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**UNITED STATES PATENT AND TRADEMARK OFFICE**

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**Trademark Trial and Appeal Board**

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In re NTD Apparel, Inc.

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Serial No. 76/261,476

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Jill M. Pietrini of Manatt, Phelps & Phillips, LLP for NTD Apparel, Inc.

Wanda Kay Price, Trademark Examining Attorney, Law Office 111 (Craig Taylor, Managing Attorney).

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Before Bucher, Bottorff and Drost, Administrative Trademark Judges.

Opinion by Drost, Administrative Trademark Judge:

NTD Apparel, Inc. (applicant) has applied to register the mark KOALA BLUE in typed form on the Principal Register for goods identified as "wine, champagne, prepared alcoholic cocktails, liqueurs, sherry, port wines, prepared wine cocktails, wine coolers, and distilled spirits" in International Class 33.<sup>1</sup>

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<sup>1</sup> Serial No. 76/261,476 filed on May 22, 2001. The application is based on an allegation of a bona fide intention to use the mark in commerce.

The examining attorney<sup>2</sup> ultimately refused to register the mark under Section 2(d) of the Trademark Act because of two prior registrations owned by the same party for the mark KOALA. 15 U.S.C. § 1052(d). The first registration is for the mark shown below for "iced tea and red tea" in International Class 30 and for "non-carbonated fruit drinks, non-carbonated lemonade, sparkling spring water and fruit juice" in International Class 32.<sup>3</sup>



**KOALA**

The second registration is for the typed mark KOALA for "sparkling fruit drinks" in International Class 32.<sup>4</sup>

After the Examining Attorney made the refusal final, this appeal followed.

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<sup>2</sup> The current examining attorney was not the original examining attorney in this case.

<sup>3</sup> Registration No. 2,068,426 issued on June 10, 1997. Office records show that the original registrant subsequently assigned the registration to Societe Des Produits Nestle S.A. Reel/Frame No. 1464/0206.

<sup>4</sup> Registration No. 2,360,344 issued June 20, 2000. Office records show that the current owner of the registration is Societe Des Produits Nestle S.A.

The examining attorney's position is that the term "Koala" is the dominant element of both applicant's and registrant's marks. In response to applicant's argument that KOALA is weak for beverages, the examining attorney noted "there are presently only two (2) registrations for the mark KOALA for beverages, and those two registrations are the cited registrations herein." Brief at 6 (emphasis in original). The examining attorney also found that the goods were related. The principal evidence for this finding was the fact the thirteen registrations show that the same entity has registered a common mark for juice and alcoholic beverages. Therefore, the examining attorney refused to register the mark because of the likelihood of confusion.

Applicant, on the other hand, argues that "[w]ith the addition of the term BLUE, Applicant's mark is readily distinguishable from the Cited Marks." Brief at 5. Applicant maintains that "there are a significant number of marks that contain the term KOALA for use with beverages." Brief at 11. Finally, the applicant argues that the "goods travel in different channels of trade" and that registrant's goods will be marketed towards "athletes, children, and parents of children" while "Applicant's

alcoholic beverages, however, will be marketed toward adults." Brief at 14.

We affirm.

Determining whether there is a likelihood of confusion requires application of the factors set out in In re Majestic Distilling Co., 315 F.3d 1311, 65 USPQ2d 1201, 1203 (Fed. Cir. 2003). See also In re E. I. du Pont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563, 567 (CCPA 1973); and Recot, Inc. v. Becton, 214 F.3d 1322, 54 USPQ2d 1894, 1896 (Fed. Cir. 2000). In considering the evidence of record on these factors, we must keep in mind that "[t]he fundamental inquiry mandated by § 2(d) goes to the cumulative effect of differences in the essential characteristics of the goods and differences in the marks." Federated Foods, Inc. v. Fort Howard Paper Co., 544 F.2d 1098, 192 USPQ 24, 29 (CCPA 1976).

