

This Opinion is Not a  
Precedent of the TTAB

Mailed: May 25, 2018

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board

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*Rebel Wine Co. LLC*  
*v.*  
*Piney River Brewing Co.*

—  
Cancellation No. 92063917

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J. Scott Gerien and Joy L. Durand of Dickenson, Peatman & Fogarty  
for Rebel Wine Co. LLC.

Michael B. Bressman of the Vanderbilt Legal Clinic  
for Piney River Brewing Co.

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Before Adlin, Hightower, and Lynch  
Administrative Trademark Judges.

Opinion by Lynch, Administrative Trademark Judge:

Rebel Wine Co. LLC (“Petitioner”) petitions to cancel Registration No. 4597351 for the mark MASKED BANDIT<sup>1</sup> in standard characters for “Ale; Beer; Beer, ale, lager, stout and porter; Brewed malt-based alcoholic beverage in the nature of a beer; Pale

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<sup>1</sup> Issued on the Principal Register on September 2, 2014, from an application filed April 17, 2014, under Section 1(a) of the Trademark Act, 15 U.S.C. § 1051(a).

beer” in International Class 32 based on priority and likelihood of confusion under Section 2(d) of the Trademark Act, 15 U.S.C. § 1152(d).<sup>2</sup> Petitioner pleads ownership of Registration Nos. 3311926<sup>3</sup> and 3974340<sup>4</sup> both for the mark BANDIT in standard characters for, respectively, “Wine” and “Alcoholic beverages except beers,” all in International Class 33.

In its answer, Respondent denied the salient allegations of the petition and asserted the affirmative defense of laches.<sup>5</sup> However, in its Brief, Respondent expressly waived the defense, stating that it “is not asserting a laches affirmative defense.”<sup>6</sup>

## I. Evidentiary Record

The record consists of:

- The pleadings;
- The file of challenged Registration No. 4597351;<sup>7</sup>
- TSDR (Trademark Status and Document Retrieval) records showing the current status and title (owner) of pleaded Registration Nos. 3311926 and 3974340. 6 TTABVUE 28-42;
- TSDR records for third-party use-based registrations of the same marks for both beer and wine. 6 TTABVUE 43-53;

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<sup>2</sup> 1 TTABVUE (Complaint).

<sup>3</sup> Issued on the Principal Register on October 16, 2007, from an application filed on February 2, 2006; renewed. *See* 15 U.S.C. §§ 1059, 1065.

<sup>4</sup> Issued on the Principal Register on June 7, 2011, from an application filed October 20, 2010; Section 8 affidavit accepted and Section 15 affidavit acknowledged. *See* 15 U.S.C. §§ 1058, 1065.

<sup>5</sup> 5 TTABVUE.

<sup>6</sup> 29 TTABVUE 18 n.1.

<sup>7</sup> *See* Trademark Rule 2.122(b), 37 C.F.R. § 2.122(b).

- Screenshots of third-party websites offering both beer and wine under the same mark. 6 TTABVUE 54-256;
- Screenshots of third-party websites showing the same retail outlet, bar or restaurant advertising or offering both beer and wine, including some selling Petitioner's wine. 6 TTABVUE 257-453;
- Screenshots of a third-party search website allowing users to "Find and price wines, beers and spirits across all online stores," with search results for Petitioner's wine. 6 TTABVUE 454-458;
- Articles about alcoholic beverage producers who make both wine and beer. 6 TTABVUE 459-502;
- Articles and blogs that feature or mention Petitioner's wine. 6 TTABVUE 503-717;
- The declaration of Joy Durand, Petitioner's counsel, to authenticate accompanying Internet image search results for the terms "bandit" and "masked bandit." 7 TTABVUE 2-40;
- The declaration of Robert R. Torkelson, Chairman of Petitioner's Board of Directors, and exhibits, some of which are confidential. 7 TTABVUE 40-363 and 8 TTABVUE;
- The declaration of Brian Durham, Respondent's co-founder, co-owner and Head Brewer, and exhibits. 9 TTABVUE;
- The declaration of Joleen Senter Durham, Respondent's co-founder and co-owner, and exhibits, some of which are confidential. 10 TTABVUE and 15 TTABVUE (confidential exhibits);
- The declaration of Rodney Edwards, General Manager of Grellner Sales and Service, a wholesale beverage distributor, and exhibits. 11 TTABVUE;
- The declaration of Paula J. Glidewell, Vice President of Glidewell Distributing, a wholesale food and beverage distributor, and exhibits. 12 TTABVUE;
- The declaration of Brooke Hamilton, founder and owner of Grindstone Design, LLC d/b/a Grindstone Design Studio, who designed all but one of Respondent's beer cans and did promotional design work for Respondent, and exhibits. 13 TTABVUE;

