

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

Mailed: November 8, 2017

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board  
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*SaddleSprings, Inc.*  
*v.*  
*Mad Croc Brands, Inc.*  
—

Cancellation No. 92055493  
—

Michael J. Moffatt of Fulwider Patton LLP for SaddleSprings, Inc.

Alejandro Menchaca of McAndrews Held & Malloy Ltd. for Mad Croc Brands, Inc.

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Before Kuhlke, Ritchie and Adlin,  
Administrative Trademark Judges.

Opinion by Kuhlke, Administrative Trademark Judge:

SaddleSprings, Inc. (Petitioner) seeks to cancel, on the grounds of abandonment, nonuse and fraud, Mad Croc Brands, Inc.'s (Respondent) registration for the mark shown below ("CROC-TAIL mark") for:

alcoholic beverages, namely, ready to drink mixed alcoholic drinks; alcoholic beverages containing more than one and two-tenth % of alcohol by volume, namely, ready to drink mixed drinks based on distilled spirits in International Class 33.



(Registration No. 3211610), issued on February 20, 2007, as an extension of protection under Section 66(a) of the Trademark Act, 15 U.S.C. § 1141(f).

### **PRELIMINARY MATTERS**

Before reaching the merits of the claims we first address the effect of various deletions from the identification of goods in the subject registration during the course of this proceeding. The original identification of goods included two classes, as follows:

beers; beverages, namely, mineral and aerated waters, fruit drinks, fruit juices, energy drinks, carbonated soft drinks; frozen concentrated fruit drinks; concentrates and preparations for use in making all the aforesaid beverages in International Class 32; and

alcoholic beverages, namely, wine, distilled spirits, ready to drink mixed alcoholic drinks; alcoholic extracts; alcoholic beverages containing more than one and two-tenth % of alcohol by volume, namely, ready to drink mixed drinks based on wine and distilled spirits in International Class 33.

On February 7, 2013, after the April 18, 2012 filing date of this petition to cancel, Respondent filed its Section 71 maintenance declaration, 15 U.S.C. § 1141k, and deleted all goods in Class 32. The Section 71 filing was accepted by the Post Registration Branch of the USPTO on February 15, 2013 and the Class 32 goods were deleted from the registration. Thereafter, on May 10, 2013, Respondent filed a Section 7 amendment, 15 U.S.C. § 1057, to also delete certain other goods in Class 33 from the registration. On June 11, 2013, the Post Registration Branch denied this request because, unlike a Section 71 declaration, a Section 7 amendment may not be considered by that branch while a registration is the subject of a cancellation proceeding. Amendments to registrations that are the subject of a cancellation proceeding are governed by Trademark Rule 2.133, 37 C.F.R. § 2.133, and may only be amended by way of motion filed with the Board.

On August 29, 2016, concurrent with its brief on the case, Respondent filed a motion to amend the identification of goods by deleting “wine,” “alcoholic extracts” and “wine and” to read as follows:

Alcoholic beverages, namely, distilled spirits, ready to drink mixed alcoholic drinks; alcoholic beverages containing more than one and two-tenth % of alcohol by volume, namely, ready to drink mixed drinks based on distilled spirits.

Then, after briefing and before the Board considered the motion to amend (February 17, 2017) Respondent filed a second Section 71 maintenance declaration, requesting deletion of “wine,” “alcoholic extracts” and “wine and” along with “distilled spirits” from the identification to read as follows:

alcoholic beverages, namely, ready to drink mixed alcoholic drinks; alcoholic beverages containing more than one and two-tenth % of alcohol by volume, namely, ready to drink mixed drinks based on distilled spirits.

The Post Registration Branch accepted the Section 71 declaration on June 9, 2017 but apparently inadvertently did not incorporate all of the requested changes (shown in bold), such that the amendments are reflected in the record as follows:

[beers; beverages, namely, mineral and aerated waters, fruit drinks, fruit juices, energy drinks, carbonated soft drinks; frozen concentrated fruit drinks; concentrates and preparations for use in making all the aforesaid beverages] in International Class 32; and

alcoholic beverages, namely, [ wine, distilled spirits, ] ready to drink mixed alcoholic drinks; **alcoholic extracts**; alcoholic beverages containing more than one and two-tenth % of alcohol by volume, namely, ready to drink mixed drinks based on **wine and** distilled spirits in International Class 33.

The goods in brackets represent those goods that have been deleted from the registration based on the February 7, 2013 and February 17, 2017 Section 71 declarations of continuing use. In addition, we consider the wording “alcoholic extracts” and “wine and” to be deleted based on the assertion of continuing use in the February 17, 2017 Section 71 declaration. In view of the February 17, 2017 Section 71 declaration, the earlier-filed motion to amend is moot.

*Judgment Under Trademark Rule 2.134*

Because the Section 71 deletions occurred after the filing of the petition to cancel on the claims of abandonment and nonuse and without Petitioner’s written consent, and Respondent “consent[ed] to judgment of abandonment for the stricken goods” in its motion to amend, 67 TTABVUE 8, judgment on those claims is entered against

Respondent as to all of the goods in Class 32 and the stricken goods in Class 33.<sup>1</sup> See Trademark Rule 2.134(b), 37 C.F.R. § 2.134(b). With regard to the fraud claim (only brought against the goods in Class 33), because the second Section 71 deletion of certain goods from Class 33 occurred after briefing, the parties have tried the claim of fraud and no show cause order was issued, we do not enter judgment on that claim under Trademark Rule 2.134(b) and leave petitioner to its proof on that claim.

### PLEADINGS

In its petition for cancellation, petitioner alleges that: (1) Respondent “purchased” the subject registration and recorded “this purchase” in “June 2007”; (2) Petitioner filed an intent-to-use application (Serial No. 85496427) on December 15, 2011 for the mark CROCTAIL for wine and spirits; and (3) on March 26, 2012 the USPTO issued an Office Action refusing registration of Petitioner’s mark on the ground that the mark is confusingly similar to the mark in the subject registration. Pet. ¶¶ 1-3, 31 TTABVUE. Petitioner alleges the following claims: (1) nonuse in that Respondent has never used the registered mark in commerce; (2) abandonment in that Respondent ceased any use for at least three consecutive years prior to the

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<sup>1</sup> When a respondent permits one or some of the goods or an entire class of goods to be cancelled under Section 71, the Board generally will issue an order to show cause if the cancellation or expiration of those goods was the result of an inadvertence or mistake, or that the abandonment was not made for the purpose of avoiding the proceeding but was the result, for example, of a three-year period of nonuse which commenced well before respondent learned of the existence of the proceeding. TBMP § 602.02(b) (June 2017) (citing *Marshall Field & Co. v. Mrs. Fields Cookies*, 11 USPQ2d 1154, 1156 (TTAB 1989)). No show cause order was issued in this case; however, it is clear that the deletions in the Section 71 declarations were not done by mistake or inadvertence. Thus, entry of judgment on the abandonment and nonuse claims based on the deletions is appropriate as to these goods.

