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TRENDS TO NOTE IN ALCOHOLIC BEVERAGE TRADEMARK LAW THAT CAN IMPACT THE DECISION MAKING PROCESS FOR BUSINESSES AT CRITICAL POINTS IN THE ALCOHOLIC BEVERAGE PRODUCT LIFE CYCLE

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Branding takes on particular importance in the alcoholic beverage industry. Thousands of trademark registration applications are filed annually with the United States Patent and Trademark Office (USPTO) by breweries, vineyards, cideries, wineries, and distilleries. Based on recent trends at the USPTO, there were approximately 5,000 marks filed for just beer in 2017.\(^3\) The craft beer industry continues to explode, but it is not alone. Other craft beverage producers are following suit and opening at a record pace across the country. A comparable number of wine, cider, and liquor marks (combined) were filed in 2017 as well.\(^4\) With the national boom in the craft alcoholic beverage industry, this number will continue to increase substantially over the next decade.\(^5\) This article will survey current trends in federal trademark registration and enforcement of alcoholic beverage marks, guiding practitioners who advise clients in this area.

The first mark for alcoholic beverages was filed with the USPTO on June 5, 1885 by Rheingauer Schaum-Weinfabrik Schierstein for its champagne wine, given the trade name RHEINGOLD.\(^6\) Trademark protection has long been an important part of the branding and marketing strategies for alcoholic beverage manufacturers. In fact, other than the trade secret protected recipes and manufacturing processes, the trademark portfolio is often the most significant company asset for an alcohol producer. The goodwill embodied in the brand is a revenue-producing asset that can be sold and licensed. RHEINGOLD memorabilia is still actively collected and sold in the marketplace, evidencing the longstanding

\(^3\) Figures based on USPTO Trademark Electronic Search System (TESS) search for trademark applications filed in 2017 where the identification of goods and services contains the term “beer” in International Class 032 (excluding “root beer” and “ginger beer”). See also Beware of beer names that reference famous trademarks (like Malterial Girl and Golden Ticket brands), available at https://www.craftbrewingbusiness.com/featured/beware-beer-names-reference-famous-trademarks-like-malterial-girl-golden-ticket-brands/.

\(^4\) Figures based on USPTO Trademark Electronic Search System (TESS) search for trademark applications filed in 2017 where the identification of goods and services contains the term “cider,” “liquor,” or “wine” in International Class 033.


\(^6\) RHEINGOLD, Registration No. 12,355.
impact and power of a trademark brand in the alcohol industry and popular culture in general.

Licensing is big money. It goes without saying that the more popular the brand, the more licensing revenue it can generate for the mark owner. In an industry where quality can vary greatly, and different styles appeal to different consumer tastes, associating the proprietary product with its source origin is essential to creating and maintaining that goodwill in the marketplace and brand equity. In the competitive beverage industry, some beverage companies report that in recent years, they have experienced the most growth in their brand extension lines of business. Brand extension is the movement of a company into non-core products. Just to name a few examples, the JACK DANIEL'S mark has been licensed to both food producers and restaurant franchises like TGI Friday's. JACK DANIEL'S has also been licensed for barbeque sauce, JIM BEAM for spice rubs and sauces, GUINNESS for truffles, KAHHLUA for coffee, and BAILEY'S IRISH CRÉME for ice cream. Most brands have also extended into promotional items such as clothing and drinkware. As these are not the core manufacturing products that the company has the capability and capacity to produce, these brand extensions are generally accomplished through licensing agreements.

There are four important decision points in the life cycle of a trademark for a brand owner. The first is selecting and adopting the mark to represent its business. The second is deciding whether to register the mark or rely on common law trademark rights. The third is deciding how to use the mark, including licensing it for use with other co-branded products. The last is evaluating the approach to be taken when enforcing the mark against competitors and other infringers. Trademark law and practice is evolving with the booming craft alcoholic beverage industry and there have been some recent trends in alcoholic beverage trademarks that can impact the decision making process at each of these critical business junctures. This article will look at some of the recent trends and case law developments and how they might affect brand protection strategy.

for the craft beverage industry during one or more points in the trademark life cycle.

I. SELECTING A BRAND IDENTITY AND TRADEMARK FOR A CRAFT ALCOHOLIC BEVERAGE PRODUCER

Selecting a brand identity is one of the most crucial decisions for a new craft beverage business. Not only does the fledgling business need a "house mark" — the overall brand name — it also needs names for each of its beverage products (referred to as the product's fanciful name by the Alcohol and Tobacco Tax and Trade Bureau or TTB). There is no doubt that a lot of time and energy goes into this endeavor, however, one of the realities of the craft beverage industry is that start-ups have shoestring budgets. They tend to favor spending money on tangible items they can see and touch because they understand the direct impact and role of that asset on the business. It is difficult for many entrepreneurs to understand the role and value of intangible assets such as intellectual property. There is no immediate value that is apparent, leading to de-prioritization of legal protection in favor of "hard" assets. Allocating limited resources to equipment and tasting rooms often takes priority over investing in professional services for a brand strategy and protection.

Inventing a brand name and mark in the beverage industry involves a complex path through a myriad of rules and regulations. Since the mark functions as a unique source identifier, the new mark must not be confusingly similar with any other mark in use in the United States for beverage products or related goods and services. The mark must meet the criteria of the Lanham Act to be registrable on the Federal Trademark Register. It may also need to meet state laws regulating marks and advertising of alcoholic beverages manufactured, distributed or sold within the state.

Most alcoholic beverage labels on the market for sale in the United States are required to have what is known as a Certificate of Label Approval, which is submitted to TTB for approval prior to

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offering the product for sale to the public. The alcoholic beverage product's brand name, fanciful name and the label design, content and imagery are part of the COLA that needs federal approval. A label rejection can be based on label content, including the product name if it contains or conveys:

- Anything false about the product;
- Anything disparaging about a competitor’s product or implying the product is superior;
- Anything "obscene or indecent;"
- Anything implying intoxicating qualities (other than certain statements regarding alcohol content);
- Anything with a government stamp or seal;
- Anything implying endorsement of a non-alcohol commodity without written permission; or
- Anything implying health benefits.

This is not an exhaustive list, but does include the most common label rejections. If the craft beverage is just being sold in the home state of the craft beverage producer, it can often file for what is known as an exemption, and this will allow them to have certain leeway with some of the rules if the state alcoholic beverage labeling rules are more relaxed.

There are also Federal Drug Administration (FDA) guidelines for food labeling and federal and state advertising laws.
that come into play in branding and marketing for alcoholic beverages. They regulate alcohol-containing product naming and packaging.

Failure to properly clear a mark for use can be an expensive, and even fatal, mistake for a new alcoholic beverage manufacturer. More than one craft beverage producer has been forced to rebrand and rename its business and/or beverage products. MAPLEWOOD BREWERY AND DISTILLERY\textsuperscript{21} was originally known as MERCENARY BREWERY & DISTILLERY.\textsuperscript{22} Myrcene is a fragrant oil found in hops. ODELL BREWING registered the name MYRCENARY\textsuperscript{23} for a high myrcene double India pale ale (IPA). After receiving a cease and desist from ODELL BREWING COMPANY alleging infringement of its mark for the beer MYRCENARY,\textsuperscript{24} MAPLEWOOD BREWERY AND DISTILLERY underwent rebranding efforts with humor by throwing a “we-were-going-to-be-sued-so-we-had-to-change-our-name” party.\textsuperscript{25}

Another small brewery operating in Central New York, DOUBLE BARREL BREWING CO. changed its name to EASTWOOD BREWING CO. after it was challenged by California’s FIRESTONE VINEYARD, which makes a beer called DOUBLE BARREL ALE.\textsuperscript{26} The newly launched DROP ANCHOR BREWERY caught the attention of ANCHOR BREWING COMPANY which had the mark ANCHOR STEAM BEER and had

\begin{itemize}
  \item MAPLEWOOD BREWERY AND DISTILLERY, Registration No. 5,228,646.
  \item MYRCENARY, Registration No. 3,959,808.
  \item DOUBLE BARREL ALE, Registration No. 2,134,906.
\end{itemize}
been using ANCHOR-related marks\textsuperscript{27} since 1896. DROP ANCHOR rebranded in response, and is now known as RIVER MILE 38 BREWING CO.\textsuperscript{28} STRANGE BREWING COMPANY, INC. renamed itself STRANGE CRAFT BEER COMPANY\textsuperscript{29} after a high-profile dispute with a Massachusetts homebrew store named STRANGE BREW. STRANGE BREW claimed actual confusion between the two marks, and that its customers included people from Colorado (the home state of the other company). STRANGE BREW also argued it was in the process of opening a craft brewery in its home state of Massachusetts.\textsuperscript{30} The homebrew store was unwilling to compromise or settle on any terms.\textsuperscript{31} DESTEEG BREWING was originally called HIGH GRAVITY BREWING until it GRAVITY BREWING voiced concern over the mark.\textsuperscript{32} An amicable discussion resolved the matter without litigation.\textsuperscript{33} ROGUES’ HARBOR BREWING CO. contested a challenge from the ROGUE BREWERY.\textsuperscript{34}

TGI Friday’s recently used a friendly cease and desist letter to protect its own brand from infringement by a bar in Chicago called Moneygun.\textsuperscript{35} Compare the successful approach taken by TGI Friday’s to the less friendly, unsuccessful approach taken by

\textsuperscript{27} ANCHOR, Registration No. 1,453,427; ANCHOR, Registration No. 1559186; ANCHOR SMALL, Registration No. 3,809,709; ANCHOR BOCK, Registration No. 3,806,040; ANCHOR SUMMER BEER, Registration No. 3,840,208; ANCHOR CALIFORNIA LAGER, Registration No. 4,359,024.

\textsuperscript{28} RIVER MILE 38 BREWING CO., Registration No. 5,281,645.

\textsuperscript{29} STRANGE CRAFT BEER COMPANY, Registration No. 4,856,256.


\textsuperscript{31} Id.


\textsuperscript{33} Id.

\textsuperscript{34} U.S. Trademark Application Serial No. 86,547,962 (filed Feb. 27, 2015); ROGUE, Registration No. 2,669,318; ROGUE, Registration No. 3,773,029; ROGUE, Registration No. 4,392,457.

BrewDog when it threatened legal action to prevent a bar from using the term “punk” in its name.36

Trademark law has many gray areas where the analysis is inherently subjective (and the outcome unpredictable), especially when analyzing likelihood of confusion. DENVER PEARL BREWING changed its name to PLATT PARK BREWING CO.37 despite having done research and receiving legal advice about its brewery name. The brewery owner acknowledged that he was aware that the term “pearl” had been used in brewing but thought it was on solid ground because PEARL BREWING operating in San Antonio, Texas closed in 2001.38 However, the nascent brewery faced two strong objectors. A local competitor, DENVER BEER CO., raised concerns and claimed monopoly rights to the term “Denver” in craft brewing. PABST BREWING CO. also threatened legal action against DENVER PEARL BREWING based on its PEARL and PEARL LIGHT beer.39

After the launch stage, many craft beverage producers realize how critical their branding assets are to the business’ success. Craft alcoholic beverages are lifestyle products where customers are attracted to the brand for its personality as much as the taste. As the landscape gets more competitive by the day, craft beverage producers have been revamping their brand strategy to attract and retain a loyal following. These rebranding efforts have been as extensive as an entire renaming of the business or its products, or as minor as refreshing the logo or “look and feel” of the product packaging.

Whether initial branding or rebranding, adopting a name or logo for the business or its beverage products can land a brand owner in the middle of a trademark dispute if care is not taken to clear the names, slogans and logos. A stable and profitable business that has assets can make it an attractive target for litigators seeking

38 Gorski, supra note 22.
39 Id.
trademark damages. The media attention that the rebranding brings may also take a craft beverage producer that was previously “flying under the radar” to center stage. Competitors learning about the brand for the first time may be sending emails to their attorneys inquiring if anything can be done about similar names, phrases and images.

HOFBRAU STEAKHOUSE AND AMERICAN GRILLE had been a northern Michigan staple for 66 years when it received a cease and desist from the German brewery STAATLICHES HOFBRAUHAUS, demanding that it change its name because the Munich brewery owned the trademark to HOFBRAU and has used it since as early as 1894. It had registered the mark in the United States and sold beer as well as operated branded restaurants throughout the country. ABSOLUT VODKA sent a cease and desist to a Colorado brewery that planned to use the name ABSOLUTE THRESHOLD BREWING. The brewery renamed itself INTERSECT BREWING without a fight because the owners did not want the expense of a trademark conflict. Two other Colorado breweries experienced the same situation and decided to change trade names rather than engage in a lengthy legal battle.

HALF ACRE BREWING CO.’s award-winning India pale ale had three names in less than a year. Its first name HEYOKA received complaints from the American Indian Movement complaining that the word “heyoka” is sacred to northern Plains Native Americans and describes a holy person who plays an important role in medicine ceremonies. The beer was renamed SENITA but another brewery sent a cease-and-desist letter claiming “Senita” was too similar to the name of one of its beers. It was finally renamed GONEAWAY.

43 Id.
Some other notable brand transformations that caught media attention were: GREAT NORTHERN BREWING COMPANY, HARPOON BREWERY, BOULEVARD BREWING CO., DESCHUTES BREWERY, BALLAST POINT BREWING & SPIRITS, UINTA BREWING COMPANY, SHMALTZ'S CONEY ISLAND, SUMMIT BREWING COMPANY, WEYERBACHER BREWING COMPANY, NEW BELGIUM, RED BRICK BREWING, THREE TAVERNS BREWING COMPANY, LONERIDER BREWING COMPANY, BLUEGRASS BREWING COMPANY, and REDHOOK BEER.\footnote{Cody Fague & Isaac Arthur, \textit{When and how to rebrand your brewery}, \textit{Craft Brewing Bus.} (Jul. 29, 2014), http://www.craftbrewingbusiness.com/business-marketing/rebrandbrewery/}

While a cease and desist letter may be the preferred approach, some trademark attorneys are following the old adage that "you catch more flies with honey than you do with vinegar." For example, attorneys for ANHEUSER-BUSCH, LLC, which uses the mark DILLY DILLY to market beer, responded to MODIST BREWING COMPANY, maker of a DILLY DILLY IPA, with a friendly cease-and-desist letter written on parchment and delivered by a town crier.\footnote{Tim Nudd, \textit{Bud Light Sent a Hilarious Cease-and-Desist Scroll to the Makers of 'Dilly Dilly' Ale}, \textit{Adweek} (Dec. 2, 2017), http://www.adweek.com/creativity/bud-light-sent-a-hilarious-cease-and-desist-scroll-to-the-makers-of-dilly-dilly-ale/} Another example of the trend to use humor to dispose of a potential infringement dispute occurred where an unauthorized "Stranger Things" pop-up bar opened in Chicago. NETFLIX asked the bar to shut down after its designated six-week run. The request came in the form of a cease-and-desist letter filled with light-hearted puns referencing the Stranger Things show. NETFLIX even threatened to unleash the Demogorgon (a monster from the show), if the bar failed to comply with the letter.\footnote{Tim Nudd, \textit{Netflix Sent the Best Cease-and-Desist Letter to This Unauthorized Stranger Things Bar}, \textit{Adweek} (Sept. 20, 2017), http://www.adweek.com/creativity/netflix-sent-the-best-cease-and-desist-letter-to-this-unauthorized-stranger-things-bar/}
II. THE RISE OF CONFUSINGLY SIMILAR REFUSALS FOR MARKS IN THE CRAFT BEVERAGE INDUSTRY

With estimates of approximately 10,000 applications being filed in 2017 alone for alcoholic beverages, it is a crowded subject matter.\(^47\) With so many registered and unregistered marks, it can be difficult to find a mark that is available for use.\(^48\) Common grounds for refusal to register alcohol related marks include likelihood of confusion with prior applications and registrations,\(^49\) mere descriptiveness,\(^50\) false connection with a person or organization,\(^51\) and deceptive mis-descriptiveness.\(^52\) Recent changes in the law now allow formerly rejected immoral, disparaging or obscene subject matter.\(^53\) The most common ground of refusal is that the proposed mark is confusingly similar to another registered mark used with the same or related goods. A trademark cannot be registered if it

[c]onsists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive. . . .\(^54\)

The first step in evaluating whether there is a potential for consumer confusion is to determine the applicable goods and services, and any that might be so closely related that confusion is possible. When the two products at issue are the same beverage type and the marks have similar features, the analysis is less complicated. However, there is a subjective element and decisions can seem inconsistent. For example, Kissos Wines applied to register

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\(^{47}\) See footnote 3 and footnote 4, supra.


\(^{49}\) Trademark Act, 15 U.S.C. § 1052(d) (2006); TMEP § 1207.

\(^{50}\) 15 U.S.C. § 1052(e); TMEP § 1207.

\(^{51}\) 15 U.S.C. § 1052(a); TMEP § 1203.03.

\(^{52}\) 15 U.S.C. § 1052(e); TMEP § 1203.02.

\(^{53}\) See 15 U.S.C. § 1052(a); TMEP § 1203.01.

