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TTAB

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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AGL

February 4, 2021

Cancellation No. 92071386

Globefill Incorporated

v.

Calavera Tequila Company LLC

**Before Taylor, Lykos, and English,
Administrative Trademark Judges.**

By the Board:

This case now comes before the Board for consideration of Globefill Incorporated's ("Petitioner") partial motion for summary judgment (filed January 30, 2020) on Petitioner's claim of nonuse. The motion is fully briefed.¹

I. Background

Petitioner has petitioned to cancel Calavera Tequila Company LLC's ("Respondent") Registration No. 4580425 for the mark SKULL in standard characters on the Principal Register, for "Distilled Spirits" in International Class 33. The registration issued from an underlying application filed February 27, 2011 under

¹ The Board allowed supplemental briefing limited solely to the issue of entitlement to a statutory cause of action. See Board Orders dated September 21, 2020 and December 8, 2020; 15 and 19 TTABVUE.

Section 1(b) of the Trademark Act, 15 U.S.C. § 1051(b), based on a bona fide intent to use the mark in commerce. The registration ultimately registered under Section 1(a) of the Trademark Act, 15 U.S.C. § 1051(a), based on an allegation of August 30, 2013 as the date of first use anywhere and in commerce following Respondent's submission an acceptable substitute Statement of Use.

By way of its Second Amended Petition to Cancel,² as grounds for cancellation, Petitioner alleges three separate claims: nonuse, abandonment, and fraud.³ Respondent timely filed an answer admitting "that it had not sold an alcoholic beverage under Registrant's SKULL mark on or before August 30, 2013."⁴ Otherwise, Respondent denied the salient allegations therein.⁵

II. Petitioner's Motion for Partial Summary Judgment

A. Standard for Summary Judgment

Summary judgment is appropriate only where the movant shows the absence of any genuine dispute as to any material fact, and that it is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(a); *see also Celotex Corp. v. Catrett*, 477 U.S. 317, 323-324 (1986); *Sweats Fashions, Inc. v. Pannill Knitting Co. Inc.*, 833 F.2d 1560, 4 USPQ2d 1793, 1796 (Fed. Cir. 1987); *Freki Corp. N.V. v. Pinnacle Entm't, Inc.*, 126 USPQ2d 1697, 1700 (TTAB 2018). In deciding a motion for summary judgment, the

² This is the operative complaint in this proceeding. *See* Board Orders dated September 21, 2020 and December 8, 2020; 15 and 19 TTABVUE.

³ 17 TTABVUE.

⁴ Answer to Second Amended Petition to Cancel, Paragraph 15; 20 TTABVUE 3.

⁵ Answer to Second Amended Petition to Cancel; 20 TTABVUE.

Board may not resolve any factual dispute; it may only determine whether a genuine dispute of material fact exists. *See, e.g., Meyers v. Brooks Shoe Inc.*, 912 F.2d 1459, 16 USPQ2d 1055, 1056 (Fed. Cir. 1990); *Lloyd's Food Prod. Inc. v. Eli's Inc.*, 987 F.2d 766, 25 USPQ2d 2027 (Fed. Cir. 1993).

A genuine dispute exists if, on the evidence of record, a reasonable fact finder could resolve the matter in favor of the non-movant. *Opryland USA Inc. v. Great Am. Music Show Inc.*, 970 F.2d 847, 23 USPQ2d 1471, 1472 (Fed. Cir. 1992); *Olde Tyme Foods, Inc. v. Roundy's, Inc.*, 961 F.2d 200, 22 USPQ2d 1542, 1544 (Fed. Cir. 1992). The non-movant must be given the benefit of all reasonable doubt as to whether a genuine dispute as to a material fact exists, and the evidentiary record on summary judgment and all inferences to be drawn from the undisputed facts must be viewed in the light most favorable to the non-movant. *Opryland*, 23 USPQ2d at 1472.