April 18, 2012 filing date of the petition to cancel, or engaged in “naked” licensing; and (3) fraud in maintaining the registration in Class 33 by submitting a “false” specimen of use and falsely asserting use on all of the goods in Class 33 in the Section 71 declaration.

In its answer, Respondent admits to the allegations regarding its registration in ¶ 1 of the petition and that Petitioner’s intent-to-use application (Serial No. 85496427) was refused based on Respondent’s registration. Ans. ¶¶ 1-3, 32 TTABVUE 2-3. Respondent also admits and alleges that “it does not itself sell CROC-TAIL branded alcoholic beverages,” ¶ 6, *id.* at 4; “it is not obligated to and has not registered the name CROC-TAIL with the Alcohol and Tobacco Tax and Trade Bureau,” ¶ 8, *id.* at 5; “it will rely on ... use by third parties, which offer and sell CROC-TAIL branded alcoholic beverages, in support of its continued use of the Registered Mark in support of its Registration,” ¶ 17, *id.* at 7; and “it did not sell or bottle the canned CROC-TAIL alcoholic beverage.” ¶ 22, *Id.* at 9. Respondent otherwise denies the salient allegations.<sup>2</sup>

### RECORD

The record includes the pleadings and, by operation of Trademark Rule 2.122(b)(1), 37 C.F.R. § 2.122(b)(1), the file of the registration subject to the petition for cancellation. The remaining evidence is listed below.<sup>3</sup>

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<sup>2</sup> Respondent asserted “affirmative defenses” that were not addressed in the briefs and are therefore waived. *Alcatraz Media, Inc. v. Chesapeake Marine Tours, Inc.*, 107 USPQ2d 1750, 1753 (TTAB 2013) (respondent’s affirmative defense not argued in brief deemed waived), *aff’d*, 565 F. App’x 900 (Fed. Cir. 2014) (mem.).

<sup>3</sup> Respondent’s motion to strike “those portions of petitioner’s trial brief citing to” exhibits A-K already stricken by the July 26, 2016 Board order is granted to the extent that those

Petitioner's trial period in chief:

Testimony deposition upon written questions (taken on November 27, 2014), with accompanying exhibits, of Mr. Ari Koivula, CEO of Ultra Premium Brands and majority shareholder of Voima Ltd. (original owner of the subject registration).<sup>4</sup>

Respondent's trial period:

Testimony deposition (taken on December 4, 2015), with accompanying exhibits, of Ms. Estefania Borrero, former employee of Respondent;<sup>5</sup> and

Testimony deposition (taken on December 4, 2015), with accompanying exhibits, of Mr. Robert Tamcsin, Respondent's CEO.<sup>6</sup>

Petitioner's rebuttal trial period:

Rebuttal Testimony (taken on January 25, 2016), with accompanying exhibits, of Ronald Berman, Petitioner's owner.<sup>7</sup>

Respondent objects to certain portions of Mr. Berman's rebuttal testimony as hearsay and to Exhibit A which was not produced during discovery. Exhibit A was created in 2014, and consists of an "investigative report" purportedly conducted by Mr. Berman. This report was completed long before trial opened and was first submitted as part of Petitioner's rebuttal testimony. It is directly responsive to

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portions that relate to exhibits that are not properly of record have not been considered. Respondent also moves to strike portions of the brief that "reference and cite[] to other materials that are not in the record – e.g., briefs filed during the proceeding." We may look at briefs and orders that are part of this proceeding and may refer to them. Of course, we may not rely on exhibits attached to prior motions, only evidence properly introduced at trial.

<sup>4</sup> Koivula Test., 52 TTABVUE.

<sup>5</sup> Borrero Test., 53 TTABVUE.

<sup>6</sup> Tamcsin Test., 54 TTABVUE.

<sup>7</sup> Berman Test., 55 TTABVUE.

Respondent's discovery requests to identify and produce all facts and documents on which Registrant will rely to support its allegations in its petition that Respondent had either never used the mark or ceased use of the mark. While it is not necessary to provide all items upon which a party ultimately relies at trial (e.g., examples of third-party use), providing this report at the time of rebuttal testimony, directly attacking Respondent's evidence of use, is too late. Supplementation of discovery requests must be prompt. *See Spier Wines (PTY) Ltd. v. Shepher*, 105 USPQ2d 1239, 1242-43 (TTAB 2012); *Great Seats Inc. v. Great Seats Ltd.*, 100 USPQ2d 1323, 1326-27 (TTAB 2011). Moreover, it is of limited probative value as it consists almost entirely of hearsay. In addition, Mr. Berman's testimony regarding the conversations with third parties is also hearsay. In view thereof, Respondent's motion to strike certain portions of the Berman deposition and Petitioner's brief are granted and these portions have not been considered. *See Alcatraz Media Inc. v. Chesapeake Marine Tours Inc.*, 107 USPQ2d at 1755 (Board does not generally strike testimony on the basis of substantive objections; rather such objections are considered by the Board in its evaluation of the probative value of the testimony at final hearing).

### **THE PARTIES**

Petitioner has been in the contract product packing business since 1996. Berman Test., 55 TTABVUE 15, 18. On December 15, 2011, Petitioner filed an intent-to-use application for the mark CROCTAIL for "wine and spirits" with the USPTO and on

March 26, 2012 the USPTO refused registration citing Respondent's registration. Ans. ¶¶ 2-3; 32 TTABVUE 3.

