

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

Mailed: January 4, 2017

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board  
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*Patron Spirits International AG*  
*v.*  
*Pisco Porton, LLC*  
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Cancellation No. 92059527  
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Bernard R. Gans and Jessica Bromall Sparkman of Jeffer Mangels Butler & Mitchell LLP for Patron Spirits International AG.

Gary D. Krugman and Kevin G. Smith of Sughrue Mion PLLC for Pisco Porton, LLC.

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Before Kuhlke, Wolfson and Heasley,  
Administrative Trademark Judges.

Opinion by Kuhlke, Administrative Trademark Judge:

Patron Spirits International AG (Petitioner) seeks to cancel Pisco Porton, LLC's (Respondent) registration for the mark PORTÓN in standard characters for "Distilled spirits; brandy; pisco" in International Class 33.<sup>1</sup>

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<sup>1</sup> Registration No. 4116059 filed on January 13, 2011, under Section 1(a), 15 U.S.C. § 1051(a), issued on March 20, 2012, claiming a date of first use and first use in commerce on December 11, 2011.

As grounds for cancellation, Petitioner alleges likelihood of confusion under Section 2(d) of the Trademark Act, 15 U.S.C. § 1052(d), based on its common-law use and registration of the mark PATRON.<sup>2</sup> Petitioner pleaded two registrations for the mark PATRON registered in typed form<sup>3</sup> for “tequila,” in International Class 33<sup>4</sup> and in standard characters for “tequila; distilled spirits,” in International Class 33.<sup>5</sup>

In its answer, Respondent admits the allegations regarding its registration (Ans. ¶ 7, 4 TTABVUE 3) and otherwise denies the salient allegations. Respondent also asserted the affirmative defense of “the equitable doctrine of laches and acquiescence.” Ans. ¶ 16, 4 TTABVUE 4. In a November 16, 2015 order, the Board indicated that this defense was insufficiently pleaded inasmuch as Respondent had not alleged specific conduct in support of the affirmative defense. 14 TTABVUE 1-2. *See Lincoln Logs Ltd. v. Lincoln Precut Log Homes, Inc.*, 971 F.2d 732, 23 USPQ2d 1701 (Fed. Cir. 1992); *Midwest Plastic Fabricators Inc. v. Underwriters Laboratories Inc.*, 5 USPQ2d 1067 (TTAB 1987). However, Respondent took testimony that relates to the defense<sup>6</sup> and Respondent and Petitioner addressed this defense in

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<sup>2</sup> Petitioner also brought a claim of dilution, but did not present evidence or argument on that claim; in view thereof, we consider it waived. *See Alcatraz Media, Inc. v. Chesapeake Marine Tours, Inc.*, 107 USPQ2d 1750, 1753 (TTAB 2013), *aff'd* 565 F.Appx. 900 (Fed. Cir. 2014).

<sup>3</sup> Prior to November 2, 2003, “standard character” drawings were known as “typed” drawings. A typed mark is the legal equivalent of a standard character mark. TMEP § 807.03(i) (October 2016).

<sup>4</sup> Registration No. 1809473.

<sup>5</sup> Registration No. 2969941.

<sup>6</sup> *See, e.g.*, Kallop Test. 21 TTABVUE 23 (“Q. Are you aware of any challenge or objection to this registration by Patron? A. No.”)

their briefs. In view thereof, to the extent the defense was insufficiently pleaded we consider it to have been tried by implied consent. *UMG Recordings Inc. v. Mattel Inc.*, 100 USPQ2d 1868, 1872 n.3 (TTAB 2011) (implied consent found where nonoffering party raises no objection to introduction of evidence on the issue and was fairly apprised that the evidence was being offered in support of the issue); *Citigroup Inc. v. Capital City Bank Group, Inc.*, 94 USPQ2d 1645, 1650, 1655-56 (TTAB 2010) (Board deemed unpleaded affirmative defense of tacking by prior use of an unpleaded mark to have been tried by implied consent pursuant to Fed. R. Civ. P. 15(b)), *aff'd*, 637 F.3d 1344, 98 USPQ2d 1253 (Fed. Cir. 2011).