The movant's burden at summary judgment is greater than the burden of proof at trial, which is a preponderance of the evidence, and which permits appropriate inferences to be drawn from the evidence of record. *See, e.g., Gasser Chair Co. v. Infanti Chair Mfg. Corp.*, 60 F.3d 770, 34 USPQ2d 1822, 1824 (Fed. Cir. 1995); *see also* TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PROCEDURE ("TBMP") § 528.01 (2020). Only when the movant has supported its motion with sufficient evidence that, if unopposed, indicates there is no genuine dispute of material fact and that the moving party is entitled to judgment as a matter of law, does the burden then shift to the non-movant to demonstrate the existence of a genuine dispute of material fact to be resolved at trial. *Enbridge, Inc. v. Excelerate Energy LP*, 92 USPQ2d 1537, 1540

(TTAB 2009). Specifically, “[t]he party opposing the motion must point to an evidentiary conflict created on the record at least by a counter statement of a fact or facts set forth in detail in an affidavit by a knowledgeable affiant.” *Barmag Barmer Maschinenfabrik AG v. Murata Mach., Ltd.*, 731 F.3d 831, 221 USPQ 561, 564 (Fed. Cir. 1984).

B. Entitlement to a Statutory Cause of Action

As a threshold issue, Petitioner must plead, and in order to obtain summary judgment on a claim, ultimately prove entitlement to a statutory cause of action.⁶ *Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058, 1062 (Fed. Cir. 2014). According to Section 14 of the Trademark Act, 15 U.S.C. § 1064:

A petition to cancel a registration of a mark, stating the grounds relied upon, may, upon payment of the prescribed fee, be filed as follows by any person who believes that he is or will be damaged, ... by the registration of a mark on the principal register established by this chapter, or under the Act of March 3, 1881, or the Act of February 20, 1905.

To establish entitlement to a statutory cause of action under Section 14 of the Trademark Act, a petitioner must allege and then demonstrate the lack of a genuine dispute of material fact that it possesses a real interest in the proceeding and a reasonable belief of damage. *Corcamore, LLC v. SFM, LLC*, 978 F.3d 1298, 2020

⁶ Our decisions have previously analyzed the requirements of Sections 13 and 14 of the Trademark Act, 15 U.S.C. §§ 1063-64, under the rubric of “standing.” Mindful of the Supreme Court’s direction in *Lexmark Int’l, Inc. v. Static Control Components, Inc.*, 572 U.S. 118, 125-26 (2014), we now refer to this inquiry as entitlement to a statutory cause of action. Despite the change in nomenclature, our prior decisions and those of the Federal Circuit interpreting Sections 13 and 14 remain equally applicable.

USPQ2d 11277 (Fed. Cir. 2020) (discussing the application of the zone-of-interests and proximate causation test under *Lexmark Int’l v. Static Control Components*, 572 U.S. at 125-126; *see also Australian Therapeutic Supplies Pty. Ltd. v. Naked TM, LLC*, 965 F.3d 1370, 2020 USPQ2d 10837 at *3 (Fed. Cir. 2020); *Empresa*, 111 USPQ2d at 1162; *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999). A “real interest” is a “direct and personal stake” in the outcome of the proceeding. *Ritchie v. Simpson*, 50 USPQ2d at 1026.

Petitioner’s First Amended Petition to Cancel was devoid of any specific allegations pertaining to Petitioner’s statutory entitlement to bring the instant cancellation proceeding. Petitioner was afforded the opportunity to attempt to cure its defective complaint⁷ and has now done so by way of its Second Amended Petition to Cancel. In pertinent part, the added allegations are as follows:⁸

3. Petitioner is being damaged by continued registration of the SKULL mark because:

a. Globefill produces and sells CRYSTAL HEAD vodka that is sold in a unique skull-shaped bottle (the “Skull Product Packaging”).

b. The Skull Product Packaging is the subject of U.S. Reg. Nos. 4043730, 4195505, 4218759, 3942593 (with the word element CRYSTAL HEAD), 3933245 (with the word element CRYSTAL HEAD), and 4488813, in class 33 for distilled spirits including vodka. (See Exs. 1-6, TSDR⁹ Records.).

