

THIS DISPOSITION IS NOT
CITABLE AS PRECEDENT
OF THE TTAB

Mailed: September 6, 2006

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Varela Hermanos, S.A.
v.
EGD Business Solutions, Inc.

Opposition No. 91152633
to application Serial No. 75855702
filed on November 22, 1999

Anthony R. Masiello of Holland & Knight, LLP for Varela
Hermanos, S.A.

Ronald W. Noya for EGD Business Solutions, Inc.

Before Hairston, Holtzman and Kuhlke, Administrative
Trademark Judges.

Opinion by Kuhlke, Administrative Trademark Judge:

Applicant, EGD Business Solutions, Inc., seeks
registration of the mark LOS ABUELOS (in standard character
form) for goods ultimately identified in the application as
"tequila" in International Class 33.¹

¹ Serial No. 75855702, filed November 22, 1999. The application is based on a bone fide intention to use in commerce under Trademark Act Section 1(b), 15 U.S.C. §1051(b). The identification of goods was amended from "distilled spirits" to "tequila" by order of the Board on April 21, 2003.

Opposition No. 91152633

Opposer, Varela Hermanos, S.A., opposed registration of applicant's mark, on the grounds that, as applied to applicant's goods, the mark so resembles opposer's previously used and famous mark ABUELO for rum as to be likely to cause confusion, to cause mistake, or to deceive under Trademark Act Section 2(d), 15 U.S.C. §1052(d).²

Applicant filed an answer by which it admitted the allegations that it has not sold any tequila product in United States commerce, that ABUELO is a Spanish language word that may be translated into English as "grandfather," and that LOS ABUELOS is a Spanish language word that may be translated into English as "the grandfathers" or "the grandparents." Applicant otherwise denied the salient allegations of the notice of opposition.³

The evidence of record consists of the pleadings herein; the file of the opposed application; the testimony depositions upon written questions (with exhibits) of Mr. Horacio Hoquee, opposer's Logistics Manager, taken on December 9, 2003 (Hoquee I) and August 18, 2005 (Hoquee II),

² The notice of opposition also references a claim of dilution under Section 43(c) of the Trademark Act; however, opposer did not pursue this claim in its brief. In view thereof, the Board considers the dilution claim to have been waived.

³ Applicant's answer also contained the affirmative defenses of laches and equitable estoppel; however, applicant did not pursue these defenses in its brief. In view thereof, the Board considers the affirmative defenses of laches and equitable estoppel to be waived. The remaining "affirmative defenses" are more in the nature of amplifications of applicant's denials.

Opposition No. 91152633

and Mr. Daniel Fabrega, opposer's Export Manager; the testimony deposition (with exhibits) of Mr. Robert W. Ross, a Senior Investigator with Corporate Integrity Services; and the testimony deposition (with exhibits) of Mr. William J. Erickson, applicant's owner. In addition, opposer submitted notices of reliance upon applicant's responses to opposer's requests for admissions, and certain documents characterized as official records; and applicant submitted a notice of reliance upon a printout of a USPTO record for application Serial No. 73770888.

STANDING

As discussed below, opposer has established trademark rights in the mark ABUELO as used in connection with rum and has demonstrated a real interest in preventing registration of the proposed mark. See *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999); *Jewelers Vigilance Committee, Inc. v. Ullenberg Corp.*, 823 F.2d 490, 2 USPQ2d 2021 (Fed. Cir. 1987); *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982). Thus, opposer has established its standing.

PRIORITY

Turning first to the issue of priority, because opposer has not pleaded any registrations, opposer must rely on its common law use to prove its priority. Inasmuch as applicant has not established use of its mark in connection with its

Opposition No. 91152633

goods prior to the filing date of its intent-to-use application, the earliest date upon which applicant may rely for priority purposes is November 22, 1999. Thus, in order to establish priority, opposer must show that it used its mark in connection with its goods prior to November 22, 1999.

Opposer's witnesses, Mr. Hoquee and Mr. Fabrega, testified that since December 1990 opposer has used the mark ABUELO on bottles and cartons containing rum sold to companies in the United States Virgin Islands and Florida. In particular, we note opposer's sale on May 13, 1999 of 150 cases of rum shipped to St. Thomas, United States Virgin Islands. Mr. Fabrega testified as follows:

Q.: Please look at Exhibit 11. Can you identify it?

A.: Yes, I can.

Q.: Please explain what Exhibit 11 is.

A.: Exhibit 11 is an invoice dated May 13, 1999 issued by Varela Internacional S.A. and which reflects a sale made to West Indies Corp., St. Thomas, Virgin Islands, 00804.⁴

Q.: Did Exhibit 11 come from the regular business records of Varela Hermanos?