### 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 subject registration. Petitioner submitted under notice of reliance printouts from the USPTO Trademark Electronic Search System database (TESS) consisting of copies of its pleaded registrations showing their current status and title.<sup>7</sup> The registrations are summarized as follows:

Registration No. 1809473 on the Principal Register for the mark PATRON in typed form for “tequila,” in International Class 33, filed on July 28, 1992, issued on December 7, 1993, combined Section 8 & 15 declaration accepted and acknowledged, renewed. The registration includes the following translation: “The English translation of ‘PATRON’ is ‘patron’, ‘protector’, ‘landlord’ or ‘boss’.”

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<sup>7</sup> 15 TTABVUE.

Registration No. 2969941 on the Principal Register for the mark PATRON in standard characters for “tequila; distilled spirits,” in International Class 33, filed on August 25, 2003, issued on July 19, 2005, combined Section 8 & 15 declaration accepted and acknowledged, renewed. The registration includes the following translation: “The English translation of PATRON is of the protector, of the landlord or of the boss.”

In addition, Petitioner submitted under notice of reliance the following: (1) Respondent’s responses and objections to Petitioner’s first request for admissions; (2) Respondent’s responses and objections to Petitioner’s first request for documents indicating no documents exist to certain requests;<sup>8</sup> (3) Respondent’s responses and supplemental responses to Petitioner’s substitute interrogatories to Respondent; and (4) printouts from various third-party websites.<sup>9</sup>

Respondent submitted: (1) the testimony, with accompanying exhibits, of Brent Kallop, Respondent’s vice president;<sup>10</sup> and (2) under notice of reliance, Respondent’s other registrations and dictionary definitions.<sup>11</sup>

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<sup>8</sup> While produced documents may only be made of record by way of notice of reliance under certain conditions (as a printed publication, official record, response to an interrogatory or the subject of an admission), responses to document production requests are admissible for the purpose of showing that a party has stated that there are no responsive documents. *City Nat’l Bank v. OPGI Mgmt GP Inc./Gestion OPGI Inc.*, 106 USPQ2d 1668, 1674 n.10 (TTAB 2013).

<sup>9</sup> 15 TTABVUE.

<sup>10</sup> 20 TTABVUE (redacted); 21 TTABVUE (confidential).

<sup>11</sup> 19 TTABVUE. The relevance of Respondent’s other registrations was to show that Respondent owned two unchallenged registrations that contain the mark PORTÓN. However, Petitioner subsequently filed a petition to cancel these registrations prior to their five year deadlines and the proceedings therein are suspended. Pet. Brief, 25 TTABVUE 3; Resp. Brief, 26 TTABVUE 13.

## STANDING/PRIORITY

Petitioner's pleaded and proven registrations for its mark PATRON establish that Petitioner has standing. *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). Petitioner likewise has established priority of use. Respondent "concedes that Petitioner has established priority of use of the mark PATRON for tequila and distilled spirits by virtue of its notice of reliance on its pleaded Registration Nos. 1,809,473 and 2,969,941." Resp. Brief, 26 TTABVUE 7. The filing dates of Petitioner's registrations are earlier than the filing date of Respondent's registration and Respondent's first use date of December 11, 2011 established through testimony.<sup>12</sup> *See Brewski Beer Co. v. Brewski Brothers Inc.*, 47 USPQ2d 1281, 1284 (TTAB 1998).

With Petitioner's standing and priority established, we turn to the issue of likelihood of confusion under Section 2(d).

## LIKELIHOOD OF CONFUSION

Our likelihood of confusion determination under Section 2(d) 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 and Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). *See also, In re Majestic Distilling Co.*, 315 F.3d 1311, 65 USPQ2d

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<sup>12</sup> Kallop Test. 20 TTABVUE 18.

1201 (Fed. Cir. 2003) (listing thirteen factors). Two key considerations are the similarities between the marks and the similarities between the goods. *See Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24 (CCPA 1976).