- The declaration of Brianne Montgomery, a Legal Assistant with Respondent's law firm and exhibits. 14 TTABVUE;
- The declaration of J. Scott Gerien, Petitioner's counsel, which, *inter alia*, authenticates photographs from Cost Plus World Market in Napa, California, Safeway in Napa, California, information about the third-party use of THE DOCTOR & THE BANDIT for wine, as well as cease-and-desist and enforcement letters sent to breweries and a winery using marks containing BANDIT. 19 TTABVUE 36-71;
- The declaration of Mark Billings, Executive Vice President/General Manager of Young's Market Company Arizona. 19 TTABVUE 74-75;
- The declaration of Richard Fiumara, Senior Regional Manager, America West, for Sutter Home Winery, Inc., with exhibits. 19 TTABVUE 78-88;
- TSDR records for registrations. 16 TTABVUE 33-541; 19 TTABVUE 5-34;
- Dictionary definitions and translations of various terms. 16 TTABVUE 542-553;
- Screenshots from the third-party websites. 16 TTABVUE 554-1671;
- Excerpts of Petitioner's discovery responses. 16 TTABVUE 1672-1708; 17 TTABVUE 1-8; 26 TTABVUE; 27 TTABVUE.

## II. Standing and Priority

Any person who believes it is or will be damaged by registration of a mark has standing to file a petition to cancel. Trademark Act Section 14, 15 U.S.C. § 1064. "A petitioner is authorized by statute to seek cancellation of a mark where it has 'both a "real interest" in the proceedings as well as a "reasonable" basis for its belief of damage.'" *Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058, 1062 (Fed. Cir. 2014) (quoting *ShutEmDown Sports, Inc. v. Lacy*, 102 USPQ2d 1036, 1041 (TTAB 2012) and citing *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999)). Petitioner's claim of likelihood of confusion based on

its pleaded registrations and prior use of an allegedly confusingly similar mark establishes its standing. *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1844 (Fed. Cir. 2000) (petitioner's prior registrations establish "direct commercial interest and its standing to petition for cancellation"); *Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982).

It is undisputed that Petitioner has priority. The February 2, 2006 and October 20, 2010 filing dates of the applications that matured into Petitioner's pleaded registrations precede the April 17, 2014 filing date of the application that matured into Respondent's challenged registration, and Respondent does not allege prior use. *See Brewski Beer Co. v. Brewski Bros. Inc.*, 47 USPQ2d 1281, 1284 (TTAB 1998) (a petitioner who owns a registration may rely on it to establish constructive first use as of the application filing date).

### III. Likelihood of Confusion

Our determination under Section 2(d) requires an analysis of all of the probative evidence of record bearing on a likelihood of confusion. *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563, 567 (CCPA 1973) (setting forth factors to be considered, hereinafter referred to as "*du Pont* factors"); *see also In re Majestic Distilling Co.*, 315 F.3d 1311, 65 USPQ2d 1201, 1203 (Fed. Cir. 2003). In any likelihood of confusion analysis, two key considerations are the similarities between the marks and the relatedness of the goods. *See In re Chatam Int'l Inc.*, 380 F.3d 1340, 71 USPQ2d 1944 (Fed. Cir. 2004); *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24, 29 (CCPA 1976) ("The 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.”). Petitioner bears the burden of proving its claim of likelihood of confusion by a preponderance of the evidence. *Cunningham*, 55 USPQ2d at 1848.

A. The Strength of Petitioner’s Mark and the Number and Nature of Similar Marks for Similar Goods

We first address the strength of Petitioner’s mark because it affects the mark’s scope of protection. Petitioner argues under the fifth *du Pont* factor that its BANDIT mark should be deemed strong within the wine industry, while Respondent argues under the sixth *du Pont* factor that the mark is weak and diluted. In determining the strength of a mark, we consider both its inherent strength based on the nature of the term itself and its commercial strength based on use in the marketplace. *See In re Chippendales USA Inc.*, 622 F.3d 1346, 96 USPQ2d 1681, 1686 (Fed. Cir. 2010) (measuring both conceptual and marketplace strength).

The strength of a mark rests on the extent to which “a significant portion of the relevant consuming public . . . recognizes the mark as a source indicator.” *Joseph Phelps Vineyards, LLC v. Fairmont Holdings, LLC*, 857 F.3d 1323, 122 USPQ2d 1733, 1734 (Fed. Cir. 2017) (citing *Palm Bay Imps., Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1694 (Fed. Cir. 2005)). This is not “an all-or-nothing factor,” but instead involves assessing the mark “along a spectrum from very strong to very weak” *Id.* (internal citations omitted). A very strong mark receives broader legal protection than a weak one. *See Palm Bay Imps.*, 73 USPQ2d

at 1694 (strong marks “enjoy wide latitude of legal protection” and are “more attractive as targets for would-be copyists”).

Petitioner’s BANDIT mark is inherently distinctive. *See In re Opus One Inc.*, 60 USPQ2d 1812, 1813-14 (TTAB 2001) (arbitrary mark is considered strong and entitled to a “broad scope of protection”); *see also Tea Board of India v. Republic of Tea Inc.*, 80 USPQ2d 1881, 1899 (TTAB 2006) (“A mark that is registered on the Principal Register is entitled to all Section 7(b) presumptions including the presumption that the mark is distinctive and moreover, in the absence of a Section 2(f) claim in the registration, that the mark is inherently distinctive for the goods.”).

