THIS DISPOSITION IS NOT
CITABLE AS PRECEDENT
OF THE TTAB

Hearing:
February 17, 2004

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csl

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

El Encanto, Inc.

v.

Taco Bueno Restaurants, Inc.

Opposition Nos. 91121868 and 91122414
to application Serial Nos. 75456422
and 75456275, both filed March 25, 1998

Paul Adams of Peacock, Myers & Adams, P.C. for El Encanto, Inc.

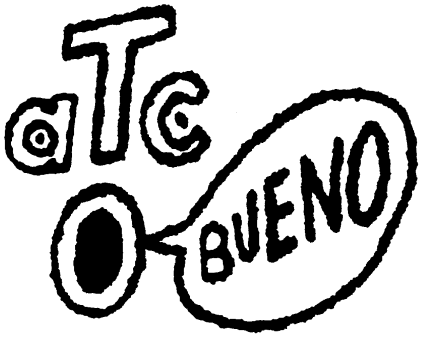
Michael Friedland of Knobbe, Martens, Olson & Bear, LLP for Taco Bueno Restaurants, Inc.

Before Simms, Holtzman and Rogers, Administrative Trademark Judges.

Opinion by Simms, Administrative Trademark Judge:

El Encanto, Inc. (opposer), a New Mexico corporation, has opposed the applications of Taco Bueno Restaurants, Inc. (applicant), a Texas corporation, to register the

marks shown below for restaurant services.[1]



[1] Application Serial Nos. 75456422 and 75456275, both filed March 25, 1998, based on applicant's allegations of a bona fide intention to use the marks in commerce. Applicant stated in the former application that the word "BUENO" translates as "good," and in the latter application that "BUENO" translates as "good," "all right," "okay," "kind," "simple," "fine," "right," "sound," "funny," "surprising" or "amazing." Applicant disclaimed the word "BUENO" in the first listed application during prosecution of that application, and, after the oral hearing, moved to amend the second listed application to also include a disclaimer of the word "BUENO" in that application. Opposer did not object, and we hereby grant applicant's motion to amend that application, and the following statement will be entered: No claim is made to the exclusive right to use the word "Bueno" apart from the mark as shown.

In the second application above, applicant described its mark as consisting "in part, of the stylized word TACO forming a face."

We shall refer to the first mark above as the "BUENO-in-a-bubble" mark and the second mark as a-T-c—o with "BUENO-in-a-bubble."

In its applications, applicant claimed ownership of Registration No. 1,197,032, issued June 1, 1982 (renewed) for the mark TACO BUENO ("TACO" disclaimed) for restaurant services, and Registration No. 1,842,523, issued June 28, 1994 (Section 8 affidavit accepted; Section 15 affidavit filed) for the mark BUENO EXPRESS ("EXPRESS" disclaimed) for restaurant services.

As grounds for opposition, opposer has asserted that it is one of the largest distributors of Southwestern-style foods in the United States; that it has used the mark BUENO in connection with its business since May 15, 1951; that its food products are sold to a wide range of general grocery wholesalers, distributors, retailers, private and institutional food service providers, restaurants and individuals; that opposer is very well-known in such channels of trade as restaurant sales; and that applicant's marks so resemble opposer's previously used and registered marks, all including the word "BUENO," for numerous food products and services, as to be likely to cause confusion, to cause mistake or to deceive. Opposer also alleges that its marks are famous and would be diluted by registration of applicant's marks, and that the word "BUENO" in applicant's marks is merely descriptive of a characteristic or quality of applicant's food and its services. Applicant

has denied the essential allegations of the notices of opposition.[2]

A trial was conducted, both parties took testimony and filed notices of reliance on official records and discovery responses, and opposer filed a notice of reliance on portions of printed publications. In addition, applicant submitted stipulated affidavit testimony. Both parties filed briefs and were represented at an oral hearing held in these consolidated cases.[3]

Opposer's registrations include, in chronological order of registration, the following: Registration No. 1,538,311, issued May 9, 1989, Section 8 and 15 affidavits accepted and filed, respectively, for the mark BUENO and design (referred to as "BUENO-with-the-little-guy" mark, shown in the lower part of the mark reproduced below) for such goods as dehydrated sweet corn, cooked corn, cracked sweet corn, peppers, processed green and red chile, shrimp, minced onions, brown sugar and spices; Registration No. 2,167,011, issued June 23, 1998, Section 8 and 15 affidavits accepted and filed, respectively, for the mark

[2] Opposer has not argued the dilution or mere descriptiveness claims in its brief. Therefore, we have not considered these grounds.