A.: To the best of my knowledge, yes, it does.

Q.: What kind of goods and what brand of goods were involved in the transaction described in Exhibit 11?

⁴ References to Varela Internacional S.A. are to opposer's affiliated company. Fabrega Dep. p. 51.

A.: This transaction describes a sale of one hundred and fifty cases of seven fifty ml (bottle size) of Ron Abuelo Añejo.⁵

Q.: From what location were the goods shipped and to what location were the goods delivered?

A.: To the best of my knowledge and according to company records, this shipment was made from our facilities in Panama to West Indies Corp., St. Thomas, Virgin Islands, 00804.

Q.: What is the date of the delivery of goods described in Exhibit 11?

A.: To the best of my knowledge and according to company records, since the goods were shipped approximately on May 13, 1999, the Ron Abuelo products should have been delivered approximately within a period of two or three weeks following the invoice date, May 13, 1999.

Fabrega Dep. pp. 26-27.

Mr. Hoquee testified as follows:

Q.: On the basis of your understanding of the business of Varela Hermanos, S.A., did Varela Hermanos ship ABUELO brand rum to St. Thomas, Virgin Islands, in 1995?

A.: Yes.

Q.: Please look at Exhibit 11. Can you identify it?

A.: Yes.

Q.: Please explain what Exhibit 11 is.

⁵ "Ron" translates into English as "rum" and "añejo" translates into English as "aged." Harrap's Spanish and English Dictionary (McGraw-Hill 2005). As requested by opposer we take judicial notice of these dictionary definitions. *University of Notre Dame du Lac v. J.C. Gourmet Food Imports Co.*, 213 USPQ 594, 596 (TTAB 1982), *aff'd*, 703 F.2d 1372, 217 USPQ 505 (Fed. Cir. 1983) (Board may take judicial notice of dictionary definitions).

Opposition No. 91152633

A.: It is a sales invoice of Abuelo Rum dispatched from Varela Internacional.

Q.: Did Exhibit 11 come from the regular business records of Varela Hermanos?

A.: Yes.

Q.: What kind of goods and what brand of goods were involved in the transaction described in Exhibit 11?

A.: They were cases of Abuelo brand rum.

...

Q.: On the basis of your understanding of the business of Varela Hermanos, S.A., does Exhibit 11 indicate that Varela Hermanos shipped ABUELO brand rum to St. Thomas, Virgin Islands, in 1999?

A.: Yes.

Q.: Other than the transactions described in Exhibits 3 through 11, are you aware of any shipments of ABUELO brand rum from Panama to the United States or to the U.S. Virgin Islands between 1990 and 2000?

A.: Yes.

Q.: In what years between 1990 and 2000 were such other shipments of ABUELO brand rum made to the United States?

A.: The exhibits refer to the years from 1990 to 1995 and then the year 1999 but certainly we also made shipments in 1996, 1997 and 1998.

Q.: Please describe the shipments to the United States and the U.S. Virgin Islands referred to in the two previous questions.

A.: We exported Abuelo rum from Panama to the United States and to the Virgin Islands as well.

Hoquee II Dep. pp. 7-9.

Opposition No. 91152633

Applicant argues that there is a lack of continuity in opposer's shipments and notes the lapse of time between opposer's May 13, 1999 shipment to St. Thomas and its next shipment on June 12, 2001. Opposer correctly notes that continuity is not an issue in this case, but further argues that if the continuity argument is construed as an abandonment argument there is no evidence of record showing opposer discontinuing use of the mark with intent not to resume such use. Reply Br. p. 7. We first note that applicant has not pleaded abandonment as an affirmative defense. However, even considering such a defense, this time period is insufficient to support a prima facie case of abandonment inasmuch as it is under three years. 15 U.S.C. § 1127. See Fabrega Dep. pp. 26-28. Moreover, as opposer noted, applicant did not present evidence to establish abandonment and an intent not to resume use for any period of time.⁶ We further note an increase in sales from May 13, 1999. See e.g., Fabrega Dep. Exhs. 11-21 (May, 13, 1999, 150 cases; June - December 2001, approximately 1816 cases; February 14, 2002, 252 cases). Applicant's conclusory assertions that the sales prior to its filing date are "de minimis" and are not sufficient to give opposer "superior rights to use of the mark" are not persuasive. Br. p. 25.

⁶ With regard to applicant's unsupported reference to an apparent application filed by opposer, the Board does not take judicial

Opposition No. 91152633

Based on this record, we find that opposer's prior sales are not "de minimis" but rather are sufficient to establish prior rights in the mark ABUELO.