⁷ Board Order dated September 21, 2020; 15 TTABVUE.

⁸ Second Amended Petition to Cancel filed October 9, 2020; 17 TTABVUE.

⁹ TSDR is the abbreviation for the USPTO’s Trademark Status & Document Retrieval online database.

c. Consumers refer to Globefill's Skull Product Packaging and CRYSTAL HEAD vodka as the "Skull bottle."

Petitioner was also allowed time to file a supplemental motion to its pending partial motion for summary judgment limited solely to the issue and submission of evidence pertaining to its entitlement to bring the instant petition to cancel.¹⁰ Respondent in turn was given the opportunity to file a responsive brief to Petitioner's supplemental motion for summary judgment limited solely to the issue of Petitioner's entitlement to bring a cause action, failing which the Board would grant as conceded Petitioner's statutory entitlement to bring the instant cause of action.¹¹

Insofar as Respondent has failed to file a responsive brief, in accordance with our prior Board order, we grant as conceded Petitioner's statutory entitlement to bring this cancellation proceeding, finding no genuine dispute of material fact as to this issue. *See* Trademark Rule 2.127(a).¹²

C. Motion for Partial Summary Judgement on Nonuse Claim

We now turn to Petitioner's partial motion for summary judgment on its nonuse claim. Before considering the motion, we are compelled to comment on the briefing.

¹⁰ Board Order dated September 21, 2020; 15 TTABVUE.

¹¹ 19 TTABVUE 2-3.

¹² In any event, Petitioner has demonstrated the absence of a genuine dispute of material fact as to its entitlement to bring the instant action. *See* Declaration of Jonathan Hemi, Petitioner's Managing Partner, attesting to the relevant allegations set forth in Petitioner's Second Amended Petition to Cancel, 18 TTABVUE 8-11, and Exhibits 1-6 attached thereto consisting of copies of its pleaded registrations from TSDR showing current status and title.

As we recognized in our September 21, 2020 order,¹³ Petitioner has pleaded three separate claims in this proceeding: nonuse, abandonment and fraud.¹⁴ It is clear from Petitioner's motion that it seeks partial summary judgment only on its nonuse claim and not abandonment or fraud.¹⁵

As noted above, the involved registration was based on an application filed under Trademark Act Section 1(b). A verified statement that "the mark is in use in commerce" is a minimum requirement that must be satisfied before the expiration of the statutory period for filing the statement of use. 15 U.S.C. § 1051(d)(1); Trademark Rule 2.88(c)(3), 37 C.F.R. § 2.88(c)(3). By logical extension, a registrant's "lack of use of its mark in commerce prior to the deadline for filing the statement of use ... provides an independent basis to cancel" the registration. *Tao Licensing, LLC v. Bender Consulting Ltd. d/b/a Asian Pacific Beverages*, 125 USPQ2d 1043, 1064 (TTAB 2017). *See also Ashland Licensing & Intellectual Prop. LLC v. Sunpoint Int'l Grp. USA Corp.*, 119 USPQ2d 1125, 1131 (TTAB 2016) (any legally sufficient nonuse claim must plead that Respondent failed to use its mark in commerce by the

¹³ 15 TTABVUE 2.

¹⁴ Petitioner did not plead nonuse under a separate heading, but this is not critical. "[T]he Board has found applications to be void *ab initio* even when nonuse was not pleaded as a separate claim or issue. *ShutEmDown Sports Inc. v. Lacy*, 102 USPQ2d 1036, 1045 (TTAB 2012).