[3] In its reply brief opposer has requested that we strike a portion of applicant's brief because it discusses evidence not of record in this case. Suffice it to say that we have decided this case on the testimony and evidence of record. Opposer's motion to strike is denied.

From Our Family To Yours BUENO Since 1951 ("BUENO" under Section 2(f) of the Act) (mark shown below), for distributorships in the field of pre-packaged foods;

Registration 2,190,265, issued September 22, 1998, for the mark GRANDMA'S From Our Family To Yours BUENO Since 1951 ("BUENO" under Section 2(f) of the Act) for tortillas; Registration No. 2,209,480, issued December 8, 1998, for the mark From Our Family To Yours BUENO Since 1951 ("BUENO" under Section 2(f) of the Act) for frozen red and green chiles, whole, diced and pureed; Registration No. 2,234,721, issued March 23, 1999, Section 8 and 15 affidavits accepted and filed, respectively, for the mark From Our Family To Yours BUENO Since 1951 ("BUENO" under Section 2(f) of the Act) for various sauces and concentrates to make sauces; Registration No. 2,263,393, issued July 20, 1999, for the mark From Our Family To Yours

BUENO Since 1951 ("BUENO" under Section 2(f) of the Act) for such goods as hominy or cooked corn, processed corn husks, tortillas, ground corn, tamales, chile powder, red pepper pods, tacos and whole peppers; Registration No. 2,307,466, issued January 11, 2000, for the mark BUENO (under Section 2(f)) for fresh corn husks, fresh garlic, and fresh whole peppers; Registration No. 2,356,896, issued June 13, 2000, for the mark BUENO (under Section 2(f)) for food grade paper tamale wraps and cookbooks; Registration No. 2,370,165, issued July 25, 2000, for the mark BUENO (under Section 2(f)) for distributorships featuring prepackaged foods; Registration No. 2,374,448, issued August 8, 2000, for the mark BUENO (under Section 2(f)) for such goods as bay leaves, corn meal, corn tortillas, spices, red peppers, coarse chile and chile powder; and Registration No. 2,376,755, issued August 15, 2000, for BUENO (under Section 2(f)) for such goods as shrimp, sweet processed corn, chile pods, lentils, processed green chile, dried beans and peppers. Indicating its focus for this case, opposer states in its brief, at page 5, that it "relies primarily upon its registrations for the mark BUENO in block letter form."

Opposer, also known by the trade name Bueno Foods, began as a small family-owned grocery store in New Mexico

and became a large Southwestern producer of New Mexican and Mexican-style foods. It now makes and distributes a full line of over 150 New Mexican and Mexican food products to the food service industry (hotels, large chain restaurants, resorts, casinos, schools, hospitals and penal institutions) as well as at retail (grocery stores). Opposer has expanded its operations from New Mexico to Arizona, Colorado, Utah, Texas, Nevada and California. It has grown from a business with sales around $1 million in 1972 to annual sales of around $20 million and advertising expenses near $500,000, employing 240 to 270 employees. Opposer advertises its food products on radio, television, in newspapers and magazines, by direct mail, point-of-sale material, on billboards and at trade shows. Opposer's business has also been the subject of a number of articles in the press.

In addition to sales in grocery stores, opposer's food products have also been sold and promoted as the result of cooperative programs with such restaurants as McDonald's, Subway, Burger King and Pizza Hut. For example, some McDonald's stores in New Mexico, Arizona, Colorado and Nevada, have promoted (including by neon signs) and sold a BUENO green chile double cheeseburger. The associated cooperative advertising program took place once or twice a

year for about seven years. For several months in 1998 Subway promoted the fact that it had "BUENO green chile on the side." Pizza Hut restaurants in New Mexico promoted a pizza with BUENO green chile. Taco Bell restaurants had point-of-sale material indicating that BUENO green chile was available. Some other sit-down food restaurants have featured opposer's BUENO food products on their menus and menu boards (referred to as "menu-co-ops").