Opposer's testimony regarding these sales is supported by documentary evidence in the form of invoices for each of these sales. In addition, opposer has submitted and identified various labels that are placed on the bottles and cartons, which have been in use since approximately late 2000. While there is no supporting documentary evidence that shows the mark used on labels prior to 2000, the testimony of a witness can be sufficient to prove priority. See 3 J. Thomas McCarthy: McCarthy on Trademarks and Unfair Competition § 16.06(2) (4th ed. 2005). The testimony makes clear that opposer used the mark ABUELO on the bottles and cartons containing rum in its sales to the companies located in the United States Virgin Islands and Florida prior to applicant's filing date, and that it was used in a similar form to the examples shown in the labels used after 2000.

Mr. Hoquee testified:

Q.: Please look at Exhibit 1, and identify the materials if you can.

A.: Yes, I can. It is a set of labels of Ron Abuelo Añejo.

Q.: Please state whether the labels included in Exhibit 1 are used on products of Varela Hermanos

notice of pending trademark applications. Beech Aircraft Corp. v. Lightning Aircraft Co., 1 USPQ2d 1290 (TTAB 1986).

Opposition No. 91152633

and, if so, describe the kind of product on which they are used.

A.: Yes. They are used on Varela Hermanos products and this one specifically is used on the Ron Abuelo of 750 ml.

Q.: When the labels included in Exhibit 1 are used on products of Varela Hermanos, where on the product are they placed?

A.: These labels are placed on the bottles of Ron Abuelo Añejo.

Q.: For how long has Varela Hermanos used labels like those included in Exhibit 1 on its rum products?

Q.: These labels, in particular, have been used since November of the year 2000.

Q.: In the past, did Varela Hermanos use any different labels on its ABUELO brand products?

A.: Yes.

Q.: If the answer to Question 17 is yes, did the mark ABUELO appear on those other labels and, if so, how was the mark ABUELO displayed?

A.: Yes. It appeared on the labels as well as on the bottles.

...

Q.: In the past, did Varela Hermanos use any different cartons for its ABUELO brand products?

A.: Yes.

Q.: If the answer to Question 25 is yes, did the mark ABUELO appear on those other cartons and, if so, how was the mark ABUELO displayed?

A.: Yes, it was largely displayed on the cartons.

Hoquee I Dep. pp. 4-6. See also Fabrega pp. 4-6.

Applicant attempts to undercut this testimony arguing that the witnesses are biased, that the testimony lacks

Opposition No. 91152633

foundation, that there is no testimony that would qualify the witnesses as competent to authenticate the business records, and that the testimony that records were destroyed contradicts the testimony regarding the business records that were submitted. We find the witnesses competent to testify as to opposer's use of the mark ABUELO on its goods sold during the time period from 1990 to 2002 and the testimony is not characterized by bias, contradictions or inconsistencies.⁷

Mr. Hoquee has been employed by opposer in various positions since 1976 and has been the Logistics Manager since 1996. He testified that in his current position he is responsible for "all the purchases of the companies of the group, as well as the distribution of the finished products locally and for exportation" (Hoquee I Dep. p. 2) and "deal[ing] with the Exportations Manager and our representatives in the United States with whom I talk about the customers and the marketing activities." Hoquee I Dep. p. 3. He further testified that he has to "provide [the customers] with the point of sale materials as well as other types of advertisement material [and a]s a result of these

⁷ Applicant's argument that opposer has not shown continuous use of the mark is belied by the evidence of record and, moreover, in order to establish priority, opposer is required only to show prior use, not continuous use of its mark. See *West Florida Seafood Inc. v. Jet Restaurants Inc.*, 31 F.3d 1122, 31 USPQ2d 1660 (Fed. Cir. 1994).

conversations, [he has] been able to become familiar with the process of marketing alcoholic beverages in the United States." Id.

Mr. Fabrega is opposer's Export Manager in charge of "the exportation of [opposer's] main brand Abuelo, in the international market by locating importers and distributors in the different markets." Fabrega Dep. p. 2. He further testified that he is "also in charge of coordinating all of the marketing and promotional plans for each of the countries that [opposer] presently [has] a presence." Id.

With regard to the testimony concerning transactions for which there was no documentary evidence, Mr. Hoquee testified on re-direct that Panamanian law allows the destruction of a company's official records except for those pertaining to the last seven years. Hoquee I Dep. p. 23. The fact that opposer submitted invoices from the time period when official records would have been destroyed, without other indicia of unreliability is not sufficient to discount Mr. Hoquee's testimony. More importantly, the May 13, 1999 invoice identified by Mr. Fabrega during his deposition and by Mr. Hoquee during his August 18, 2005 deposition does not fall within that time period.