¹⁵ Specifically, Petitioner argues: "Globefill pleaded that 'Registrant has never used Registrant's SKULL trademark in commerce' and seeks cancellation of the SKULL registration on the grounds [sic] of non-use. ... Because there is no factual dispute concerning Registrant's nonuse of the SKULL mark for the goods claimed in the application as of the deadline for Registrant to file its Statement of Use or request for extension of same, the Board should grant summary judgment in favor of Petitioner on this count and order that the SKULL registration be cancelled." 11 TTABVUE 5-6.

expiration of the time for filing a statement of use in each application); *Embarcadero Techs., Inc. v. Delphix Corp.*, 117 USPQ2d 1518, 1524 (TTAB 2016) (where applicant filed an “insurance extension,” sufficient pleading of nonuse is that Respondent did not use the mark with the goods in the registration within the time for filing its statement of use as extended).

In briefing the motion, Respondent mistakenly conflates the nonuse and abandonment claims. Because Petitioner has moved for summary judgment on its claim of nonuse, the question before us is whether Petitioner has shown the absence of genuine dispute of material fact that Respondent failed to make bona fide use of its mark within the time for filing a Statement of Use. It is not, as Respondent asserts in its responsive brief, whether Respondent ceased use of its mark for three consecutive years with no intent to resume use. This time pertains to abandonment as defined under Section 45 of the Trademark Act, not nonuse.

Having framed the issue before us, we now consider whether partial summary judgment on Petitioner’s nonuse claim is warranted. Petitioner argues that Respondent failed to make bona fide use of its mark as of August 30, 2013, the deadline for filing an acceptable substitute Statement of Use. In support thereof, Petitioner points to Respondent’s Answer to the Second Amended Petition to Cancel as well as its discovery responses expressly admitting that it was not using the SKULL mark in commerce for “distilled spirits” as of the deadline for filing its substitute Statement of Use, and admitting that Respondent has never used the SKULL mark in commerce. Respondent’s relevant admissions are as follows:

Respondent's Response to Petitioner's First Set of Requests for Admissions Nos. 1-3:¹⁶

REQUEST FOR ADMISSION NO. 1: Admit that Registrant had not sold an alcoholic beverage under Registrant's Trademark on or before August 30, 2013, as alleged in Registrant's Statement of Use of August 30, 2013.

RESPONSE TO REQUEST FOR ADMISSION NO. 1:
Admitted.

REQUEST FOR ADMISSION NO. 2: Admit that Registrant had not sold an alcoholic beverage under Registrant's Trademark on or before August 30, 2013, as alleged in Registrant's Amended Statement of Use of August 30, 2013.

RESPONSE TO REQUEST FOR ADMISSION NO. 2:
Admitted.

REQUEST FOR ADMISSION NO. 3: Admit that Registrant had not sold an alcoholic beverage as depicted in Registrant's Substitute Specimen on or before August 30, 2013.

RESPONSE TO REQUEST FOR ADMISSION NO. 3:
Admitted.

Respondent's Responses to Petitioner's Second Set of Requests for Admissions Nos. 5-8:¹⁷

REQUEST FOR ADMISSION NO. 5: Admit that Registrant has not sold an alcoholic beverage under Registrant's Trademark since August 30, 2013.

RESPONSE TO REQUEST FOR ADMISSION NO. 5:
Admitted.

REQUEST FOR ADMISSION NO. 6: Admit that Registrant has never sold "distilled spirits" in the United States under Registrant's Trademark.

¹⁶ Respondent's Responses to Petitioner's First Set of Requests for Admissions, Nos. 1-4; 11 TTABVUE 148-149.

¹⁷ Respondent's Responses to Petitioner's Second Set of Requests for Admissions, Nos. 5-8; 11 TTABVUE 141, 142.

RESPONSE TO REQUEST FOR ADMISSION NO. 6:
Admitted.

REQUEST FOR ADMISSION NO. 7: Admit that no licensee of Registrant has ever made a sale of “distilled spirits” in the United States under Registrant’s Trademark.