According to opposer's marketing manager, there is some crossover between brand recognition in grocery stores and in the food services business (restaurants, etc.). In fact, he testified that it was opposer's brand recognition at the retail level (grocery stores) that led some restaurants to use and promote opposer's food products. Brunick dep., pp. 28, 29. Further, opposer's president, Ms. Jacqueline Baca, testified, at p. 27:

> …[O]ur strength in retail will affect end users, our consumers who purchase products at food-service restaurants. And I mean it's kind of like Tabasco sauce. If you're looking at their retail presence, they also have a strong food service presence. So people will ask for Tabasco at the restaurant. I mean there's a strong, strong interplay in just even talking to people in the industry.
>
> Many, many times the reasons we've been able to sell to some of these large chains is because of our credibility in the retail industry and our brand name knowledge and it conveys quality and authenticity, and that's

> what consumers are looking for and that that end user is going to demand that product. And that they know about it and they are going to demand it. And it adds credibility to the products that they are serving, as well. So there's a huge interplay.

On the issue of why she thought confusion was likely, opposer's president testified, at pp. 25-26:

> A. Well, because of the registration of -- of Bueno in a bubble, the Bueno in a bubble mark. It seems to have caused confusion with -- with our sales reps out in the field, and that was a big concern to me.
>
> And the similarity of the products, not -- in that we're offering products through other restaurant chains to the end users and -- and it just seemed like it would -- it could conceivably be confusing to consumers of both -- of those kinds of products in both retail and food service.
>
> And because it could be confusing -- if it is confusing to the end user, I think that it really hampers our ability to do co-op promotion or sell our product to other food service chains or restaurants because of their concern of it being confusing to that end user. And all of those things combined, I guess, caused us to decide to oppose this.

Opposer's president also testified that she was not aware of applicant before these opposition proceedings. Further, opposer's marketing manager testified that applicant is not a competitor of opposer. Brunick dep., p. 62.

Concerning third-party use of marks containing the word "BUENO," opposer's witnesses testified that they are

familiar with such third-party food product marks as Buenos Nachos and Rogelio Bueno.

Some of opposer's witnesses testified that when wearing a shirt with the Bueno mark identifying their employer, they have been asked by such people as airport employees, construction workers, supermarket clerks and restaurant cashiers whether they worked for Taco Bueno, the applicant. Opposer acknowledges in its brief (p. 37) that this evidence is "slight."

Applicant is a quick-service Mexican restaurant chain whose first restaurant opened in Abilene, Texas, in 1967. Lloyd dep., p. 8. Applicant now operates 119 restaurants in Texas and Oklahoma, serving almost 20 million people in 2001 with annual revenue of over $100 million in recent years. Applicant advertises its restaurant services on television and radio, in newspapers and by direct mail. Advertising expenditures for recent years have been several million dollars per year.

According to applicant's witnesses, applicant's restaurants are often referred to as simply "Bueno," both by employees and customers. Applicant's director of security testified that he was aware of this as far back as the 1970s. Jacobson dep., pp. 32, 33, 80, 97; Lloyd dep.,

p. 99; and Veale dep., pp. 15, 16.[4] The president of applicant's former advertising agency, Mr. Richard Zien, analogized this shortening of the name to the general public's referring to Coca-Cola as simply Coke. Relying upon personal visits to applicant's restaurants, Mr. Zien testified on behalf of his advertising agency, at pp. 14-15 and 29:

> These young people, they liked the brand. But young people refer to this brand as "Bueno" was the essence of really what I think they told us. And they used it interchangeably with Taco Bueno, but they used it really on -- in a singular fashion: "Let's go to Bueno," "Let's do Bueno," "We love Bueno," "Buenos the place."
>
> We didn't really hear a lot of people talk about Taco Bell that way. They didn't say "Let's go to the Bell"… But we heard from a lot of people that for Taco Bueno just referring to this brand singularly as Bueno.
>
> …But what 18-to 34-year-olds tend to do is be less respectful of full -- you know, they shorten everything, they shorten everything and paraphrase it to a cooler hipper kind of language…
>
> * * * * *
>
> …So to the extent that using Bueno as a separate element would separate us, I'm sure we thought that was intriguing. But once again, it was more of a reflection of what we were hearing from the marketplace and what apparently they had been for –- I guess many years prior to us coming along had been how they had chosen to describe the brand.