Although Respondent has never sold a canned caffeinated/alcoholic drink, it does sell a canned energy drink under the mark MAD CROC. *Tamcsin Test.*, 54 TTABVUE 11-12. The majority of energy drink sales under the MAD CROC mark were on-premises, meaning they were sold to alcohol or beverage distributors for resale in bars and restaurants. *Id.* at 17. On January 26, 2006, Voima Ltd., a Lichtenstein company, filed a request for extension of protection for the CROC-TAIL mark based on an international registration. The subject registration issued on February 20, 2007. Shortly thereafter Voima, Ltd. assigned the registration to Respondent on May 18, 2007. *See* Ans. ¶1, 32 TTABVUE 3; *see also* Reg. No. 3211610 Assignment Record Reel/Frame 3568/0001. Respondent's uses of the CROC-TAIL mark are discussed below.

### STANDING

In view of Respondent's admissions in its answer that Respondent's registration was cited as a bar to Petitioner's application, there is no issue that Petitioner has standing. Ans. ¶¶ 1-3, 32 TTABVUE 2-3. *See Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058 (Fed. Cir. 2014); *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842 (Fed. Cir. 2000); *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999); and *Lipton Ind's, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982).

## ABANDONMENT/NONUSE

Abandonment occurs when “use [of a mark] has been discontinued with intent not to resume such use. Intent not to resume use may be inferred from circumstances.” Section 45 of the Trademark Act, 15 U.S.C. § 1127. The Trademark Act specifically states that “[n]onuse for 3 consecutive years shall be prima facie evidence of abandonment.” 15 U.S.C. § 1127. Introduction of evidence of nonuse of a mark for three consecutive years constitutes a prima facie showing of abandonment and triggers a rebuttable presumption that a mark was abandoned without intent to resume use. *Exec. Coach Builders, Inc. v. SPV Coach Co.*, 123 USPQ2d 1175, 1180 (TTAB 2017) (citing *Rivard v. Linville*, 133 F.3d 1446, 45 USPQ2d 1374, 1376 (Fed. Cir. 1998)). *See also Imperial Tobacco Ltd. v. Philip Morris Inc.*, 899 F.2d 1575, 14 USPQ2d 1390, 1395 (Fed. Cir. 1990). The presumption shifts the burden to the party contesting the abandonment to produce evidence of either: (1) use of the mark during the statutory period; or (2) an intent to resume (or commence)<sup>8</sup> use during the statutory period. *Id.* The burden of persuasion however, always remains with the party asserting abandonment, which must prove it by a preponderance of evidence. *See Cerveceria Centroamericana S.A. v. Cerveceria India Inc.*, 892 F.2d 1021, 13 USPQ2d 1307, 1309 (Fed. Cir. 1989). Finally, as previously adjudicated in this case “[i]n the absence of justifiable non-use, Section 66(a) registrations which

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<sup>8</sup> The concept of “intent to commence use” in the context of an abandonment claim comes up in cases involving registrations issued under Sections 44 or 66 of the Trademark Act, as is the case here, wherein a showing of use is not required prior to registration. *Imperial Tobacco Ltd. v. Philip Morris, Inc.*, 899 F.2d 1575, 14 USPQ2d 1390 (Fed. Cir. 1990); *see also Rivard v. Linville*, 133 F.2d 1446, 45 USPQ2d 1374 (Fed. Cir. 1998).

have never been used, or for which use has been discontinued with no intent to resume use, may be subject to cancellation for abandonment even if the international registration remains valid and subsisting.” *Saddlesprings, Inc. v. Mad Croc Brands, Inc.*, 104 USPQ2d 1948, 1952 (TTAB 2012). Because the subject registration issued under Section 66(a), the earliest date on which the three-year period may trigger the statutory presumption of nonuse in this case is the registration date, February 20, 2007. *Dragon Bleu (SARL) v. VENM, LLC*, 112 USPQ2d 1925, 1931 (TTAB 2014).

To determine whether use of a mark is sufficient to support federal registration, we look to the statutory definition of “use in commerce”:

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—

(1) 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, ...

Trademark Act Section 45, 15 U.S.C. § 1127. “Use in commerce” requires that the transaction upon which the registration depends to be bona fide and that it is followed by “activities proving a continuous effort or intent to use the mark.”

*Avakoff v. Southern Pacific Co.*, 765 F.2d 1097, 226 USPQ 435, 436 (Fed. Cir. 1985).<sup>9</sup>

Mr. Koivula, the majority shareholder of Voima Ltd., testifies that Voima Ltd. sold a CROC-TAIL branded caffeine/alcohol drink in the can depicted below only in the Finnish market. Koivula Test., 52 TTABVUE 4-5, 7.



The marking at the top of the can “Pantti-Pant 0,15 €” shows this can is for sale in Finland and the Finnish Palpa organization (a Finnish deposit system) prohibits sales of such cans outside of Finland. *Id.* at 5. Voima Ltd. has not sold this product to Respondent and has not entered into an agreement to distribute, sell or supply the product in the United States and the product has not been sold in the United States. *Id.* at 5-6. Moreover, “[o]ther than a very small number of samples not

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<sup>9</sup> Use sufficient to establish priority, such as analogous use, is not sufficient to support registration where more technical use is necessary. See J. T. McCarthy’s, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 19:116 (2017).

intended for resale ... [no cans of the product have] ever been shipped, imported or otherwise delivered into the United States by anyone authorized to take such actions.” *Id.* at 6.

Mr. Koivula shipped cases of the canned caffeinated alcoholic beverage to Respondent and encouraged Respondent to “produce this product and actually sell it in the United States.” *Tamcsin Test.*, 54 TTABVUE 55. Apparently, at around that time in 2007, Respondent gave samples of this can to distributors to try “to test the likability and to see if a distributor would pick up a line and actually become [Respondent’s] official distributor for the product.” *Tamcsin Test.*, 54 TTABVUE 56. But Respondent never ultimately sold that product. *Id.* at 55. The Voima Ltd. cans were only used for promotional purposes.

Respondent claims that its purported use of the CROC-TAIL mark is connected to its MAD CROC energy drink. Specifically, when Mr. Tamcsin became the CEO of Respondent in 2009, he concluded that the majority of the sales of Respondent’s MAD CROC energy drink were to “alcoholic or beverage distributors.” 54 TTABVUE 17. When he went to “those distributors’ bars ... and ... saw how they promoted Mad Croc, ... that’s where [a MAD CROC sales representative] actually trained [him] on the concept of what a Croc-Tail was and how the promotion aspect of that -- of Croc-Tails was employed at the bar.” 54 TTABVUE 20. Mr. Tamcsin explains that:

[A] Croc-Tail is a drink and this recipe book that uses a Mad Croc – that uses a Mad Croc energy drink. So what Pat [the sales representative] showed me was that he – you know, we would measure how much of this was being consumed by taking a look at the particular order, that the orders that come from a particular bar, and that

information comes from the distributor. So essentially the more of these that we sold, the more of the Croc-Tails that we sold, it would be consuming a lot of the Mad Croc energy drink, and then the bar would order more of that from the distributor so we could measure in general terms of how well the sales is doing.