Relatedness of the Goods,  
Channels of Trade, Classes of Consumers

We begin with the goods, channels of trade and classes of purchasers. We must make our determinations under these factors based on the goods and services as they are recited in the respective registrations. *See Octocom Systems Inc. v. Houston Computers Services, Inc.*, 918 F.2d 937, 16 USPQ2d 1783, 1787 (Fed. Cir. 1990) (“The authority is legion that the question of registrability of an applicant’s mark must be decided on the basis of the identification of goods set forth in the application regardless of what the record may reveal as to the particular nature of an applicant’s goods, the particular channels of trade or the class of purchasers to which sales of the goods are directed.”); *In re Elbaum*, 211 USPQ 639 (TTAB 1981).

Respondent’s “distilled spirits” are identical to Petitioner’s “distilled spirits” listed in Registration No. 2969941 and are legally identical to Petitioner’s “tequila” in Registration Nos. 1809473 and 2969941 inasmuch as “tequila” is a “distilled spirit.”<sup>13</sup> Similarly, Respondent’s “brandy” and “pisco” are legally identical to

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<sup>13</sup> Pet. Notice of Reliance Exh. 4, Respondent’s Responses to First Request for Admissions No. 14, 15 TTABVUE 34.

Petitioner's "distilled spirits" in Reg. No. 2969941 inasmuch as they are encompassed by "distilled spirits."<sup>14</sup>

Because the goods are identical in part and otherwise legally identical and because there are no limitations as to channels of trade or classes of purchasers in the registrations, we must presume that the parties' alcoholic beverages will be sold in the same channels of trade and will be bought by the same classes of purchasers. *In re Viterra Inc.*, 671 F.3d 1358, 101 USPQ2d 1905, 1908 (Fed. Cir. 2012) (even though there was no evidence regarding channels of trade and classes of consumers, the Board was entitled to rely on this legal presumption in determining likelihood of confusion). *See also Hewlett-Packard Co. v. Packard Press Inc.*, 281 F.3d 1261, 62 USPQ2d 1001 (Fed. Cir. 2002); *Canadian Imperial Bank, N.A. v. Wells Fargo Bank*, 811 F.2d 1490, 1 USPQ2d 1813 (Fed. Cir. 1987); *Genesco Inc. v. Martz*, 66 USPQ2d 1260, 1268 (TTAB 2003); *In re Smith and Mehaffey*, 31 USPQ2d 1531 (TTAB 1994). In view of the above, the *du Pont* factors of the similarity of the goods, the channels of trade, and classes of purchasers strongly favor a finding of likelihood of confusion.

#### Conditions of Sale

With regard to the conditions of sale, the ordinary channels of trade would include bars, restaurants, liquor stores and grocery stores where permitted. Petitioner argues that at least as to the channels of trade in restaurants and bars consumers may rely "on the brand names as spoken in making purchasing decisions" and "bars and restaurants are often noisy," which increases the potential

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<sup>14</sup> Pet. Notice of Reliance Exh. 4, Respondent's Responses to First Request for Admissions Nos. 15 and 16, 15 TTBVUE 35.

for confusion. Petitioner speculates as to possible scenarios wherein confusion could happen in these circumstances and requests judicial notice of the following facts: 1) bars and restaurants are often noisy; 2) orders in bars and restaurants are often placed verbally; and 3) drinks in bars and restaurants are often delivered to one's table unaccompanied by the bottle from which the alcohol was poured. Pet. Redacted Reply Br., 27 TTABVUE 9. While these could be considered facts that are "generally known within [the Board's] jurisdiction" under Fed. R. Evid. 201(b) as to those particular trade channels,<sup>15</sup> and therefore we may take judicial notice thereof, such circumstances point more toward whether the noisy atmosphere of a bar or crowded restaurant makes any aural similarities in the marks more manifest, discussed *infra*, rather than whether the noisy atmosphere makes particularly acute conditions of sale suggesting impulse, versus careful, purchasing. Nonetheless, because the identifications of goods do not restrict them to a high price point that could encourage a more careful purchase, we must consider in our analysis all purchasers, including the less discerning. *In re Bercut-Vandervoort & Co.*, 229 USPQ 763, 765 (TTAB 1986) (average ordinary wine consumer must be looked at in considering source confusion).

Overall, we find this factor weighs slightly in Petitioner's favor in all of the trade channels.