MAYARI\textsuperscript{55} for wine, but was met with opposition by Dalla Valle Vineyards, which had previously registered MAYA\textsuperscript{56} for wines.\textsuperscript{57} With similar trade channels and products, the detailed comparison of the marks sharing the same first 4 letters was dispositive. Perhaps counterintuitively, the Trademark Trial and Appeal Board (TTAB) held they had different commercial impressions.\textsuperscript{58} Interestingly, the TTAB dismissed other registered marks with the same first 4 letters in its analysis.\textsuperscript{59}

The consumer must make the association between the mark and its owner for the mark to have a source identifying function. Pop culture and cultural references may not be recognized by the general public and this can affect the analysis of consumer confusion. In one case, the TTAB found that literal elements of the mark outweighed its musical reference.\textsuperscript{60} The registered mark PURPLE HAZE was found confusingly similar with applied-for mark SUNNY HAZE.\textsuperscript{61} The TTAB found that the term “haze” had industry meaning referring to the turbidity of beer. “At least those consumers who view the mark as having a descriptive feature and do not make the Jimi Hendrix association would see the marks PURPLE HAZE and SUNNY HAZE as more similar than they are different, as both identify a color or mood and both share the word HAZE.”\textsuperscript{62} Three Spirits Brewery filed an application to register HOPPER’S DELIGHT\textsuperscript{63} for beer but was refused in view of two previously registered marks for beers named DELIGHT\textsuperscript{64} and HOPPERS.\textsuperscript{65} The brewery argued a distinct commercial impression of the combined term, specifically, its parody of the \textit{Rapper’s Delight} song. The TTAB was not convinced consumers would make the

\textsuperscript{55} MAYARI, Registration No. 5,080,163.
\textsuperscript{56} MAYA, Registration No. 2,508,401.
\textsuperscript{57} Oakville Hills Cellar v. Georgallis Holdings LLC, No. 91211612, 2015 WL 4573202 (T.T.A.B. 2015); MAYA, Registration No. 824,632.
\textsuperscript{58} \textit{Id.} at 7.
\textsuperscript{59} See \textit{id.}
\textsuperscript{60} Abita Brewing Co., LLC v. Mother Earth Brewing LLC., No. 91203200, 2014 WL 4731129 (T.T.A.B. 2014).
\textsuperscript{61} \textit{Id.}
\textsuperscript{62} \textit{Id.} at 8.
\textsuperscript{63} U.S. Trademark Application Serial No. 86,175,819 (filed Jan. 27, 2014).
\textsuperscript{64} DELIGHT, Registration No. 1,136,375.
\textsuperscript{65} HOPPERS, Registration No. 2,143,533; HOPPERS, Registration No. 2,099,536.
connection and would find HOPPER’S DELIGHT to be a “hoppier” version of the DELIGHT Beer.66

Foreign marks are often the subject of confusingly similar refusals. Foreign terms are compared to similarly spelled marks, similarly pronounced marks and marks containing the English equivalent (translation of) term. The TTAB found a likelihood of confusion with the applied-for mark CENTURY for wine in view of the registered mark SECOLO for table wine.67 An application to register PAGOS DEL REY for wine and was opposed by the registered mark owner of PRADOREY & Design68 for wine. TTAB held that even if Spanish consumers could distinguish the marks, non-Spanish speakers must also be considered, and they would find the marks similar in appearance and sound.69 The TTAB did not find the “delrey” and “dorey” portion of the two marks easily distinguishable.

In defending trademark challenges, some mark owners have tried to argue that a beer name would only be used for a draft beer limited to in-house sales. The argument was that since the beer would only be sold in the brewery itself, there was no chance it could be confused with any other beer distributed to retailers for resale to the public. This approach is legally flawed and would not save an alleged infringer unless the two competitors entered into a co-existence agreement or trademark consent agreement.70

Adirondack Pub & Brewery and its subdivision, Lake George Soda Co. were brought into federal district court by Moosehead over

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68 The “& Design” is the TTAB designator of a stylized mark that claims visual aspects of the mark as well as the literal elements. The Spanish translation of “pagos del rey” is “payments of the king.”
70 See generally Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492 (2d Cir. 1961) (establishing eight factors to consider when analyzing the potential for consumer confusion between two marks).
a root beer they made named MOOSE WIZZ ROOT BEER.\textsuperscript{71} Moosehead claimed the MOOSE WIZZ ROOT BEER name and logo could lead to confusion between the two products.\textsuperscript{72}

Moosehead argued it has used the MOOSEHEAD trademark since 1931 and has used others in the "Moose family of marks" in the United States since the 1970s.\textsuperscript{73} Use of the "moose" term and image by Adirondack would be confusing to the public.

E&J Gallo Winery, selling APOTHIC brand red wines, opposed Occasio Winery's application to register APTHEOSIS for wine.\textsuperscript{74} Occasio argued the different dictionary meanings of the two terms "apothic" and "apotheosis" but the TTAB found the marks were too similar, especially on identical products (wine).\textsuperscript{75} It can be difficult to register a mark that is close in spelling to another mark, especially if that mark is a well know brand in the food and beverage industry.\textsuperscript{76} E&J Gallo Winery also successfully opposed East Side Brewery's application to register E&B BEER for beer.\textsuperscript{77} AV INVESTMENT GROUP applied to register ARMADALE\textsuperscript{78} for vodka but was opposed by GEO G. SANDEMAN SONS for likelihood of confusion with its mark for ARMADA\textsuperscript{79} for sherry. In this case, an interesting argument was raised: that sherry and vodka

\textsuperscript{73} Id.
\textsuperscript{75} Id.
\textsuperscript{76} GOYOGO FROZEN YOGURT LLC filed to register its name as a federal trademark and was opposed by international food giant GOYA FOODS INC. because the "GoYo" part at the front of the name runs pretty close to the famous GOYA name. U.S. Trademark Application Serial No. 86,060,111 (filed Sept. 10, 2013); Notice of Opposition at 1, Goya Foods Inc. v. GoYoGo Frozen Yogurt LLC, No. 86,060,111 (T.T.A.B. 2014).
\textsuperscript{78} U.S. Trademark Application Serial No. 85,301,875 (filed Apr. 22, 2011).
\textsuperscript{79} ARMADA, Registration No. 90,925.
are often used together in drink recipes. The TTAB did not uphold the refusal, finding different commercial impressions for each term. 80

III. TRADEMARK CLEARANCE SEARCHES MUST REVIEW AN EXPANDING LIST OF RELATED GOODS AND SERVICES

What about when the two beverages are different? Currently, alcoholic beverages other than beer are registered in International Class 33. 81 This includes wine, cider, malt based alcoholic beverages and spirits. It also includes kombucha, mead, sake and other non-beer alcoholic beverages. International Class 32 covers beer, ale and lager. Beer is defined as a fermented beverage from malted barley and hops. 82 Beers made from other ingredients are covered in International Class 33.

When evaluating applications for registration, the trademark examiners compare proposed marks against already registered marks for related goods and services. There has been an emerging trend that changes whether the trademark examiners consider beer and wine related, as well as the relatedness of spirits to each of these beverage goods (generally, a finding of relatedness appears to be more likely now than it would have been in the past). This is in keeping with an emerging trend for an expanded definition of “related goods and services” under the statute. Other potentially related services classes include International Class 42 for retail liquor sales, International Class 40 for brewing, winemaking or distilling services, International Class 43 for taproom services, bar and restaurant services, and International class 35 for retail sales and delivery of wine, spirits, beer or other alcoholic beverages. A review of trademark cases reveals that the trademark examiners have also

included water and other beverages in their search and review. At least one court considered energy drinks as a related product.

This expansion of goods and services reflects the market trend for beverages being sold in the same aisle of a convenience or grocery store, thereby increasing the likelihood a potential consumer would assume two similarly named beverage products originate from the same source. With beverages being such a strong and profitable market segment, beverage companies are increasing their brand portfolio. Soda companies have entered the water, juice and energy drink segments. For example, the Coca Cola Company owns BARCARDI MIXERS. It is not a far leap to believe or predict a beverage distributor would add alcoholic beverage products such as beer, cider and malt beverages to its brand portfolio using its established distribution system to sell to its existing customer base.

A new retail market trend is emerging with restaurants entering the alcoholic beverage world with private label products and craft beverage offerings at casual eateries. Even five years ago, it would have been unheard of to find beer and wine on the menu at a coffee shop or fast food eatery. Now, beer and wine products are finding their way into McDonald’s, Burger King, Sonic, Taco Bell, Moe’s, White Castle, Sbarro, Shake Shack, Starbucks, Chipotle, and the list continues to grow. Recently, SONIC DRIVE-IN opposed DOGFISH HEAD CRAFT BREWERY INC.’S federal trademark application to register a “prohibition-inspired cocktail” branded SONIC ARCHEOLOGY. The signature cocktail made from DOGFISH HEAD spirits is sold in its branded restaurants. The term SONIC is registered as a federal trademark for bar services, and at least two Sonic locations serve beer and wine. It appears from the USPTO registration file that the opposition was settled with DOGFISH HEAD amending the identification of goods and services for its mark to “Alcoholic beverages, except beer, the foregoing not

for sale at fast-food restaurants.”

In another recent case, the TTAB ruled that consumers would not likely confuse an upscale Manhattan eatery called The Cannibal Beer & Butcher (with beer sold under the same Cannibal name) with craft brewer Iron Hill Brewery LLC’s beer and allowed it to register the CANNIBAL trademark for beer, despite the objection by the New York City restaurant. There had to be “something more” that made confusion likely than the mere fact that there was a general relationship between restaurants and alcohol because restaurants tend to serve alcohol.87 This is consistent with the TTAB’s decision to allow Coors to register BLUE MOON as a trademark for beer over the objection of a restaurant with the same name.88 In the Cannibal case, the judge stated:

In light of the large number of restaurants in the United States, the fact that a single mark is sometimes used [to] identify restaurant services and beer, that some restaurants are associated with breweries, and that restaurants may sell beer are not sufficient to establish a relationship between restaurant services in general and beer . . . Not only would a senior user of a mark for restaurant services have prior rights for that mark for beer, but the senior user of a mark for restaurant services could have prior rights for that mark for other food, beverages and condiments and a variety of broadly described promotional items.89

This trend will further complicate trademark analysis in an already densely-populated mark industry. For example, a beer named “Doo Wop” paying homage to the old doo-wop music genre may need to be concerned with potential trademark infringement claims relating to the BURGER KING WHOPPER. A brewpub selling multiple pour size alcoholic beverages will need to be concerned with calling any of its sizes “grande” if it does not want

87 Id.
88 See footnote 76, infra.
to hear from the Starbucks corporate headquarters (note the comical way in which a brewery decided to comply with a cease and desist letter it received from Starbucks based on the brewery’s use of the name FRAPPUCCINO).\textsuperscript{90} A wine named Locos Amigos may need to be concerned with potential trademark infringement claims relating to the DORITOS LOCOS TACO at TACO BELL. While these examples may seem a bit far-fetched, they demonstrate how the market changes will impact trademark law and analysis in the coming years.

Another recent case involved a winery and an eatery. TI Beverage Group owns a family of monster-and-vampire-themed marks for wine\textsuperscript{91} and restaurant services.\textsuperscript{92} It filed a trademark infringement action against Yard House USA for its VAMPIRE TACOS.\textsuperscript{93} While in this case, both businesses involve restaurant services in some fashion, it is indicative of the relatedness of alcoholic beverage and restaurant marks. OPUS ONE couldn’t be registered as a restaurant name\textsuperscript{94} because it was already registered for wine,\textsuperscript{95} but the Federal Circuit ruled that COORS could register its BLUE MOON\textsuperscript{96} beer brand even though the name was already taken for restaurant services.\textsuperscript{97} This demonstrates how fact specific, and perhaps unpredictable, these rulings are for those prosecuting applications to register, seeking opposition of an application for registration or bringing a proceeding for cancellation of a registered mark.

There are a group of famous marks that have become such a household name that use of a similar name would confuse customers into an association between the household name and the source of

\textsuperscript{91} SASQUATCH, Registration No. 3,326,836.
\textsuperscript{92} VAMPIRE TACO, Registration No. 4,939,034.
\textsuperscript{94} U.S. Trademark Application Serial No. 75,722,593 (filed June 9, 1999).
\textsuperscript{95} OPUS ONE, Registration No. 1,341,372.
\textsuperscript{96} BLUE MOON, Registration No. 3,361,965; BLUE MOON, Registration No. 3,439,303; BLUE MOON, Registration No. 3,119,888; BLUE MOON Registration No. 3,361,966; In re Coors Brewing Co., 343 F.3d 1340 (Fed. Cir. 2003).
\textsuperscript{97} BLUE MOON, Registration No. 1,770,568.
the proposed mark. For example, if a brewery wanted to use the name “Nestle’s Brewery,” it is likely to be denied registration of the mark and to also be the target of trademark enforcement activity. Even though Nestle does not currently brew or sell beer, it is in the food and beverage industry and at least some potential customers may think that a “Nestle’s beer” has some association with the Nestle food manufacturer. This is especially plausible, since high end chocolatier Godiva licensed its brand to an alcohol producer as a brand extension. While many companies believe they have reached this level of popularity, only brands that are truly household names will satisfy the United States and international definition of a famous mark. The USPTO states on its website:

While the USPTO does not make a specific determination in examination as to whether a mark is well-known, it evaluates the strength of the mark in determining the scope of protection to afford a previously registered or unregistered mark against a pending application. In addition to these grounds, in certain cases the owner of a well-known mark that rises to the level of being “famous” may bring an action against another use of the mark in U.S. federal courts or may seek to oppose or cancel another’s application or registration for the mark on the grounds of dilution. Dilution is the lessening of the capacity of a famous mark to uniquely distinguish its goods, either by tarnishing (weakening through unsavory associations) or blurring (an association arising from the similarity between a mark and a famous mark) its capacity to distinguish. However, dilution may only be applied in cases where a party’s well-known mark is “famous,” such that it is widely known among the U.S. consuming public.

There are many cases where the USPTO has allowed the same

mark to co-exist for both beer and wine. However, a review of the most recent registrations, appeals and cases reveals a clear trend away from this practice. Although the TTAB has stated on numerous occasions that there is no *per se* rule that all alcoholic beverages are related goods, it has been taking the position that all alcoholic beverages are related when analyzing marks for likelihood of consumer confusion. The TTAB has concluded that beer and wine are related enough to preclude concurrent registration, notwithstanding the fact that beer, unlike rum, vodka, cognac, and other alcoholic beverages, is expressly excluded from International Class 33.

The TTAB emphasized that the correct analysis is whether there is a likelihood of confusion as to the source of the goods, not whether a potential consumer would confuse the two goods themselves. The TTAB analyzes the relatedness of various alcoholic beverages on a case by case basis. The likelihood of

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99 See generally, ALCHEMY, Registration No. 4,077,587; ALCHEMY, Registration No. 4,031,173; ALCHEMY, Registration No. 4,031,173; FATHOM, Registration No. 3,119,923; BLACK WIDOW, Registration No. 2,676,435; BLACK WIDOW, Registration No. 4,368,199; BLACK WIDOW, Registration No. 3,965,682. It has also registered similar marks BUZZSAW AMERICAN PALE ALE and BUZZSAW (wine); CABIN FEVER ALE and CABIN FEVER (wine); EPIPHANY PALE and EPIPHANY (wine); and DUCK DUCK GOOSE (beer) and DUCK DUCK GOOSE (wine). BUZZSAW AMERICAN PALE ALE, Registration No. 4,271,909. BUZZSAW, Registration No. 2,823,684. CABIN FEVER ALE, Registration No. 3,180,241. CABIN FEVER, Registration No. 3,850,067. EPIPHANY PALE, Registration No. 3,873,558. EPIPHANY, Registration No. 2,497,018. EPIPHANY PALE, Registration No. 3,873,558. DUCK DUCK GOOSE, Registration No. 3,710,203; DUCK DUCK GOOSE, Registration No. 3,710,358.


101 Id.

102 Id.

103 See, e.g., In re Chatam Int’l Inc., 380 F.3d 1340 (Fed. Cir. 2004) (holding GASPAR’s ALE for beer and ale likely to be confused with JOSE GASPAR GOLD for tequila); In re Majestic Distilling Co., 315 F.3d 1311 (Fed. Cir. 2003) (holding Red Bull for tequila likely to be confused with RED BULL for malt liquor); In re Salierbrau Franz Sailer, 23 U.S.P.Q.2d 1719 (T.T.A.B. 1992) (holding Christopher Columbus for beer likely to be confused with CRISTOBALL COLON & design for sweet wine); Somerset Distilling, Inc. v. Speymalt Whiskey Distribs. Ltd., 14 U.S.P.Q.2d 1539 (T.T.A.B. 1989) (holding JAS. GORDON & design for scotch whiskey likely to be confused with
confusion factors are well known and established to industry practitioners. A frequently cited case on this issue is *Polaroid v. Polarad*, giving rise to the often used nomenclature *Polaroid factors* (the TTAB uses a variation of such factors, called the *du Pont factors*, in making the likelihood of confusion assessment regarding the registrability of a mark). In *Polaroid*, the court articulated eight factors to consider when analyzing the potential for consumer confusion between the origin of two goods or services with similar marks: (1) the strength of plaintiff’s mark; (2) the degree of similarity between the two marks; (3) the competitive proximity—or relatedness—of the products (4) the likelihood that the plaintiff will “bridge the gap” (by selling products of the same class as the defendant’s); (5) actual confusion; (6) bad faith on the defendant’s part; (7) the quality of the defendant’s product; and (8) the sophistication of the buyers.

The court explained that this is not an exhaustive list, leaving room for judges (and trademark examiners) to take other factors into account. The factor that sparks the most lively debate among beer and wine enthusiasts is the relatedness of the products.

A mark’s commercial impression is determined by its appearance, sound and meaning, as perceived by the average consumer. The TTAB looks at the similarity of the goods and often finds that different alcoholic beverages are related because: (1) they both travel in the same channels of trade (bars, restaurants, liquor stores, grocery stores, and online); (2) the purchasers are ordinary consumers as opposed to sophisticated, specialized buyers; (3) one product may be substituted for another in drinks; (4) both are inexpensive and purchased on impulse; and (5) consumers either

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104 See *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961).


106 *Id.*
don't see or don't note the distinguishing name and address of the bottler, packer, or importer that appear on the label. Additionally, drinks are consumed at bars and restaurants, where the customer may be deprived of the opportunity to carefully evaluate differences in product labels. Restaurants and bars can be noisy and have low lighting so similar sounding words or similar looking labels may be easily confused. Thus, confusion between brands can be increased at typical points of purchase and differentiating features on product packaging are irrelevant. Protection of the public demands greater consideration of the likelihood of confusion based on the name alone and less weight being accorded to labeling and use in the marketplace distinctions.