54 TTABVUE 26.

Respondent points to the following activities to show use of the CROC-TAIL mark to support a registration for alcoholic beverages:

Purchase of point-of-sale materials displaying the CROC-TAIL mark (drink recipe booklets, table tent cards, coasters and tattoos) used in third-party bars and restaurants;

CROC-TAIL drink stations on a boat to sell or give away beverages (MAD CROC energy drink mixed with alcohol) referred to as Croc-tails during a promotional event for their sponsored swimmer Skip Storch, which included coasters, recipe books and tattoos displaying the CROC-TAIL mark;

Brand ambassadors using point-of-sale displays to promote the sales of beverages based on recipes using the MAD CROC energy drink mixed with alcohol referred to as Croc-tails at third-party bars and restaurants; and

Training of bartenders in third-party bars and restaurants to make CROC-TAIL alcoholic beverages according to the recipes in the recipe books and coasters.

67 TTABVUE 27-8.

In July of 2007, Respondent began purchasing various items that included the CROC-TAIL mark (drink recipe booklets, table tent cards, coasters). Tamcsin Test. Exhs. 4-5, 38-49, 175-193. The last purchase in the record is April 30, 2008 (paid out on May 1, 2008). Exh. 4, 54 TTABVUE 184-188. These materials were used in

connection with Respondent's onsite promotions for the MAD CROC energy drink, discussed below.

With regard to the sponsorship of a swimmer and one promotional event that occurred on a boat in 2007, those activities occurred once two years prior to Mr. Tamcsin's tenure as CEO. Therefore, Mr. Tamcsin's testimony is not based on personal knowledge and the business records he reviewed for this event consist of an invoice and a payment record that simply records purchases for the event.<sup>10</sup> In his capacity as CEO he is able to attest to the invoice submitted under his testimony showing the purchase of various promotional items, and the cost for a Spirit Boat Cruise for the "Manhattan Marathon 2007" and bartenders for the "Croc-Tail Stations." Tamcsin Test. Exh. 6, 54 TTABVUE 195. The invoice dated July 30, 2007 (the payment record is dated August 10, 2007) also shows Respondent was charged for the Bar/Alcohol, bartenders etc. provided by the Spirit Boat Cruise. The type of items that are used to promote a brand (swim trunks, robe, flag, tip jars, etc.) are "Mad Croc Branded."<sup>11</sup>

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<sup>10</sup> Respondent's request that we take judicial notice of the event at the provided web link to Wikipedia is denied. *In re Jimmy Moore LLC*, 119 USPQ2d 1764, 1767-68 (TTAB 2016) (Board does not take judicial notice of Wikipedia entries); *Edom Laboratories Inc. v. Lichter*, 102 USPQ2d 1546, 1550 (TTAB 2012) (search summary inadmissible because it merely offers links to information not otherwise of record); *In re HSB Solomon Associates LLC*, 102 USPQ2d 1269, 1274 (TTAB 2012) (Board will not utilize web address to access site and consider whatever content appears).

<sup>11</sup> Tamcsin Test. Exh. 6, 54 TTABVUE 195.

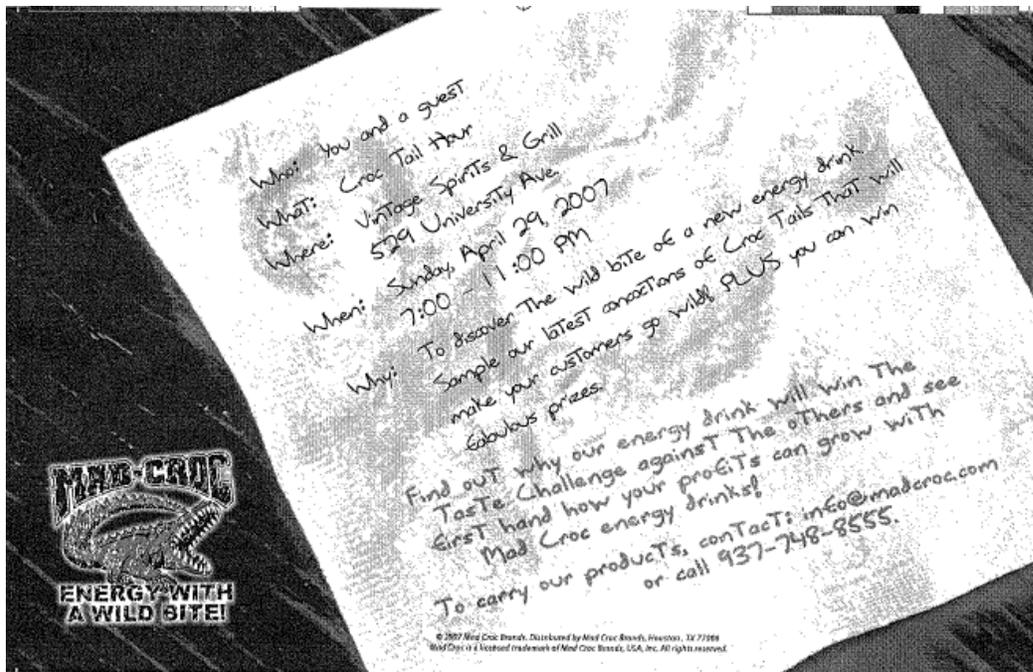
Quantity	Item Code	Description	Price
		Manhattan Marathon 2007	
	misc	The Spirit Boat Cruise - 120 attendees. Includes: All you can eat buffet, DJ, Cabaret Show, Boat administrative fees, linens, flexible extended hours, docking fees, off season taxes and special Croc-Tail Stations	
	misc	The Spirit Boat Cruise - Bar/Alcohol	
	misc	The Spirit Boat Cruise - 3 additional bartenders at the Croc-Tail Stations	
	Premium Item	Entry Boxes	
	Premium Item	Posters - 22" x 28" with dry erase laminate, Q=20	
	Premium Item	Dry Erase Markers, 1/Box, Q=20 total	
	Premium Item	Table Tents - 50/box, Q=1,000 - 4CP, 100# White Gloss Cover	
	Printing	Entry Pads, 12 pads of 50 sheets/box, Q=250 pads, 4CP/black, 70# white uncoated	
	Printing	Sales Sheet, 4CP/4CP, 80# white gloss text, Q=100	
	Printing	Welcome Sign for Entry to Spirit Cruise, 11" x 17", 4CP mounted on 3/16" white gator board with laminate	
	misc	Decorations, etc. for The Spirit Boat Cruise	
	misc	Plexi Stands for Croc-Tail Recipe Guides, 2/box, Q=40	
	misc	Mad Croc Branded Swim Trunks (Dolphin Brand) for Skip to wear	
	misc	Mad Croc Branded White Robe for Skip to wear after the marathon is over	
	Premium Item	Mad Croc Branded Tip Jars for Mt. Siani Fund Raiser, 1/box, Q=20	
	misc	Mad Croc Flag for the Motherload Boat	
	misc	Mad Croc Static Clings for the Motherload Boat as well as the other 3 boats that will be following, Q=12 total, 2/boat, 5" wide x 18" tall	
	Event Staffing	Cm2 Attendance Fee	
	Event Staffing	Cm2 Airfare, hotel & per diem	