We first look at the marks, which in this case are KOALA BLUE and KOALA and KOALA and design. Obviously, the applicant's mark and the mark in the '344 registration are identical except that applicant adds the word "blue." With the '426 registration, there is the additional difference of the design with the word "Koala." While the addition of another word may significantly change the meaning, appearance and sound of the mark, in this case, we find

that the similarities far outweigh the difference between the marks. First, there is no evidence in the record to indicate that the term "koala" has any descriptive significance when applied to alcoholic or non-alcoholic beverages.<sup>5</sup> Second, "koala" is the first word in applicant's mark and the only word in registrant's marks and it forms a conspicuous part of both marks. Aluminum Air Seal Mfg. Co. v. Trim-Set Corp., 208 F.2d 374, 100 USPQ 52, 54 (CCPA 1953) ("Both petitioner's mark and respondent's mark have 'Trim' as the first word which would be spoken in calling for the goods and as the first part of the mark "Trim' obviously forms a conspicuous part thereof and whether arbitrary, suggestive or descriptive cannot be ignored") (quoting Examiner-in-Chief's decision with approval). See also Presto Products Inc. v. Nice-Pak Products Inc., 9 USPQ2d 1895, 1897 (TTAB 1988) ("Although there are differences in appearance between the marks, there are also similarities between them in that both start with the term "KID" (a matter of some importance since it

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<sup>5</sup> While applicant has argued that the term KOALA is weak for beverages (Brief at 11), the examining attorney has pointed out that the cited registrations are the only two registrations for beverages. Brief at 6. The other registrations to which applicant refers are cancelled and the applications either have not registered or are abandoned. Examining Attorney's Brief at 6. Therefore, this evidence hardly demonstrates that the term KOALA is weak when applied to beverages.

is often the first part of a mark which is most likely to be impressed upon the mind of a purchaser and remembered) and have the same number of letters and syllables").

Three, while we do not ignore the word "blue" in applicant's mark, we find that the more significant term would be "koala," the name of an Australian animal, rather than the common color "blue." Indeed, whatever ability the word "blue" term may have to distinguish the marks is undercut by the simple fact that registrant may use the color blue as the color of the ink it uses to display its mark or the background of its labels. Fourth, the marks will still continue to mean "koala," and while the "blue" is not disclaimed, applicant has not shown how the term changes the overall commercial impression of the mark. Applicant argues that it "could refer to a certain shade of the color blue or a body of water in Australia. In any event, it does not have the direct connotation with the koala 'bear.'" Brief at 6. We cannot agree. It is hard to escape from the fact that the mark KOLAL BLUE would also call to mind the koala animal. While the term "blue" may be somewhat indefinite as applicant suggests, its most likely meaning would be to suggest that the koala is depicted with the whimsical color "blue." Even if the color blue is completely arbitrary, it is simply not enough

to distinguish these marks when are dominated by the arbitrary term "koala."

While every case must be decided on its own unique facts, there is no rule that requires a holding of no likelihood of confusion when even an arbitrary term is added to a common word. Coca-Cola Bottling Co. v. Joseph E. Seagram & Sons, Inc., 526 F.2d 556, 188 USPQ 105106 (CCPA 1975) ("When one incorporates the entire arbitrary registered mark of another into a composite mark, inclusion in the composite mark of a significant nonsuggestive element does not necessarily preclude the marks from being so similar as to cause a likelihood of confusion"). See also Squirtco v. Tomy Corp., 697 F.2d 1038, 1041, 216 USPQ 937, 939 (Fed. Cir. 1983) (SQUIRT SQUAD for floating water toys confusingly similar to SQUIRT for balloons); Wella Corp. v. California Concept Corp., 558 F.2d 1019, 194 USPQ 419, 422 (CCPA 1977) (CALIFORNIA CONCEPT and surfer design likely to be confused with CONCEPT for hair care products).