The Board's opinion in recent decisions makes it clear that it is futile to argue that one alcoholic beverage is not related to another for Section 2(d) likelihood of confusion purposes. Traditional arguments such as discerning consumers, distinguishable price points, and different sales methods or channels are unlikely to be persuasive. The TTAB has recognized the change in the industry where many small craft beverage manufacturers are producing more than one alcoholic beverage type. REUBEN'S BREWS applied to register its name and logo but was refused on the basis of the prior registration for RUBEN'S for wine owned by a Spanish vineyard. Despite it previously emphasizing that there was no per se rule, the TTAB noted it knew of no case where beer and wine were deemed unrelated goods. The industry should heed this warning in future applications and clearance searches. However, that case was decided on different grounds. The TTAB found different commercial impressions of the two marks. Although the marks were identical in sound, there were several references and potential meanings for the term "Reuben:" a corned beef sandwich, a famous Flemish painter and a Biblical son of Jacob.

Wine and beer have been consistently considered related goods and directly competitive in the confusingly similar analysis.

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107 See TMEP § 1207.
German beermaker Hofbrau uses HB\textsuperscript{110} as a trademark, and filed a notice of opposition when a wine importer called Kysela Pere et Filis Ltd. applied to register those same letters for wine.\textsuperscript{111} Kysela unsuccessfully argued that consumers wouldn't confuse the two different products using the same acronym, and that there was little evidence that consumers would expect a brewery to

\textit{(T.T.A.B. May 17, 2011)}. In \textit{The Bruery, LLC}, the TTAB affirmed a Section 2(d) refusal to register the mark 5 Golden Rings\textsuperscript{109} for “beer; [and] malt liquor,” finding the “applied-for mark so resembled [ ] two registered marks owned by Round Hill Cellars that when used in connection with Applicant’s identified goods, it is likely to “cause confusion or mistake or to deceive” with the registered marks Gold Ring for wines and Gold Ring Vineyards for “alcoholic beverages except beer.” See \textit{In re The Bruery, LLC}, 2014 WL 5035512 (T.T.A.B. Sept. 24, 2014). See 15 U.S.C. § 1052(d). U.S. Trademark Application Serial No. 85,656,671 (filed June 20, 2012). \textit{In re The Bruery, LLC}, 2014 WL 5035512 at *1; Gold Ring, Registration No. 3,855,037; Gold Ring Vineyards, Registration No. 4,066,541. The TTAB rejected Applicant’s argument that its mark was a reference to a well-known Christmas song and created a distinguishable holiday commercial impression compared to Registrant’s mark evoking the commercial impression of a luxury product. TTAB also rejected Applicant’s argument that while the goods “were somewhat related in the minds of consumers,” there was no likelihood for confusion because Registrants sold alcoholic beverages except beer and it was a craft brewery selling only beer and malt liquor. \textit{In re The Bruery, LLC}, 2014 WL 5035512 at *3-4 (T.T.A.B. Sept 24, 2014). The TTAB noted that it is not uncommon for craft/microbreweries to also produce wine, sometimes under the same house mark. In addition, some third-party trademark registrations claimed both beer and wine. Schillingbridge, Registration No. 3,099,373; Motor City Brewing Works Detroit, Registration No. 3,875,505; D’Spagna, Registration No. 3,934,483; Ewing Young, Registration No. 3,975,642; Sweet Jesus, Registration No. 3,994,422; Salty Dog, Registration No. 4,136,155; Registration No. 4,220,113; and Tight Ass, Registration No. 3,962,914. Therefore, TTAB concluded that the goods were “closely related.” Two additional factors discussed by the Board were that the goods were sold in the same trade channels (package stores, internet retailers or grocery stores) and the conditions of sale of this type of goods. While the Board acknowledged that some customers may be knowledgeable and sophisticated consumers, many were not and were impulse purchasers.

\textsuperscript{109} HB, Registration No. 0,666,366; HB, Registration No. 3,211,587.

\textsuperscript{110} U.S. Trademark Application Serial No. 77,686,637 (filed May 12, 2010).

\textsuperscript{111} But see HB, Registration No. 4,902,394 (for use of HB with dessert wines; fruit wine; grape wine; natural sparkling wines; port wines; red wine; rose wine; sparkling fruit wine; sparkling grape wine; sparkling wines; still wines; table wines; white wine; wines; wines and liqueurs; wines and sparkling wines).
produce wine and vice versa. Similarly, California brewer HIGH WATER BREWING INC. was refused a trademark registration on its NO BOUNDARY IPA because of a previously registered mark for NO BOUNDARIES for wine. SONOMA ESTATE VINTERS filed an application for BLACKHAWK for wine but was refused registration based on the registration of BLACK HAWK by the MENDOCINO BREWING COMPANY. The applicant provided examples of co-existence between similar beer and wine marks but did not persuade the TTAB.

Additionally, a California federal court went a step further and determined that wine was related to energy drinks on the grounds that the caffeine-added drink was marketed as an alcohol mixer.


114 NO BOUNDARIES, Registration No. 4,242,366.

115 U.S. Trademark Application Serial No. 85,842,056 (filed Feb. 6, 2013).

116 BLACK HAWK STOUT, Registration No. 1,791,807; BLACK HAWK STOUT, Registration No. 3,205,652; U.S. Trademark Application Serial No. 76,026,048 (filed Apr. 12, 2000).


118 See E. & J. Gallo Winery v. Grenade Beverage LLC, No. 1:13–cv–00770–AWI–SAB, 2014 WL 4073241 at 10 (E.D. Cal. Aug. 15, 2014). Registration No. 3,091,520. In E. & J. Gallo Winery v. Grenade Beverage LLC, the court held that “GALLO” for wines and “EL GALLO” for energy drinks were similar trademarks and that the products were related for trademark analysis purposes. “EL GALLO was promoted as a mixer for alcoholic drinks” in a Colorado news program. The relatedness of the goods (beverages) and the strength of the GALLO mark led to a decision in E. & J. GALLO’S favor. GALLO had a family of marks, sold over 1.5 billion bottles of GALLO wine since 1996 and was sold in 93,000 package stores (off-premise retailers) and 22,000 bars and restaurants (on-premise establishments). Also important was the actual use of the mark in the marketplace. GALLO used a rooster image on its products and it had registered its rooster design image. (“El Gallo” means “the rooster” in Spanish). The Court noted that the two marks had similar phonetics — “GUY-YO” and “GAL-LOW.” The court acknowledged that the products weren’t the same — but said they were close enough to weigh in favor of infringement. “However, the products need not be exactly identical.” “It is undisputed that ‘EL GALLO’ was promoted as a mixer for alcoholic drinks, making the two product lines closer in relationship than, say, wine and some other beverage less associated with alcohol, such as milk,” the court wrote. TWO HANDS WINES applied to register SEXY BEAST for wines but was opposed by Portuguese Vineyard FITA PRETA for its SEXY marks and by MONSTER ENERGY for its UNLEASH THE BEAST and
The U.S. Court of Appeals for the Federal Circuit, however, held that apple juice and wines are not related for purposes of likelihood of confusion. The Court found that the mark DOMAINE PINNACLE & Design for “apple juices and apple-based non-alcoholic beverages” was not confusingly similar to the marks PINNACLES and “PINNACLE RANCHES” for wine.¹¹⁹

Wine and spirits have also been deemed closely related goods. Dark Horse Brewing Company mistakenly believed beer and whiskey were different until it received an infringement action from Dark Horse Distillery. The jury decided in favor of the distillery.¹²⁰ Sonoma County-based White Oak Vineyard brought a trademark infringement action against a distillery that wanted to produce a WHITE OAK vodka. The U.S. District Judge issued a preliminary injunction against the competitor, finding that consumers would be “very likely to conclude” that wine and liquor sold under the same name were produced by the same company.¹²¹


MASQUERADE\textsuperscript{123} for sparkling wines in view of the registered mark MASCARADE.\textsuperscript{124} The refusal was affirmed by the TTAB after a two-prong analysis. While the foreign equivalence was not unambiguously literal and direct so as to prevent registration, the commercial impression of the two were similar enough to cause confusion. The Applicant unsuccessfully argued that the two marks were spelled similarly but “they have different meanings and pronunciation.” The TTAB especially noted that neither the registration nor the application at issue contained any limitations on use of the mark in the goods and services description. It concluded then, that “at a minimum, the channels of trade and the purchasers overlap.” The channels of trade included liquor stores, bars and restaurants and the purchasers are ordinary consumers frequenting those liquor stores, bars and restaurants.\textsuperscript{125}

If you encounter an identical mark owned by a producer of a different type of alcohol, sometimes the easiest path through the USPTO is a consent agreement, also sometimes called a coexistence agreement. The two brand owners can agree to conditions and limitations of use by each party that they believe would obviate potential consumer confusion. Such limitations can include agreements to use different imagery, colors and fonts on product packaging. These agreements can also require the two businesses to state the business name on the packaging or to have the mark only used in cooperation with another mark that clearly distinguishes the source of the product (the house brand or the logo image, for example). Requesting a co-existence agreement can be risky, however, because the competitor may respond with a cease and desist letter. Additionally, there is no guaranty it will facilitate registration of the mark.

In February 2016, the TTAB issued a ruling that a TIME TRAVELER BLONDE beer brand was too similar to a TIME TRAVELER beer to be registered as trademark\textsuperscript{126} despite a consent

\textsuperscript{123} U.S. Trademark Application Serial No. 77,105,666 (filed Feb. 12, 2007).
\textsuperscript{124} MASCARADE, Registration No. 2,916,561.
\textsuperscript{126} Compare In re Bay State Brewing Co., Inc., 117 U.S.P.Q.2d 1958 (T.T.A.B. 2016), with Homes Oil Co., Inc. v. Myers Cruizers of Mena, Inc., 101 U.S.P.Q.2d 1148 (T.T.A.B. 2011) (T.T.A.B. accepted a geographical restriction in a consent agreement despite overlap in territories, without requiring a concurrent use proceeding, because the restriction was “part and parcel of the consent agreement” and not because a geographical restriction in the application
agreement between the two brewers. The private consent agreement permitted Bay State Brewing Company to register its mark. The Trademark Examiner and TTAB, however, did not find that the consent agreement went far enough to protect the public from confusion. Although the consent agreement had geographic limitations, it still allowed both beers to be sold under near-identical names in both New York and New England. Key to the decision was a recognition that the trademark registration did not contain geographic restrictions, only the contract, and it only restricted one of the parties in terms of geographic product distribution. The Board concluded that the public notice function of the registration would not be effective since those performing clearance searches would not be able to fully ascertain the scope and impact of the mark when all of the restrictions were not in the registration itself. The Board suggests that a concurrent use proceeding may be the more appropriate vehicle for these situations and raises the bar for the necessary terms in consent agreements that may be honored by the USPTO. Geographic limitations must be carefully crafted to restrict the beverage products from being sold in the same geographic territories.

The consent agreement contained restrictions on the product labeling, but the court concluded that the argument still left the door open to confusion because the labels are not always seen by customers who order beer on draft in a bar or restaurant. Further, since the registration did not contain such restrictions, the registration would not serve its public notice function. The court noted that beer is a product often purchased “sight unseen.” The court also weighed other standard factors weighing toward confusion – identical product types, often purchased as an impulse buy, and products sold to the same consumers in the same trade channels. As *du Pont* holds, a consent agreement is just one factor

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127 Under a 2(d) analysis, all the *du Pont* factors relevant to the facts in evidence are considered. The Applicant offered a consent agreement for consideration. It is relevant because it relates to the market interface between the Applicant and the Registrant. Regarding the relatedness of the goods, both parties are using the trademarks to brand beer. Therefore, the goods are identical with respect to beer. Because the goods are in part identical, the trade channels and classes of consumers are presumed to be the same. Another factor weighing in favor of finding a likelihood of confusion is the condition of sale. Beer is
to consider among many factors. It is not always determinative of confusion. If the other du Pont factors strongly weigh in favor of no confusion, then even a "naked" consent may be enough to register the mark. Conversely, if the majority of factors weigh against registration due to a likelihood of confusion, then a consent agreement may not be enough to register the mark.

Here, the consent agreement contained a number of restrictions for use of each party’s respective mark. However, the Board emphasized that their respective registrations would not reflect these restrictions. Thus, third parties using the USPTO database for trademark clearance would not receive accurate information. The consent agreement was requiring the Board to rely on marketplace realities instead of the language in the application and registration. This defeats the purpose of the registration constituting public notice of the extent of one’s trademark rights. Since the marks, the goods, and the trade channels as reflected in the application and registration are virtually identical, a consent agreement cannot obviate the confusion. The consent agreement was outweighed by the relevant likelihood of confusion factors. Consent agreements are not viewed in a vacuum. There is a misconception regarding the weight consent agreements carry in a likelihood of confusion analysis. The Board, in a precedential decision determined that despite the parties' consent agreement, consumer confusion was likely to occur. Other consent agreements have also failed. 128

Inexpensive and often subject to impulse purchases.

Next, the Board considered the similarities of the marks. Since the goods were identical, the degree of similarity between the marks need not be as great. Applicant's mark TIME TRAVELER BLONDE essentially incorporated Registrant's entire mark TIME TRAVELER. Applicant simply added a descriptive term to the Registrant's mark and this does not distinguish it in any way. The Board determined that the marks were virtually identical in sound, appearance, meaning and commercial impression. Without any other factors to consider the Board would find a likelihood of confusion. However, in this case it was also necessary to review and evaluate the parties’ consent agreement. 128

In In re KTM-Sportmotorcycle AG, the TTAB affirmed the examining attorney's refusal to register KTM-Sportmotorcycle AG's E SPEED mark in connection with automotive parts based on Neumayor Tekfor Holding GmbH's prior trademark registration for ESPEED in connection with automotive parts. In re KTM-Sportmotorcycle AG., No. 79147426, 2016 WL 5407749 (T.T.A.B. Sept. 12, 2016). A consent agreement between the parties had not set forth the reasons why the parties determined there was an absence of a likelihood of confusion. It also failed to indicate how the parties would work together in order
IV. PRIORITY AND SENIOR USER

With the densely-populated field and competitive landscape, for those who elect to register a mark, doing so at the earliest opportunity is often the best strategy.

There have been some cases discussing establishing priority as the senior user. Woodmill Winery and Tassel Ridge Winery disputed who had priority to use the phrase RED, WHITE & BLUE for selling table wine.129 The case had an important outcome centered around the concepts of use in commerce and senior user. Woodmill had started promoting its wine several months before Tassel Ridge and should have been the senior user based on actual use in commerce, but the judge ruled for Tassel Ridge based on a technicality. Since Woodmill didn’t apply for its federal Certificate of Label Approval until a few months after it started promoting the wine, such period of use wasn’t “lawful commercial use” for priority purposes. Atlas Brewing Company opposed Atlas Brew Works’ application to register ATLAS130 for beer. The Court ruled that the opposer’s social media accounts did not establish priority.131

to avoid a likelihood of confusion, and failed to provide any period of time of coexistence without confusion.

In In re A-Plant 2000, the TTAB affirmed the examining attorney’s refusal to register A-Plant 2000 ApS’ NORDIC mark for plants based on LCN Holdings, Inc.’s prior trademark registration for NORDIC for live plants, namely, holly cultivars. In re A-Plant 2000 ApS. 2017 TTAB LEXIS 306 (T.T.A.B.Aug. 25, 2017) There, a consent agreement between the parties was determined to be deficient for a variety of reasons. The consent agreement suffered from several important deficiencies. It failed to restrict the parties’ use to different markets, trade channels, or consumers. The consent agreement also failed to set forth specific measures to prevent consumer confusion. Finally, the consent agreement did not provide that the parties had coexisted for a period of time without confusion.

A dissenter In re Twin Rest IP, LLC, No. 85934428 (T.T.A.B. Sept. 10, 2015). argued that “inside a noisy bar... as the night wears on... any aural differences... will not be readily distinguishable.”129


ATLAS, Registration No. 5,141,964.

Nebraska Brewing Co. v. Emerald City Beer Company LLC

involved a petition to cancel a mark for BLACK BETTY LAGER. The TTAB found that common law use was enough to oppose the registration as a senior user, but there were laches issues where Nebraska Brewing devoted time and money promoting its mark based on EMERALD CITY’s failure to oppose its application to register its mark. This should be a warning to the industry that delay in acting can compromise trademark rights and trademark watch services are a prudent investment.

V. MERELY DESCRIPTIVE REFUSALS

One of the most common rejections for alcohol-related trademark applications is descriptiveness. Many recent cases highlight the difficulty in overcoming this refusal. The analysis involves subjective judgment so the decisions can be difficult to reconcile. The TTAB found that the trade mark BLENDs was merely descriptive for “marketing, advertising and promoting the sale of wine.” Applicant argued that “blends” has many different meanings but was unsuccessful. Similarly, the TTAB found the mark GOOD BOX was descriptive for boxed wine since it was a type of wine and described a main feature of the boxed wine product. Applicant argued that the wine itself wasn’t a box, its packaging was but was unsuccessful. The Board noted how beverages are commonly classified by their container (canned beer, draft beer, “steine,” bottled wine and in this case, boxed wine.)

Terms of art in the food and beverage (or restaurant and bar) industry are likely to receive opposition if an attempt to register one is made. The mark N2WINES was deemed descriptive by the Trademark Examiner for wine sold in kegs, because it described a main feature of the product since N2 is the chemical symbol for nitrogen, the gas used to dispense the wine from the keg, it was merely descriptive. The TTAB reversed the refusal to register, however, because the applicant was not simply using N2WINES to describe the chemical process, but as a play on words: N2Wines =

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133 In re Franciscan Vineyards, Inc., 593 F. App’x 997 (Fed. Cir. 2014).
The mark NAUGHTY GIRL for wine, underwent an unsuccessful cancellation challenge arguing the mark was descriptive because drinking Registrant’s high alcohol wine would make women “naughty.” The Petitioner had filed to register the mark “ALVI’S DRIFT NAUGHTY GIRL” for wine and had received an office action containing a rejection based on likelihood of confusion citing the registered mark. The Petitioner appears to have been somewhat misguided in its attempt to cancel the mark that blocked its own application, not contemplating how its argument would impact its own application.