RESPONSE TO REQUEST FOR ADMISSION NO. 7:
Admitted.

REQUEST FOR ADMISSION NO. 8: Admit that no licensee of Registrant had made a sale of “distilled spirits” in the United States on or before August 30, 2013.

RESPONSE TO REQUEST FOR ADMISSION NO. 8:
Admitted.

Petitioner further argues based on the discovery responses below that it is undisputed that the mark was never used in lawful commerce because the Alcohol and Tobacco Tax and Trade Bureau (“TTB”) had not issued a Certificate of Label Approval (“COLA”), a prerequisite for “releasing” distilled spirits into United States commerce, as of August 30, 2013.¹⁸

Respondent’s Response to Petitioner’s First Set of Interrogatories Nos. 1-5:¹⁹

INTERROGATORY NO. 1: In support of Registrant’s Amended Statement of Use of August 30, 2013, Registrant claimed that Registrant’s Trademark “is in use in commerce on or in connection with all of the goods/services ... listed in the application.” The goods listed in the application (Serial no. 85252745) are “distilled spirits.” Has Registrant used

¹⁸ See 27 C.F.R. §§ 5.51 (regarding withdrawal of bottled imported distilled spirits from customs custody), 5.55 (regarding domestically bottled distilled spirits). A seller of distilled spirits in the United States, whether such spirits are produced domestically or abroad, must have applied for and obtained a COLA covering the distilled spirits from the TTB. *Id.*

¹⁹ Respondent’s Response to Petitioner’s First Set of Interrogatories (Nos. 1-8); 11 TTABVue 153-160.

Registrant's Trademark in association with all types of distilled spirits? If not, identify the specific types of distilled spirits with which Registrant has used Registrant's Trademark in U.S. commerce.

RESPONSE TO INTERROGATORY NO. 1: Registrant has not used Registrant's Trademark in association with all types of distilled spirits. Registrant has been preparing and working with different vendors for possible purchases to use with the brand.

INTERROGATORY NO. 2: State whether the TTB had issued a Certificate of Label Approval (COLA) on or before August 30, 2013 related to the labeling that appears on Registrant's Substitute Specimen.

RESPONSE TO INTERROGATORY NO. 2: The TTB had not issued a Certificate of Label Approval (COLA) on or before August 30, 2013 related to the labeling that appears on Registrant's Substitute Specimen.

INTERROGATORY NO. 3: Is Registrant the distiller of Registrant's Distilled Spirits? If not, identify by name and address(es) the distiller(s). If Registrant is the distiller of Registrant's Distilled Spirits, state whether Registrant had obtained a manufacturer's liquor license from the state of Illinois and/or California on or before August 30, 2013.

RESPONSE TO INTERROGATORY NO. 3: No. Registrant does not presently have a distiller.

INTERROGATORY NO. 4: If Registrant's Distilled Spirits are not distilled in the United States, state whether Registrant is the importer of Registrant's Distilled Spirits. If Registrant is the importer of Registrant's Distilled Spirits, state whether Registrant had obtained a TTB importer's permit and/or had registered as an alcohol dealer with the TTB on or before August 30, 2013.

RESPONSE TO INTERROGATORY NO. 4: Registrant is not an importer of distilled spirits.

INTERROGATORY NO. 5: State whether Registrant was bonded under a 27 CFR § 19.54 distilled spirits plant bond on or before August 30, 2013.

RESPONSE TO INTERROGATORY NO. 5: Registrant was not bonded under a 27 CFR § 19.54 distilled spirits plant bond on or before August 30, 2013.