We note that the notice of opposition alleges ownership of the mark ABUELO and the record establishes opposer's prior use as to this term. While the invoices and some of

the labels also include the terms RON and AÑEJO in close proximity to ABUELO, as noted above, RON, is the Spanish word for "rum," and AÑEJO, is the Spanish word for "aged" or "reserve."⁸ In view of the highly descriptive nature of the words RON and AÑEJO, opposer's common law trademark rights lie in the term ABUELO and, as such, the examples of use in the record that depict ABUELO in conjunction with other descriptive words are probative as to opposer's common law trademark rights in ABUELO.

In view of the evidence and testimony presented as to opposer's use prior to applicant's November 22, 1999 filing date, in particular the May 13, 1999 sale and shipment of opposer's rum under the trademark ABUELO, opposer has established its priority with respect to its common law rights in the mark ABUELO for rum.

LIKELIHOOD OF CONFUSION

Our likelihood of confusion determination under Section 2(d) is based on an analysis of all of the probative facts in evidence that are relevant to the factors set forth in *In re E. I. du Pont de Nemours and Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). See also, *In re Majestic Distilling Co., Inc.*, 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003).

In any likelihood of confusion analysis, however, two key considerations are the similarities between the marks

⁸ Harrap's Spanish and English Dictionary (McGraw-Hill 2005).

Opposition No. 91152633

and the similarities between the goods and/or services. See *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24 (CCPA 1976). See also, *In re Dixie Restaurants Inc.*, 105 F.3d 1405, 41 USPQ2d 1531 (Fed. Cir. 1997).

As a preliminary matter we note that although opposer pleaded that its mark is famous, opposer did not argue that the mark is famous in its brief, nor does the evidence support such a finding. In view thereof, we proceed with our likelihood of confusion analysis without a finding of fame.

We turn then to the first du Pont factor, i.e., whether applicant's mark LOS ABUELOS and opposer's mark ABUELO are similar or dissimilar when compared in their entireties in terms of appearance, sound, connotation and commercial impression. We make this determination in accordance with the following principles. The test, under this du Pont factor, is not whether the marks can be distinguished when subjected to a side-by-side comparison, but rather whether the marks are sufficiently similar in terms of their overall commercial impressions that confusion as to the source of the goods offered under the respective marks is likely to result. The focus is on the recollection of the average purchaser, who normally retains a general rather than a

Opposition No. 91152633

specific impression of trademarks. See *Sealed Air Corp. v. Scott Paper Co.*, 190 USPQ 106 (TTAB 1975).

We begin by noting that opposer's mark is a strong mark to the extent that it is an arbitrary designation and inherently distinctive. In English, the mark is a coined term, and there is no dispute that in Spanish ABUELO means grandfather and LOS ABUELOS means grandfathers or grandparents. Either way ABUELO has no meaning in relation to the goods other than source-identifying significance.

Applicant's mark, LOS ABUELOS, depicted in standard character form, and opposer's mark ABUELO, are very similar in appearance and sound. The only difference between the marks is the LOS and S in applicant's mark. LOS is the definite article and would be recognized as such by a significant portion of ordinary consumers even without special knowledge of the Spanish language. As to connotation, for those consumers who are familiar with the Spanish language the near identity of connotation is immediately evident. However, the connotation would also be similar to non-Spanish speaking consumers in view of the strong similarity of the sound and appearance of the marks and the lack of any specific meaning in English. Given the minimal impact from the definite article LOS, the commercial impression retained by the average consumer will be ABUELOS which is nearly identical to opposer's mark ABUELO.

Opposition No. 91152633

Applicant's arguments regarding the intended use of its mark on its labels and the use of opposer's mark are not persuasive. The issue in this proceeding is not use but rather registrability and the mark for which registration is sought is LOS ABUELOS in standard character form, not all the matter applicant states will be used on its labels. Moreover, even if, as applicant claims, the respective labels indicate that the tequila is produced in Mexico and the rum is produced in Panama this does not necessarily mean that consumers would assume they come from different commercial sources. It is not uncommon for one company to have production facilities in several countries. Given the arbitrary nature of opposer's ABUELO mark, we find that the similarities in the parties' marks outweigh the minor differences. Thus, the similarity of the marks weighs in favor of a finding of likelihood of confusion.

We turn next to the second, third and fourth du Pont factors, i.e., the similarities between opposer's and applicant's goods, and the similarities between opposer's and applicant's trade channels and classes of purchasers of these goods. We must make our determinations under these factors based on the goods as they are recited in the application. See *In re Elbaum*, 211 USPQ 639 (TTAB 1981).