The consumer trend in food is “ready to go.” Grocery stores and restaurants are selling prepared food for busy lifestyles. It is no surprise that trend is popping up in the beverage segment. There are pre-mixed smoothies, coffee beverages, and of course, adult beverages. When there is a known cocktail with the same or similar name, a registration application for a pre-mixed cocktail is likely to be rejected on a descriptiveness basis. In one case, the mark TEAQUILA was found to be merely descriptive for “alcoholic beverages except beer” after the Trademark Examiner had submitted Internet evidence that the term “teaquila” was used as the name of a drink made with tea and tequila. B&B Spirits applied to register CAROLINA’S SUMMER HUMMER for a vodka and citrus premixed cocktail. The Trademark Examiner refused registration after an internet search revealed the name was known for the drink combination.

In Gosling Brothers Limited et al. v. Pernod Ricard USA LLC, Gosling Brothers Limited filed a trademark infringement suit accusing Pernod Ricard of confusing consumers. Pernod Ricard marketed its MALIBU ISLAND SPICED RUM in connection with

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135 Id. at *3.
its copycat “BLACK STORMY” that was essentially GOSLING’s trademarked DARK ‘N STORMY\textsuperscript{142} cocktail. GOSLING’S DARK ‘N STORMY has just two ingredients: ginger beer and GOSLING’S BLACK SEAL RUM. Gosling previously succeeded in a similar legal battle against Proximo Spirits after it applied to trademark a KRAKEN STORM\textsuperscript{143} cocktail made with rum and ginger beer. Gosling owns several trademarks for the iconic summertime drink, including marks designating a pre-mixed version of the cocktail and a kit for mixing it at home.\textsuperscript{144}

For craft beverage companies, restaurants and bars that develop a proprietary drink recipe, filing an application for protection prior to mass marketing is essential to successful registration. Once the term has become known as the cocktail name, it is almost certain to meet a merely descriptive (or worse, generic)\textsuperscript{145} rejection. Some commentators believe it is possible to trademark an acronym for a beer or wine variety if you are the first in the industry to use the term as a brand designator.\textsuperscript{146} The trademark owner has the burden of policing its mark to ensure others do not adopt and use the acronym or term so it becomes genericized and no longer an indicator of source. Hedges Family Estate successfully registered its CMS\textsuperscript{147} mark, an acronym for a wine blend of Cabernet, Merlot and Syrah. Baroness Small Estates unsuccessfully challenged the mark claiming the acronym was well known in the industry.\textsuperscript{148}

\begin{footnotesize}
\begin{enumerate}
\item \textsuperscript{142} U.S. Trademark Application Serial No. 73,504,235 (filed Oct. 17, 1984); DARK ‘N STORMY, Registration No. 1,657,574; DARK ‘N STORMY, Registration No. 2,011,630; DARK ‘N STORMY, Registration No. 3,461,485; DARK ‘N STORMY, Registration No. 3,747,805; GOSLING’S DARK‘N STORMY BLACK SEAL, Registration No. 4,297,417.
\item \textsuperscript{143} KRAKEN STORM, Registration No. 5,046,099.
\item \textsuperscript{145} A generic term is "the ultimate in descriptiveness" under §2(e)(1) and incapable of acquiring distinctiveness under §2(f). H. Marvin Ginn Corp. v. Int’l Ass’n of Fire Chiefs, Inc., 782 F.2d 987, 989, 228 USPQ 528, 530 (Fed. Cir. 1986).
\item \textsuperscript{146} Steven Klein, “IPA” Really Could Have Been a Trademark for Beer, \textit{Law360} (Jan. 23, 2015, 10:41 AM), http://www.law360.com/articles/613258/ipa-really-could-have-been-a-trademark-for-beer.
\item \textsuperscript{147} CMS, Registration No. 2,984,716.
\item \textsuperscript{148} See Notice of Opposition, Baroness Small Estates, Inc. v. American
\end{enumerate}
\end{footnotesize}
Brewing Company has successfully initiated offensive measures against beer companies using the term "session." It has successfully defended the brand despite use of the term as a low alcohol beer style. Full Sail Brewing Company owns several SESSION marks for beer and opposed Bird Brain Brewing Company's efforts to register JOINT SESSION ALE. BIRD BRAIN BREWING responded arguing "session" is a generic term incapable of registration. The case was settled and the opposition withdrawn 14 months later. Another example of Full Sail Brewing Company's efforts to protect its SESSION mark is the opposition it recently filed against New Glory Craft Beer regarding the mark TAKE 5 SESSION IPA.

In In re Cordua Restaurants Inc., the Director of the USPTO argued to the Federal Circuit that the USPTO correctly determined that CHURRASCOS is a generic term, stating the public understands the word to refer to a type of steak or to a restaurant that specializes in serving it. The TTAB held that Cordua couldn't register a stylized version of the term despite having already registered CHURRASCOS in standard type six years earlier, a factor that the TTAB failed to give adequate consideration to. This ruling seems counterintuitive to a mark owner's ability to create a family of marks with a logo version of its standard character mark. The case teaches that each application is considered independently and prior or similar registrations will not necessarily play a role in the prosecution of the application. The case also may stand for the Trademark Examiner's recognition that there may be different public use of a term over time. At one point in time a term may be relatively unknown and distinctive while years later that same term may be used as a popular name for a product in a generic fashion.

Soda manufacturer Coca Cola was in a similar battle over its...
COKE ZERO\textsuperscript{154} mark. The USPTO wanted it to disclaim the “zero” portion of the mark arguing it is generic or descriptive for a no-calorie beverage. The TTAB ruled that Coca Cola was permitted to register a family of trademarks incorporating the term “ZERO” for zero calorie soft drinks because acquired distinctiveness of the mark had been sufficiently demonstrated.\textsuperscript{155} Dr. Pepper claims consumers don’t view the term as a source indicator to Coca Cola, but rather see it as another word for “diet” or “light.” Examples of other popular beverages include Pepsi Zero, Propel Zero, Royal Crown’s Diet Rite Pure Zero, and Arizona’s Arnold Palmer Zero.\textsuperscript{156} These cases are ones the industry should watch carefully.

Fort George Brewery opposed the application of Sierra Nevada Brewing Company for the mark 4-WAY IPA,\textsuperscript{157} claiming it was confusingly similar to its 3-WAY IPA\textsuperscript{158} mark.\textsuperscript{159} Lagunitas Brewing Company sued Sierra Nevada Brewing Company for label designs that were confusingly similar in the visual aspects of the term IPA.\textsuperscript{160} The incorporation of the acronym “IPA” may lead to a merely descriptive refusal when combined with other terms of a descriptive or geographic nature.

VI. SURNAMES

Many entrepreneurs use their surname as a brand name. However, those who share a common surname with a well-known family name may not be able to use the surname as a mark for selling alcoholic beverage products. In the case \textit{In re Barton},\textsuperscript{161} Joseph


\textsuperscript{156} \textit{Id.} at *16.

\textsuperscript{157} U.S. Trademark Application Serial No. 86,266,615 (filed Apr. 29, 2014).

\textsuperscript{158} 3-WAY IPA, Registration No. 4,900,154.


Barton applied to register BARTON FAMILY WINERY\textsuperscript{162} for wine, but the USPTO refused registration based on the registered mark THOMAS BARTON for “alcoholic beverages, namely, wines.”\textsuperscript{163} The TTAB affirmed, finding that the use of a first name in one mark was not enough to dispel potential consumer confusion. “Consumers familiar with Registrant’s wines are likely to believe that Registrant is now producing a line of wines bearing only its surname, and that Registrant is designating its own ‘Barton family’ as the maker of the wines produced under the mark BARTON FAMILY WINERY.” This is not new law, but worth mentioning that it still stands as good law on the issue.

Another interesting issue has been raised about family names and family reputation and association with the alcohol business. When Saint Louis Brewery applied to register SCHLAFLY,\textsuperscript{164} the brewery’s house brand since 1991 for beer, the brewery owner’s nationally known conservative, activist, aunt opposed the application because she did not want to be associated with alcohol manufacturing.\textsuperscript{165}

VII. GEOGRAPHIC MARKS

It is common business practice to use the name of the place where a business is located on their goods or in their trade names. The geographically descriptive rejection exists to prevent one business from gaining a monopoly on the name of a place simply by being the first to apply to register it. Recent cases reaffirm that instances where the geographic meaning of the place named in a mark is not well-known to U.S. consumers or is otherwise obscure, remote or arbitrary in relation to the goods, the mark will not be deemed primarily geographic. If an area has no particular reputation for the product, then the geographic name can appear as part of a composite mark comprised of the geographic term and one or more other terms. The applicant is likely to be required to disclaim the

\textsuperscript{162} U.S. Trademark Application Serial No. 85,554,813 (filed Feb. 28, 2012).
\textsuperscript{163} THOMAS BARTON, Registration No. 3,575,334.
\textsuperscript{164} U.S. Trademark Application Serial No. 85,482,562 (filed Nov. 29, 2011).
geographic term. This ruling can open the doors to craft beverage producers who may wish to use names inspired by little known towns or regions around the world.

Section 2(a) of the Trademark Act, 15 U.S.C. §1052(a), prohibits the registration of a designation that includes "a geographical indication which, when used on or in connection with wines or spirits, identifies a place other than the origin of the goods." It does not apply to geographical indications that the applicant first used on or in connection with wines or spirits prior to January 1, 1996, and does not apply to designations used on or in connection with beer. A mark will be deemed geographically misdescriptive if: (1) the primary significance of the relevant term or design is geographic; (2) purchasers would be likely to think that the goods originate in the geographic place identified in the mark; (3) the goods do not originate in the place identified in the mark; (4) a purchaser's erroneous belief as to the geographic origin of the goods would materially affect the purchaser's decision to buy the goods; and (5) the mark was first used in commerce by the applicant on or after January 1, 1996.

Section 2(a) is an absolute bar to the registration of false geographical indications used on wines or spirits on either the Principal Register or the Supplemental Register. A disclaimer of the

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166 U.S. Trademark Application Serial No. 78,908,024 (filed Jun. 14, 2006); BIALLA NAPA VALLEY, Registration No. 3,596,567.
167 15 U.S.C. § 1052(a). The provision regarding geographical indications used on wines and spirits was added by the Uruguay Round Agreements Act, implementing the Trade Related Intellectual Property ("TRIPS") portions of the General Agreement on Tariffs and Trade ("GATT"). Article 23 of the World Trade Organization's Agreement on Trade-Related Aspects of Intellectual Property Rights ("TRIPS Agreement") prohibits the registration of geographical indications for wines or spirits that identify a place that is not the origin of the goods.
168 TMEP § 1210.08. The provision also does not apply to goods that are not wines or spirits, but are partially composed of wines or spirits (e.g., wine vinegar; wine sauces; wine jelly; rum balls; bourbon chicken). The PTO Examination Guide 1-06 for Geographical Indications Used on Wines and Spirits (issued May 9, 2006) states that "This exam guide supersedes current TMEP § 1210.08."
169 See TMEP § 1210.02(a)-(b).
170 See id. § 1210.04.
171 See id. § 1210.03.
172 Id. § 1210.05(b)-(e).
geographic term or design cannot obviate a Section 2(a) refusal if the mark consists of or includes a geographical indication that identifies a place other than the true origin of the wines or spirits if that place is known in connection with such wine or spirit (because it would materially affect the decision to purchase). Similarly, a claim that it has acquired distinctiveness under section 2(f) of the Trademark Act will not overcome such rejection.

Europeans take their geography-based trademarks pretty seriously believing the terroir produces unique flavors that cannot be replicated in other locations. These appellations of origin have been the subject of international treaties and the federal regulatory agency for alcoholic beverage sales and distribution, has strict guidelines for use of certain geographic indicators when used in association with alcoholic beverages.

European governments and food producers fund industry groups tasked with enforcing the exclusive use of the regional names including TTAB oppositions against similar-sounding applications arguing that the proposed mark would violate Section 2(a) of the Lanham Act, specifically its provision that explicitly bans the use of inaccurate geographic indicators on wine and spirits. They are aggressive in protecting marks that contain in whole or in part the protected regional names. When an application was filed for the portmanteau CARDBORDEAUX for selling California wine, it was quickly opposed by the Conseil Interprofessionnel du Vin de Bordeaux, the group that handles the name of the famed red wine from the Bordeaux region of France.

An application for I' CELAND filed by COSMICA CIA. LTDA., an Ecuadorian company seeking to register the name for a line of vodka was opposed by the nation of ICELAND on the basis that “The word ‘I’ celand’ denotes someone or something from Iceland [and] the public would likely believe the misrepresentation and believe the goods originate from the country of Iceland . . .

174 So-called protected are supposed to be used exclusively on products that actually originate from their namesake locations, like Parmigiano cheese from the Parma-Reggio Emilia region of Italy or Champagne made in the Champagne region of France.
Applicant’s ‘Iceland Vodka’ bottle features images of snow-capped mountains, which reinforces the perception that the vodka comes from Iceland.” The opposition is likely to be successful.

In an application filed in 2012 for a vodka branded “Iceland Pur,” the Trademark Examiner refused registration “because the proposed mark consists of or comprises geographically deceptive and primarily geographically deceptively misdescriptive matter in relation to the identified goods [vodka].”

If the wines or spirits originate in the identified place, and the primary significance of the mark is a generally known geographic location, the Trademark Examiner should presume the requisite goods/place association, and refuse the mark under § 2(e)(2) as geographically descriptive, or require a disclaimer of the geographic term, as appropriate. A geographically misdescriptive refusal can be overcome if the applicant can show that the allegedly geographic term references a place that is not known for the goods and services: with which the applicant seeks to register its mark. When the D’Andrea family attempted to register ARCATA, the Trademark Examiner rejected registration because “Arcata” was geographically misdescriptive. Arcata is a town in Northern California, but the town was not linked with the Applicant’s wine. The TTAB reversed the rejection because Arcata is not particularly known for producing wine. Thus, it reasoned, consumer-purchasing decisions would not be influenced by the name and there was no risk that misdescriptiveness would confuse consumers.

In In re Montussan Apertifs SAS, the TTAB ruled that MONTUSSAN could be registered as a trademark for wine and spirits, declaring that the French town name is so obscure that most Americans wouldn’t know it. The TTAB said that American consumers would have no idea what “Montussan” was, meaning

179 See TMEP §§ 1210.01(a), 1210.06(a).
180 ARCATA, Registration No. 2,805,972; ARCATA, Registration No. 4,690,572.
183 MONTUSSAN, Registration No. 4,879,296.
they wouldn’t perceive it as place name.184

“Nicknames” for geographic areas are subject to the same geographic descriptiveness rules. Black Dirt Distillery sued Black Dirt Brewhouse for its advertising of BLACK DIRT cocktails featuring local spirits.185 This allegedly confused customers into thinking they were drinking Black Dirt Distillery produced spirits. The Black Dirt reference is geographically significant since the area is known for its black dirt. Atlas Brewing Company opposed Atlas Brew Works’ application to register ATLAS for beer. The brewery argued that for applicant, the term “Atlas” had geographic significance since it was the unofficial nickname of DC’s street district where applicant was located.186

The TTAB refused to register the SUGARLANDS DISTILLING COMPANY mark for craft moonshine beverages.187 The Trademark Examiner acknowledged the mark could be geographically descriptive of the goods because sugarlands are known in the Great Smoky Mountains, but the TTAB found the Examining Attorney’s evidence insufficient. However, the TTAB went on to find the mark confusingly similar with the SUGARLAND CELLARS mark for wine.188

184 In re Montussan, No. 86172886, 2015 WL 5118053 at *4. See also In Re The Newbridge Cutlery Company, the Federal Circuit reversed a TTAB decision to affirm the rejection of a trademark on NEWBRIDGE HOME because the name of the Irish town (Newbridge) was primarily geographically descriptive. In re Newbridge Cutlery Co., 776 F.3d 854 (Fed. Cir. 2015). The Appeals Court held that the USPTO did not establish that U.S. consumers had enough knowledge of the town to associate it with the mark. Since it was not well-known enough to consumers in the U.S., the trademark could not be considered geographically descriptive under the Lanham Act for the goods.


188 See also In re Proximo Spirits, Inc., Serial No. 85865962, 2015 WL 1458232 at *1 (T.T.A.B. Mar. 16, 2015) (PROXIMO SPIRITS applied to register COCOMO for tequila. The TTAB did not find geographic significance to Kokomo, finding consumers would think “tropics” or “coconut” as the commercial impression.)
Brooklyn Brewery filed to cancel the BKLYN mark registered by competitor Sixpoint Brewery claiming it should not have a monopoly over the association between the NYC borough and selling beer. Critical to its argument is the widespread public use of the acronym BKLYN for Brooklyn. Sixpoint Brewery voluntarily surrendered its registration and allowed the mark to be cancelled. More recently, Brooklyn Brewery filed to cancel The Village Voice’s registration for the mark BROOKLYN POUR, and is opposing the registration of the mark BROOKLYN POUR -- NYC'S LARGEST ONE DAY BEER FESTIVAL by THE VILLAGE VOICE.

VIII. To File or Not to File

Once a craft beverage producer decides on a mark to brand its business, it must decide on its strategy to protect its intellectual property. The biggest decision is whether or not to file a federal application for trademark registration at the state or federal level. Most will want federal protection if they qualify as being in interstate commerce. There are occasions, however, when filing a trademark application is not the best course of action. The benefits of federal registration do not always outweigh practical business considerations. The first is where a competitor is already using the mark in the alcoholic beverage or restaurant and bar industry. It is not necessary that the mark be registered to allege infringement, only that it is actually being used (common law trademark rights).