Commercial strength may be measured indirectly by the volume of sales and advertising expenditures in connection with the goods sold under the mark, and other factors such as length of time of use of the mark; widespread critical assessments; notice by independent sources of the goods identified by the mark; and the general reputation of the goods. *Weider Publ’ns, LLC v. D & D Beauty Care Co.*, 109 USPQ2d 1347, 1354 (TTAB 2014); *see also Bose Corp. v. QSC Audio Prods. Inc.*, 293 F.3d 1367, 63 USPQ2d 1303, 1308 (Fed. Cir. 2002) (recognizing indirect evidence as appropriate proof of strength).

Petitioner provided a variety of such indirect evidence of commercial strength, some of which is confidential and therefore will be discussed only in general terms. Petitioner or its predecessor has used the BANDIT mark on wine since 2004,<sup>8</sup> and it

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<sup>8</sup> 7 TTABVUE 41.

is sold in 47 states.<sup>9</sup> The confidential record includes sales and revenue figures from 2012 through 2016 which are not insubstantial but not overwhelming.<sup>10</sup> Respondent criticizes the lack of context for these figures, including that Petitioner has not provided the market share for BANDIT, and compares Petitioner's evidence to the total U.S. annual wine revenue figures<sup>11</sup> and the relatively larger sales and revenue figures of other companies in the wine and beer industries to undercut the persuasiveness of Petitioner's evidence.<sup>12</sup> Petitioner advertises its BANDIT wine online, in magazines, social media, retail outlets and trade shows, and the confidential record includes the not particularly impressive promotional expenditures for a recent four-year period.<sup>13</sup>

Respondent asserts that Petitioner's advertising expenditures are relatively smaller than what the Board has relied on for fame in other cases. One 2012 advertisement in Women's Health Magazine, however, resulted in 5.6 million consumer impressions.<sup>14</sup> Petitioner's evidence of commercial strength in the form of media coverage includes numerous articles featuring or mentioning Petitioner's BANDIT wine, often characterizing it as one of the best boxed wines on the market.<sup>15</sup> Examples include articles from the New York Daily News website ("Boxed wine is

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<sup>9</sup> 7 TTABVUE 45.

<sup>10</sup> 8 TTABVUE 4-6 (Torkelson Declaration -- confidential).

<sup>11</sup> 16 TTABVUE 15 (Nat'l Assoc. of Am. Wineries reporting \$35 billion for 2014).

<sup>12</sup> 29 TTABVUE 39 (Respondent's Brief).

<sup>13</sup> 7 TTABVUE 41 (Torkelson Declaration).

<sup>14</sup> 7 TTABVUE 44 (Torkelson Declaration).

<sup>15</sup> 6 TTABVUE 505-717; 7 TTABVUE 44-45.

hotter than ever – find the perfect pairing for you”),<sup>16</sup> the Wine Enthusiast Magazine website (“The 26 Best Boxed Wines”),<sup>17</sup> the Forbes website (“The Best in Boxed Wines: Thinking Inside the Box”),<sup>18</sup> and the Wine Spectator website (“Box Scores: 15 Top-Rated California Value Wines”).<sup>19</sup> However, Respondent alleges that many of the articles only “mention BANDIT in passing and appear to be of limited circulation.”<sup>20</sup> Indeed, Petitioner failed to provide circulation figures. On the other hand, Petitioner’s BANDIT wine appeared in the mainstream movie “Trainwreck.”<sup>21</sup>

Petitioner’s revenue, sales, and advertising figures do not convince us of the strength of the BANDIT mark in the wine industry in general, and their lack of context diminishes the persuasiveness of this evidence. *Cf., e.g., Recot Inc. v. Becton*, 214 F.3d 1322, 54 USPQ2d 1894, 1896 (Fed. Cir. 2000) (noting that retail sales of products under the famous mark FRITO-LAY exceeded \$6 billion in 1995, for a greater than 50 percent market share in the domestic snack chip industry). On the other hand, the media evidence touting Petitioner’s wine suggests some recognition in the *boxed* wine market.

Evidence of third-party use also bears on the strength or weakness of a registrant’s mark. *In re i.am.symbolic, llc*, 866 F.3d 1315, 123 USPQ2d 1744, 1751

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<sup>16</sup> 6 TTABVUE 505-12.

<sup>17</sup> 6 TTABVUE 526-28.

<sup>18</sup> 6 TTABVUE 539-43.

<sup>19</sup> 6 TTABVUE 620-23.

<sup>20</sup> 29 TTABVUE 39 (Respondent’s Brief).

<sup>21</sup> 7 TTABVUE 45 (Torkelson Declaration); *see also* 7 TTABVUE 97.