Item Code	Description
Premium Item	Mad Croc Branded Beverage Wrench, 5/box, Q=100 - from Ohio office
Premium Item	Mad Croc Branded Plastic Stirrer, 200/box, Q=4,000 - from Ohio office
Premium Item	Mad Croc Silicone Wristbands, 50/box, Q=1,000 - from Ohio office
Premium Item	Mad Croc Branded Consters, 50/box, Q=1,000 - from Ohio office
Premium Item	Mad Croc Branded Buttons, 5/box, Q=100 - from Ohio office
Premium Item	Mad Croc Croc-Tail Recipe Books, 50/box, Q=1,000 - from Ohio Office
Premium Item	Mad Croc Croc-Tail Tattoos, 100/box, Q=2,000 - from Ohio Office
Creative Developm...	Concept Development, Creative Development and Mechanical Development for Sales Sheet, Entry Pads, Table Tents and Posters

The brand promotion here appears to be for the MAD CROC energy drink served either straight or mixed with alcohol. There is no testimony from a witness to verify the manner in which these promotional items were used and the documentary evidence consists of this invoice that refers to MAD CROC branded promotional materials, with Croc Tail stations where one of the one hundred and twenty guests

may have their MAD CROC mixed with alcohol according to one of the Croc Tail recipe guides and perhaps receive a “Croc Tail tattoo.”

Other evidence of use for 2007 consists of testimony and documentary evidence regarding promotions that took place in a handful of bars. The examples of use of the word “Croc Tail” promote Respondent’s actual product, the energy drink, by illustrating other ways it may be consumed, i.e., with alcohol. One example is displayed below:<sup>12</sup>



Respondent asserts that the “CROC-TAIL beverage is an alcoholic drink found in the CROC-TAIL recipe book” (67 TTABVUE 10) and describes its use of the CROC-TAIL mark as follows:

<sup>12</sup> Tamcsin Test. Exh. 3, 54 TTABVUE 173. The date displayed on the card is prior to the May 18, 2007 date of assignment of the registration and mark from Voima Ltd. to Respondent.

Registrant promoted its alcoholic beverages in bars, where alcoholic beverages are commonly sold, and sales of Registrant's branded alcoholic beverages were made by those bars according to Registrant's guidance and instructions. There is no evidence that any of those sales were made illegally or without the required government permits. All of this activity inures to the benefit of Registrant establishing Registrant's use of the Mark.

67 TTABVUE 7.

Although Mr. Tamcsin refers above to "its alcoholic beverages," he clearly attests "when we promote our Croc-Tails from the recipe book at the bar, we don't – we're not selling the alcohol. The bar is selling the alcohol." Tamcsin Test, 54 TTABVUE 60. Mr. Tamcsin unequivocally states that Respondent does not sell any alcoholic beverages. *Id.* at 85. *See also Id.* at 99 ("Q. The question is has the company ever sold any one of those defined items [goods identified in the registration]? A. Not to my recollection."). Mr. Tamcsin testifies that during his tenure as CEO (2009-2012) Respondent did not import or sell any alcoholic beverages in the United States. *Id.* at 86. The use Respondent relies on to support its registration is summed up as follows: "[W]e sell Mad Croc energy drink to distributors which is a component of the Croc-Tail beverages when it reaches the bar." *Id.* at 92.

In support of its position that the promotional efforts for the MAD CROC energy drinks as an ingredient in recipes called CROC-TAILS constitutes use in commerce in connection with the Class 33 alcoholic beverages, Respondent relies on the testimony of Ms. Borrero who was employed by Respondent from 2009-2012 to recruit, hire and train brand ambassadors to support new accounts. Borrero Test.,

53 TTABVUE 9-10. When asked how they promoted their brand as Croc-Tails she explains:

Basically, the Croc-Tails, we would push the sales for the Mad Croc, so basically we would go in, sell to the account, tell them that we would come and support the sales by promoting Croc-Tails, so they would – we had a booklet [recipe book] and the bartenders would make the drinks on the booklet and then that's the way we would help the account to push the products. ... But we had other supporting P.O.S. which was coasters and each coaster had a drink also. And we had table tents and we had some posters and the booklets.

Borrero Test., 53 TTABVUE 11-12.

She further explains:

So, basically, I would go to the account prior to the event, give the account the – the booklets, the coasters, the table tents and then would I train the – the bartenders as how to make the drinks so that when we would come later that night, they would be ready for the consumers. So, basically we would have the consumer come up, we would tell them that we were promoting Mad Croc and Croc-Tails. We would hand them a booklet. They could choose a drink, go to the bartender and the bartender would make the drink, come back and we would give them a shirt or a hat or whatever we were giving out that day. ... So we would provide the coasters and we would leave the table tents. So even when we were not there doing the promotions, the consumer would see the Croc-Tail and could order them. ... So for them to make Croc-Tails, they would have to follow the recipe.

*Id.* at 13-16.

The various promotional items had the CROC-TAIL mark on them. A few examples are reproduced below:<sup>13</sup>



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<sup>13</sup> February 7, 2013 Specimens, Section 71 declaration, TSDR at 2 – 10 (coasters, poster, recipe book). These specimens appear to be the same items submitted under Ms. Borrero's testimony but reproduce more clearly.



