

"Consent" presents a heady brew at TTAB

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"Gentlemen prefer blondes," goes the phrase—though the title of Howard Hawks' 1953 reminds us of a different (and thankfully now distant) era.

When it comes to choosing beers, though, can drinkers discriminate *between two* or more so-called *blonde* brews with similar names—whether they've imbibed first or not?

Probably not, believes the USPTO's Trademark Trial and Appeal Board—and this despite a consent agreement between applicant and registrant that ostensibly enables both to bring their brews to market.

Typically, when the TTAB analyzes likelihood of confusion, consent agreements are entitled to great weight. But in a precedential decision on 25 February in *In re Bay State Brewing Co., Inc.* (Serial No. 85/826,258), the Board was unmoved by such an agreement. Instead, it affirmed a likelihood of confusion in refusing the mark *Time Traveler Blonde* for beer, with *Blonde* disclaimed, in view of the registered mark *Time Traveler* for "beer, ale and lager."

According to the Board, the consent agreement between the applicant, Bay State, and the registrant, A&S Brewing Collaborative, was not properly designed to avoid confusion and did not fully contemplate all reasonable circumstances in which the marks at issue "may be used by consumers calling for the goods." The Board found that the virtual identity of the parties' marks, the identity of their respective goods, trade channels, and purchasers, and the impulsive nature of consumers' purchases of beer together made a compelling case for finding a likelihood of confusion.

The Board then considered the consent agreement between the parties and the impact that it should have on the analysis of likelihood of confusion. The TTAB pointed out that, according to the now-touchstone trademark ruling *In re du Pont de Nemours & Co.*, 476 F.2d 1357 (C.C.P.A. 1973), a consent agreement is simply evidence to be included in determining such a likelihood, and, depending upon the entirety of the evidence, may or may not tip the scales in favor of registrability. Each such agreement must be

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examined on its own merits, and it is not a foregone conclusion that every one will be determinative.

In the agreement at issue in *In re Bay State Brewing*, Bay State and A&S Brewing included the usual statement that they "wish to avoid any conflict with one another and consent to co-exist" under certain terms and conditions. It noted that they "agree to cooperate in good faith to resolve such actual confusion and to develop measures sufficient to avoid a likelihood." And it required that each party use its mark in connection with its house mark, that the applicant use *Time Traveler* or the word *traveler* only in the mark *Time Traveler Blonde*, that the word *blonde* be displayed in at least equal prominence with the time traveler wording, and that each party use a trade dress not confusingly similar to the trade dress of the other.

Moreover, a provision in the agreement regarding geographical limitation stipulated that Bay State Brewing not use its applied-for mark outside of New England and the State of New York, while the registrant's use was not geographically limited. Bay State is located in Massachusetts; the registrant, A&S Brewing Collaborative, is based in Vermont.

The Board found that this geographical limitation provision created two distinct problems. First, it felt that the parties had in essence agreed to allow use of their respective marks in the same geographic areas, because Vermont-based A&S Brewing Collaborative would remain free to use its mark in the entirety of Massachusetts-based Bay State's agreed-on territory. The Board found it interesting that Bay State was not seeking a concurrent use registration (with a corresponding geographical restriction on the registrant's registration), but rather a nationwide registration. Neither was the applicant seeking a geographically restricted registration as part of the consideration provided to the registrant for entering into the consent agreement at issue.

Second, the Board found it significant that the registration that Bay State was seeking would not reflect the geographical limitation that it had voluntarily accepted, and thus could be misleading to consumers. The Board allowed that a mark shown in an unrestricted registration could be used in a smaller territory than that which it can be used. It also noted, however, that when marks are being searched and cleared, there is a presumption afforded to an unrestricted registration by searchers and attorneys that an applicant's registration would not and should not be entitled to a smaller area than that claimed.

In the Board's opinion, in light of the geographical overlap, the effectiveness of the remaining provisions in the agreement was diminished. The addition of each party's house mark to these virtually identical marks used on identical goods did not necessarily eliminate confusion.

Each party had also agreed to not use trade dress confusingly similar to the other's. But the Board was troubled that there was no specification in the agreement as to what trade dress each will use. It noted, for example, that if each party were to use minimal trade dress and displayed its house marks in smaller fonts, then the essence of the agreement would be met, but would not aid in mitigating consumer confusion.

The Board also found it troubling that the applicant's mark was not yet in use, and that as a consequence the applicant was seeking a determination based on a mark not as applied for, but rather as it was promised to be used. It held that promises as to trade dress and the use(s) of a house mark represent another deviation from the parameters of the application and registration, and thus could result in a failure of the function of trademark registrations to give public notice of said mark.

In concluding, the Board remained convinced that a likelihood of confusion obtained in the parties' proposed use of virtually identical marks for identical goods—goods subject to purchase on impulse by ordinary consumers—in the same geographical area. The possibility of confusion was high enough, it felt, to reject the applied-for mark.

This round finished, the question remaining is whether the Board has raised the bar on what constitutes an acceptable consent-to-use agreement. A common way that applicants and registrants reach a compromise may be getting harder and harder to come by going forward if this case signals a trend. Will this decision prove to be an aberration? Or does it signal a trend that the Board is going to more strictly scrutinize consent agreements going forward? Trademark practitioners should monitor the Board's future decisions to find out. If nothing else, we prefer clarity.

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