(Fed. Cir. 2017). If the evidence establishes that the consuming public is exposed to third-party uses of similar marks for similar goods, it “is relevant to show that a mark is relatively weak and entitled to only a narrow scope of protection.” *Palm Bay Imps.*, 73 USPQ2d at 1693. Respondent contends that Petitioner’s mark lacks commercial strength because it is “diluted” by widespread third-party use and registration of the term BANDIT. Respondent points to the following 14 third-party uses of marks that consist of or include BANDIT (or variations such as BANDITO) for alcoholic beverages:<sup>22</sup>

<b>Mark</b>	<b>Goods</b>	<b>Additional Information</b>
BANDIT BROWN	Beer	City Star Brewing (Berthoud, CO) website lists as “Currently Available” and indicates that this beer won several awards in 2013
BANDOLERO	Tequila	Website of Safeway grocery store in Largo, Florida
HOP BANDIT	Beer	Bank Brewing Co.
LA BANDOLERA	Tequila	MS Walker Fine Wines & Spirits website lists this tequila with an indication that it is available in the states of Massachusetts and Rhode Island
LIL’ BANDIT BROWN ALE	Beer	Northwoods BrewPub Grill (Osseo, WI) website indicates that it offers beer “brewed on premises to be enjoyed fresh and unpasteurized” as well as “FRESH BEER TO GO!”
NEATO BANDITO	Beer	Deep Ellum Brewing Co. shows this beer in a can under the “Year-Round Brews” heading
NODA BANDITO	Beer	Article on charlottefive.com website announcing the upcoming release

<sup>22</sup> 29 TTABVUE 36 (Respondent’s Brief); 16 TTABVUE 1507-1576 (third-party uses).

		by NoDa Brewing of Bandito Mexican Lager, and stating “Four-packs of the 16-ounce cans will be available at the brewery for \$8.99 each....”
PIE BANDIT	Beer	Spoonwood Brewing Company (Bethel Park, PA) uses the slogan “Fresh beer, fresh food,” and shows this beer in a glass with a pumpkin design and the wording “Septoberfest 2015.”
STICKY BANDIT	Beer	Badger State Brewing (Green Bay, WI) website lists this under its “Seasonal Beers” for the month of November
THREE BANDITS	Beer	Lupine Brewing Company (Delano, MN) website states of this beer, “Status: Taproom/Limited Distribution”
TRAIL BANDIT	Beer	Crank Arm Brewing website indicates this beer is “On Tap Year-Round”
BANDIT BREWING CO.	Beer	Facebook page states that “Bandit Brewery is a nano-brewery and the smallest brewery in Montana with a quaint tasting room in Darby, Montana....”
THE DOCTOR & THE BANDIT	Wine	Premiere Napa Valley website states that “This rare expression of Napa Valley winemaking is one of only 60 bottles that will ever be made.”
WILD BANDIT	Wine	Amazon.com

Respondent also points to Alcohol and Tobacco Tax and Trade Bureau (“TTB”) label approvals for alcoholic beverages in which the labels include BANDIT or foreign translations of the term.<sup>23</sup>

However, Petitioner argues that some of this evidence is irrelevant (citing the marks BANDOLERO and LA BANDOLERA for tequila, in particular, which it deems too different from BANDIT). Moreover, Petitioner contends that the evidence does not show public awareness of these alleged uses. *Palm Bay Imps.*, 73 USPQ2d at 1693 (“The probative value of third-party trademarks depends entirely upon their usage.”). For example, the level of consumer exposure to what mostly appear to be local microbreweries remains unclear, such as with the THREE BANDITS beer designated as “Taproom/Limited Distribution.”<sup>24</sup> Finally, Petitioner counters that it has aggressively and successfully enforced its trademark rights<sup>25</sup> to prevent any weakening of its mark, and introduced ten enforcement letters sent to most of the third-party users set forth above after Respondent introduced the third-party evidence. Respondent acknowledges that Petitioner has pursued some enforcement actions against these third-party users, but notes that the enforcement efforts were in some cases delayed and do not extend to all the users. Petitioner replies that it

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<sup>23</sup> 29 TTABVUE 36-37 (Respondent’s Brief); 14 TTABVUE 4-7 (Montgomery Declaration pointing to 13 labels including the term BANDIT and 9 labels including either BANDOLERO or BANDOLERA).

<sup>24</sup> 16 TTABVUE 1512.

<sup>25</sup> 7 TTABVUE 45-53; 19 TTABVUE 37-38; 19 TTABVUE 50-71 (cease-and-desist and enforcement letters).

deliberately chose not to address certain uses because of the “limited scope and extent of the use of the marks.”<sup>26</sup>

While Respondent has not presented specifics concerning the extent and impact of the third-party uses, we nevertheless have evidence of these marks being used for various types of alcoholic beverages. *See Jack Wolfskin Ausrüstung Fur Draussen GmbH & Co. v. Millennium Sports, S.L.U.*, 797 F.3d 1363, 116 USPQ2d 1129, 1136 (Fed. Cir. 2015); *see also Rocket Trademarks Pty Ltd. v. Phard S.p.A.*, 98 USPQ2d 1066, 1072 (TTAB 2011) (internet printouts “on their face, show that the public may have been exposed to those internet websites and therefore may be aware of the advertisements contained therein”). Some of the uses, such as on Amazon.com and at a Safeway, suggest wider consumer exposure. But we agree with Petitioner that many others suggest that their consumer exposure likely is rather limited. For example, indications noted in the “Additional Information” column in the table above that beers are only seasonal, or are distributed on the premises of local microbreweries, tend to suggest more restricted consumer exposure to these uses. The third-party evidence here is far less voluminous and compelling than that in *Juice Generation, Inc. v. GS Enters. LLC*, 794 F.3d 1334, 115 USPQ2d 1671, 1673 n.1 (Fed. Cir. 2015) or in *Jack Wolfskin*, 116 USPQ2d at 1136 n.2. *See also Primrose Retirement Communities, LLC v. Edward Rose Senior Living, LLC*, 122 USPQ2d 1030 (TTAB 2016) (weakness found based on at least 85 actual uses of ROSE-formative marks for similar services, eight similar third-party registrations, expert testimony and other

