monroy Test.”) (52 and 53 [confidential] TTABVUE); and
- The testimony declaration of Applicant Johnny D. Gabriel (“Gabriel Dec.”) (35 and 36 [confidential] TTABVUE).

As noted above, some of the evidence proffered by the parties has been designated as confidential and filed under seal. We will endeavor to discuss only in general terms any relevant evidence that has been submitted under seal and not disclosed by the parties in the unredacted portions of their public briefs.

III. The Parties

Since 1980, Applicants Johnny D. Gabriel and Rosalie Gabriel have been married and business associates.⁴ Mr. Gabriel has been involved in the alcoholic beverage industry since 1959.⁵ The couple owned as many as 50 retail liquor stores in San Antonio, Texas, and the surrounding areas.⁶ In 2004, ownership of most of the business transferred to the couple's four children, and the Gabriels essentially retired.⁷

Opposer Los Santos, LLC, was formed with the intention of selling agave-distilled products.⁸ It has four individual members: singers Sammy Hagar and Adam Levine, along with Jack Daniels and Marco Monroy.⁹

IV. Standing

Standing is a threshold issue that must be proven by the plaintiff in every *inter partes* case. See *Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058, 1062 (Fed. Cir. 2014); see also, e.g., *Bell's Brewery, Inc. v. Innovation Brewing*, 125 USPQ2d 1340, 1344 (TTAB 2017). Standing may be established through evidence that an opposer's pleaded trademark application has been provisionally refused due to a likelihood of confusion with the prior pending

⁴ Applicants' Response to Opposer's Interrogatory No. 33, 28 TTABVUE 431; Gabriel Discovery Test. at 17:18-21, 28 TTABVUE 230.

⁵ Gabriel Discovery Test. at 11:3-7, 28 TTABVUE 224.

⁶ *Id.* at 13:2-17, 28 TTABVUE 226.

⁷ *Id.* at 11:8-12:22, 17:3-14, 28 TTABVUE 224-25, 230.

⁸ Monroy Test. at 6:24-7:5, 52 TTABVUE 7-8.

⁹ *Id.* at 7:6-22, 52 TTABVUE 8.

mark in the subject application. *E.g.*, *Fiat Grp. Automobiles S.p.A. v. ISM, Inc.*, 94 USPQ2d 1111, 1112 (TTAB 2010); *Life Zone Inc. v. Middleman Grp., Inc.*, 87 USPQ2d 1953, 1959 (TTAB 2008).

Applicants submitted printouts from the USPTO Trademark Status & Document Retrieval (TSDR) database showing that Opposer owns an application to register the mark SANTO MEZQUILA for “alcoholic beverages except beer, namely, a beverage which includes Mezcal and Tequila” in International Class 33.¹⁰ Opposer’s application was filed on an intent-to-use basis on April 24, 2015, approximately three months after Applicants filed the subject application for MEZQUILA on January 29, 2015. Opposer’s application was refused due to a likelihood of confusion with the subject application and remains suspended.¹¹ These facts establish Opposer’s standing.

V. Bona Fide Intent

We begin by addressing Opposer’s claim that Applicants lack a bona fide intent to use the mark MEZQUILA in commerce. Section 1(b) of the Trademark Act, 15 U.S.C. § 1051(b), states that:

A person who has a bona fide intention, under circumstances showing the good faith of such person, to use a trademark in commerce may request registration of its trademark on the principal register hereby established by paying the prescribed fee and filing in the Patent and

¹⁰ Application Serial No. 86609616, filed based on an allegation of a bona fide intent to use the mark in commerce pursuant to trademark Act Section 1(b). Exhibit 3 to Applicants’ Notice of Reliance, 34 TTABVUE 414-16. Opposer’s objection to these documents on the basis that they were not produced during discovery is overruled because these printouts from the USPTO’s TSDR database were publicly available and not in Applicants’ possession.

¹¹ See Exhibit 3 to Applicants’ Notice of Reliance, 34 TTABVUE 417-40.