Thus, it is Petitioner's position that it is "factually impossible" that Respondent's registered SKULL trademark was in lawful use in commerce as of the deadline for filing an acceptable substitute Statement of Use.²⁰

In response to Petitioner's motion for partial summary judgment, Respondent admits that the label that was submitted as a substitute specimen was not the subject of an existing COLA as of August 30, 2013, but that Respondent subsequently filed for a COLA on this label on January 17, 2014 which issued on March 15, 2014.²¹ Respondent takes the position that a registrant can use a mark without a sale, and that a registrant does not need to have a COLA prior to the use of the mark to have lawful use. Respondent argues that due to test marketing of its product, there is a genuine issue of material fact as to whether the Registrant's SKULL mark was in use in commerce as of the relevant time period. In support thereof, Respondent points to the following discovery responses:

Respondent's Response to Petitioner's First Set of Interrogatories Nos. 6-7:²²

INTERROGATORY NO. 6: Identify any importers, wholesalers, distributors, retailers, and suppliers that Registrant has

²⁰ Petitioner's Motion for Summary Judgment, 11 TTABVUE 7.

²¹ See Respondent's Response to Petitioner's Motion for Summary Judgment, Declaration of Respondent's Attorney Jeffrey L. Van Hoosear Declaration, Ex. 1; 13 TTABVUE 10-17.

²² 13 TTABVUE 24-26.

contacted and/or communicated with in any way relating to Registrant's Distilled Spirits sold in association with Registrant's Trademark.

RESPONSE TO INTERROGATORY NO. 6:

Pure Spirits LLC
Murray's Saloon and Eatery
Home of the Hangover
Bar Melody
James Beach
Canal Club
Davey Jones Liquor Locker
Baja Cantina
Mercedes Grill
Z's Liquor
Terrace Café

INTERROGATORY NO. 7: Identify by name and address any company, licensee, agent, franchisee, affiliated company, partner, joint venture, or any person or entity that is or is intended to be permitted by Registrant to use Registrant's Trademark in the United States.

RESPONSE TO INTERROGATORY NO. 7:

Pure Spirits LLC
Calavera Tequila Inc.

In reply, Petitioner counters that any test marketing efforts on Respondent's part that took place subsequent to August 30, 2013 are irrelevant for purposes of determining Petitioner's partial motion for summary judgment on its nonuse claim. As Petitioner contends, Respondent's registration should be cancelled as void ab initio because Respondent has offered no evidence that it had been using the mark in commerce as of August 30, 2013.

We find that based on Respondent's admissions, Petitioner, as the moving party, has satisfied its burden on summary judgment of showing that there is no genuine dispute of material fact and that it is entitled to judgment as a matter of law on its

claim of nonuse. Respondent's admissions noted above unequivocally show that Respondent had not used its registered mark as of August 30, 2013, the expiration of the time for filing an acceptable statement of use. Having satisfied this requirement, the burden now shifts to Respondent as non-movant to demonstrate the existence of a genuine dispute of material fact to be resolved at trial. *See Enbridge, Inc. v. Excelerate Energy LP*, 92 USPQ2d at 1540. Respondent's evidence that it successfully filed and obtained a COLA after August 30, 2013, does not create "an evidentiary conflict," *Barmag Barmer Maschinenfabrik AG v. Murata Mach., Ltd.*, 221 USPQ at 564, as to the relevant time frame. The only other evidence Respondent points to, Respondent's Responses to Petitioner's First Set of Interrogatories Nos. 6-7, pertains to Respondent's intention to use its mark, and not actual use. To the extent, if any, these discovery responses show test marketing of Respondent's "distilled spirits," there is no indication that such efforts took place during the pertinent time period.

Petitioner's partial motion for summary judgment on its nonuse claim is therefore granted and judgment is entered in its favor on this claim. In view thereof, we need not consider Petitioner's remaining claims of fraud and abandonment. *Yazhong Investing Ltd. v. Multi-Media Tech. Ventures, Ltd.*, 126 USPQ2d 1526, 1540 n.52 (TTAB 2018) (Board has the "discretion to decide only those claims necessary to enter judgment and dispose of the case").

The petition to cancel is granted and Respondent's involved registration will be cancelled in due course.