The goods need not be identical or directly competitive in order for there to be a likelihood of confusion. Rather,

the respective goods need only be related in some manner or the conditions surrounding their marketing be such that they could be encountered by the same purchasers under circumstances that could give rise to the mistaken belief that the goods come from a common source. In re Martin's Famous Pastry Shoppe, Inc., 748 F.2d 1565, 223 USPQ 1289 (Fed. Cir. 1984).

Applicant's application is for tequila and opposer uses its mark on rum. We find these goods to be closely related. The record shows that retail consumers of tequila and rum will encounter them in close proximity to each other. Ross Dep. pp. 10-46. In addition, Mr. Ross introduced evidence of recipes obtained from the Internet that include rum and tequila in the same drink or as substitutes for each other. We further note that different alcoholic beverages have been consistently recognized as related goods for trademark purposes.⁹

⁹ See, for example, In re Chatam International Inc., 380 F.3d 1340, 71 USPQ2d 1944 (Fed. Cir. 2004) (beer and tequila closely related); In re Majestic, supra (brewed malt liquor and distilled tequila similar "by virtue of the fact that both are alcoholic beverages that are marketed in many of the same channels of trade to many of the same consumers"); The Fleischmann Distilling Corporation et al. v. Maier Brewing Co. et al., 314 F.2d 149, 160, 136 USPQ 508, 518 (9th Cir. 1963) (beer and whiskey "being both within the alcoholic beverage industry, are 'so related as to fall within the mischief which equity should prevent.'"); White Horse Distillers, Ltd. V. Ebling Brewing Co., Inc., 30 USPQ 238 (CCPA 1936) (scotch whiskey and ale are "goods of the same descriptive properties within the meaning of the statute"); Somerset Distilling Inc. v. Speymalt Whiskey Distributors Ltd., 14 USPQ2d 1539, 1542 (TTAB 1989) ("scotch whiskey, gin and vodka are all closely related, in that they are what might be

Opposition No. 91152633

Given the absence of any restrictions or limitations in applicant's identification of goods, the parties' closely related alcoholic beverage products are deemed to be marketed in the same trade channels and to the same classes of purchasers. Kangol Ltd. V. KangaROOS U.S.A. Inc., 974 F.2d 161, 23 USPQ2d 1945 (Fed. Cir. 1992). In addition, the record establishes that tequila and rum are sold in the same channels of trade. Ross Dep. pp. 10-46. Indeed, applicant does not dispute this. Br. p. 21 ("Applicant acknowledges that rum and tequila are sold through the same channels of trade, that some college student somewhere has undoubtedly concocted an alcoholic drink that uses every imaginable combination of liquor, including rum and tequila, and that some liquor stores may place rum and tequila on nearby shelves.")

Applicant argues that its goods, in contrast to opposer's goods, will be relatively expensive ranging in price between \$49.75 to \$79.37 (Erikson Dep., Exh. No. 14), and thus, according to applicant, consumers of its products will be more discriminating and take more care in their purchase. We first point out that there is no such

characterized as basic alcoholic beverages"); and In re AGE Bodegas Unidas, S.A., 192 USPQ 326 (TTAB 1976) ("there is clearly a relationship between wine and whiskey, both of which alcoholic beverages are sold through the same specialized retail outlets to the same purchasers, and are frequently bought at the same time").

Opposition No. 91152633

limitation in the identification of goods. Moreover, the record shows that the price range for tequila is approximately \$9 to \$95 and for rum is approximately \$7 to \$70 and that expensive and cheap products are sold under the same brand name and grouped by brand with varying prices located in the same grouping. Ross Dep. pp. 10-46, Exh. Nos. 22-28. We do not believe there is a sufficient price differential to obviate a likelihood of confusion when such similar marks are used on related goods, particularly in a market where a price range exists under a single brand name. Nor does the record show that a consumer would thoroughly investigate the source of at least the less expensive bottle of tequila or rum prior to purchasing it. To the contrary, applicant's tequila, as identified in the application, and opposer's rum, are ordinary consumer items which would be purchased without a great deal of care, by ordinary consumers. See *In re Majestic*, supra at 1205. Thus, these findings under the second, third and fourth du Pont factors all weigh significantly in opposer's favor in our likelihood of confusion analysis.

Considering the respective marks in their entirety, we conclude that the evidence of record as it pertains to the relevant du Pont factors clearly supports a finding of likelihood of confusion as to opposer's mark ABUELO, and

Opposition No. 91152633

that registration of applicant's mark, LOS ABUELOS,
therefore, is barred under Trademark Act Section 2(d).

Decision: The opposition is sustained.