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<sup>26</sup> 31 TTABVUE 15 (Petitioner’s Reply Brief).

evidence regarding the common nature of ROSE-formative marks in the industry, and testimony by opposer that it did not vigorously enforce its mark). Overall, we find this record insufficient to “show that customers ... have been educated to distinguish between different ... [BANDIT] marks on the basis of minute distinctions.” *Juice Generation*, 115 USPQ2d at 1674 (internal quotations omitted). However, Respondent’s evidence tends to show that the term BANDIT is somewhat suggestive in the alcoholic beverage industry. *Id.* at 1675 (third-party use and registrations may show that a term carries a suggestive connotation in the industry).

Considering the record in its entirety as to strength, including the inherent distinctiveness of BANDIT and its recognition in the boxed wine market, counterbalanced by the number and nature of third-party uses, we accord Petitioner’s mark a normal degree of strength overall as to its identified goods in the likelihood of confusion analysis.

#### B. Similarity of the Marks

Turning to the first *du Pont* factor, comparison of the marks, we consider them “in their entireties as to appearance, sound, connotation and commercial impression.” *Palm Bay Imps.*, 73 USPQ2d at 1691 (quoting *du Pont*, 177 USPQ at 567). We remain mindful that “marks ‘must be considered . . . in light of the fallibility of memory’ and ‘not on the basis of side-by-side comparison.’ [citation omitted].” *In re St. Helena Hosp.*, 774 F.3d 747, 113 USPQ2d 1082, 1085 (Fed. Cir. 2014).

Comparing BANDIT to MASKED BANDIT, the shared term BANDIT creates a significant visual resemblance between the two marks and makes them sound

similar. In this case, Respondent's addition of a term to the registered mark does not obviate the similarity. *See Coca-Cola Bottling Co. v. Jos. E. Seagram & Sons, Inc.*, 526 F.2d 556, 188 USPQ 105, 106 (CCPA 1975) (BENGAL and BENGAL LANCER and design deemed confusingly similar). The additional word MASKED in Respondent's mark modifies BANDIT, thereby emphasizing BANDIT as the dominant word, regardless of MASKED's placement as the first word of the mark. *See, e.g., Stone Lion Capital Partners, LP v. Lion Capital LLP*, 746 F.3d 1317, 110 USPQ2d 1157, 1161 (Fed. Cir. 2014) (affirming TTAB's finding that the noun LION was the dominant part of the mark STONE LION CAPITAL). We also find the connotation and commercial impression of both marks to be very close because of the shared term. The evidence shows that "bandits" often are depicted wearing masks, so that with or without "masked" as a modifier, the commercial impression remains similar.<sup>27</sup> Furthermore, while the record reflects that "masked bandit" may refer to a robber wearing a mask or a raccoon,<sup>28</sup> the same dual connotation holds true with "bandit."<sup>29</sup> Thus, whether considering the human or animal reference, the meanings and commercial impressions engendered by both marks are very similar. We find unpersuasive Respondent's argument that its MASKED BANDIT mark would be perceived *only* as a reference to a raccoon, based on its particular trade dress in the marketplace and its naming scheme for other products. Our analysis focuses on the

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<sup>27</sup> 7 TTABVUE 2, 7-25 (Durand Declaration and exhibits).

<sup>28</sup> 7 TTABVUE 2, 24-39 (Durand Declaration and exhibits) (results of a Google images search for "masked bandit" displaying both raccoons and thieves wearing masks).

<sup>29</sup> 7 TTABVUE 2, 7-8 (Durand Declaration and exhibits) (results of a Google images search for "bandit" displaying both raccoons and thieves wearing masks).

marks in the registrations, not “extrinsic evidence concerning the actual uses of the marks” where “the restrictions are not reflected in the four corners of the ... registrations.” *In re i.am.symbolic*, 123 USPQ2d at 1748-49 (rejecting limitations based on examples of use where the limitations are not in the registration, and holding “[t]o the extent that Symbolic is advocating that we consider another mark, will.i.am, that is not part of the applied-for mark in analyzing the similarity of the marks, we decline to do so”).

Considering the marks in their entireties, we find MASKED BANDIT and BANDIT similar, weighing in favor of likely confusion. *See Wella Corp. v. California Concept Corp.*, 558 F.2d 1019, 194 USPQ 419, 422 (CCPA 1977) (finding CALIFORNIA CONCEPT marks substantially similar to prior mark CONCEPT); *In re Toshiba Med. Sys. Corp.*, 91 USPQ2d 1266, 1271 (TTAB 2009) (“Applicant has taken registrant’s mark and added its ‘product mark’ to it. It is not clear why the addition of the word VANTAGE would avoid confusion. It is more likely to be considered another product from the previously anonymous source of TITAN medical diagnostic apparatus, namely, medical ultrasound devices.”).