Start-up Innovation Brewing filed a federal trademark application for its mark INNOVATION BREWING. However, Bell’s Brewery had a registered mark for INSPIRED BREWING and was using BOTTLING INNOVATION and claimed a common law trademark for the term in connection with its brewery and beer. Filing the trademark application put Innovation Brewing’s mark on Bell’s radar screen and instigated a battle. Using the mark without

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191 INSPIRED BREWING, Registration No. 3,122,464; INSPIRED BREWING, Registration No. 4,098,319.
registering it may have kept them off the radar screen allowing for a peaceful co-existence. Ultimately, Innovation Brewing prevailed before the TTAB, and the TTAB found that Bell’s Brewery had not met its burden of establishing by a preponderance of the evidence that the mark INNOVATION BREWING was likely to cause consumer confusion with the mark INSPIRED BREWING in association with beer.192

Another situation when registration is not a good idea is where the mark comprises a combined term that includes a beer style or other known name for an alcoholic beverage. A disclaimer may often ameliorate this situation. Left Hand Brewing Company filed a federal application to register its marks MILK STOUT NITRO and NITRO. The company faced backlash from the craft brew industry in regards to registering a mark that includes a term describing the beer variety or style. Full Sail Brewing Company filed a cancellation proceeding against several of Speakeasy Ales & Lagers marks containing the term “session” for similar reasons.

A third situation is where the mark has some connection or reference to a movie, book, song, band, character, or other artistic work. In these situations, there is a potential for a cease and desist to be issued by the artist or his or her assignee of the intellectual property. Relying on common law trademark rights and flying under the radar may be the most prudent course of action. Another option is to contact the artist or rights holder and seek written permission to use the mark. Empire Brewing Company filed a federal trademark application to protect the name of its 10 year old EMPIRE STRIKES BOCK beer. While it had flown under the radar for more than a decade, filing a federal trademark application landed Empire on the wrong side of an opposition proceeding from Lucasfilm.193

Allied Domecq Spirits & Wine applied to register MILTONUFF194 for alcoholic beverages not including beer, but was opposed by Twentieth Century Fox who thought it would be confused with its Simpsons marks DUFF,195 DUFF LIGHT196 and

194 MILTONUFF, Registration No. 4,930,092.
195 DUFF, Registration No. 4,566,718.
196 DUFF Lite, Registration No. 4,616,295.
DUFF DRY. These marks began as fictional brands, but were actually made into beverages about fifteen years later. Milton Duff Whiskey was established in 1824, but one of the entity owners let an earlier registration for MILTON DUFF expire in 1993, leaving the door open for the movie giant to acquire intervening rights and assert them against later-filed applications.

A fourth situation is where you have a party involved who has a significant online presence and a loyal fan base that could use the internet as its sounding board to convey its opinions and create a public relations nightmare. As the saying goes, “any press is good press,” but in the age of the internet and social media, businesses must create a whole new public relations strategy. One posting could go viral in a matter of hours, and will be in cyberspace for eternity when anyone searches the company on the internet. The resulting damage could be substantial and long-lasting.

In January 2015, the public and industry were quick to outcry that Lagunitas could not claim a monopoly on the terms that describe the style of beer, India Pale Ale or “IPA.” Public pressure was enough to encourage Lagunitas to withdraw its legal action and publicly announce that “[t]oday was in the hands of the ultimate court: The Court of Public Opinion and in it I got an answer to my Question; Our IPA’s TM has limits.” Old Ox Brewery’s application to register its name and logo was opposed by Red Bull because both were bovine and as such, were indistinguishable to most customers. The internet again was part of the response and resulted in backlash against Red Bull, but not enough to withdraw its opposition. Applewood Winery fought Applewood Distillery first on social media and then in federal court. The case appears to have settled but exemplified the power of public involvement of internet campaigns against competitors or wrongdoers.

Another consideration for a craft beverage producer is whether the proposed mark as used on product labels will be approved by the
Alcohol and Tobacco Tax and Trade Bureau (TTB). In order to be approved for a Certificate of Label Approval from the TTB, alcoholic beverage labels must not contain any of the following prohibited practices: (1) false or untrue statements; (2) misleading statements or images; (3) obscene or indecent statements or images; (4) misleading use of a prominent living individual or private organization; (5) statements that disparage a competitor or its products; (6) health claims; (7) government stamps, flags, seals, coats of arms, crests or other insignia; (8) terms like "strong" or "full strength"; or (9) terms associated with spirits unless the product is a distilled spirit.

While the USPTO trademark examiners are not concerned with the use of spirits terms in marks for products other than distilled spirits, the TTB examiners will reject such label applications. Lagunitas could not obtain a Certificate of Label Approval for a beer label that said, "WHISKEY TANGO FOXTROT." Reciprocally, the TTB is not charged with reviewing labels for trademark issues. Thus, receiving a Certificate of Label Approval has no bearing on whether a mark is infringing a third party's trademark rights or may be federally registered.

Different government agencies often apply different standards and definitions. This is particularly the case with alleged obscene or indecent statements or images. In 2012, the TTB approved a beer label with the beer name FUCK ART LET'S DANCE.

Another common issue is state laws regarding the advertising and labeling of alcoholic beverage products. Almost 10% of the United States regulate the use of words or images that might appeal to children. Images that may be prohibited by various states include images of children, elves and Santa Claus because their Alcoholic Beverage Control (ABC) Boards believe it may induce children to drink alcohol believing it is a child-friendly beverage. There have been two practical approaches taken recently by craft beverage producers in response to label approval denials. Founders Brewing Company obtained Certificate of Label Approvals for a label containing images of children and a second one for the same

201 But note Goose Island's COLA for Bourbon County Brand Stout.
Another responsive approach was taken by Shelton Brothers after being denied label approval for a beer called SANTA’S BUTT WINTER PORTER. The brewery filed a lawsuit against the New York State Liquor Authority (NYSLA) claiming a violation of its First Amendment rights. The NYSLA backed off within a mere week and the beer label was approved for sale in New York.\(^\text{203}\) This tactic was also successful for Flying Dog Brewery, but it took many years and a decision from the Sixth Circuit Court of Appeals\(^\text{204}\) to get approval of its label for RAGING BITCH beer. With its damages from the lawsuit, it launched a 1\(^\text{st}\) Amendment Society.

**IX. FIRST AMENDMENT AND COMMERCIAL SPEECH**

Although not strictly trademark cases, cases involving language on alcoholic beverage labels, bottles and product packaging have an impact on product naming and branding practices. These cases also demonstrate that courts will limit regulatory control on alcoholic beverages, narrowly construing the legitimate government interest. In *Liquormart, Inc. v. Rhode Island*,\(^\text{205}\) Rhode Island attempted to justify its ban on advertising alcoholic beverage prices as an exercise of its authority, but the Supreme Court rejected that argument stating, “[W]e now hold that the Twenty-first Amendment does not qualify the constitutional prohibition against laws abridging the freedom of speech embodied in the First Amendment.” The Supreme Court ruled that imposing a

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\(^{205}\) As the Supreme Court reaffirmed, *Central Hudson* remains the standard for assessing whether restrictions on commercial speech are permissible under the First Amendment. Under the *Central Hudson* standard for commercial speech, neither deceptive speech nor speech that proposes an illegal transaction is protected by the First Amendment. A restriction on commercial speech that is not misleading and concerns lawful activity must pass three additional tests: the asserted governmental interest in the speech restriction must be substantial; the restriction must directly advance the governmental interest asserted; and the restriction must not be more extensive than necessary to serve that interest. *Liquormart, Inc. v. Rhode Island*, 517 U.S. 484, 492 (1996) (citing Cent. Hudson Gas & Elec. Corp. v. Pub. Serv. Comm’n of N.Y., 447 U.S. 557, 591 (1980)).
contractual condition to the licenses granted by the state to retailers cannot involve surrender of a constitutionally guaranteed right. While the state has the discretion to grant or not grant such licenses, once it undertakes to do so, it must do so constitutionally. Following *44 Liquormart*, the Supreme Court vacated and remanded the Fourth Circuit’s two decisions upholding district court rulings against First Amendment challenges to a Baltimore city ordinance banning stationary outdoor advertising of alcoholic beverages in certain areas where children were likely to walk to school or play.\(^{206}\)

The *44 Liquormart* case was decided in 1996, but it has yet to have a meaningful impact upon state and federal legislators. Restrictive laws and regulations, fuzzy rules and selective enforcement are commonplace, and the industry is becoming more proactive in asserting its First Amendment rights. This opens the door to abuse. While ostensibly pursuing its regulatory mission, the regulators can improperly punish businesses for criticizing the agency or offending the wrong people. Alcoholic beverage businesses often operate in an environment of uncertainty created by vague regulations, inconsistent enforcement, unpredictable policy changes, and capricious decisions.

One of the best examples of inconsistent treatment of brand names on labels is the Alabama Alcoholic Beverage Control Board. While the state ABC permitted RAGING BITCH, ARROGANT BASTARD Ale and FAT BASTARD, it initially banned DIRTY BASTARD Scotch ale and BACKWARDS BASTARD beer in 2012.\(^{207}\)

David L. Hudson Jr., a law professor and First Amendment Scholar, published a commentary on the First Amendment Center blog of Vanderbilt University where he wrote that


[w]hen the Alabama Alcohol Beverage Control Board . . . banned the sale of Dirty Bastard beer in the state, it flew in the face of common sense and free-speech precedent . . . First of all, as the Associated Press reported, a wine called Fat Bastard is already available in the state. To allow Fat Bastard and disallow Dirty Bastard seems irrational, nonsensical and arbitrary.208

Following the repeal of Prohibition, Congress found it necessary to strictly regulate the country’s alcoholic beverage industry with the 1935 Federal Alcohol Administration Act (FAAA) which prohibited the printing of alcohol content on beer labels.209 Coors applied to the Bureau of Alcohol, Tobacco, and Firearms (ATF, the predecessor agency of the current TTB) for approval of proposed labels and advertisements that disclosed the alcohol content of its beer. When the ATF denied the application; Coors brought suit seeking injunctive relief and a declaratory judgment that the labeling ban violated the First Amendment’s free speech protections.210 The Supreme Court applied commercial speech principles and found the whole regulatory scheme irrational, especially because the same statute required alcohol content on wine and spirits labels.

In the case of Yakima Brewing & Malting, practices federal regulators (the TTB) had known about for years suddenly and inexplicably became violations. The TTB had never before complained that the name GRANT’S SPICED ALE was in fact “frivolous” and impermissible on the beer labels, denying a Certificate of Label Approval application. The fact is that the TTB continues to allow the use of many fanciful beer names, including PETE’S WICKED ALE, LABATT’S BLUE, and BLACKENED VOODOO, without demanding special explanations on the labels, is evidence of inconsistent and selective enforcement of the rules. A similar reversal involved POWERMASTER, a malt liquor that the

TTB approved in 1991. Like many other malt-liquor brands, POWERMASTER was aimed mainly at inner-city populations, but it attracted special attention because it had a higher alcohol content than its competitors. Label approval was rescinded by the TTB in reaction to public criticism of the product on the ground that the word “power” was a veiled reference to alcoholic strength, which brewers were not allowed to advertise. The TTB instructed G. Heileman Brewing Co. to remove the word from the product’s name.

This inconsistency is not easy for practitioners and applicants to fight because the TTB is not bound by prior decisions and practice. Additionally, there is the human element of discretion. Different examiners can in good faith interpret and apply the rules differently or be subject to policy differences between management regimes. Despite the challenges, several industry members have successfully used the First Amendment to fight state and federal regulatory activity against them. A Michigan Brewery fought state regulators and won twice. The Sixth Circuit rejected a qualified immunity defense for Michigan regulators who had banned a beer label proposed by Flying Dog Brewery. Flying Dog Brewery created an IPA called RAGING BITCH that the Michigan Liquor Control Commission refused for its scandalous content. Michigan’s Liquor Control Commission (LCC) rejected approval for RAGING BITCH in November 2009, ruling its label “contains such language deemed detrimental to the health, safety, or welfare of the general public.” During the April 2010 appeal hearing, an LCC commissioner elaborated on the decision, stating “we don’t believe in censorship . . . but we also are placing a product in front of ten million people ... of all ages from children on up” (emphasis added). The Sixth Circuit Court of Appeals held that the Supreme Court’s decisions on commercial speech “should have placed any reasonable state liquor commissioners on notice that banning a beer label based on its content would violate the First Amendment.”

However, it was when the U.S. Supreme Court decided Sorrell

213 Flying Dog Brewery, LLLP, 597 F. App’x at 354.
v. IMS Health, another case involving content-based restrictions on commercial speech, that the LCC rescinded the rule that Flying Dog’s suit challenged, and approved RAGING BITCH for release in Michigan. In 2001, Flying Dog Brewery wanted to use the phrase GOOD BEER NO SHIT on a beer label. Before TTB’s predecessor (BTAF) reviewed the label, the Colorado ABC rejected it on the grounds that the phrase was obscene. Asserting its First Amendment rights, Flying Dog Brewery prevailed and the label was ultimately approved by Colorado ABC and the TTB.

Federico Cabo acquired the right to import “Black Death,” a vodka distilled from beets. The TTB approved the product’s label, which shows a grinning skull wearing a black top hat. Several years later, the TTB took a reverse turn in declaring that the coffin-like vodka boxes and the slogan, “Drink in Peace,” would appeal to young people and encourage alcohol abuse. The TTB issued a letter cancelling the Certificate of Label Approval on the basis that the label violated regulations in two ways: (1) the skull and the name were interpreted as an allusion to bubonic plague and (2) created the misimpression “that the product is inherently unsafe for human consumption at any level” and further, the label “mocks the real health risks which may result from the consumption of alcohol by making an obviously false claim about the dangers of alcohol consumption,” thereby undermining the Surgeon General’s printed warnings. The wholesaler’s challenge was successful as the federal court held that the TTB lacked statutory authority to revoke a label approval three years after granting it, except in exceptional circumstances; and that it had acted “arbitrarily and capriciously,” in violation of the Administrative Procedure Act and commented that “the government’s prohibition of the ‘Black Death Vodka’ label strikes at the heart of the first amendment.” In granting the injunction and in granting summary judgment in Cabo’s favor, the court concluded that issuance of a Certificate of Label Approval creates a property interest and should therefore be protected by the Fifth Amendment’s Due Process Clause.

216 Id. at 377-78.
217 Id.
The First Amendment will not eliminate government regulation of alcoholic beverage labels, but will narrow regulatory interests to protecting public health and welfare. Case law will define the breadth of regulatory control as more challenges are brought on First Amendment grounds.

X. IMMORAL, SCANDALOUS AND DISPARAGING MARKS

The law regarding immoral, scandalous and offensive marks has been the focus of several recent cases that have greatly altered the spectrum of marks that are registrable. The U.S. Supreme Court ruled that refusing to register disparaging trademarks violated the First Amendment. Soon after, the Federal Circuit ruled that banning registration of scandalous and immoral trademarks violates the First Amendment.

Both immoral and scandalous trademarks, along with disparaging marks, had been intertwined in Section 2(a) of the Lanham Act. Trademarks falling into those categories were prohibited from registration as federal trademarks. Thus, those trademarks could retain common-law trademark protection but were denied added protections that accompany a federal registration. Section 2(a) was flawed in a way that left it open to criticism leading to the recent court holdings. The standard for what was scandalous, immoral, or disparaging was subjective and difficult to quantify. Some trademarks that were allowed registration were difficult to separate from others that had been denied registration under Section 2(a). The examiner’s subjective views would often determine whether a trademark was registered or not due to speech-related reasons, rather than with regard to the trademark’s intended purpose of avoiding consumer confusion.

For years there had been a trend in which both the USPTO and the TTB became more lenient in approving potentially immoral,

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218 Matal v. Tam, 137 S. Ct. 1744, 1751 (2017), (upholding determination that “The Slants” mark was registrable under Section 2(a)).
220 Trademark rights derive from use, not registration. Registration merely provides extra federal benefits. These enhanced rights include: nationwide constructive notice, original federal jurisdiction, presumptive validity of the mark, potential incontestability status, border protection measures, attorney’s fees and costs, and statutory damages.
scandalous or derogatory marks (including “obscene or indecent” content). The craft beverage industry is filled with colorful characters, undeniably reflected in some of the names of the businesses and craft beverages. It can be a strategic marketing tactic. The fact is that sex and humor sells. Controversy grabs consumer attention. In the alcoholic beverage industry, applicants must not only consider the USPTO treatment of the branding elements, but also be concerned with how the TTB and state ABCs will treat the trade name and imagery in the label approval process. The TTB’s more lenient scrutiny is reflected in its Certificate of Label Approval decisions as previously discussed. Copperhead Mountain Distillery introduced PINK PANTY DROPPER, its watermelon moonshine. The name is a little risqué but the TTB approved the label. The TTB also approved PIEHOLE flavored whiskey, ASS KISser CHARDONNAY and ARROGANT BASTARD ALE. There has been some inconsistency in the outcome of applications filed with the USPTO.