[4] Mr. Veale, applicant's executive director of purchasing, is a 20-year veteran with the company.

Applicant's record also shows that applicant has used other marks which include the word "BUENO." For example, applicant has used the marks BUENO CHILADA and BUENO PLATTERS for approximately 20 years, BUENO COMBO for approximately 10 years, BUENO CHILLERS for a cold drink for over five years, BUENO SIZE for about five years, and the expression "Have a Bueno Day!" since the 1970s. Applicant has registered some of these marks, as well as BUENO EXPRESS for its drive-through restaurant services, and the expression "WHEN YOU WANT MORE, SAY BUENO!".

Although the applications herein opposed are based on applicant's bona fide intention to use these marks in commerce, the record shows that applicant began changing some of its exterior signs to show the BUENO-in-a-bubble mark near the TACO BUENO service mark.

Applicant's direct competitors are Mexican restaurants such as Taco Bell, as well as local competitors such as Taco Cabana, Taco Mayo and Taco John's. Applicant was not aware of opposer until the commencement of these proceedings. Applicant's witnesses also testified that they are aware of no instances of actual confusion. Further, applicant's executive director of purchasing, Tom Veale, testified, at p. 28, that he did not associate opposer's food products with applicant's restaurants ("One

was a restaurant you went to and ate at … and the other one was a food product in grocery stores.”).

Applicant has introduced evidence of the existence of various third-party marks containing the word “BUENO” used in conjunction with restaurant services and food products, by visiting those restaurants as well as purchasing the third-party food products. The record includes photographs of such restaurants as Que Bueno restaurant in Scottsdale, Arizona; Que Bueno Mexican Grille restaurant in Denver; Pollo-Bueno restaurant in Dallas, Texas; Bueno Bueno restaurant in Los Angeles; buenobueno! restaurant in Mountain View, California; Oh! Que Bueno restaurant in Kissimmee, Florida, and !Oh Que Bueno! restaurant in Flushing, New York; Bueno Nalo restaurant in Kailua, Hawaii; Si Bueno Southside Grill restaurant in McCall, Idaho; Taqueria Taco Bueno restaurant in Chicago, Illinois; El Burrito Bueno restaurant in Glendale Heights, Illinois; Bueno Y Sano restaurant in Amherst, Massachusetts; Buenos Grill in Reno, Nevada; Buenas Tortillas restaurant in Brooklyn, New York; Tio Bueno’s restaurant in San Antonio, Texas; Café Bueno restaurant in Del Rio, Texas; and Burrito Bueno restaurant in Milwaukee, Wisconsin. The third-party food products include such products as Rogelio Bueno Authentic Mole, Café Bueno coffee, Kinder bueno chocolate

bars, Ortego !Que Bueno! Nacho Cheese Sauce and Buena Comida Tomato Chili Sauce.[5]

Briefly, opposer argues that confusion is likely both because it has co-marketing programs with fast-food restaurants and because food service providers have come to sell their products in supermarkets. Consumers, aware of these facts, will associate applicant's Bueno-in-a-bubble restaurant services with opposer's food products, according to opposer. Opposer believes that this is all the more likely because fast food restaurant purchases are relatively inexpensive and may be impulsively made, and because of the long use and well-known nature of opposer's BUENO marks for a wide variety of Mexican-style food products. According to opposer, when a purchaser of restaurant services sees applicant's BUENO-in-a-bubble mark separate and apart from the TACO BUENO mark, he or she will associate it with opposer and opposer's products. Opposer also argues that its restaurant customers (applicant's competitors) interested in offering opposer's BUENO food products will recognize the potential for confusion and will be more reluctant to purchase opposer's goods. Opposer also argues that there is no foundation for the