### C. Relatedness of the Goods

As to the goods, we must determine whether their degree of relatedness rises to such a level that consumers would mistakenly believe the parties’ goods and services emanate from the same source. In making this analysis of the second *du Pont* factor, we look to the identifications of goods in the pleaded and challenged registrations. *See Stone Lion Capital Partners*, 110 USPQ2d at 1162; *Octocom Sys., Inc. v. Houston*

*Computers Servs. Inc.*, 918 F.2d 937, 16 USPQ2d 1783, 1787 (Fed. Cir. 1990). Petitioner's goods are wine and alcoholic beverages except beers, while Respondent's registration identifies beer and various types of beer. Respondent correctly acknowledges that while no *per se* rule exists as to the relatedness of beer and wine, "the Board has often concluded that alcoholic beverages, including beer and wine, are related goods."<sup>30</sup>

In support of its position that the goods are related, Petitioner introduced webpages of at least 24 entities offering both wine and beer under the same mark.<sup>31</sup> This shows consumer exposure to goods such as Petitioner's and Respondent's emanating from the same source under the same mark. In addition, Petitioner submitted four third-party use-based registrations identifying both wine and beer under the same mark.<sup>32</sup> See *Joel Gott Wines, LLC v. Rehoboth Von Gott, Inc.*, 107 USPQ2d 1424, 1432 (TTAB 2013) ("The use-based, third-party registrations . . . also have probative value to the extent that they serve to suggest that the goods listed therein are of a kind which may emanate from a single source under a single mark."); *In re Albert Trostel & Sons Co.*, 29 USPQ2d 1783, 1785-86 (TTAB 1993); *In re Mucky Duck Mustard Co. Inc.*, 6 USPQ2d 1467, 1470 n.6 (TTAB 1988). Petitioner also supplied articles about additional alcoholic beverage producers who make both wine

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<sup>30</sup> 29 TTABVUE 19 (Respondent's Brief).

<sup>31</sup> 6 TTABVUE 43-53.

<sup>32</sup> 6 TTABVUE 54-256.

and beer,<sup>33</sup> again reflecting consumer exposure to the possibility of beer and wine being offered under identical marks.

Respondent offers evidence that some producers of beer and wine “market multiple brands,”<sup>34</sup> and contends that Petitioner’s evidence of combination breweries/wineries therefore does not necessarily mean that the goods at issue are sold under the same mark. However, we find Respondent’s evidence on this largely anecdotal, and we do not accept unsubstantiated opinion testimony about what individual consumers know or think about particular branding scenarios.<sup>35</sup>

Respondent makes a statistical argument comparing evidence of the total number of breweries and wineries in the U.S. (“between approximately 13,000 and 18,000” according to Respondent) compared to the number of examples of combination breweries/wineries introduced by Petitioner (“approximately 30 examples” according to Respondent).<sup>36</sup> According to Respondent, citing *In re Coors Brewing Co.*, 343 F.3d 1340, 68 USPQ2d 1059, 1063-64 (Fed. Cir. 2003), situations where beer and wine emanate from the same source under the same mark are *de minimis* and do not establish the relatedness of these goods. In *Coors Brewing*, the Court assessed

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<sup>33</sup> 6 TTABVUE 459-502.

<sup>34</sup> 29 TTABVUE 22 (Respondent’s Brief); 11 TTABVUE 9-14, 32-59 (Edwards Declaration); *see also* 6 TTABVUE 3-4, 7, 58-60, 87-89, 143-45; 16 TTABVUE 1618-21; 18 TTABVUE 6 (all showing combined breweries/wineries that use different names for the brewery than the winery).

<sup>35</sup> *E.g.*, 11 TTABVUE 11-14 (Edwards Declaration).

<sup>36</sup> 14 TTABVUE 2-232 (Montgomery Declaration and exhibits). Respondent also offered anecdotal observations by a beer distributor about the alleged relatively uncommon phenomenon of beer and wine produced by the same source, and that when they are the producers “usually sell their wine and beer through different companies or different named divisions...,” with examples attached. 11 TTABVUE 10-15 (Edwards Declaration).

whether “something more” showed the relatedness of beer and restaurant services, relying on evidence of the number of overall restaurants compared to the relatively smaller number of brewpubs that brew their own beer or sell it under their own marks. *Id.* at 1063-64. In this case, by contrast, Petitioner’s “examples” are just that – rather than a comprehensive number appropriate for use in statistical analysis. Respondent failed to provide a study or published figure of the total number of joint producers of wine and beer. We also note the different dates and substantial variation in some of the figures Respondent relies on to calculate its own proposed small percentage of brewery/wineries.<sup>37</sup> In addition, the mere number of joint producers fails to take account of the level of renown and degree of distribution, so as to obtain a sense of the level of consumer exposure. So, we do not find these statistical arguments reliable or persuasive. Also, unlike in this case comparing goods -- beer and wine -- *Coors Brewing* and its statistics involved a comparison of beer and restaurant services subject to a “something more” requirement inapplicable here. *Id.* at 1063.