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<sup>15</sup> See, e.g., *L.C. Licensing Inc. v. Berman*, 86 USPQ2d 1883, 1889 (TTAB 2008) (taking judicial notice that the licensing of commercial trademarks on "collateral products" has become a part of everyday life).



Similarity/Dissimilarity of the Marks

We turn to the *du Pont* factor of the similarities and dissimilarities between Respondent's mark PORTÓN and Petitioner's mark PATRON. We analyze "the marks in their entireties as to appearance, sound, connotation and commercial impression." *In re Viterra Inc.*, 101 USPQ2d at 1908 (quoting *du Pont*, 177 USPQ at 567). *See also Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1691 (Fed. Cir. 2005). Where, as here, the goods or services are identical in part and legally identical in part, the degree of similarity between the marks necessary to support a determination that confusion is likely declines. *See Bridgestone Americas Tire Operations, LLC v. Fed. Corp.*, 673 F.3d 1330, 102 USPQ2d 1061, 1064 (Fed. Cir. 2012); *In re Viterra Inc.*, 101 USPQ2d at 1908; *In re Mighty Leaf Tea*, 601 F.3d 1342, 1348, 94 USPQ2d 1257, 1260 (Fed. Cir. 2010); *Century 21 Real Estate Corp. v. Century Life of Am.*, 970 F.2d 874, 23 USPQ2d 1698, 1701 (Fed. Cir. 1992); *In re Max Capital Grp. Ltd.*, 93 USPQ2d 1243, 1248 (TTAB 2010); *In re Ginc UK Ltd.*, 90 USPQ2d 1472, 1477 (TTAB 2007).

The marks are similar in appearance in that they are two-syllable six letter words that begin with P followed by a vowel, end with ON, and have a T and R combination in the middle. We further observe as to the element of appearance, because the marks in the registrations are in standard characters, we must consider all depictions of the marks including the same manner of depiction regardless of the font style, size, or color. *See In re Viterra Inc.*, 101 USPQ2d at 1910; *Citigroup Inc. v. Capital City Bank Group, Inc.*, 637 F.3d 1344, 1353, 98 USPQ2d 1253, 1259 (Fed.

Cir. 2011). As used in commerce, both marks bring the leg of the R lower and Petitioner sometimes uses the diacritical mark over the O.



The syllable and spelling similarities also create similarity in sound. And as noted above, the similarity in sound is significant because both parties' beverages are sold in the sometimes noisy atmosphere of a bar or crowded restaurant.

As to connotation, the parties take different views. Petitioner argues that because both marks are Spanish words and a "sizeable majority of American consumers do not speak Spanish, and ... are not familiar with the Spanish meaning of the words PATRON and PORTÓN" ... the marks would have no meaning "other than as a trademark with a Spanish-language overtone" and "will leave identical commercial impressions."<sup>16</sup> Pet. Brief, 25 TTABVUE 14-15. Respondent argues that the marks have "entirely different meanings and connotations." Resp. Brief, 26 TTABVUE 19. Specifically, Respondent asserts that Spanish speakers would recognize the different meanings of "customer" "guest" "advocate" "boss" "employer" and "owner" "landlord/landlady" for PATRON and "gate" for PORTÓN;<sup>17</sup> whereas

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<sup>16</sup> Petitioner's request for judicial notice of the census data is granted. *Blackhorse v. Pro-Football, Inc.*, 111 USPQ2d 1080, 1098 n.114 (TTAB 2014), *aff'd* 112 F. Supp. 3d 439, 115 USPQ2d 1524 (E.D. Va. 2015), *appeal filed*, No. 15-1874 (4th Cir. Aug. 6, 2015).

<sup>17</sup> Wordreference.com ([www.wordreference.com](http://www.wordreference.com)); SpanishDict ([www.spanishdict.com](http://www.spanishdict.com)) Reverso ([www.dictionary.reverso.net](http://www.dictionary.reverso.net)), Resp. Notice of Reliance, 19 TTABVUE 19-36.

non-Spanish speakers would perceive PATRON as the English word “patron, i.e., one [who] gives support to a person or activity; a customer, especially a regular one, of a store, restaurant or theater, etc.”<sup>18</sup> *Id.* Respondent concludes that such customers would perceive PORTÓN “as a foreign looking and foreign sounding word but would not perceive it in a manner similar to how they would perceive the ordinary English word ‘patron’.” *Id.* Petitioner replies that PATRON would still be perceived as a Spanish word by non-Spanish speakers because “the meaning of a mark must be determined in reference to the context in which it is used” and in the context of tequila it will be perceived as a Spanish word. Pet. Reply Brief, 27 TTABVUE 7.