Furthermore, the slight design in the '426 registration would not significantly reduce the likelihood of confusion. The design is fairly simple block letters with the addition of one line above and one line below the word. The Federal Circuit held that the addition of the words "The" and "Cafe" and a diamond-shaped design to

registrant's DELTA mark still resulted in a likelihood of confusion. In re Dixie Restaurants, 105 F.3d 1405, 1406, 41 USPQ 1531, 1534 (Fed. Cir. 1997) (more weight given to common dominant word DELTA). More importantly, differences in type styles between registrant's mark and applicant's mark are not significant here because applicant's mark is in typed form and, thus, not limited to any special form. Squirtco, 216 USPQ at 939 ("[T]he argument concerning a difference in type style is not viable where one party asserts rights in no particular display. By presenting its mark merely in a typed drawing, a difference cannot legally be asserted by that party"). See also Cunningham v. Laser Golf Corp., 222 F.3d 943, 55 USPQ2d 1842, 1847-48 (Fed. Cir. 2000).

We conclude this section by finding that the marks are similar in sound, appearance, and meaning. While there are some differences, they would not result in a determination of no likelihood of confusion unless the goods are not related. To determine whether the goods are related, we must look to the identification of goods in the application and registration. Dixie Restaurants, 41 USPQ2d at 1534; Canadian Imperial Bank of Commerce v. Wells Fargo Bank, 811 F.2d 1490, 1493, 1 USPQ2d 1813, 1815 (Fed. Cir. 1987). Regarding the goods, it is clear that they are not

identical. Applicant's goods are various alcoholic beverages including wine, prepared alcoholic cocktails, liqueurs, and distilled spirits while registrant's goods are fruit drinks, lemonade, sparkling spring water, fruit juice, and iced tea.

It is not necessary that the respective goods be identical or even competitive in order to support a finding of likelihood of confusion. Rather, it is sufficient that the goods are related in some manner or that the circumstances surrounding their marketing are such that they would be likely to be encountered by the same persons in situations that would give rise, because of the marks used thereon, to a mistaken belief that they originate from or are in some way associated with the same producer or that there is an association or connection between the producers of the respective goods. See In re Melville Corp., 18 USPQ2d 1386, 1388 (TTAB 1991); In re International Telephone & Telegraph Corp., 197 USPQ 910, 911 (TTAB 1978).

The examining attorney has submitted copies of 13 registrations alleging use in commerce to support the argument that juices and alcoholic beverages are marketed by the same entity under a common mark. Applicant has attacked the relevance of several of these registrations on

various grounds and we agree that not all are relevant. Several are for cooking wine, wine making kits, products sold at wholesale or simply registrations for a house mark for dozens of items. We have not found that Registration Nos. 980,090; 1,286,155; 1,958,566; 1,990,705; 2,139,342; and 2,450,462 are helpful. However, the remaining registrations do provide some indication that the applicant's wines and alcoholic beverages are related to registrant's juices and sparkling water. See, e.g. Registration No. 2,165,915 (fruit juices, fruit juice blends, wines, and liquor); No. 2,361,694 (mineral and aerated waters, fruit juices, fruit drinks, wine, and distilled spirits); No. 2,165,915 (bottled water, fruit juice, fruit juice blends, wine, and liquor); No. 2,304,424 (fruit juice, mineral water, bottled water, wine, distilled spirits, and wine cocktails); No. 2,326,965 (fruit juice, tequila, prepared alcoholic cocktails including tequila and fruit juice); No. 1,861,111 (fruit juice and wine); and No. 2106,248 (grape juice and kosher wine). Although third-party registrations "are not evidence that the marks shown therein are in use on a commercial scale or that the public is familiar with them, [they] may have some probative value to the extent that they may serve to suggest that such goods or services are the type which may emanate from a

single source"). See In re Mucky Duck Mustard Co., 6 USPQ2d 1467, 1470 n.6 (TTAB 1988). See also In re Albert Trostel & Sons Co., 29 USPQ2d 1783, 1786 (TTAB 1993).