As an additional argument against the relatedness of wine and beer, Respondent introduced 237 pairs of third-party registrations of the same or very similar marks for wine and beer, respectively, owned by different companies.<sup>38</sup> Citing *In re Thor Tech, Inc.*, 113 USPQ2d 1546, 1549 (TTAB 2015), Respondent contends that the Board considered comparable evidence of fifty pairs of registrations to suggest “that

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<sup>37</sup> 29 TTABVUE 21 (Respondent’s Brief) (offering both 11,496 (2016 figure from TTB) and 7,900 (2014 figure from Wine America) as the number of wine producers/wineries).

<sup>38</sup> 16 TTABVUE 49-539.

businesses in these two industries believe that their respective goods are distinct enough that confusion between even identical marks is unlikely.” Respondent supplemented its showing in this regard with marketplace evidence of some identical marks in use by different entities for beer and wine, respectively.<sup>39</sup> While this evidence may have some probative value as to the views of coexisting mark owners, we lack information about the underlying marketplace and any consent agreements or other considerations that may be distinguishable from the case at hand. Also, this showing does not take account of the unknown number of applicants who may have been refused registration of marks for beer or wine, based on a prior registration of the same or a similar mark for the other type of alcoholic beverage. As indicated above, Respondent concedes that the Board’s case law in this area suggests that refusals, oppositions and cancellations premised on the relatedness of these goods typically have been affirmed. *See, e.g., In re Kysela Pere et Fils, Ltd.*, 98 USPQ2d 1261, 1265 (TTAB 2011); *In re Sailerbrau Franz Sailer*, 23 USPQ2d 1719 (TTAB 1992); *Krantz Brewing Corp. v. Henry Kelly Importing & Distrib. Co. Inc.*, 96 USPQ 219 (Exm’r in Chief 1953).

Respondent also made a public policy argument based on a recent law review article,<sup>40</sup> asserting that because the pool of “available competitive marks” is “rapidly depleting,”<sup>41</sup> the Board should “treat beer and wine as presumptively not closely

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<sup>39</sup> 16 TTABVUE 1577-1616.

<sup>40</sup> Barton Beebe & Jeanne C. Fromer, *Are we Running Out of Trademarks? An Empirical Study of Trademark Depletion and Congestion*, 131 Harv. L. Rev. 947 (2018).

<sup>41</sup> 29 TTABVUE 28 (Respondent’s Brief).

related.” However, we do not find this argument relevant to the likelihood of consumer confusion as to source. In any event, we reiterate that no *per se* rule exists as to the relatedness of particular goods, and each case must be considered on its own record. *In re White Rock Distilleries Inc.*, 92 USPQ2d 1282, 1285 (TTAB 2009) (“There is no *per se* rule that holds that all alcoholic beverages are related.”).

Based on this record, we find substantial evidence to show that consumers encounter beer and wine from the same source, and under the same marks. On this record, we find beer and wine related.

#### D. Trade Channels

We presume that because Respondent’s and Petitioner’s identifications contain no trade channel restrictions, their goods travel through all usual channels of trade therefor. *See In re Viterra*, 671 F.3d 1358, 101 USPQ2d 1905, 1908 (Fed. Cir. 2012); *see also Cunningham*, 55 USPQ2d at 1846 (affirming Board finding that where the identification is unrestricted, “we must deem the goods to travel in all appropriate trade channels to all potential purchasers of such goods”). Respondent argues that although beer and wine are sold by many of the same retailers, they often are in different sections of a store, or on different shelves.<sup>42</sup>

However, the record shows beer and wine frequently found together on the same shelves, and even Respondent’s wine on the same shelving unit as beer.<sup>43</sup> Petitioner also introduced third-party testimony from those in the alcoholic beverage industry,

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<sup>42</sup> 11 TTABVUE 8-9, 18-25 (Edwards Declaration); 12 TTABVUE 7; 14 TTABVUE 7.

<sup>43</sup> 19 TTABVUE 41-48 (photographs from Cost Plus World Market and Safeway in Napa, CA).

with supporting documentary evidence, that wine and beer are displayed together for retail sale and advertised together.<sup>44</sup>

According to the testimony and other evidence, the usual trade channels for beer and wine frequently overlap both online and in brick-and-mortar establishments, and the record leaves no doubt as to overlapping trade channels and classes of consumers for the wine and beer identified by Petitioner's and Respondent's registrations. The third *du Pont* factor weighs heavily in favor of likely confusion.

#### E. Actual Confusion

Respondent argues that the lack of known instances of actual confusion weighs in its favor. *See du Pont*, 177 USPQ at 567 (identifying seventh and eighth *du Pont* factors as “[t]he nature and extent of any actual confusion,” and “[t]he length of time during and conditions under which there has been concurrent use without evidence of actual confusion”). According to Respondent, it has sold MASKED BANDIT beer in Missouri since February 2013,<sup>45</sup> “in commerce” since January 2014,<sup>46</sup> and has sold the beer “in Missouri every year since 2013,” including at some locations that also sell Petitioner's wine.<sup>47</sup> Given that neither party reports instances of actual confusion,

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<sup>44</sup> 19 TTABVUE 74-88.

<sup>45</sup> 10 TTABVUE 4 (Durham Declaration, stating that a keg of beer bearing the mark was sold to a distributor on February 14, 2013, and the distributor sold it for a beer dinner that occurred in Joplin, Missouri).