We find that a substantial number of non-Spanish speakers will perceive both terms, in the context of the goods that include tequila and pisco, as Spanish words, and any recognition of the English word “patron” will not sufficiently distinguish the marks. *See Brown Shoe Co. v. Robbins*, 90 USPQ2d 1752, 1756 (TTAB 2009).

We find the marks to be similar in appearance, sound, meaning and overall commercial impression, and this similarity in the marks, where the goods are identical and legally identical as discussed above, outweighs the dissimilarities, including the possible recognition of the dissimilarity in meaning by some

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<sup>18</sup> Dictionary.com based on RANDOM HOUSE DICTIONARY (2016) (www.dictionary.com). Respondent’s request for judicial notice of the English dictionary definition of “patron” is granted. The Board may take judicial notice of dictionary definitions. *Univ. of Notre Dame du Lac v. J.C. Gourmet Food Imp. Co.*, 213 USPQ 594 (TTAB 1982), *aff’d*, 703 F.2d 1372, 217 USPQ 505 (Fed. Cir. 1983), including online dictionaries that exist in printed format or regular fixed editions. *In re Red Bull GmbH*, 78 USPQ2d 1375, 1377 (TTAB 2006).

consumers. *Century 21 Real Estate Corp. v. Century Life of America*, 23 USPQ2d at 1701 (“When marks would appear on virtually identical goods or services, the degree of similarity [between the marks] necessary to support a conclusion of likely confusion declines.”). This factor weighs in Petitioner’s favor.

#### Fame

Petitioner asserts that its mark is famous but relies solely on printed publications to prove this point. While much of this evidence is probative on this issue to the extent it shows public exposure of its mark and third parties mentioning of its mark, the information in the publications (such as sales, shipments or market share) in the publications is hearsay and may not be relied on for the truth of the matter asserted. Nevertheless, some of the articles are probative to show that the “mark is sufficiently well-known to be among the brands included [in a lay consumer brand awareness survey].” *Swatch AG v. M.Z. Berger & Co.*, 108 USPQ2d 1463, 1466 (TTAB 2013), *aff’d*, *M.Z. Berger & Co. v. Swatch AG*, 787 F.3d 1368, 114 USPQ2d 1892, 1893 (Fed. Cir. 2015).

In the likelihood of confusion context, fame “varies along a spectrum from very strong to very weak.” *Midwestern Pet Foods Inc. v. Societe des Produits Nestle S.A.*, 685 F.3d 1046, 103 USPQ2d 1435, 1440 (Fed. Cir. 2012) (quoting *Palm Bay*, 73 USPQ2d at 1689. A famous mark is one that has extensive public recognition and renown. *Bose Corp. v. QSC Audio Prods., Inc.*, 293 F.3d 1367, 63 USPQ2d 1303, 1305 (Fed. Cir. 2002). Fame, if it exists, plays a dominant role in the likelihood of confusion analysis. *Kenner Parker Toys Inc. v. Rose Art Indus. Inc.*, 963 F.2d 350, 22

USPQ2d 1453, 1456 (Fed. Cir. 1992). In view of the extreme deference that is accorded to a famous mark in terms of the wide latitude of legal protection it receives, and the dominant role fame plays in the likelihood of confusion analysis, it is the duty of the party asserting that its mark is famous to prove it clearly. The commercial strength of a mark “may be measured indirectly, among other things, by the volume of sales and advertising expenditures of the goods or services traveling under the mark, and by the length of time those indicia of commercial awareness have been evident.” *Bose*, 63 USPQ2d at 1305. In addition, some context in which to place raw statistics may be necessary. *Id.* at 1309.

As noted above, Petitioner did not provide any measurable evidence as to sales or market share for the PATRON mark. Nonetheless, although the record does not support a finding of fame, such that it plays a dominant role, we find that PATRON has attained commercial strength for tequila and accord it a broader scope of protection.