{ Mad Croc Mixers }



{ Croc N' Balls }

- 2 oz. Vodka
- 1 Can of Mad Croc

Enjoy over ice in a rocks glass.

For late nights, early mornings and anywhere in between. Describe it in three words?  
Nobody left behind.



4.

{ *What's a Croc-Tail?* }

A Croc-Tail combines what you need (energy), with what you want (alcohol). It's good for happy hour, the witching hour or any hour your game is on the fritz. The savvy combination of a Mad Croc energy drink and alcohol is sure to put you on your feet (and probably the dance floor). So enjoy. And be responsible.

And by responsible we mean, don't let your friends pick up the entire tab.

[maderoc.com](http://maderoc.com)

{ *Pick your potion.* }

Regular Sugar Free

Unslow yourself with two little guys that pack a big punch. They might look cute, but there's nothing cuddly about cans that whoop-ass.

2. 3.

Ms. Borrero emphasized that they were using the recipes “as a tool to push sales for Mad Croc” and “it got to the point where the regulars were familiarized enough with a Croc-Tail where they would order them even without us being there.” *Id.* at 19. The brand ambassadors (from ten to twenty) would make sure the bartenders were making the Croc-Tails based on the recipe book. *Id.* at 19. Some of the bars they promoted in were “The Cove, Tijuana Taxi, Firewater, Hurricane.” *Id.* at 20. They only used the canned premade caffeinated alcohol drink with the CROC-TAIL mark as a prop but never sold them. *Id.* at 21. Ms. Borrero describes a Croc-Tail as “one of the 13 recipes that are in [the recipe book] ... [and] [e]ach Croc-Tail has a name.” *Id.* at 24-25.

On cross examination Ms. Borrero detailed the process:

Q. You weren't selling Croc-Tails, you were selling the Mad Croc energy drink. Correct.

A. But we would explain to them that we would come and do promotions and explain to them how we had previously done, as I already explained.

Q. Right. And the bars would be buying the energy drink. Correct?

A. Mad Croc, yes.

Q. And they would be the ones that were preparing the mixed drinks. Correct?

A. The bartenders, after my explanation to them as to what would they have to make, so they had recipes in the booklets.

Q. And how did you monitor the bartenders creating these mixed drinks?

A. I – I just answered that. We were next to the bar. We would hand the consumer the booklet. The bartenders were prior trained, trained already prior to the promotion, and the booklet, they would identify which Croc-Tail they wanted and make them. ...

Q. How could you tell ... [t]hat their recipes were being followed[?]

A. I was – we were sitting – we were set up next to the bar. I would normally go and follow so that I could make sure that the consumer was actually purchasing a Croc-Tail.

*Id.* at 33-34.

These promotions in various locations happened every weekend. *Id.* at 35. These “accounts” would be supported with promotions for a month to three months. *Id.* at 38. But Respondent never sold any alcoholic beverages or any mixture containing alcoholic beverages bearing the CROC TAIL mark. *Id.* at 54.

She also testifies that the brand ambassadors handed out t-shirts as part of their promotions but there are no examples in the record other than the one she is wearing which displays the MAD CROC mark but as far as can be seen not the CROC-TAIL mark. *See* Borrero Test. Exh. 3, 53 TTABVUE 79.

In its brief, Respondent asserts that it “promoted its alcoholic beverages in bars, where alcoholic beverages are commonly sold, and sales of Registrant’s branded alcoholic beverages were made by those bars according to Registrant’s guidance and instructions.” 67 TTABVUE 7. Respondent explains that “[t]he CROC-TAIL beverages are only those recipes listed in the recipe book. A CROC-TAIL is one of the 13 recipes found in the CROC-TAIL recipe book.” *Id.* (citing Borrero Test. 53 TTABVUE 24). Respondent highlights its recipe book that has the CROC-TAIL mark on the cover and on every page features a recipe that includes Respondent’s energy drink and a picture of the canned energy drink displaying the MAD CROC mark. Respondent also points to a poster that includes the CROC-TAIL mark and pictures of Respondent’s energy drink and Voima Ltd.’s caffeinated alcoholic drink Respondent does not sell in the United States. There is no precise information as to when or where that poster was displayed. Ms. Borrero testifies that she “would bring this poster to the promotions and ... set it up wherever we had the space.” 53 TTABVUE 18. Moreover, at most the poster serves as point of display material for the canned energy drink or the canned caffeinated alcohol drink not sold in the United States.

As explained by Respondent in its brief: “As part of the promotions, the Mad Croc representatives would push the sales for Mad Croc energy drink and advise the customer that the brand representatives would support the sales by promoting the sale of CROC-TAIL alcoholic beverages.” 67 TTABVUE 18. *See also* Borrero Test. 53 TTABVUE 11. Respondent argues that it “has used the Mark in connection with CROC-TAIL alcoholic beverages by conducting promotional events at bars and restaurants where the CROC-TAIL alcoholic beverages are sold and using the point-of-sale displays to encourage consumers to purchase the beverages ... [but] [t]o the extent that additional use must be demonstrated, [Respondent] relies on the sales of the CROC-TAIL alcoholic beverages in bars and restaurants” pursuant to “an implied license.” 67 TTABVUE 33-34.

Respondent was clearly promoting its energy drink to be used as a mixer with alcohol. Respondent’s reliance on the third-party bars’ sales of their own alcoholic drinks mixed with Respondent’s energy drink is not use by a related company. Under the Trademark Act a related company is defined as:

The term “related company” means any person whose use of a mark is controlled by the owner of the mark with respect to the nature and quality of the goods or services on or in connection with which the mark is used.

Trademark Act Section 45, 15 U.S.C. § 1127.

There is no evidence of a licensing agreement, implied or otherwise. The testimony simply describes efforts to promote Respondent’s energy drink to be used with recommended recipes. For example, Mr. Tamcsin testifies as follows:

Q. What steps does Mad Croc Brands, Inc. take to ensure that the beverages that you're defining as Croc-Tails are consistently created?

...

A. .... The steps were the new customer or bar would agree to have the promotional event. Promotional brand ambassadors from those distributors or from our office would go there and describe the event and prepare them for the events by bringing – bringing or shipping promotional material to the bar. They would set up a stand for gifts and for giveaways and for the Croc-Tail recipe books. They would – initially, they would instruct the bartenders as to what a Croc-Tail was from the recipe books. Then when the – when the promotion starts, usually from 7:00 to 10:00-ish, the girls would be promoting by handing out the Croc-Tail recipe books and showing them the current beverages that are being promoted, trying to entice them to go to the bar and actually get a Croc-Tail beverage. Then after they would receive that beverage or buy the beverage, they could come back and pick a gift from the table, from the promotion's table.

