

PRIOR REGISTERED TRADEMARK FOR ALE BARS TEQUILA MARK REGISTRATION

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In *In Re Chatam International Incorporated*, the US Court of Appeals for the Federal Circuit has upheld a Trademark Trial and Appeal Board (TTAB) decision to reject the registration of JOSE GASPAR GOLD for tequila on the grounds that it was confusingly similar to a prior registration for GASPAR'S ALE for ale.

Chatam International Incorporated filed an intent-to-use application for JOSE GASPAR GOLD for tequila. An examiner at the US Patent and Trademark Office rejected the application stating that the mark was confusingly similar to two prior registrations, namely GASPAR'S ALE and GASPAR'S ALE LIMITED RELEASE YBOR PRIVATE STOCK 12 FL OZ ALE, both for ale. The examiner first noted that the dominant portion of Chatam's JOSE GASPAR GOLD trademark and the two prior registrations was the word 'Gaspar'. Next, the examiner concluded that ale and tequila enjoy a close relationship in the trade, and that a likelihood of confusion would arise as a result of registration of JOSE GASPAR GOLD. Chatam filed an appeal with the TTAB, at which point the examiner withdrew the GASPAR'S ALE LIMITED RELEASE YBOR PRIVATE STOCK 12 FL OZ ALE registration as a confusingly similar reference.

Chatam argued before the TTAB that (i) its mark was different from the GASPAR'S ALE registration, and (ii) the goods are not closely related. It stated that JOSE GASPAR GOLD was composed of three words and five syllables whereas GASPAR'S ALE was made up of two words and only three syllables. Chatam stressed that even a cursory viewing of its mark against the cited mark clearly supported the conclusion that no likelihood of confusion

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between the marks existed. On the similar goods issue, Chatam argued that tequila is a distilled spirit in the spirits channel of trade while ale is a brewed beverage in the beer trade. Further, spirits and beers travel through different distribution channels and are usually sold in separate areas of stores.

The TTAB reviewed the similarities between the marks and the goods, and affirmed the examiner's final refusal. Chatam appealed.

The Federal Circuit upheld the TTAB's decision, stating that it had properly discounted the commercial significance of the word 'ale' in the registered mark, and the terms 'Jose' and 'gold' in Chatam's mark. It reasoned that the word 'ale' is generic, meaning that it has nominal commercial significance and was therefore entitled to less weight. Further, the word 'gold' is a descriptive term for premium quality and the colour of Chatam's tequila, and it offered little to alter the commercial impression of the mark. Finally, Jose modifies the surname Gaspar and emphasizes the name. The Federal Court concluded that viewed as a whole, with non-dominant features appropriately discounted, the marks became nearly identical.

In relation to similarity of the goods under the two marks at issue, the Federal Circuit held that substantial evidence supported the finding that tequila and beer or ale:

- are closely related;
- often emanate from the same source; and
- are marketed in many of the same channels of trade to many of the same consumers.

Accordingly, the court held that confusion between the marks was likely and it refused registration.