[5] Opposer acknowledges that "[t]he only other use of BUENO alone is Calavo Growers, Inc.," which uses the mark BUENO on fresh avocados. Brief, p. 28.

testimony of how consumers refer to applicant's restaurants (as simply "Bueno"). Concerning the third-party marks of record, opposer argues that they are of relatively little importance because they are different marks (not BUENO alone) and because there is no evidence of the duration or extent of their use for the restaurant services and the food products which they identify. Furthermore, opposer contends that this evidence tends to show that purchasers may have come to distinguish these multiple-word marks, but not the single word mark BUENO, or that the awareness of these restaurants is only by small clienteles in the local areas within which those restaurants operate. Concerning the lack of evidence of actual confusion, opposer points out that its presence in applicant's trading area has been primarily in West Texas, where applicant has little or no presence. Any doubt should be resolved in favor of opposer, the prior user and registrant, opposer argues.

Applicant, on the other hand, maintains that opposer's BUENO marks are not famous but in fact weak and entitled to a narrow scope of protection, because of the descriptive and laudatory meaning of the Spanish word "bueno" ("good") and the demonstrated third-party uses, showing that purchasers have been conditioned to distinguish these various marks that incorporate this descriptive element,

and that, in any event, many consumers already refer to applicant's restaurants by the word Bueno alone. Moreover, applicant points to specific differences in the marks, contending that opposer's designs convey "family and tradition" whereas applicant's marks are more casual or "modern and irreverent." Applicant also points to the absence of actual confusion as evidence that there is no likelihood of confusion. Applicant notes that neither party had heard of the other before these opposition proceedings.

Opposer, as plaintiff in this case, has the burden of proof to show, by a preponderance of the evidence, priority and likelihood of confusion. *Cunningham v. Laser Golf Corp.,* 222 F.3d 943, 55 USPQ2d 1842, 1848 (Fed. Cir. 2000).

With respect to priority, that is not an issue here because opposer relies on its ownership of valid and subsisting registrations. *See King Candy Co. v. Eunice King's Kitchen*, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974). Moreover, the record demonstrates opposer's prior use of the mark BUENO in its various marks.

Our determination of likelihood of confusion under Section 2(d) of the Act is based on an analysis of all of the probative facts in evidence that are relevant to the factors bearing on the likelihood of confusion issue. *See*

In re Majestic Distilling Co., Inc., 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003); and *In re E.I. du Pont de Nemours and Co.,* 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). Two key considerations are the marks and the goods or services. *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24, 29 (CCPA 1976) ("The means of distribution and sale, although certainly relevant, are areas of peripheral inquiry. The fundamental inquiry mandated by [Section] 2(d) goes to the cumulative effect of differences in the essential characteristics of the goods and differences in the marks.").

Considering first the marks, it is well settled, of course, that marks must be considered and compared in their entireties, not dissected or split into component parts so that parts are compared with other parts. This is because it is the entire mark which is perceived by the purchasing public, and therefore, it is the entire mark that must be compared to any other mark. *See Kangol Ltd. v. KangaROOS U.S.A. Inc.*, 974 F.2d 161, 23 USPQ2d 1945 (Fed. Cir. 1992); and *Franklin Mint Corp. v. Master Manufacturing Co.,* 667 F.2d 1005, 212 USPQ 233 (CCPA 1981).

In this case, opposer has registered the mark BUENO in a non-stylized format, as well as with various designs. Applicant's marks are BUENO-in-a-bubble, and the same mark

with the letters a-T-c-O. Concerning applicant's BUENO-in-a-bubble mark and opposer's BUENO mark, we believe that those marks are substantially similar in sound, appearance and meaning. If they were used in connection with substantially similar goods or services, confusion would be likely. Applicant's second mark, the letters a-T-c-O with the BUENO-in-a-bubble mark, has differences from opposer's marks. It would be pronounced differently from opposer's BUENO mark, and has a distinct appearance. As far as any meaning or significance which may be attributed to that mark, including the letters a-T-c-O, we can only speculate whether consumers may see the letters as a fanciful display of the word "TACO." In any event, that mark is substantially different from opposer's marks.[6] If confusion is likely, it would only be likely in connection with the BUENO-in-a-bubble mark.