Trademark Office an application and a verified statement, in such form as may be prescribed by the Director.

Opposer has the burden of demonstrating by a preponderance of the evidence that Applicants lacked a bona fide intent to use the mark on the identified goods at the time they filed their application. We note at the outset that our inquiry is not into Applicants' subjective state of mind alone. Rather, evidence of circumstances bearing on intent

is "objective" in the sense that it is evidence in the form of real life facts and by the actions of the applicant, not by the applicant's testimony as to its subjective state of mind. That is, Congress did not intend the issue to be resolved simply by an officer of applicant later testifying, "Yes, indeed, at the time we filed that application, I did truly intend to use the mark at some time in the future."

L'Oreal S.A. v. Marcon, 102 USPQ2d 1434, 1444 (TTAB 2012) (quoting 3 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS & UNFAIR COMPETITION § 19:14 (4th ed. 2009)); see also *SmithKline Beecham Corp. v. Omnisource DDS, LLC*, 97 USPQ2d 1300, 1305 (TTAB 2010); *Research In Motion Ltd. v. NBOR Corp.*, 92 USPQ2d 1926, 1931 (TTAB 2009).

Each case must be decided through an objective determination whether an applicant has a bona fide intention to use the mark in commerce based on all the circumstances of record. *Boston Red Sox Baseball Club L.P. v. Sherman*, 88 USPQ2d 1581, 1587 (TTAB 2008).

Here, Congress made clear that a "bona fide intent to use" also involves an objective standard by specifying there must be "circumstances showing . . . good faith." Thus, an opposer may defeat a trademark application for lack of bona fide intent by proving the applicant did not actually intend to use the mark in commerce or by proving the

circumstances at the time of filing did not demonstrate that intent.

Aktieselskabet AF 21. November 2001 v. Fame Jeans Inc., 525 F.3d 8, 86 USPQ2d 1527, 1537-38 (D.C. Cir. 2008). As the Court of Appeals for the Federal Circuit has held:

[W]hether an applicant had a “bona fide intent” to use the mark in commerce at the time of the application requires objective evidence of intent. 15 U.S.C. § 1051(b)(1). Although the evidentiary bar is not high, the circumstances must indicate that the applicant’s intent to use the mark was firm and not merely intent to reserve a right in the mark. *See id.* § 1127 [citation omitted]. The Board may make such determinations on a case-by-case basis considering the totality of the circumstances.

M.Z. Berger & Co. v. Swatch AG, 787 F.3d 1368, 114 USPQ2d 1892, 1898 (Fed. Cir. 2015).

In sum, use of the term “bona fide” is meant to require, based on our objective view of the circumstances, a good faith intention to eventually use the mark in a real and legitimate commercial sense. *Id.* at 1897-98.

A. Intent of Applicant Rosalie Gabriel

As stated above, the subject application has two individual owners: Johnny D. Gabriel and Rosalie Gabriel, who have been husband-and-wife business partners for decades. Although Rosalie Gabriel testified that she intended to use the mark at the time the application was filed, she also testified that she did not know of any efforts that she personally made with respect to MEZQUILA either before or after the filing of the application.¹²

¹² Rosalie Gabriel Test. at 29:23-30:19, 39 TTABVUE 30-31.

There is no objective record evidence of intent to use the MEZQUILA mark on the part of Rosalie Gabriel. We need not decide, however, whether lack of bona fide intent by one of two applicants alone renders the application invalid under Trademark Act Section 1(b), as Opposer argues, because we conclude based on the totality of the circumstances that applicant Johnny D. Gabriel also lacked a bona fide intent to use the mark in commerce. Although we continue to refer to the Gabriels as “Applicants,” the remainder of our analysis pertains to evidence of Mr. Gabriel’s intent.