#### Actual Confusion

Petitioner asserts that Respondent, through its agent, has admitted that consumers confuse PORTÓN with PATRON. Petitioner bases this contention on a quote, contained in an article in the online publication “The Drinks Business,” from Johnny Schuler, the General Manager of the Peruvian distillery that is substantially owned by Respondent and produces Respondent’s pisco for sale in the United States.<sup>19</sup> The article is the result of an interview with Mr. Schuler while he

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<sup>19</sup> Kallop Test. 20 TTABVUE 110.

was in London. Mr. Schuler is quoted as saying “Sometimes people get PORTÓN confused with PATRON Tequila, which can be a good thing for us” and “[the] names might be similar.”<sup>20</sup> Petitioner relies on Fed. R. Evid. 801(d)(2) to argue this is not hearsay because Mr. Schuler is “an employee of the PORTÓN corporate group” or “engaged by Respondent on an ongoing basis to appear and speak at promotional events and give press interviews on its behalf and for the purpose of promoting the PORTÓN brand.” Pet. Brief, 25 TTABVUE 20-21.

Fed. R. Evid. 801(d)(2) provides that a statement is not hearsay if it is being offered against an opposing party and is, under subsection (C), a statement “by a person whom the party authorized to make a statement on the subject,” or under subsection (D), a statement “by the party’s agent or employee on a matter within the scope of that relationship and while it existed.” While there is no question that the statement is being offered against a party, Petitioner has failed to show as required that the statements were either authorized by Respondent, as required by Rule 801(d)(2)(C), or that Schuler was in fact an agent of Respondent when he made the statements or that his statements concerned a matter “within the scope” of his agency, as required by Rule 801(d)(2)(D). Rule 801(d)(2) plainly states that the contents of a hearsay statement “must be considered but does not by itself establish the declarant’s authority under (C); [or] the existence or scope of the relationship under (D).”

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<sup>20</sup> The Drinks Business ([www.thedrinksbusiness.com](http://www.thedrinksbusiness.com)), Pet. Notice of Reliance Exh. 50, 15 TTABVUE 297-98.

Respondent argues that Mr. Schuler “is not an officer or employee of Respondent and never has been [and] was not authorized to speak on behalf of Respondent ...” Resp. Brief, 26 TTABVUE 8. Respondent does not address whether Mr. Schuler, as General Manager and Master Distiller of a company substantially owned by Respondent and making Respondent’s product could be considered an agent of Respondent. However, Mr. Kallop’s unchallenged testimony is that “[Respondent] wouldn’t really have had any involvement in this particular interview [and] [the distillery] has a direct commercial relationship with the importer in the UK and that’s outside of the responsibility of [Respondent].” Kallop Test., 20 TTABVUE 104.

He further testified that Mr. Schuler would not be aware of instances of actual confusion that might occur in the United States because “he has limited exposure to the U.S. market.” Kallop Test., 20 TTABVUE 121. Mr. Kallop definitively testified that no instances of confusion in the United States have come to his attention and he is the most involved person at Respondent in the U.S. market. *Id.*

Petitioner, as the proponent of the evidence, has the burden of establishing a proper foundation for its admission. *See Los Angeles News Service v. CBS Broadcasting Inc.*, 305 F.3d 924, 64 USPQ2d 1491 (9<sup>th</sup> Cir. 2002). Based on this record, the evidence does not establish that Mr. Schuler was authorized to make that statement inasmuch as Mr. Schuler worked directly with the U.K. importer. Moreover, Mr. Schuler is not Respondent’s employee, nor is it clear that Mr. Schuler was Respondent’s agent acting within the scope of such a relationship in that instance.

Petitioner also argues that the comment is admissible as a hearsay state of mind exception under Fed. R. Evid. 803(3). The comment was made during a visit to London where Mr. Schuler, as the General Manager of the Peruvian distillery, has a direct commercial relationship with the U.K. importer. It is not clear whether that comment pertained to the United Kingdom market only or more generally to the international market, or if it included the United States market.<sup>21</sup> At minimum, the relevancy of this statement is tenuous, and the lack of specificity of this comment during a sales trip to the United Kingdom undermines its probative value.<sup>22</sup>

As noted above, Respondent has provided un rebutted testimony through its vice president that it is not aware of any instances of actual confusion among consumers or distributors or any misdirected communications. *Kallop Test.* 20 TTABVUE 32-33. However, the amount and length of time of overlapping sales and possible opportunities for confusion to occur is limited.<sup>23</sup> In view thereof, we find this factor to be neutral.