Il MESSIA successfully registered for wine.\(^{221}\) This was hard to reconcile with the outcome of an application for MADONNA for wine\(^{222}\) that was abandoned after an inter partes decision by the TTAB. An application for KHORAN for wine\(^{223}\) was denied despite the Applicant’s arguments that the spelling difference equated a phonetic difference and that the term was an Armenian word for “alter,” not “the holy book.”\(^{224}\) The Applicant argued that “messia” was an Armenian word with a different meaning but the Examiner responded that the Applicant had not proven the average consumer was fluent in Armenian or that there was different pronunciation for the two words differing only by the letter ‘h.” An important point in this case was that the intent of an Applicant is not relevant to a disparagement inquiry.\(^ {225}\) The focus is on the impact it will have on those who may encounter the mark, and in particular, the members of the group affected by the mark to whom it may be offensive or

\(^{221}\) Il MESSIA, Registration No. 4,093,035.
\(^{222}\) See In re Riverbank Canning Co., 95 F.2d 327 (C.C.P.A. 1938).
scandalous. This is not always easy to predict as exemplified by a successful registration of DEGO for tequila in 2015.226

_Matal v. Tam_ involved a band named ‘THE SLANTS,’ which had filed a trademark application for the band name. The band members were of Asian ethnicity. The name was meant to be an ironic, slyly humorous reference to the band members’ ethnicity. The federal registration for the mark was denied on the basis of it being a disparaging term. The applicant continued to pursue the registration, and eventually the case reached the Supreme Court, which, as mentioned, held that the disparagement clause in the Lanham Act was in violation of the First Amendment.227

Another related lawsuit involving the mark WASHINGTON REDSKINS was in litigation at the time of the Supreme Court’s decision in _Matal v. Tam_.228 The holding in _Matal v. Tam_ concluded that litigation. The outcome in that case also meant that the term WASHINGTON REDSKINS could regain its federal trademark status. Thereafter, the USPTO issued guidance that disparaging marks would not be refused. Trademarks previously suspended pending the outcome of the litigation would be removed from suspension and reexamined.

The Federal Circuit held that _In re Brunetti_ was the natural extension of the Supreme Court’s holding in _Matal v. Tam_. _In re Brunetti_ involved a company that applied for federal trademark registration for the mark FUCT for apparel. The mark was refused registration due to its supposed immoral or scandalous nature. The Court held that the immoral or scandalous marks provision of Section 2(a) violated the First Amendment and failed both strict scrutiny and intermediate scrutiny standards of review.229 Scandalous, immoral, and disparaging trademarks now cannot be

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226 DEGO, Registration No. 4,689,617. Public outcry can be substantial, as in the case of a malt liquor called CRAZY HORSE by HORNELL BREWING COMPANY that prompted Congress to pass a law prohibiting the use of the CRAZY HORSE name with distilled spirits, wine, or malt beverage products. This law was subsequently deemed a violation of the First Amendment. Hornell Brewing Co. v. Brady, 819 F. Supp. 1227, 1246 (E.D.N.Y. 1993).

227 _Matal v. Tam_, 137 S. Ct. 1744, 1751 (US June 19, 2017) (upholding determination that “The Slants” mark was registrable under Section 2(a)).


229 _In re Brunetti_, 877 F.3d 1330, 1330-31, (Fed. Cir. 2017)
refused federal registration.

However, in the years prior to Brunetti, Left Nut Brewing Company’s application to register its name was refused as being immoral and scandalous. The TTAB reversed the decision, finding other meanings for the phrase than the left testicle. The TTAB noted that

[left nut’ can, of course, refer to the left testicle, . . .
[but it] also can be a figure of speech used to describe the lengths to which someone might go to attain something of great value. It can refer to a passenger’s position in an automobile, i.e., behind the driver. And it can refer to a member of the ‘political left’ or a ‘left wing screwball.’”

It also noted the federal registration of other equally suggestive marks: MY HUSBAND’S NUTS, SMELL MY NUTS, and HAVE SOME GUTS...CHECK YOUR NUTS. Engine 15 Brewing Company’s application to register NUT SACK DOUBLE BROWN ALE was refused for immoral or scandalous matter. The TTAB winked and noted the mark was not entirely innocuous but did hold that the term “nut” could refer to a nutty flavor in the beer and as such, the record was mixed on the offensive nature of the mark. Importantly, however, the TTAB stated that while it might be “somewhat taboo in polite company,” it was “not so shocking or offensive as to be found scandalous within the meaning of the statute,” and reversed the refusal.

Branding battles extend beyond the trademark arena. Logos and other trade dress imagery can lead to regulatory quagmires at the state level. There can be different treatment between the state and federal authorities and the First Amendment has been raised in defense. The NYSLA came under fire by the U.S. Court of Appeals

231 MY HUSBAND’S NUTS, Registration No. 2,984,922.
232 SMELL MY NUTS, Registration No. 3,079,622.
233 In re Left Nut Brewing Co., supra note 229.
234 HAVE SOME GUTS...CHECK YOUR NUTS, Registration No. 4,024,170.
for the Second Circuit for its ban of Bad Frog beer. In this case, the objection to the label was not with the literal elements or name, rather, regulators did not like the proposed label because its namesake frog was depicted "with the second of its four unwebbed 'fingers' extended in a manner evocative of a well-known human gesture of insult." The Federal Circuit Court noted that Bad Frog's labels received a Certificate of Label Approval and were approved for use by the TTB as well as at least fifteen states and the District of Columbia. It also recognized, however, that the label was rejected by alcoholic beverage regulatory authorities in New Jersey, Ohio, and Pennsylvania. Bad Frog's authorized New York distributor applied to NYSLA for brand label approval and registration but the application was denied. A month later, it reapplied, changing just one of the labels. The slogan "He's mean, green and obscene," was replaced with a new slogan, "Turning bad into good" and accompanied by an explanation that the frog's gesture, whatever its past meaning in other contexts, now means "I want a Bad Frog beer," and it is a symbol of peace, solidarity, and goodwill. The NYSLA denied Bad Frog's second application, finding Bad Frog's contention as to the meaning of the frog's gesture "ludicrous and disingenuous" and that the label "encourages combative behavior" and that the gesture and the slogan, "He just don't care," placed close to and in larger type than a warning concerning potential health problems, foster a defiance to the health warning on the label, entice underage drinkers, and invite the public not to heed conventional wisdom and to disobey standards of decorum.

Approval of the proposed label "that the label could appear in grocery and convenience stores, with obvious exposure on the shelf to children of tender age' and that it is sensitive to and has concern as to [the label's] adverse effects on such a youthful audience."

Finally, the NYSLA stated: Within the state of New York, the gesture of "giving the finger" to someone, has the insulting meaning of "Fuck You," or "Up Yours." A confrontational, obscene gesture, known to lead to fights, shootings and homicides. [] concludes that the encouraged use of this gesture in licensed premises is akin to yelling "fire" in a crowded theatre, [and] finds that to approve this

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236 Bad Frog Brewery, Inc. v. New York State Liquor Auth., 134 F.3d 87, 90 (2d Cir. 1998).
admittedly obscene, provocative confrontational gesture, would not be conducive to proper regulation and control and would tend to adversely affect the health, safety and welfare of the People of the State of New York.”

HAHN FAMILY WINES successfully registered with the USPTO its brand name CYCLES GLADIATOR® wine with a label image of a famous French painting of a nearly nude woman. However, trademark approval did not bear upon state label laws and HAHN was banned from selling the wine in Alabama because the label was deemed to be obscene under state alcohol label laws.238

Texas Alcoholic Beverage Commission (TABC) banned words that it deemed to directly or indirectly reference alcohol content (ABV or alcohol by volume) believing it could improperly encourage overconsumption. The TABC informed Austin’s Jester King Brewery that it could not call one of its beers STRONG ALE because it felt it indirectly referenced a high alcohol content. However, those rules were overturned by a federal judge on First Amendment grounds in 2011, finding the state’s distinction between malt beverages containing up to 4 percent alcohol by volume, which are legally defined as “beer,” and malt beverages stronger than that, which are called “ale” or “malt liquor” arbitrary, especially since those definitions do not conform to common usage.239

The alcoholic beverage industry also has a layer of self-regulation that producers must be mindful of as they brand their products and develop product packaging. Three major trade groups; the Wine Institute, the Beer Institute, and the Distilled Spirits Council of the United States impose industry self-regulation on the advertising of alcoholic beverages.240 These include rules like placement of television or radio commercials on programming that’s

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237 CYCLES GLADIATOR, Registration No. 4,032,145; CYCLES GLADIATOR, Registration No. 4,392,607.
not focused on children, not including images of Santa Claus or the Easter Bunny, or the well-known provision that bars commercials that show beer actually being consumed. There are also prohibitions on health claims, boasts about the strength of the alcohol or use of specific symbols.

XI. PRODUCT PACKAGING

Packaging is an essential part of product branding. Its role in consumers identifying a product can outweigh the product name itself. Product packaging, especially unique bottle designs, can be protected by design patents. This intellectual property protection strategy can be used in the early stages of a product life cycle to prevent copycats until trade dress protection becomes available under Trademark Law. Once product packaging has come to have a source identifying function for the consumer, it can be protected under the Lanham Act as trade dress and registered on the Federal Register. Trade dress protection can include label or box imagery, color schemes, label design aspects such as shape, placement, orientation, the shape and contours of a bottle design or other packaging elements such as burned label edges and drawstring bags.

In Sazerac Co. Inc. v. Stout Brewing Co. LLC, the distillery behind Fireball Cinnamon Whisky sued the brewery for trademark infringement over a “Fire Flask” malt liquor product that looks quite a bit like the popular cinnamon liqueur. The alleged similarity included the name, flat bottle product packaging and product flavor profile likeness. The complaint alleged that like Fireball, Stout’s product is golden brown in color and cinnamon-flavored, and the labels include the same orange-yellow, red and black color scheme. Like Fireball, the label is allegedly darkened on the edges to give it a “charred” look, and features a “red horned demon-man with flames emanating from his beard” that is highly similar to the “dragon-man” image on Sazerac’s product. “The ‘Fire Flask’ product even feature[d] a red cap which is exactly the same as the red cap used on ‘Fireball’ cinnamon whisky bottles.” The parties

242 Complaint at 3, 7, Sazerac Co. v. Stout Brewing Co., LLC, No. 4:15-cv-00107 (W.D. Ky. 2015).
243 Complaint, supra note 270, at 9, 13.
settled with Stout, keeping the name but changing the packaging. Similarly, in another case Sazerac sued Caribbean Distillers LLC over a MAD HEN line of cinnamon whiskey, again alleging the label and bottle were too similar. Ultimately, use of the MAD HEN name was allowed to continue, but the bottle and label designs were changed.\textsuperscript{244}

Diageo North America’s Crown Royal has a distinctive name and purple velvet drawstring bag trade dress. Diageo sued Mexicor Inc. over Mexicor’s Crown Club whiskey packaging that also used a drawstring sack that had caused substantial actual confusion by customers.\textsuperscript{245} Texas Crown Club’s attempt to capitalize on Crown Royal’s popularity with similarly named and packaged whiskey spirits was met with swift injunctive relief.\textsuperscript{246} The Fifth Circuit Court of Appeals ultimately held that the injunction was overbroad.\textsuperscript{247}

The company Stacked Wines had a packaging system branded as “Stack Tek,” “XO, G.” The containers featured a diamond design. Cape Classic Brands complained the diamond design was similar to the diamond design used on Cape Classic Brands’s “Jam Jar” wines.\textsuperscript{248} These cases exemplify the vigorous protection of trade dress in the food and beverage industry. Other businesses have been sensitive to the alcoholic beverage industry adopting its trade dress as well. Saeilo Enterprises is the fire arms manufacturer of “Tommy Gun” who brought trade dress infringement claims against Alphonse Capone Enterprises who marketed TOMMY GUNS VODKA in bottles shaped like the weapon.\textsuperscript{249} A temporary restraining order was granted and led to settlement.

Trade dress protection has not been limited to bottles, however, and has extended to distinctive serving glassware or containers.

\begin{footnotesize}
\begin{itemize}
\item Complaint at 6, Stacked Wines, LLC v. Cape Classics Brands, LLC, No. 8:15-cv-00088 (C.D. Cal. 2015).
\end{itemize}
\end{footnotesize}
Glencairn sued Plamazonx LLC for trademark infringement, claiming Plamazonx’s sale of whiskey-tasting glassware sold as “DEL REY GLASSWARE WHISKEY GLASS FOR NOSING AND SIPPING” infringed Glencairn’s trade dress-protected “OFFICIAL WHISKY GLASS”.250 Glencairn succeeded in obtaining a permanent injunction prohibiting Plamazonx from, among other things, “Manufacturing, distributing, marketing, advertising, promoting, soliciting, accepting orders for, selling, offering for sale, or importing into the United States, or causing others to manufacture, distribute, market, advertise, promote, solicit, accept orders for, sell, offer for sale, or import into the United States, ... the Del Rey Whiskey Glass.”251 The Tropical Isle restaurant is known for the “hand grenade” cocktail served in grenade-shaped cups registered as trade dress.252 When House of Auth introduced a grenade-shaped energy drink called GURRNAID it was met with a trademark infringement action.253 This case exemplifies how broad “related goods and services” can be and that trademark protection can be accorded to proprietary menu item names and serving vessels.

Sazerac sued Crosby Lakes Spirits Co. over a rival distiller’s BISON RIDGE brand of Canadian whiskey, alleging it was marketed with the specific intention of sounding and looking like BUFFALO TRACE bourbon whiskey.254 Both bottles featured a “sketched rendering of a standing, forward-facing buffalo,” both feature a general color scheme of brown, white and gold, and both are made of clear glass that shows the golden-brown color of the liquor inside.255 Sazerac also sued Fetzer Vineyards,256 for allegedly ripping off the trademark for its BUFFALO TRACE bourbon by selling wine with a label that also included a buffalo and the word “bourbon.” The suit sought to bar Fetzer from continuing to use the

251 Id.
252 Trade dress is a type of trademark under the Lanham Act.
253 721 Bourbon Inc. v. House of Auth LLC, 140 F. Supp. 3d 586, 590 (E.D. La. 2015). The action was ill fated due to lack of personal jurisdiction.
255 Complaint, supra note 282, at 4.
256 Complaint at 3-4, Sazerac Co. v. Fetzer Vineyards, No. 3:15-cv-04618 (N.D. Cal. 2015).
buffalo or other Sazerac marks or designs that would be confusingly similar to BUFFALO TRACE and to order the company to publish corrective advertising for at least a year explaining that it is not affiliated or endorsed by Sazerac.257

Sazerac was on the opposite side in Prichard's Distillery Inc. v. Sazerac Company Inc. et al. 258 Prichard's sued Sazerac for using the term DOUBLE BARRELED on several of its whiskey products. Prichard held registered marks on the term. 259 The Sazerac products included A. SMITH BOWMAN LIMITED EDITION DOUBLE BARREL BOURBON WHISKEY, and BUFFALO TRACE EXPERIMENTAL COLLECTION DOUBLE BARRELED bourbon. Prichard's argued that they use an image of a double-barreled shotgun on its spirits' labels and it was source identifying. The logo, combined with the name of the product, creates a double entendre that an average customer was likely to equate the Sazerac products with Prichard's product.

Crosby Lakes Spirits Company markets KINKY, 260 a pink-colored fruit liquor. When Global Distillers launched its copycat FLIRTY, it was met with an infringement action and responded with a declaration of non-infringement and invalidity for the trade dress. 261 The bottle design, label content and alcohol's color were too close for comfort. The case settled. There are several common defensive responses to trademark infringement actions, including having the mark declared invalid or a cancellation proceeding. When enforcing a mark, the mark owner must be prepared to defend the mark in an aggressive battle.

Trade dress claims by alcoholic beverage brand owners can extend to other products as well. In Diageo North America Inc. v. Prep Enterprises LLC, 262 the owner of the CAPTAIN MORGAN 263 rum mark alleged infringement of its proprietary character image. The alleged infringer was a company selling products that cause

257 Complaint, supra note 259, at 12-13.
259 Id.
260 Registration No. 4,192,710; Registration No. 4,499,498.
263 Registration No. 972,985; Registration No. 1,285,506.
hallucinatory experiences\textsuperscript{264} under the name CAPTAIN AMSTERDAM.\textsuperscript{265} The infringer's logo featured a flowing cape, red pirate hat, long black hair, mustache and grin, a character with many similar features to the Captain Morgan pirate character that Diageo argued had become recognizable with the brand and its identity. Diageo claimed irreparable injury for association of its legal alcohol products with (probably illegal) drugs and related merchandise. In this case, Diageo relied on common law rights as it had failed to register for federal protection of its character as an indicator of product origin. This case is a reminder to craft beverage manufacturers to review trademark portfolios on a regular basis to identify elements of product packaging or marketing materials that may deserve protection.

XII. MARIJUANA-RELATED MARKS

The increased legalization and popularity of marijuana is likely to impact naming of craft beverage products. However, marks associated with marijuana may not be easily registered at the federal level. In \textit{In re Christopher C. Hinton},\textsuperscript{266} the TTAB refused a trademark registration for THCTEA\textsuperscript{267} on the grounds that it was deceptively misdescriptive, explaining that consumers would wrongly assume the soft drink contained the active ingredient in marijuana. The applicant argued that the "THC" in the name was intended to stand for "Tea Honey Care," but the TTAB found that consumers were far more likely to assume it stands for tetrahydrocannabinol — the active ingredient in marijuana. The perceived or mistaken belief of presence of an intoxicant like marijuana "would be highly relevant to a consumer's purchasing

\textsuperscript{264} Diageo claims copyright infringement under the Copyright Act of 1976 and dilution under the Lanham Act and New York General Business Law. Prep uses Captain Amsterdam to sell E-cigarettes and products such as salvia, a psychoactive plant known to induce visions and other hallucinatory experiences, and kratom, a leaf sometimes used as an alternative for opiate addicts, according to the complaint. \textit{Diageo}, 2015 WL 4880554.

\textsuperscript{265} U.S. Trademark Application Serial No. 85/656,952 (filed June 20, 2012); Registration No. 4,743,399.

\textsuperscript{266} No. Serial No. 85663019 2015 WL 6166641, at *1 (T.T.A.B. Sept 28, 2015).