B. Opposer’s Prima Facie Case

One way an opposer can establish its prima facie case of no bona fide intent is by proving that an applicant has no documentary evidence to support its allegation in the application of its claimed bona fide intent to use the mark in commerce as of the application filing date. *Saul Zaentz Co. v. Bumb*, 95 USPQ2d 1723, 1727 (TTAB 2010). The absence of any documentary evidence regarding an applicant’s bona fide intention to use a mark in commerce is sufficient to prove that an applicant lacks the intention required by Section 1(b) of the Trademark Act, unless an applicant counters with other facts that adequately explain or outweigh its failure to provide such documentary evidence. *See A&H Sportswear Co. v. Yedor*, 2019 USPQ2d 111513, at *3 (TTAB 2019); *Honda Motor Co. v. Winkelmann*, 90 USPQ2d 1660, 1662 (TTAB 2009); *L.C. Licensing, Inc. v. Berman*, 86 USPQ2d 1883, 1891 (TTAB 2008).

If an opposer satisfies its initial burden of showing the absence of documentary evidence regarding the applicant’s bona fide intention to use the mark, the burden of production shifts to the applicant to come forward with evidence adequately explaining or outweighing the failure to provide such documentary evidence. *See*

Commodore Elecs. Ltd. v. CBM Kabushiki Kaisha, 26 USPQ2d 1503, 1507 n.11 (TTAB 1993).

Applicants do not contend that any documentary evidence existed relating to their bona fide intention to use the MEZQUILA mark in commerce when the application was filed in January 2015; indeed, Mr. Gabriel testified that he had no documents relating to plans for the MEZQUILA mark as of the filing date.¹³ Rather, Applicants argue that Mr. Gabriel, who was 82 years old when Applicants filed their brief, does business “the old fashion[ed] way”: “He primarily does business over the phone or in person and does not customarily send emails or texts.”¹⁴

The earliest documents cited by Applicants date to November 2015, comprising emails forwarding initial versions of labels for MEZQUILA bottles¹⁵ and a production timeline.¹⁶ Under our precedent, the fact that these documents were created nearly a year after the trademark application was filed is not dispositive. In *Lane Ltd. v. Jackson Int’l Trading Co.*, 33 USPQ2d 1351, 1356 (TTAB 1994), the Board found documentary evidence created nine to eleven months after the application was filed to be sufficiently contemporaneous evidence of intent. “Neither the statute nor the Board’s decision in *Commodore Electronics*[, 26 USPQ2d 1503,] expressly imposes any specific requirement as to the contemporaneousness of an applicant’s

¹³ Gabriel Discovery Test. at 78:9-79:10, 28 TTABVUE 264-65.

¹⁴ Applicants’ Brief at 28, 54 TTABVUE 29.

¹⁵ Exhibit 4 to Johnny Gabriel Trial Test., 37 TTABVUE 196-200; Exhibit 4 to Gabriel Discovery Test., 28 TTABVUE 277-81; Exhibit A to Gabriel Dec., 35 TTABVUE 6-11.

¹⁶ Exhibit 2 to Gabriel Discovery Test., 28 TTABVUE 271-72; Exhibit B to Gabriel Dec., 35 TTABVUE 12-14.

documentary evidence corroborating its claim of bona [f]ide intention. Rather, the focus is on the entirety of the circumstances, as revealed by the evidence of record.” *Lane Ltd.*, 33 USPQ2d at 1356; *see also Swiss Grill Ltd. v. Wolf Steel Ltd.*, 115 USPQ2d 2001, 2009 (TTAB 2015) (quoting *Lane Ltd.*).

Here, however, the circumstances include facts beyond the mere passage of time. First, no documents precede the filing of this proceeding on August 31, 2015, seven months after the application. Second, Mr. Gabriel testified as follows regarding the subject application: “I thought that it would be a good idea to have it [MEZQUILA] trademarked as a brand name in case I wanted to bring in my own Tequila.”¹⁷ This testimony is highly reminiscent of testimony the Court of Appeals for the Federal Circuit emphasized in affirming the Board’s finding of no bona fide intent in *M.Z. Berger*, 114 USPQ2d at 1899:

Critically, [Applicant’s principal] all but conceded that Berger had not yet made a firm decision to use the mark in commerce at the time of its application. J.A. 845 (“[I]f [Berger] decided to do a — either a technology watch or information watch or something that would have that type of characteristics that [iWatch] would be a good mark for it.”). *See, e.g., Research in Motion*, 92 USPQ2d at 1931 (applicant’s stated belief that the mark would be “a good mark for future use” does not establish a bona fide intent to use).