<sup>46</sup> 10 TTABVUE 4 (Durham Declaration, stating that a sale of beer under the mark in Arkansas occurred on January 2, 2014).

<sup>47</sup> 39 TTABVUE 43 (Respondent's Brief); *see also* 10 TTABVUE 6 (Durham Declaration).

Respondent contends that confusion is unlikely. Petitioner counters that this factor carries little weight and should be considered neutral.

On this record, some of which is confidential and thus discussed only in general terms, we cannot conclude that there has been sufficient “opportunity for confusion to have occurred.” See *Barbara’s Bakery Inc. v. Landesman*, 82 USPQ2d 1283, 1287 (TTAB 2007) (where the respective marks coexisted in the marketplace for at least nine years, absence of actual confusion nonetheless deemed “of little probative value” because of the absence of a significant opportunity for such confusion to occur, given “the minimal scope of applicant’s actual use of her mark in the marketplace”). First, Respondent’s co-owner testified that it “produces and offers MASKED BANDIT IPA on a *limited*, seasonal basis typically from around March through August each year, depending on the availability of ingredients.”<sup>48</sup> Second, Respondent’s sales figures and accompanying customer information<sup>49</sup> reflect a relatively limited territory and modest sales. Under these circumstances, Respondent’s use of the mark has presented only a limited opportunity for confusion to take place. Accordingly, we find the seventh and eighth factors neutral.

#### F. Purchasing Conditions

Respondent, asserting careful purchasing conditions, contends that the alleged high-end nature of its craft beer and the alleged low-end nature of Petitioner’s boxed

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<sup>48</sup> 10 TTABVUE 6 (Durham Declaration) (emphasis added).

<sup>49</sup> 15 TTABVUE 5-16 ((Durham Declaration Exhibits J and K, showing retail sales of beer under the mark for 2016 and 2017 -- confidential).

wine, as well as differences in the products' trade dress, weigh against likely confusion. However, this line of argument overlooks that neither Respondent's nor Petitioner's identifications of goods is so limited, as they broadly identify beer and wine, respectively. Neither is limited as to price or type. "[I]t is the identification of goods that controls, not what extrinsic evidence may show about the specific nature of the goods." *In re Midwest Gaming & Entm't LLC*, 106 USPQ2d 1163, 1165 (TTAB 2013). As the Board noted in *In re Bay State Brewing Co.*, 117 USPQ2d 1958, 1960 (TTAB 2016):

[W]e take judicial notice that beer is often relatively inexpensive, subject to impulse purchase, and often ordered orally in a bar or restaurant. "When products are relatively low-priced and subject to impulse buying, the risk of likelihood of confusion is increased because purchasers of such products are held to a lesser standard of purchasing care." *Recot Inc. v. M.C. Becton*, 214 F.3d 1322, 54 USPQ2d 1894, 1899 (Fed. Cir. 2000); *Specialty Brands, Inc. v. Coffee Bean Distributors, Inc.*, 748 F.2d 669, 223 USPQ 1281, 1282 (Fed. Cir. 1984).

There is no basis in the record in this case to find that ordinary consumers purchasing beer and wine, much less the "low end" beer and wine encompassed by the parties' identifications of goods, would exercise a high degree of care.

Respondent also asserts that because of certain state laws governing beer sales, it cannot sell directly to the end consumer, and its direct customers are beer distributors who are unlikely to be confused about the source of the beer they purchase.<sup>50</sup> However, the record reflects that the distributors, in turn, sell the same branded beer

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<sup>50</sup> 11 TTABVUE 4-5 (Edwards Declaration); 12 TTABVUE 4 (Glidewell Declaration).

to retailers, who would then sell it to end consumers.<sup>51</sup> This makes clear that alcohol subject to the three-tiered system ultimately can be sold under its brand name to individual consumers. Thus, we do not find Respondent's argument persuasive. Although Respondent also submitted non-expert declaration testimony from beer distributors containing their views that end consumers would be unlikely to be confused by the marks at issue, we find such opinion and hearsay testimony lacking in probative value.

#### G. Other Factors

The parties also made brief arguments regarding the eleventh and twelfth and thirteenth *du Pont* factors.<sup>52</sup> We find them neutral.

#### **Conclusion as to Likely Confusion**

We conclude that confusion is likely, particularly based on the similarity of the marks and relatedness of the goods that move in the same trade channels to the same classes of ordinary consumers.

**Decision:** The petition to cancel Registration No. 4597351 is granted. Accordingly, the registration will be cancelled in due course.

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<sup>51</sup> 11 TTABVUE 4-5 (Edwards Declaration); 12 TTABVUE 4 (Glidewell Declaration).

<sup>52</sup> Respondent essentially reargues its waived laches defense under the thirteenth factor. We remain unconvinced that any delay would render consumer confusion more likely, so as to make it an appropriate consideration under the thirteenth *du Pont* "catchall" factor. Respondent failed to point to supporting case law for the relevance of delay in the likelihood of confusion analysis. Under the eleventh factor, an applicant's right to exclude others, and the twelfth factor, the extent of potential confusion, Petitioner essentially reargues previously discussed evidence and factors.