We do find that these registrations have some probative value in showing that the goods are related. We also note that applicant has not rebutted this evidence. Applicant's main argument is that alcoholic beverages are not marketed to children and that registrant's goods are marketed to "athletes, children, and parents of children." Brief at 14. There is no evidence to suggest that fruit drinks, fruit juice, sparkling water, and lemonade are marketed to only athletes, children, and parents. Even if this were true, we note that athletes and parents (to the extent that they were over the legal drinking age) would also be potential purchasers of applicant's alcoholic beverages. By applicant's own admission, there is a substantial overlap between the purchasers of applicant's and registrant's goods. However, there is no evidence to limit the purchasers of registrant's goods in this manner. There is no reason to find that adults in general would not be potential purchasers of applicant's and registrant's goods.

Applicant stresses the special legal limitation placed on sale and advertising of alcoholic beverages and the fact that not all segments of the population (e.g.,

children) can consume them. Nevertheless, it is fair to say that adults who consume alcoholic beverages can and do consume soft drinks as well. There are no limitations as to channels of trade in the descriptions of goods before us and there can be little question that alcoholic beverages and soft drinks, travelling in their respective channels of trade (and, quite likely, overlapping in many respects) can and would come to the attention of the millions of adults who drink the former.

In re Rola Weinbrennerei Und Likorfabrik GmbH & Co.,

223 USPQ 57, 58 n.1 (TTAB 1984)

The fact that one party is using its mark on soft drinks and the other is using a similar mark on wine or liquor has not prevented a likelihood of confusion. Pink Lady Corp. v. L.N. Renault & Sons, Inc., 265 F.2d 951, 121 USPQ 465, 466 (CCPA 1959) ("It does not seem unreasonable to assume that citrus fruit juices and wines are likely to be sold in the same stores over the same counters to the same prospective customers"; PINK LADY and design held confusingly similar to PINK LADY); Coca Cola Bottling Co., 188 USPQ at 106 (Confusion likely between BENGAL for gin and BANGEL LANCER and design for club soda, quinine water, and ginger ale); Rola Weinbrennerei, 223 USPQ at 58 (SUNAPPLE and design for apple-flavor alcoholic liqueur confusingly similar to SUNAPPLE and design for powdered apple flavored soft drink mix); In re Jakob Demmer, KG, 219 USPQ 1199 (TTAB 1983) (GOLDEN HARVEST and design for wines

confusingly similar to GOLDEN HARVEST for non-alcoholic apple cider).

In this case, there is no reason to find that applicant's wine, wine cocktails, distilled spirits and prepared alcoholic cocktails and registrant's bottled waters, fruit juices and fruit drinks would not be encountered by the same purchasers in the same stores. The evidence and case law supports a conclusion that these prospective purchasers would believe that there was some relation between these products. Therefore, we conclude that the goods are related. We note that applicant argues that its goods "are purchased with more care than the goods sold under the Cited Marks." Brief at 14. However, even if this were the case, this additional sophistication or care would not eliminate the likelihood of confusion. Rola Weinbrennerei, 223 USPQ at 59 ("While buyers would no doubt be able to distinguish between applicant's liqueurs and registrant's soft drink mixes, even knowledgeable buyers are not necessarily expert with respect to trademarks or immune from confusion stemming from confrontation with virtually identical designations). Here, the addition of the nebulous word "blue" would not eliminate that likelihood of confusion because potential purchasers would still likely believe that there was some relationship

between the source of applicant's and registrant's goods when the marks for these goods share the term "koala."

When we consider the marks in their entireties, we find that they would be dominated by the arbitrary term KOALA. We also find that the goods are related and therefore, when we consider the other factors, we conclude that here is a likelihood of confusion in this case. To the extent we have doubts, we resolve them, as we must, in favor of the prior registrant and against the newcomer.

In re Hyper Shoppes (Ohio) Inc., 837 F.2d 463, 6 USPQ2d 1025, 1026 (Fed. Cir. 1988); Kenner Parker Toys v. Rose Art Industries, 963 F.2d 350, 355, 22 USPQ2d 1453, 1458 (Fed. Cir. 1992), *cert. denied*, 506 U.S. 862 (1992).

Decision: The refusal to register is affirmed.