Third, Applicants filed an intent-to-use application for MEZQUILA for “mezcal” in International Class 33 in 2000, which was abandoned for failure to file a statement of use.¹⁸ This suggests that Applicants had the idea to use the term for many years

¹⁷ Gabriel Discovery Test., 21:11-15, 28 TTABVUE 234.

¹⁸ Exhibit A3 to Opposer’s Notice of Reliance, 27 TTABVUE 35-41.

but had not done so. The Trademark Act “was not intended to provide a warehouse for unused marks.” *Imperial Tobacco Ltd. v. Philip Morris, Inc.*, 899 F.2d 1575, 14 USPQ2d 1390, 1384 (Fed. Cir. 1990) (citing *Exxon Corp. v. Humble Exploration Co.*, 695 F.2d 96, 217 USPQ 1200, 1204-05 (5th Cir. 1983)).

Considering all the circumstances, including the timing of the creation of the production timeline and initial labels in relation to this proceeding, we find that no documentary evidence supports an objective bona fide intent to use the mark in commerce as of the application filing date. The burden of production thus shifts to Applicants to come forward with evidence adequately explaining or outweighing the failure to provide such persuasive documentary evidence of their intent to use the mark in commerce as of January 2015.

C. Applicants’ Evidence of Intent

Applicants identify several actions in support of their allegation that they had a bona fide intent to use the MEZQUILA mark in commerce as of the application filing date. We review the record relating to each of these actions in chronological order.

1. Discussions with Distilleries in February and September 2015

Mr. Gabriel testified that, in February 2015, Applicants met at their office with representatives of Don Ramon Distillery and another distillery he could not recall and asked them to distill a MEZQUILA product, but they declined due to pricing.¹⁹ However, Alejandro Valdes, the only other witness identified as being present at that meeting, testified that although he recalled Mr. Gabriel discussing creating a

¹⁹ Johnny Gabriel Trial Test. at 60:18-61:8, 70:1-73:15, 37 TTABVUE 61-74 & Exhibit 5, 37 TTABVUE 201.

beverage combining tequila and mezcal, he had no knowledge of the MEZQUILA mark:

Q. Is it fair to say that you have no knowledge concerning the applicants' – that is, Johnny and Rosalie Gabriel – intent to use the mark Mezquila?

A. Yes. Correct.

Q. And you certainly had no knowledge concerning Johnny and Rosalie Gabriel's intent to use the Mezquila mark as early as February of 2015?

A. Correct.²⁰

Next, Mr. Gabriel testified that Applicants traveled to Mexico September 3-6, 2015 for other purposes and, while there, met with representatives of the Sergio Vivanco Distillery regarding producing a MEZQUILA product.²¹ Mr. Gabriel testified that by the end of the meeting:

A. [] We knew we could not work with them because they wanted to use the ends of the distillation, which is usually the bad part.

Q. Okay. So at the price point you wanted to sell your Mezquila brand, they were not willing to give you the quality you wanted at that price?

A. Correct.²²

²⁰ Valdes Test. at 24:12-24, 25:25-26:15, 41 TTABVUE 25-27; *see also* Rosalie Gabriel Test. at 51:16-25, 53:5-7, 39 TTABVUE 52, 54 (“Q. Do you think you’ve ever talked to Alejandro Valdes about Mezquila? A. No.”).

²¹ Johnny Gabriel Trial Test. at 73:16-75:5, 37 TTABVUE 74-76; *see also* Valdes Test. at 19:3-12, 41 TTABVUE 20 (testifying that his company paid for the plane tickets for the Gabriels to visit the Don Ramon distillery in Guadalajara, Jalisco, in conjunction with a new product release).