54 TTABVUE 108.

Q. And you sent people in to monitor these bars, to make sure that they were mixing the drinks correctly pursuant to the formula?

A. Correct.

Q. How often did you do that?

A. It was a part of the practice, so if we got a new customer, it was done on average weekly.

Q. Who would go in to monitor these?

A. The different brand leads that we had.

Q. Did they file a report with you?

A. They filed sales reports, yes.

Q. And the sales were for?

A. The sales were for how much product that they actually consumed the night of the promotion.

Q. And the product that was being sold was Mad Croc. Correct?

A. That's correct.

54 TTABVUE 112.

A. ... Certain distributors would give us a sales report from their customers that would show the Croc-Tails that were being sold and other states did not, but we generally did rely on – since we didn't sell directly, we relied on the reports that were provided to us by the beverage distributors.

Q. And would that be on the sales of Croc-Tails or the sales of Mad Croc energy drinks?

A. We would definitely get a sales report for Mad Croc energy drinks but then we would also at some locations get a report on the actual Croc-Tails that were sold at those locations.

Q. And you have those?

A. They – yeah.

Q. The company still maintains those reports. Correct?

A. Those reports come from the beverage distributors, they are maintained by the beverage distributors and they give us that as part of a report at the end –

Q. Right. And so you have a copy of that in your records?

A. We have some.

54 TTABVUE 117-118.

Q. Do you have any written license agreements between the company Mad Croc Brands, Inc. and the bars that are selling Croc-Tails?

...

A. I don't believe so, no.

...

Q. And you didn't monitor the bars to find out after you left what they were using the coasters for, did you?

A. No, not all the time, but they definitely used them for our beverages. They might have used them for other things as well, beers and other drinks. We didn't complain about that.

54 TTABVUE 123.

Respondent particularly relies on *The Nestle Co. Inc. v. Nash-Finch Co.*, 4 USPQ2d 1085 (TTAB 1987) in support of its argument that an implied license exists between it and the bars selling alcoholic drinks mixed with Respondent's energy drink. However, the factual circumstances of this case as outlined above are not even remotely similar to those presented in *Nestle v. Nash*. In that case, Applicant applied for the mark DELI QUIK for various prepared-food items and its use of DELI QUIK is described in the following manner:

Applicant is a wholesale food distributor to supermarkets and grocery stores primarily in the midwestern states of North Dakota, South Dakota, Nebraska, Kansas, Iowa, Minnesota and Illinois. Applicant services some 390 affiliated stores and, in addition, applicant owns and operates some 90 supermarkets, grocery stores or warehouse type markets. Both the company-owned and affiliated stores carry a full range of grocery items, including NESTLE QUIK and QUIK products.

Of the 390 affiliated stores and 90 company owned stores, some 92 stores have delicatessen departments offering a variety of food for consumption on or off the premises or for preparation at home with minimal effort. Applicant adopted and has continuously used, since approximately

1972, the service mark DELI-QUIK for the services of rendering technical aid and assistance in the establishment and/or operation of delicatessen departments in retail grocery stores. Applicant secured a registration for this service mark on November 11, 1975. In 1981, applicant began using DELI QUIK as a trademark for various delicatessen products sold in the company-owned or affiliated stores, including those goods recited in the opposed application. Applicant's stores, both company-owned and affiliated, extensively advertise their products, including the DELI QUIK delicatessen products, through newspapers, handouts and the like.

*Id.* at 1087.

The relationship with the affiliated stores is described as follows:

The record demonstrates that when a store becomes affiliated with applicant, it enters into a contractual agreement setting forth the various conditions of affiliation. While there is no written license agreement dealing specifically with DELI QUIK per se, it is apparent that an affiliated store electing to participate in the merchandising program offered by applicant becomes a licensee to use applicant's various trademarks, including DELI QUIK.

Applicant's activities in connection with controlling the nature and quality of the goods sold under the mark include training of licensees. A deli training manual exists for purposes of training corporate store and affiliated store personnel. The manual concerns various subjects ranging from advice in maintaining product displays to storage and handling of food, sanitation and the like. A six-month training program is offered to deli managers and assistant managers. Attendance is mandatory for company store personnel and voluntary for affiliated store personnel. The manual is also used in connection with seminars held approximately four times a year for deli personnel. These seminars are not mandatory for affiliated store personnel. While not required, it is recommended by applicant that a copy of the manual be kept on all delicatessen premises.

*Id.* at 1088.

It was under this backdrop that the Board found that “the lack of a written license specifically pertaining to use of the DELI QUIK mark” was not required. *Id.* at 1089. *Cf. Haymaker Sports, Inc. v. Turian*, 581 F.2d 257, 198 USPQ 610, 613 (CCPA 1978) (naked license found where licensor had no interest in product quality and exercised no control); *First Nat’l Bank of Omaha v. Autoteller Sys. Serv. Corp.*, 9 USPQ2d 1740, 1743 (TTAB 1988) (invalid license found where licensor “neither established a quality standard nor took any action to ensure that [licensee] measured up to it”).

By contrast, here, Respondent holds promotional events at a bar (not at a “company-owned” or “affiliated” bar) to increase its sales of the MAD CROC energy drink and then moves on, without a continuing relationship. As Ms. Borrero testifies, the “accounts” would be supported with promotions for only a month to three months. 53 TTABVUE 38. The resulting cocktail purchased by the bar patron is not sold by Respondent and the sales of those cocktails do not benefit Respondent other than by increasing the sales of its MAD CROC energy drink. If anything, “Croc Tail” is used to promote the Respondent’s energy drink and not a cocktail, and the “monitoring” of the drink proportions ensure the MAD CROC product is successful as a mixer. Mr. Tamcsin testifies Respondent definitely receives sales reports for its MAD CROC energy drink, but it’s hit or miss if Respondent receives sales reports of the cocktails. None of these reports were provided as exhibits. Petitioner appropriately concludes that Respondent “simply sells energy drinks, in as many ways as it can, including in bars and restaurants.” 65 TTABVUE 48.