\textsuperscript{267} U.S. Trademark Application Serial No. 85/713,080 (filed Aug. 26, 2012).
decision.” There may be a lesson in the *dicta* of the decision, however, hinting at a way such a mark might be potentially registrable. The strategy alluded to was limiting the application for registration to places where marijuana would be possessed legally under state law and will be offered through medical marijuana dispensaries or locations where marijuana products are legally (under state law) sold at retail for adult recreational use. 268

Misdescription is not the only potential ground for refusal to register a marijuana-related mark. Because marijuana is a Schedule I controlled substance under federal law, and because the USPTO will not register a mark if the applicant cannot show lawful use of the mark in commerce, it is difficult or nearly impossible to secure federal registration of a marijuana-related mark. One creative approach available to these businesses includes registering a mark for unequivocally legal goods and services that are sold alongside the marijuana related goods and services. For example, a beer with no marijuana association that could easily be registered. Then, although not registered, the mark can still be used with the unregistered goods and services, for example a beer containing marijuana. At the very least, the registration will have a deterrent effect on others thinking of using the mark, especially when they do not evaluate the registered goods and services and only make an assumption based on the ® symbol.

When federal registration is not possible, another option is to register the mark with the Secretary of State of one or more states: There are 50 state trademark registers in addition to the Federal Register. This will take more effort and money, however, because the mark will need to be registered in each individual state where protection is sought.

It is also possible to gain common law rights in a mark that has actually been used. So long as the mark is not confusingly similar to another mark already in use, common law rights provide rights in addition to those provided by the Lanham Act. Protection is also available through state trademark and unfair competition law. However, securing trademark rights this way is limited to the geographic market area in which the alcoholic beverage producer is actually using the mark. Market footprint is getting harder to identify in the e-commerce world we live in, but for alcoholic

268 *Id.* at 7-8.
beverages, sales are generally more brick and mortar than internet-based. The analysis is complicated by the tourism related nature of many alcoholic beverages and the interstate draw of visitors to popular wine regions such as the Finger Lakes and Napa Valley and the many craft beer trails. The relaxation of laws restricting Direct-to-Customer ("DTC") sales of wine and other alcoholic beverages and allowing internet ordering and on-demand delivery services (or other methods of purchase requiring shipment to the customer) will also change the analysis of the market footprint of many craft beverage producers. This aspect of alcoholic beverage trademark law will certainly evolve more over the next five years and will be interesting for practitioners to follow.

XIII. CUBA AND RUSSIA

During the Obama administration, the United States moved to lift the comprehensive trade embargo it had for years on the Republic of Cuba,\(^{269}\) raising interesting trademark issues. Many marks containing the terms "Cuba" and "Havana" will be rejected on the grounds of geographically descriptive and geographically deceptively misdescriptive grounds. The Third Circuit found that Bacardi USA Inc.'s Havana Club-brand rum does not falsely advertise Cuba as the rum's place of origin. The label on Bacardi's Havana Club rum bottle clearly states that it was made in Puerto Rico. Pernod had argued on appeal that the lower court improperly disregarded evidence it had presented that showed 18 percent of surveyed consumers thought Bacardi's rum was made in Cuba or made from Cuban ingredients after viewing the bottle label. But the Third Circuit said that because the label as a whole could not mislead a reasonable consumer, the survey evidence "has no helpful part to play" in the current dispute. The take-away for brand owners using these terms is to clearly state on the product packaging the origin of the product, especially if it is not in fact Cuba or Havana.

Lawmakers opposed the U.S. Treasury Department's move to facilitate renewal of the HAVANA CLUB\(^{270}\) rum trademark for a Cuban government-owned company. Opposition was based on a United States law barring recognition of marks seized by the

\(^{269}\) See Cuba Sanctions, https://www.state.gov/e/eb/tfis/spi/cuba/.

\(^{270}\) Registration No. 1,031,651.
Communist Government. There has been a decade’s long dispute over the mark as two entities sell rum under the trade name: BACARDI\textsuperscript{271} who sells in the United States and Pernod Ricard-Cuba Export Joint Venture selling throughout the rest of the world. In 1959 Bacardi Ltd. departed Cuba and subsequently acquired the trademark rights from a Cuban national. This dispute is working its way through the TTAB and court system.\textsuperscript{272} Bacardi claims that Jose Arechabala SA transferred its rights in the brand to Bacardi in 1997, and it is asking the court to cancel Cuba Export’s registration of the trademark, which the U.S. government gave the company a chance to renew with the lift on the Cuba trade embargo.

The trademark rights to STOLICHNAYA (STOLI) VODKA\textsuperscript{273} were allegedly owned by a Russian-state owned company that is suing U.S. distributor William Grant & Sons Inc. In addition to the trademark issues, this case presents issues of comity, acts of state and standing. The dispute is over the validity of a privatization agreement in the 1990’s. In 2000, a Russian Court ruled the privatization agreement was invalid and the rights belonged to the Russian Federation. Therefore, the U.S. distributor’s rights from the successor private company were invalid, and since the STOLI mark could not be licensed to the U.S. distributor, its sales of product in the U.S. were infringing.\textsuperscript{274} The Supreme Court denied review of the Second Circuit decision on the STOLICHNAYA trademark.\textsuperscript{275}

\begin{itemize}
\item\textsuperscript{271} U.S. Trademark Application Serial No. 74/572,667 (filed Sep 12, 1994).
\item\textsuperscript{272} Complaint, Bacardi & Co. Ltd. v. Empresa Cubana Exportadora de Alimentos y Productos Varios, No. 1:04-cv-00519 (D.D.C. Mar. 11, 2016).
\item\textsuperscript{273} U.S. Trademark Application Serial No. 86/095,166 (filed Oct. 18, 2013; STOLI THE VODKA, Registration No. 4,960,384; U.S. Trademark Application Serial No. 86/366,312 (filed Aug. 14, 2014); STOLICHNAYA STOLI CITROS, Registration No. 4,613,960; STOLI STICKI, Registration No. 4,269,571; STOLICHNAYA STOLI WILD CHERRI, Registration No. 3,987,082; STOLICHNAYA STOLI, Registration No. 4,449,444; STOLI CHOCOLAT KOKONUT STOLICHNAYA, Registration No. 4,445,587; STOLI SALTED KARAMEL STOLICHNAYA, Registration No. 4,445,584.
\item\textsuperscript{274} Fed. Treasury Enter. Sojuzplodoimport, OAO v. Spirits Int’l, 800 F.3d 73 (2d Cir. 2016).
\item\textsuperscript{275} \textit{Supreme Court Denies Cert To Review 2d Cir. Stoli Decision}, (Oct. 10, 2016) https://www.jdsupra.com/legalnews/supreme-court-denies-cert-to-review-2d-30861/}
\end{itemize}
Trademark issues are increasingly the source of enforcement activity. This reflects both the obligation of mark owners to police and enforce their marks and the importance of trademark assets to the bottom line. With the rapid industry growth in craft beverages, enforcement activity will increase correspondingly. Reviewing recent enforcement activity can provide the trademark practitioner and craft beverage producer with a temperature of the enforcement climate, possible outcomes and possible solutions to trademark challenges when encountered. In addition to the issues discussed above, we will survey some additional industry enforcement activity.

Sexually suggestive fanciful names for alcoholic beverage products are a common theme. In Naked Wines\textsuperscript{276} LLC v. Brew4You Inc.,\textsuperscript{277} a winery with a line of “erotic, romantic and sexually suggestive” wines\textsuperscript{278} with names like BLAZING STRADDLE,\textsuperscript{279} MISSIONARY\textsuperscript{280} and WE AIM TO TEASE\textsuperscript{281} claimed that Prism Brewing Co. was infringing its trademarks with its own line of suggestively named beers.\textsuperscript{282} It argued that use of the term “naked” and images of scantily clad women would likely cause confusion in

\begin{itemize}
\item Registration No. 3,502,269.
\item POUR’N, Registration No. 3,709,680; NAKED WINERY, Registration No. 3,597,649; CLIMAX, Registration No. 3,873,772; EROTIC, Registration No. 3,883,263; SEDUCTIVE, Registration No. 4,080,345; SHAG, Registration No. 3,731,976; NAKED WINERY DIVA, Registration No. 3,828,747; SIP INTO SOMETHING A LITTLE MORE NAKED, Registration No. 3,558,709; DOMINATRIX, Registration No. 3,558,707; PENETRATION, Registration No. 3,574,753; ESCORT, Registration No. 3,574,752; TEASE, Registration No. 3,671,499; ENORMOUS, Registration No. 4,581,164; CIRQUE DU RISQUE, Registration No. 4,428,890; SUNDRESS SWEET, Registration No. 4,581,090; OUTDOOR VINO, Registration No. 4,338,864; GAY, Registration No. 4,487,150; SURE THING, Registration No. 4,335,005; HOOK UP, Registration No. 4,433,689; SCORE, Registration No. 4,359,324; TAKE IT OUTSIDE, Registration No. 4,094,467; OUTDOOR WINO, Registration No. 4,094,466; ROOM SERVICE, Registration No. 4,514,552.
\item BLAZING STRADDLE, Registration No. 4,335,006.
\item MISSIONARY, Registration No. 3,574,754.
\item WE AIM TO TEASE, Registration No. 3,547,964.
\item U.S. Trademark Application Serial No. 85/875,790 (filed Mar. 14, 2013).
\end{itemize}
light of its more than two dozen marks with sexually suggestive themes with some in use for nearly a decade and others registered at the USPTO.

Allied Lomars sued Diageo North America, for using the STITZEL\textsuperscript{283} trademark on its products. Although Diageo did not produce whiskey at the distillery for 13 years, it argued that it has not abandoned the mark as the STITZEL-WELLER\textsuperscript{284} distillery was used to age whiskey made by other distilleries during that period. During the period the distillery was not producing liquor, distributor Allied Lomars filed to register the STITZEL\textsuperscript{285} mark but had not yet sold a bottle under that mark in the U.S. Diageo argued that there can’t be consumer confusion if there is no product in the marketplace.\textsuperscript{286} This should be a warning to mark holders to keep registrations current and keep iconic and historic brand marks in use. If the mark is not actively in use, file an affidavit with a bona fide “excusable” reason the mark is not in use. This strategy is especially important in the current market where nostalgia sells to baby boomers.

Enforcement activity is not limited to disputes between competitor beverage producers. In Exxon Mobil Corp. v. Nielsen Spirits Inc. et al.,\textsuperscript{287} Exxon filed a trademark infringement suit in accusing the maker of ROXX VODKA\textsuperscript{288} of taking its signature design of two interlocking X’s for its own logo. A South Dakota individual filed a federal application to register the slogan THE OTHER WHITE LIQUOR\textsuperscript{289} for selling non-beer alcoholic beverages. However, the National Pork Board opposed on the basis of likelihood on confusion with its registered mark THE OTHER WHITE MEAT.\textsuperscript{290} KENTUCKY MIST MOONSHINE

\textsuperscript{283} Registration No. 3,113,783.
\textsuperscript{287} No. 1:15-cv-24022 (S.D. Fla. Oct. 27, 2015).
\textsuperscript{288} U.S. Trademark Application Serial No. 85/840,513 (filed Feb. 4, 2013).
\textsuperscript{289} U.S. Trademark Application Serial No. 86/041,596 (filed Aug. 19, 2013).
\textsuperscript{290} THE OTHER WHITE MEAT, Registration No. 1,486,548; THE
DISTILLERY applied to register its name for t-shirts, hats and the like but was met with a cease and desist letter from the University of Kentucky for its KENTUCKY marks for athletic wear and alumni tchotchkes. Not to be bullied, the distillery filed for both a declaration of non-infringement and cancellation of the school's marks. Duke University went after Bold City Brewery over an application to register the label for its "Duke's Cold Nose Brown Ale," a beer named after a dog, not the school. 612BREW sold RATED R Rye India Pale Ale but its application for trademark registration was opposed by the Motion Picture Association. The brewery changed its name to "Unrated" to avoid the dispute. As tempting as it might be to play off of pop culture or well-known advertising slogans and campaigns, it should be done carefully to avoid possible infringement. Puma opposed Distilleries De Matha over the French spirits company's application to register a panther logo. In another notable case, Buzzfeed Inc. launched a line of wines, but is now facing trademark problems because of the WORDY WINE mark it selected, where WORTHY had already been registered by Axios Napa Valley Wines.

Clear attempts to associate with the good will of a famous mark will be rejected on the basis of likelihood of confusion and dilution. Robert V. Marcon unsuccessfully applied for several famous booze brand names to sell "meat juices" including

OTHER WHITE MEAT, Registration No. 3,129,186; THE OTHER WHITE MEAT, Registration No. 3,126,072.


Registration No. 2,066,804; Registration No. 2,122,847; Registration No. 2,110,576.


COORS,298 JACK DANIEL’S,299 SOUTHERN COMFORT,300 DOM PÉRIGNON,301 ABSOLUT,302 FINLANDIA,303 BUDWEISER,304 and HEINEKEN.305 The USPTO rejected the applications on the basis of likelihood of confusion and false association. HBO and Ommegang Brewery contracted to produce a Game of Thrones inspired ale named THREE-EYED RAVEN.306 The pop-culture brand was opposed by Franciscan Vineyards for its RAVENSWOOD307 marks for wine.308

Use of a portion of a mark used by another industry member, especially a dominant term in a combined term mark, may engender enforcement activity based on potential consumer confusion. It may be difficult to convince the other mark holder that the differences between the two marks are sufficient to avoid potential consumer confusion. The senior user, especially of a registered mark, may have little incentive to consent to the junior user’s use of an arguably similar mark. While collaboration may be an industry value, business is competitive, especially when the industry may be on the brink of a bubble burst after such rapid expansion. North Coast Brewery sued Corsair Artisan for use of RASPUTIN for its malt whiskey since the brewery had been using the OLD RASPUTIN309

307 RAVENSWOOD, Registration No. 2,132,719.
309 OLD RASPUTIN, Registration No. 3,580,507; OLD RASPUTIN, Registration No. 4,686,813.
mark with beer for more than two decades. The case settled quickly and Corsair rebranded. Agave Loco LLC sued Sazerac alleging that it infringed AGAVE’S RUMCHATA and CHATA marks for cream-based rum beverages. In FN Cellars LLC v. Klein Foods Inc. d/b/a/ Rodney Strong Vineyards, FN Cellars filed a trademark infringement lawsuit against a California winemaker for its THREE NICKELS mark, seeking cancellation because it was too similar to FN Cellars’ 15 year old NICKEL & NICKEL brand and marks for wine. In this case, Klein intended to sell the wine through the same network of distributors and to the same retail accounts that carried NICKEL & NICKEL brands, which FN Cellars argued would confuse consumers and dilute its brand. In FN Cellars, LLC v. Union Wine Company, winemakers dueled over BELLA UNION and UNION WINE brand names. In addition to arguing that there were different commercial impressions and therefore no likelihood of consumer confusion, FN Cellars argued Union Wine’s applications showed the company merely using the mark as a trade or company name, not as a full-fledged trademark.

When a brand becomes a top seller, protecting that market share becomes priority number one. With internet searches playing a significant role in purchasing decisions, enforcement activity has included internet marketing activities and strategies. In Sazerac Brands, LLC v. Jack Daniel’s Properties, Inc., Sazerac brought a

311 RUMCHATA, Registration No. 3,464,119; REAL RUMCHATA BRAND RUM CREAM MADE WITH PREMIUM CARIBBEAN RUM, Registration No. 4,435,909; RUMCHATA, Registration No. 4,706,590.
312 CHATA, Registration No. 4,210,462; CHATA, Registration No. 4,600,957.
315 THREE NICKELS, Registration No. 4,847,403.
316 NICKEL & NICKEL, Registration No. 2,509,413; NICKEL & NICKEL, Registration No. 2,544,393.
318 BELLA UNION, Registration No. 4,618,420.
319 UNION WINE CO., Registration No. 4,486,053.
federal action accusing Jack Daniel’s with using a Google search advertising feature, Adwords, to confuse customers and divert sales of Sazerac’s Fireball cinnamon-flavored whisky to its own spiced liquor. The alleged infringing acts included purchasing ‘Fireball’ as a Google AdWord and including the terms ‘Fireball’ or ‘Fire-Ball’ in the text and headers of its ads triggered by searches for ‘Fireball.’ Sazerac argued that these unlawful acts diverted potential customers to advertisements for the Jack Daniel’s product in searches for Sazerac’s Fireball. The “Fireball” and “Fire-ball” terms were sold when used in key word searching, a tactic Sazerac claimed was trademark infringing. The case was ultimately settled out of court.

She Beverage Company applied to register QUEEN OF BEER but Anheuser Busch opposed the mark because it feared it would be confused with its KING OF BEERS mark. Interestingly, She Beverage’s defense amounted to, “you snooze, you lose.” Anheuser Busch could have protected and registered the mark at any time but elected not to do so. Another lesson for the industry, be proactive, not reactive.

This case is a warning to aggressive litigators. A “shorebully” is the coastal equivalent of a hillbilly. Marcus Rogerson was a keen businessman, selling t-Shirts with the SHOREBULLY mark. However, when it sued Shorebilly Brewery for trademark infringement, it backfired. The brewery agreed to change its name, but Marcus Rogerson continued to litigate a seemingly moot issue. The result? The mark was deemed generic and unenforceable and Marcus had to pay $30,000 in legal fees to the Shorebilly Brewery.

Georgetown Trading Company owns a family of PEPPER
marks as homage to its distilling lineage in Old Pepper Springs, Kentucky since 1776. Despite a successful opposition by Georgetown against Venturi Brands’ efforts to register OLD PEPPER BOURBON, Venturi continued to use the mark without federal registration. A trademark infringement action was commenced. The lesson here is that ignoring cease and desist letters will not likely make the enforcer go away. That is a risky defense strategy.