#### Balancing the Factors

We have considered all of the evidence pertaining to the relevant *du Pont* factors, as well as the parties' arguments with respect thereto (including any

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<sup>21</sup> The Peruvian distillery where Mr. Schuler is General Manager is responsible for the marketing and sale of PORTÓN in Peru not in the United States. *Kallop Test.* 20 TTABVUE 39.

<sup>22</sup> Mr. Kallop testified that Mr. Schuler would not be aware of any instances of actual consumer or distributor confusion in the United States due to his limited exposure to the United States market. *Kallop Test.*, 20 TTABVUE 121.

<sup>23</sup> Respondent's sales data and the extent of its retail locations were submitted under seal. Suffice it to say, Petitioner's characterization of Respondent having "low sales and narrow distribution" is accurate. *Pet. Brief*, 27 TTABVUE 15.



evidence and arguments not specifically discussed in this opinion). In balancing the relevant factors, we conclude that because the goods, trade channels and customers are identical, and Respondent's mark PORTÓN is similar to Petitioner's strong mark PATRON, confusion is likely.

### LACHES

In cancellation proceedings, in determining the operative date for calculating laches, the defense starts to run from the date of registration, in the absence of actual knowledge prior to the close of the opposition period. *See Jansen Enterprises Inc. v. Rind*, 85 USPQ2d 1104, 1114 (TTAB 2007); *Fishing Processors Inc. v. Fisher King Seafoods Ltd.*, 83 USPQ2d 1762, 1764 (TTAB 2007); *Teledyne Tech. Inc. v. Western Skyways Inc.*, 78 USPQ2d 1203, 1210 n.10 (TTAB 2006), *aff'd unpub'd*, 208 Fed. Appx. 886, 887 (Fed. Cir. Dec. 6, 2006). Laches does not preclude a judgment for plaintiff if confusion is inevitable. *Christian Broadcasting Network Inc. v. ABS-CBN International*, 84 USPQ2d 1560, 1572 (TTAB 2007).

There is not sufficient evidence to find that Petitioner knew of Respondent's adoption of the PORTÓN mark prior to the close of the opposition period, so the relevant period runs from the March 20, 2012 registration date to the June 27, 2014 date on which Petitioner filed its subject petition to cancel that registration -- *i.e.*, two years and three months. There is no argument or cited case law to support that the 2 year delay in this case is unreasonable. *See Ava Ruha Corp. dba Mother's Market & Kitchen v. Mother's Nutritional Center, Inc.*, 113 USPQ2d 1575, 1580 (TTAB 2015) (delay of three years and two months running from date of publication

due to actual knowledge prior to publication supports laches defense). *See also Trans Union Corp. v. Trans Leasing Int'l, Inc.*, 200 USPQ 748, 756 (TTAB 1978) (finding laches based on a two and half year period of delay and prior knowledge).<sup>24</sup> Moreover, even if we found the circumstances in this case establish an unreasonable delay, the record does not support a finding of prejudice, whether one counts from 2011 to 2014 or, more appropriately, 2012 to 2014.<sup>25</sup> Accordingly, Respondent's laches defense fails. In view of our finding on laches we do not address the question of inevitable confusion.

**Decision:** The petition to cancel Registration No. 4116059 is granted. The registration will be cancelled in due course.

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<sup>24</sup> We note that Petitioner filed the petition to cancel on June 27, 2014, approximately two months after the April 9, 2014 publication of the article containing Mr. Schuler's statements.

<sup>25</sup> *Kallop Conf. Test.*, Exh. No. 8, TTABVUE 32. The figures were submitted under seal, but we note generally that, because the date of first use is December 11, 2011, the 2011 figure is for less than one month of sales compared to the full year accounting for the years 2012, 2013, and 2014.