²² Johnny Gabriel Trial Test. at 74:21-75:2, 37 TTABVUE 75-76. Rosalie Gabriel testified that she did not recall any conversations with Sergio Vivanco. Rosalie Gabriel Test. at 44:17-22, 39 TTABVUE 45.

This record at most supports a finding that Applicants had two meetings within seven months after the application was filed in which inquiries concerning distillation of a MEZQUILA product were raised and immediately dropped. Considering all the record evidence, we find that these meetings do not explain or outweigh Applicants' failure to provide persuasive documentary evidence of an objective intent to use the mark MEZQUILA in commerce as of the application filing date in January 2015.

2. Applicants' MEZQUILA Product

Beginning in November 2015, Applicants took a series of steps that resulted in their offer of tequila under the MEZQUILA mark in retail liquor stores in the fall of 2017. The weight of the evidence indicates, however, that these goods were offered in an attempt merely to reserve a right in the MEZQUILA mark rather than in the ordinary course of trade.²³

Under Texas law, the alcohol system requires separate actors in three tiers: supplier/manufacturer, distributor, and retailer.²⁴ Applicants are retailers who had not produced tequila before filing the application.²⁵ They first engaged in negotiations with an importer and bottler (Azar Distilling, LLC) and distributor (A to Z Wholesale Wine and Spirits, LLC) that did not result in a product being brought to market.²⁶

²³ Opposer also contends that the goods did not have proper regulatory approval, but did not introduce evidence sufficient to establish such a finding.

²⁴ Azar Test. at 10:9-15, 49 TTABVUE 11; *see also* Johnny Gabriel Trial Test. at 30:4-17, 37 TTABVUE 31 (describing plan requiring distillery, importer, and distributor).

²⁵ *See* Johnny Gabriel Trial Test. at 96:13-17, 37 TTABVUE 97 (“Q. Okay. So despite you having 40, 50 years of experience in the liquor industry, you weren’t a sophisticated tequila producer, correct? A. I have never distilled or produced any tequila in my life.”).

²⁶ *See, e.g.,* Romero Test. at 25:20-26:5, 40:18-41:4, 44 TTABVUE 26-27, 41-42.

Ultimately, Applicants did enter into an agreement with a tequila distillery based in Arandas, Jalisco, Mexico, Compania Tequilera de Arandas (“CTA”), to manufacture and bottle Applicants’ MEZQUILA tequila; and with Bazaco Enterprises, Inc. of Dallas (“Bazaco”) to import and distribute the product.²⁷ On August 14, 2017, Gabriel Holdings, Ltd. (the company majority owned by Applicants’ children²⁸) purchased 990 cases of Mezquila Gold Tequila and 550 cases of Mezquila Silver Tequila from Bazaco.²⁹ Bazaco imported one shipment of MEZQUILA-branded tequila into the United States around September 1, 2017.³⁰

The record indicates, however, that these sales are not producing income for either Applicants or their business partners and are not a bona fide use in the ordinary course of trade but were undertaken merely to reserve rights in the MEZQUILA mark. Johnny Gabriel testified that his agreement with CTA and Bazaco provides no royalties for the MEZQUILA mark and no compensation to him from sales of MEZQUILA tequila: “Q. So with respect to the [redacted] cases that you anticipate

²⁷ *E.g.*, Gabriel Dec. at ¶ 13 & Exhibit H, 35 TTABVUE 4 & 36 TTABVUE 26-31 [confidential]. Opposer’s objection to this document on the ground that it was produced late is overruled. The last signature on the agreement is dated October 17, 2017 and the document was produced in supplemental production just six days later, on October 23, 2017, before Opposer’s trial period opened. *See* Applicant’s Response to Opposer’s Evidentiary Objections at 6, 54 TTABVUE 62; Declaration of Brandon T. Cook ¶ 6 & Exhibit B, 54 TTABVUE 70, 73-74.