Sazerac owns a family of marks for OLD TAYLOR which formed the basis for an infringement suit against Peristyle Company, an event hosting company that purchased the historic factory and planned to retain its Old Taylor Distillery sign. Peristyle argued that its use of the term Old Taylor Distillery was fair use of a historic landmark. On summary judgment, the court determined that Peristyle’s use of the mark did not qualify as “trademark use” for purposes of liability under the Lanham Act. The court noted that Peristyle did not identify itself as the source of Sazerac’s products, but rather as the former “OLD TAYLOR DISTILLERY COMPANY” which was an accurate and factual statement. The court stated, “Sazerac’s Old Taylor and Colonel E.H. Taylor trademark rights prevent Peristyle from marketing itself as the source of Old Taylor bourbon today, but they do not serve as a gag order on historical accuracies.” While there are many related goods and services to alcoholic beverages, there are limits. Enforcement activity should be carefully considered to avoid expensive losses on legal fees and public image.

The Mississippi Blues Trail presented an interesting situation. The Mississippi Blues Commission wanted to commission the Yalobusha Brewing Company to create an official beer for the Trail. It sought guidance from the State Attorney General (“AG”). The AG found that the Commission could license the state’s intellectual property, but that there was not necessarily approval for the labeling

Registration No. 3,845,966; OSCAR PEPPER, Registration No. 3,845,967; JAMES E. PEPPER, Registration No. 3,832,546, etc.
330 OLD TAYLOR, Registration No. 507,794.
which fashioned it as a beer for the Trail when public records and DWI were a concern.332

Rabbit Hole Spirits applied to register MOONSHINE REDEFINED333 for distilled spirits but was refused on the basis of Purity Vodka’s prior registration for REDEFINING VODKA.334 The TTAB found both marks to have the same commercial impression but rejected the sophisticated consumer argument stating that even if a consumer would not confuse vodka and moonshine, they could be confused about where each comes from.335 This decision emphasizes the current USPTO and TTAB position concerning different beverages in the same industry. It is unlikely to be a successful argument against a likelihood of confusion rejection.

Pigeon Hill Brewing Company received a cease and desist from LMFAO when it launched LMFAO STOUT336 beer. They were able to come to an agreement to keep the name. Why? They talked it out. Simple as that. And it was registered.

Innovation Brewing337 applied to register its name but was opposed by Bell’s Brewery which uses the slogan INSPIRED BREWING.338 The battle was taken to the internet.339 The Absolut Company, manufacturer of KAHLUA,340 filed not only an infringement action, but also a counterfeiting action against Happy Heats Wine, importer of KAHFUA, an Israeli coffee liquor with very similar bottle and label.341 A preliminary injunction was granted. These cases teach us that the court of public opinion can be

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334 REDEFINING VODKA, Registration No. 507,794.
336 LMFAO STOUT, Registration No. 4,865,939.
338 INSPIRED BREWING, Registration No. 3,122,464; INSPIRED BREWING, Registration No. 4,098,319.
340 KAHLUA, Registration No. 711,952; Registration No. 752,237; Registration No. 752,236; Registration No. 923,586; Registration No. 4,489,132; and family of other related marks.
as influential as the TTAB or federal courts. They also teach that enforcement activity can include legal claims other than trademark infringement.

XV. PERSONAL JURISDICTION

New Belgium Brewing\textsuperscript{342} sued Oasis Texas Brewing Company\textsuperscript{343} for declaratory judgment over ownership of the SLOW RIDE mark for beer.\textsuperscript{344} This case was dismissed for lack of personal jurisdiction because although the beer was available at a Colorado beer festival for tastings, the beer was not sold in Colorado. Lost Coast Brewery's infringement action against Aviator Brewing Company was also dismissed for lack of personal jurisdiction.\textsuperscript{345} Interestingly, the home court expressed its opinion that the labels looked nothing like other than both containing a shark image.

The Great Divide Brewing Company registered the slogan GREAT MINDS DRINK ALIKE\textsuperscript{346} and sued Lager Heads Pub when it began using the slogan GREAT MINDS EAT & DRINK ALIKE.\textsuperscript{347} The case was dismissed for lack of personal jurisdiction. The purchase of gift cards on the company website was insufficient to acquire personal jurisdiction in the state. Similarly, Tropical Isle's dispute with House of Auth, also did not establish personal jurisdiction.\textsuperscript{348}

XVI. ENFORCEMENT ACTIVITY AND TRADEMARK DISPUTES IN THE ALCOHOLIC BEVERAGE INDUSTRY

Hilhaven Lodge, a famous Beverly Hills home, was purchased by a film producer who filed intent to use applications for

\textsuperscript{342} SLOW RIDE, Registration No. 4,676,739.
\textsuperscript{343} U.S. Trademark Application Serial No. 86/446,126 (filed Nov. 5, 2014).
\textsuperscript{344} New Belgium Brewing Co. v. Travis City Brewing Co., No. 15-cv-00272-MEH, 2015 US Dist. LEXIS 58085 (D. Colo. May 1, 2015).
\textsuperscript{345} Aviator Brewing Co. v. Table Bluff Brewing Inc., 123 F. Supp. 3d 772 (E.D.N.C. 2015).
\textsuperscript{346} GREAT MINDS DRINK ALIKE, Registration No. 4,676,739; U.S. Trademark Application Serial No. 86/846,822 (filed Dec. 11, 2015).
\textsuperscript{347} Great Divide Brewing Co. v. Gold Key/PHR Food Servs, LLC, 127 F. Supp. 3d 1137 (D. Colo. 2015).
HILHAVEN LODGE and THE HILHAVEN and negotiated with Diageo to produce and market his branded whiskey. HEAVEN HILL DISTILLERIES sent a cease and desist which was met with a declaratory judgment action before settling.

Pricard’s Distillery filed infringement actions against Yellow Rose Distilling for its YELLOW ROSE DOUBLE BARREL BOURBON and Sazerac for its A. SMITH BOWMAN LIMITED EDITION DOUBLE BARREL BOURBON WHISKEY. Bonfire Wines applied to register the slogan DRINK OUTSIDE THE BOX but was opposed by Coxley’s Ale House’s mark DRINK...OUTSIDE THE BOX for restaurant services and abandoned the application.

TTAB procedure formalities must be strictly adhered to as learned from the application for FINCA AUREA. The Trademark Examiner refused the mark based on the prior registration for AUREA by Mary Agee’s Aurea Estate Wines. During the opposition proceedings, the winery argued co-existence with other AUREA marks citing DOMUS AUREA. The TTAB rejected the arguments because the other marks were not properly entered into the record. The Examiner wrote,


HEAVEN HILL, Registration No. 693,986.


BENJAMIN PRICHARD’S DOUBLE BARRELED BOURBON, Registration No. 2,809,224.


U.S. Trademark Application Serial No. 86,640,948 (filed Sep. 29, 2014).

DRINK...OUTSIDE THE BOX, Registration No. 4,562,467.


AUREA, Registration No. 3,540,772.

DOMUS AUREA, Registration No. 2,406,609.

In his appeal brief, Applicant makes arguments based on the file history of the cited Registration. Applicant, however, made neither the file history nor the two registrations he references of record. It is well established that the Board does not take judicial notice of documents in the Patent and Trademark Office.\(^\text{363}\)

Twisted X Brewing Company\(^\text{364}\) applied to register its COW CREEK\(^\text{365}\) mark for beer. The Trademark Examiner refused registration on the basis of likelihood of confusion with a BULL CREEK BREWING mark.\(^\text{366}\) The Trademark Examiner rejected arguments that a cow and bull were cows of a different sex, citing dictionary definitions for cow that included bovine regardless of sex.

Beckstoffer Vineyards\(^\text{367}\) brought a trademark infringement action against NATURAL SELECTION 357 over claims to the legacy of Dr. George Belden Crane. Beckstoffer Vineyards uses marks OLD CRANE RANCH and DR. CRANE and opposed Natural Selection's use of GB CRANE MARK.\(^\text{368}\)

The Winery Exchange\(^\text{369}\) registered the mark CRITERION\(^\text{370}\) for wine. When sold at Whole Foods, the branding was Criterion Collection, garnering an infringement action from a home video distributor using the same mark.\(^\text{371}\)

Diageo North America brought a trademark infringement

\(^\text{363}\) Id.

\(^\text{364}\) TWISTED X, Registration No. 4,010,191; TWISTED X, Registration No. 5,102,338.


\(^\text{366}\) In re BWBC, Inc., No. 76711077, 2015 WL 3542842 (T.T.A.B. May 19, 2015); BULL CREEK BREWING, Registration No. 4,529,979; BULL CREEK BREWING, Registration No. 4,529,978.


action against Captain Amsterdam, manufacturer of nutritional supplements and homeopathic remedies for using a confusingly similar mascot.

The SPUDS MACKENZIE trademark, which was no longer in use by its original owner, had been claimed and registered by an entrepreneur. The entrepreneur brought a trademark infringement action against the prior owner of the mark, who had attempted to bring the mark back in a new commercial. The case was settled shortly after it was filed.

Vineyard Creek filed a trademark infringement suit against Chateau Diana of California for confusingly similar trade dress after a brand makeover.

Sierra Nevada applied to register BOCK NESS MONSTER for beer only to be opposed by MONSTER ENERGY. Without a fight, the application was abandoned.

BUZZBALLZ, a premixed alcoholic beverage, alleged a former employee shared trade secrets with competitor Jem Beverage Company who launched BOOZE BOX. This was a trademark and trade dress action that began with an unsuccessful motion for a preliminary injunction.

In February 2015, Three Floyds Brewing filed a trademark application to register BLACK FLAME for an imperial stout.

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372 CAPTAIN AMSTERDAM, Registration No. 4,743,399.
375 VINEYARD CREEK, Registration No. 3,832,860.
376 CHATEAU DIANA, Registration No. 4,889,800; CHATEAU DIANA, Registration No. 1,708,534.
380 BUZZBALLZ, Registration No. 3,865,524; BUZZBALLZ, Registration No. 4,498,235.
381 The mark Booze Box, Reg. No. 4646896 is now owned by Boozebox, LLC. BOOZE BOX, Registration No. 4,646,896.
White Flame Brewing Company already had an imperial stout by that name. The issue was resolved without litigation between the parties.

VIP Products introduced a dog toy product that was a spoof on a Jack Daniel's whiskey bottle. The dog toy even had a disclaimer that it was not affiliated with Jack Daniel's so the canine readers would not be confused, of course. Still, the toy was found to infringe the Jack Daniel's trademark because it tarnished the reputation of the whiskey.

Bare Bottle Brewing Company sued Bare Bottle Winery in federal court. The case appears settled and the winery is now branded BARREL & INK WINERY.

Union Wine Company and FN Cellars LLC disputed over FN's BELLA UNION mark for wine. FN Cellars argued Union Wine owned a registration for UNION WINE COMPANY, but did not use its corporate name as a source identifier on its bottles.

Adagio was registered by a homemade winery for use with wine. When Williamsburg Winery used the ADAGIO mark, it was sued for infringement but successfully cancelled the mark as being abandoned for non-use.

Alamo Beer Company and the Texian Brewing Company argued over which brewery had the right to use the roof outline of the Alamo on its beer labels. Interestingly, the state of Texas

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386 BAREBOTTLE, Registration No. 4,748,578; BAREBOTTLE, Registration No. 4,748,634.
387 Complaint, Bare Bottle Brewing, Co. v. Bare Bottle Corp., No. 4:15-cv-2585 (N.D. Cal. June 9, 2015).
388 BELLA UNION, Registration No. 4,838,383.
390 WILLIAMSBURG WINERY, Registration No. 4,688,651.
393 U.S. Trademark Application Serial No. 75,264,120 (filed Mar. 26, 1997); ALAMO, Registration No. 2,196,136. The Alamo mark for beer is now owned by Lawton, D. Capwell, Jr.
394 TEXIAN BREWING CO., Registration No. 4,469,758.
intervened and claimed exclusive right to all ALAMO related marks. Alamo Beer Company subsequently licensed the right from the state and Texian changed its logo.\(^{395}\)

Allagash Brewing Company\(^{396}\) successfully opposed an application to register ALLAGASH WILE in association with food in light of its strong family of marks using ALLAGASH.\(^{397}\)

XVII. CONCLUSION

Marks for alcoholic beverages are a crowded subject matter and trademark clearance searches must review an expanding list of related goods and services. When selecting and adopting the mark to represent its business, a craft alcoholic beverage producer should perform a broad clearance search in the following international classes:

- International Class 33 for wine, cider, malt based alcoholic beverages, spirits, kombucha, mead, sake and other non-beer alcoholic beverages;
- International Class 32 for beer, ale and lager;
- International Class 4 for retail liquor sales;
- International Class 43 for taproom services, bar and restaurant services;
- International class 35 for retail sales and delivery of wine, spirits, beer or other alcoholic beverages; and
- International class 40 for brewing, winemaking and distilling services.

\(^{396}\) ALLAGASH BREWING COMPANY, Registration No. 4,684,176.
\(^{397}\) Allagash Brewing, Co. v. Pelletier, No. 91214028, 2015 WL 6121774 (TTAB Sept. 22, 2015); ALLAGASH BREWING COMPANY, Registration No. 5,407,995; ALLAGASH BREWING COMPANY, Registration No. 5,012,204; U.S. Trademark Application Serial No. 86,835,420 (filed Dec. 1, 2015); ALLAGASH, Registration No. 5418718; U.S. Trademark Application Serial No. 86,835,427 (filed Dec. 1, 2015); ALLAGASH BREWING COMPANY, Registration No. 4,684,176; ALLAGASH SPECIALE HOPPY BLONDE ALE, Registration No. 5087191; ALLAGASH DUBBEL ALE, Registration No. 4,681,455; ALLAGASH TRIPLE ALE, Registration No. 4,681,454; ALLAGASH WHITE BEER, Registration No. 4,681,451; ALLAGASH SAISON, Registration No. 4,681,452; ALLAGASH BLACK, Registration No. 4,675,366.
The following should also be searched for possible use of the proposed mark’s dominant terms by others in the alcohol industry:

- Public Certificate of Label Approval Registry;
- State corporate registries;
- Domain name registries;
- Social media registries; and
- General internet search using Google, Bing, Internet Explorer, Edge, or other major platforms and search engines.

If there are any results from these searches that may present a confusingly similar issue, apply the Polaroid (or du Pont) factors: (1) the strength of plaintiff’s mark; (2) the degree of similarity between the two marks; (3) the competitive proximity—or relatedness—of the products; (4) the likelihood that the plaintiff will “bridge the gap”; (5) actual confusion; (6) bad faith on the defendant’s part; (7) the quality of the defendant’s product; and (8) the sophistication of the buyers.

Arguments that may be successful include:

- Sales of the two products will not be in the same geographic area;
- There is more than one meaning to a dominant term in the two marks;
- There are distinguishable commercial impressions of the two marks;
- There is a consent agreement with geographic restrictions and other terms likely to protect the public against confusion;
- The mark comprises weak terms in the mark that are commonly used by others in the industry; or
- The senior user’s prior use was not legal use.

Arguments with a low chance of success:

- The marks are used with different alcoholic beverage types, or even with a non-alcoholic beverage;
- Sophistication of the purchaser;
Different distribution channels for the two products or services;
- There are significant price point differences between the products;
- Sales under one of the marks is limited to sales at the craft beverage producer’s business;
- There are different and distinguishable product labels and packaging on each product;
- There are different pronunciations of the similarly spelled terms; or
- There are different meanings of the similarly spelled or pronounced terms.

If the proposed mark appears clear, the next step should be to identify the pertinent regulatory authorities such as the TTB, FDA and state ABC bodies and determine if the proposed mark presents any barriers to use on labels and other product packaging. For TTB label approval, alcoholic beverage labels must not contain any of the following prohibited practices: (1) false or untrue statements; (2) misleading statements or images (even if true); (3) obscene or indecent statements or images; (4) misleading use of a prominent living individual or private organization; (5) statements that disparage a competitor or its products; (6) health claims; (7) government stamps, flags, seals, coats of arms, crests or other insignia; (8) terms like “strong” or “full strength”; or (9) terms associated with spirits unless the product is a distilled spirit.

The last step should be to identify the applicable industry adopted advertising codes to identify any potential barriers to use of the proposed mark. If an application for label approval (or advertising initiatives for the product) experience regulatory difficulty, asserting First Amendment rights may be the best strategic move.

When deciding whether to register the mark or rely on common law trademark rights, a craft alcoholic beverage producer should carefully consider situations where registration may not be a good idea:

- Where the mark contains a geographic term or reference;
- Where a competitor is already using the mark in the alcoholic beverage or restaurant and bar industry;
Where the mark comprises a combined term that includes a beer style or other known name for an alcoholic beverage;

Where the mark has some connection or reference to a movie, book, song, band, character, or other artistic work; or

Where you have a party involved who has a significant online presence and a loyal fan base that could use the internet as its sounding board to convey its opinions and create a public relations nightmare.

If you are going to file, do it quickly. Craft beverage producers should act quickly to protect any new industry terms for beverage styles before they become commonly used terms for the product type. Craft beverage producers should also act quickly to protect proprietary cocktail names. More importantly, use the mark. Be sure to use it consistently and properly as a brand name and adjective, never as a noun.

Trademark watch services should be seriously considered to identify potentially infringing marks as early in the process as possible. When evaluating the approach to be taken when enforcing the mark against competitors, a craft alcoholic beverage producer should evaluate the competitor (mark owner or licensee) and possible outcomes. There are several common defensive responses to trademark infringement actions, including having the mark declared invalid or a cancellation proceeding. When enforcing a mark, the mark owner must be prepared to defend the mark in an aggressive battle.

The most important consideration should be the propensity of the competitor to use media and internet publicity to gain support and potentially injure your reputation in the public eye. Another important consideration is the potential for a co-existence agreement or concurrent use proceeding to enable both mark owners to use its respective mark in a manner that obviates the potential for consumer confusion. If judicial enforcement is involved, the mark owner should be certain to have personal jurisdiction over the alleged defender. Occasional internet sales or participation in a brewfest or tasting event is not likely to be sufficient contacts to obtain personal jurisdiction.