Reaching for another possible explanation to support use for Class 33 alcoholic beverages Respondent argues:

Regarding [Voima Ltd.'s] canned CROC-TAIL products, the canned CROC-TAIL product had been imported into the United States, kept in inventory in Houston and Ohio, and then shipped in interstate commerce to Florida. Mad Croc used the canned CROC-TAIL product for promotional activities. Mad Croc also handed out samples of the canned CROC-TAIL product for distributors to try and to present at different bars to see what the customers would think of the product. This disposition of samples of the canned CROC-TAIL product after the product had been imported and transported in interstate travel constitutes use to support the Registration.

67 TTABVUE 28-9.

The record is not at all clear as to how the European canned drinks came to be in Respondent's inventory other than Mr. Koivula attested he shipped a small number of samples. However they arrived, the importation of the cans by itself does not establish Respondent's use in commerce of the mark in connection with alcoholic drinks. *See Avakoff v. Southern Pacific Co.*, 226 USPQ at 436 (shipment of goods in preparation for offering the goods for sale not use in commerce). Respondent's reliance on *In re Silenus Wines, Inc.*, 557 F.2d 806, 194 USPQ 261 (CCPA 1977) is misplaced. In that case, the predecessor court of the Court of Appeals for the Federal Circuit determined that intrastate sales of imported wine satisfies the "use in commerce" requirement to support registration. Here, we have no sales, intra or interstate, of the "imported" cans which were never for sale in the U.S. market.

To demonstrate its intent to continue using the CROC-TAIL mark Respondent asserts that:

[It] has explored importation and distribution of the canned CROC-TAIL product through Sand Dollar Distributing. In 2011-2012, Mad Croc also investigated marketing a prepackaged CROC-TAIL product. These facts demonstrate that Mad Croc has a continuing intent to continue use of the MARK.

67 TTABVUE 29.

Mr. Tamcsin testifies that for approximately 6 months (end of 2010 to early 2011) he was in discussions with a third-party distributor to distribute and sell a canned caffeinated alcoholic beverage, and had an arrangement been made, a third party would have been selling the canned beverage on Respondent's behalf. *Id.* at 59-60.

These discussions occurred after the statutory period of nonuse (February 20, 2007-February 20, 2010).<sup>14</sup> Moreover, as testified, Respondent has not reordered the "point-of-sale" materials (coasters, etc.) since 2009:

Q. Since you've been president of the company, you have not reordered any of the coasters?

...

A. No, we did not reorder anything between 2012 and 2009.

Q. None of these promotional materials, these point of sale materials?

A. Between 2009 and 2012, correct.

Tamcsin Test. 54 TTABVUE 125-6.

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<sup>14</sup> In addition, the testimony on those discussions and the mocked up invoices are somewhat vague and are not sufficient to show a bona fide intent to begin use. *M.Z. Berger & Co. v. Swatch AG*, 787 F.3d 1368, 114 USPQ2d 1892, 1898 (Fed. Cir. 2015) ("bona fide intent" to use a mark in commerce requires objective evidence of intent and "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").

Finally, With regard to the legality of selling pre-mixed caffeinated alcoholic beverages, Mr. Tamcsin testifies as follows:

...

Q. Does Mad Croc have caffeine as one of its ingredients?

A. Yes, it does.

Q. Do you believe that it would be legal to import a premixed alcoholic beverage with a Mad Croc energy drink as one of its components?

...

It was my understanding that, when I took over the company, it was allowed and I think during my tenure – and I don't know the exact date – it had something to do with Four Loko having killed some other people or whatever, but there was a change. The F.D.A. made a ruling the last five years about that. So I think at this point, yes, we would not be importing a product that has both alcohol and caffeine in it today.

54 TTABVUE 96-97.

Q. Okay. Up to – so in 2009, it was legal to sell caffeinated alcoholic beverages?

A. Correct.

Q. So at sometime there was an incident, Four Loko, and then it became a lot more regulatory issues with selling caffeinated beverages?

A. Correct. Caffeinated alcoholic beverages.

Q. Caffeinated alcoholic beverages. So Four Loko, they still sell beverages, alcoholic beverages?

A. Correct. They – my understanding from the research I've done is they sell alcoholic beverages and took the caffeine out after the F.D.A. or a regulatory board demanded they do so.

54 TTABVUE 133-4.

In summary, this record does not show “bona fide use of [the CROC-TAIL mark] in the ordinary course of trade” in connection with the Class 33 goods upon which Respondent may rely to support registration. The cocktails sold at third-party bars and restaurants are not Respondent’s goods and these third parties are not related companies, as contemplated by the Trademark Act. Moreover, Respondent’s activities were clearly directed at promoting the sales of its energy drink sold under the MAD CROC mark. Finally, Respondent’s asserted activities do not evidence an intent to commence or resume use. In view of the lack of use for over three years since the date of registration and no intent to commence use, Petitioner has established its abandonment/nonuse claims.

In view of our decision on the nonuse/abandonment claims we do not reach the fraud claim.<sup>15</sup>

## CONCLUSION

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<sup>15</sup> We note, however, that as one of the specimens of use, Respondent submitted Voima Ltd.’s can sold in the Finnish market. Respondent argues that “Mad Croc used the canned CROC-TAIL beverage both as a sample and as a point-of-sale display [and] ... there is no evidence that Mr. Menchaca sought to deceive the Trademark Office by submitting as specimens photographs of the poster or canned CROC-TAIL PRODUCT.” 67 TTABVUE 44. However, the Section 71 declaration lists the following as specimens of use:

Photographed product, poster display, promotional buttons,  
and digitally captured drink mixer guide.

In the “miscellaneous statement” it is clarified that “[t]he poster, the drink coasters, the buttons, and the recipe guide shown in certain of the specimens are point-of-sale displays designed to catch the attention of purchasers and prospective purchasers as an inducement to make a sale. The posters, the drink coasters, the buttons, and the recipe guide are displayed in an establishment where alcoholic beverages are sold to induce purchasers to purchase CROC-TAIL alcoholic beverages. The CROC-TAIL alcoholic beverages are served on the drink coasters.” The “photographed product” is notably not characterized as point-of-sale material, and could be taken as simply the product for sale.

We find that Petitioner has not used its mark in connection with the remaining goods in Class 33. We have considered all of Respondent's arguments to the contrary, including any arguments not specifically discussed in this opinion, but we are not persuaded thereby.

**Decision:** The petition to cancel Respondent's Registration No. 3211610 is granted. Respondent's registration will be cancelled in due course.