²⁸ Opposer’s Brief at 43, 48 TTABVUE 44.

²⁹ Gabriel Dec. at ¶ 10, 35 TTABVUE 4. Opposer’s objections as to lack of foundation and hearsay are overruled. The record shows that Applicants retain an ownership interest in Gabriel Holdings. *See* Johnny Gabriel Trial Test. at 12:1-10, 37 TTABVUE 13; Rosalie Gabriel Test. at 6:3-8, 39 TTABVUE 7.

³⁰ *See* Gabriel Dec. at ¶ 14, 35 TTABVUE 4.

receiving in Texas before the end of the year, are you going to be paid any amount for those? A. At this time, no.”³¹

Raul Romero Ornelas of CTA testified, moreover, that his company would produce no more MEZQUILA-branded products as a favor to Johnny Gabriel because the agreement was not profitable for any of the parties.³²

Q. Okay. So under this agreement, [Mr. Gabriel’s] not receiving any money from the sale of the product. Is that your understanding?

A. Yeah, really – I – that’s my understanding. This agreement – the purpose of this agreement was, first of all, he wanted to make sure that he owns the trademark first. . . .

...

Q. Did you just enter into this agreement as a favor to Mr. Gabriel?

A. Yeah, as I said, the main purpose was to – for him to be sure that the trademark belongs to him. That was the – the most important issue.³³

Similarly, Mr. Romero testified later in his deposition that:

Q. [] Do you anticipate working with Mr. Gabriel in the future to sell any more Mezquila product?

A. I don’t believe so. He said in the last meeting that he will not agree to the price that we’re giving him. He’s going to look maybe for a U.S. producer. It’s going to be complicated. It takes a really long time, but so – maybe he ha[d] in mind – and I’m trying to second-guess – but

³¹ Johnny Gabriel Trial Test. at 117:12-15, 37 TTABVUE 118; *see also id.* at 115:3-7, 37 TTABVUE 116.

³² *See, e.g.*, Romero Test. at 19:19-20:19, 25:14-27:9, 55:5-60:1, 44 TTABVUE 20-21, 26-28, 56-61.

³³ *Id.* at 26:21-28:10, 44 TTABVUE 27-29.

maybe he had in mind just to use the brand because there are some rules under U.S. PTO that you have to really use a trademark. Maybe he had that in mind, but I don't know.³⁴

D. Conclusion as to Bona Fide Intent To Use

We have carefully considered all of the parties' arguments and evidence of record, even if not specifically discussed herein. We find, based on the record before us, that Applicants' intent at the time they filed their application was merely to reserve a right in the MEZQUILA mark in case they decided to begin developing an associated product at some future time, rather than to use that mark on the identified goods in commerce as defined in Section 45 of the Trademark Act, 15 U.S.C. § 1127. *Cf. Research In Motion Ltd.*, 92 USPQ2d at 1931 (finding the fact that applicant's chief executive officer "believed BLACK MAIL to be a good mark for future use does not establish a bona fide intent to use"). Viewing all circumstances objectively, we cannot conclude that Applicants' actions reveal a bona fide intention to eventually use the mark in a real and legitimate commercial sense on the identified goods at the time they filed the application. Therefore, we find that Opposer has established, by a preponderance of the evidence, that Applicants lacked a bona fide intent to use the mark MEZQUILA at the time they filed their application.

Decision: Because we have found for Opposer on its claim of lack of bona fide intent to use, we need not reach the merits of its other claims. *See Multisorb Techs., Inc. v. Pactiv Corp.*, 109 USPQ2d 1170 (TTAB 2013). Specifically, we make no

³⁴ *Id.* at 76:7-18, 44 TTABVUE 77.

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findings as to whether MEZQUILA is descriptive, generic, or misdescriptive for alcoholic beverages, including beverages made from a mix of mescal and tequila.

We sustain the opposition under Trademark Act Section 1(b).