In making these findings, of course, we are well aware that the word "bueno" is the Spanish word for "good," and that, while opposer's registrations issued pursuant to the provisions of Section 2(f) on the Act, the word "bueno" itself nevertheless has obvious descriptive significance when used in connection with various goods and services.

[6] Opposer has "less objection" to the registration of this mark. Brief, p. 26.

Further, the evidence of record shows that other restaurants and food manufacturers have used this word as a part of their restaurant and product names.

We turn therefore to a comparison of opposer's food products, distributed to grocery stores and through some restaurant chains, and applicant's restaurant services. First, while opposer argues that food service providers are expanding into retail sales in supermarkets, as applicant has pointed out, there is simply no evidence in this record to support this or to show that consumers are aware of or perceive this expansion from restaurants into supermarkets.

We also agree with applicant that the fact that a restaurant may serve opposer's food products (much like a restaurant that may feature Tabasco sauce) does not mean that consumers will necessarily associate that mark exclusively with that restaurant. In fact, opposer's product has been featured and served in a number of fast-food and sit-down restaurants. Those consumers aware of opposer's presence in the restaurant field through the availability of its products in those establishments would likely not be confused as to source when they see the BUENO-in-a-bubble mark identifying separate restaurant services. As applicant contends, brief, p. 36:

> Even at relatively inexpensive restaurants,

> it is unlikely that a customer could enter the building or drive-through, place an order from the menu, wait for the food to be prepared, pay the bill and possibly eat the food at the restaurant without learning the source of the restaurant services.

It is unlikely, in our opinion, that consumers, aware of opposer's marks identifying various Mexican and Southwestern food products available in some restaurants will believe that a new restaurant, a competitor of those restaurants where opposer's products are available, is somehow associated with opposer's food products.

The absence of any instances of actual confusion can be a meaningful factor only where the record indicates that, for a significant period of time, an applicant's sales and advertising activities have been so appreciable and continuous that, if confusion were likely to happen, any actual incidents thereof would be expected to have occurred and would have come to the attention of one or both of these trademark owners. *See Gillette Canada Inc. v. Ranir Corp.,* 23 USPQ2d 1768, 1774 (TTAB 1992). Here, we agree with opposer that, due to the geographical separation of the parties' territories for the most part, there has not been an adequate opportunity for confusion to have occurred. We have not given much weight, therefore, to the lack of evidence of such confusion in this record.

We agree with applicant that there must be shown more than a mere theoretical possibility of confusion. Instead, there must be demonstrated a probability or likelihood of confusion. *See, for example, Witco Chemical Co. v. Whitfield Chemical Co.,* 418 F.2d 1403, 164 USPQ 43, 44-45 (CCPA 1969): "We are not concerned with mere theoretical possibilities of confusion, deception, or mistake or with *de minimis* situations but with the practicalities of the commercial world, with which the trademark laws deal." *See also, Triumph Machinery Company v. Kentmaster Manufacturing Company Inc.,* 1 USPQ2d 1826 (TTAB 1987). The Trademark Act does not speak in terms of remote possibilities of confusion, but rather, the likelihood of such confusion occurring in the marketplace. Here, there is only the slimmest possibility of confusion—-it is not likely. The fact that neither party had heard of the other before this proceeding is telling. There is certainly no evidence of bad faith on applicant's part to trade on opposer's goodwill. In this regard, we believe that the testimony of long-time employees of applicant who testified as to their personal knowledge as to how applicant's restaurants have been known by customers simply as BUENO is entitled to some weight, as is applicant's long use of BUENO in various other marks (BUENO COMBO, BUENO EXPRESS, WHEN YOU WANT

MORE, SAY BUENO!, etc.). The channels of trade are also distinct.

After all these years, consumers are not likely to suddenly expect that opposer has entered the restaurant business when they see applicant's specifically different BUENO-in-a-bubble mark now used in connection with its separate restaurant services. Confusion is even more unlikely with respect to applicant's a-T-c-O BUENO-in-a-bubble mark for those services.

Decision: These oppositions are dismissed.