

UNITED STATES DEPARTMENT OF COMMERCE
Patent and Trademark Office
Trademark Trial and Appeal Board
2900 Crystal Drive
Arlington, Virginia 22202-3513

Bottorff

THIS OPINION IS CITABLE
AS PRECEDENT OF
THE T.T.A.B.

Opposition No. 97,417

The Institut National Des
Appellations d'Origine
and The Bureau National
Interprofessionel du
Cognac

v.

Brown-Forman Corporation

MAILED

MAY 29 1998

PAT. & T.M. OFFICE

Before Sams, Seeherman and Walters, Administrative Trademark
Judges.

By the Board.

INTRODUCTION

This case now comes up on (a) applicant's motion for
summary judgment¹ dismissing opposers' Section 2(a) and
Section 2(d) claims; (b) opposers' cross-motion for partial
summary judgment as to its ownership of COGNAC as a common
law certification mark; and (c) opposers' motion for leave

¹ Applicant's motion is presented as a motion to dismiss under
Fed. R. Civ. P. 12(b)(6) and/or a motion for summary judgment.
Because both parties have submitted evidentiary materials
outside the pleadings and have treated the motion as one for
summary judgment, the Board shall treat the motion likewise.
See Fed. R. Civ. P. 12(b).

to amend the notice of opposition to add a res judicata claim. Each of these motions is contested.

BACKGROUND; PLEADINGS

On May 24, 1994, applicant Brown-Forman Corporation filed intent-to-use application Serial No. 74/528,394, seeking to register the mark CANADIAN MIST AND COGNAC for goods identified as "an alcoholic beverage consisting primarily of a mixture of Canadian whiskey and cognac." Applicant has disclaimed the exclusive right to use the words CANADIAN and COGNAC apart from the mark as shown. In an Amendment to Allege Use filed on September 27, 1994, applicant alleges first use of the mark anywhere and first use in commerce on September 14, 1994. Applicant has claimed ownership of Registration No. 750,984, issued June 11, 1963, which is of the mark CANADIAN MIST (CANADIAN disclaimed) for goods identified as "Canadian whiskey," and of Registration No. 970,915, issued October 16, 1973, which is of the mark CANADIAN MIST and maple leaf design (CANADIAN disclaimed), also for "Canadian whiskey."

On June 8, 1995, a combined notice of opposition to registration of applicant's mark was filed by The Institut National Des Appellations d'Origine (hereinafter INAO) and by The Bureau National Interprofessionel du Cognac (hereinafter BNIC). Opposers allege that INAO is an agency

of the French government's Ministry of Agriculture, and is responsible for establishing, maintaining and protecting, both in France and internationally, France's "appellations of origin" system. Opposers assert that, under French law, an "appellation of origin" refers to a geographical designation (country, region, or locality) that serves to designate a product originating therein, the quality and characteristics of which are due exclusively or primarily to the geographic environment, including natural and human factors. Opposers further assert that certain products identified and classified according to this system, including wines and spirits, bear "appellations of controlled origin" (AOC), each of which is recognized by a decree which delimits the specific area to which the appellation pertains but also specifies the grape variety or varieties, and methods of planting, harvesting, and production to be used. Opposers allege that COGNAC is an AOC that has been recognized and protected by INAO and the French government for many decades.

Opposer BNIC is asserted to be an organization comprised of wine and spirits growers, producers and merchants representing growers, producers and merchants from the Cognac region of France. BNIC's function is to act on behalf of the Cognac region's wine and spirits growers, producers and merchants by promoting sales domestically and

internationally, by promoting and protecting the COGNAC appellation of origin, and by otherwise representing the economic and legal interest of growers, producers and merchants of Cognac wines and spirits.

In their notice of opposition, opposers allege, inter alia, that COGNAC is a well-known, distinctive appellation of origin designating a popular and high quality product; that French law restricts use of the name COGNAC to distilled spirits products that meet prescribed standards of quality and content, and that are produced in the Cognac region at locations, and under conditions, specified and regulated by French law, as supervised and enforced by the INAO; that the COGNAC appellation has for many years been known among the relevant purchasing public in the United States; that Cognac products meeting the exacting standards of the French AOC system have been validly and continuously sold in the United States under labels bearing the COGNAC name since well prior to applicant's first alleged use of its mark on September 14, 1994; that the COGNAC name is a uniquely French term, which the public associates solely with opposers and their members, the regulated producers of genuine Cognac brandy; that the name also is symbolic of the extensive goodwill and consumer recognition built up through the substantial efforts and investments of the INAO and the BNIC in the "appellation of origin" system and the COGNAC

AOC, and through the promotion and sales of these quality products over many years; that the COGNAC name has been afforded special protection through international agreements binding on the United States, including the "Bourbon-Cognac Accord," a 1971 bilateral agreement between the governments of the United States and France, pursuant to which the United States government is required to "reserve the use . . . of the name[] 'Cognac' . . . to the French products entitled by virtue of existing French legislation to use [that] name[] and to prohibit and repress the use of [that] name[] for any other product, even if modified by . . . an indication of the true place of origin," as well as the 1994 Distilled Spirits Agreement between the United States and the European Community (EC), pursuant to which the United States is required to restrict the use of the COGNAC designation to products of France, produced in compliance with the standards of identity established by French law and EC regulation; that EC regulation prohibits use of the COGNAC AOC in the designation of products in which other distilled spirits have been blended with Cognac brandy, although Cognac brandy may be listed among the ingredients of such a product; and that the regulations of the United States Bureau of Alcohol, Tobacco and Firearms (BATF) establish a standard of identity for Cognac brandy, which standard specifies that the designation COGNAC applies only

to grape brandy distilled in the Cognac region of France,
"which is entitled to be so designated by the laws and
regulations of the French Government," 27 C.F.R. §
5.22(d)(2).

Opposers further allege that:

The phrase that the Applicant is seeking to register as a trademark ("CANADIAN MIST AND COGNAC") contains a term that is identical in sight, sound and appearance to the protected "Cognac" name. This alleged mark, when applied to the goods of the Applicant, falsely suggests a connection with Opposers, and the persons they represent, within the meaning of Section 2(a) of the Trademark Act, 15 U.S.C. § 1052(a). On information and belief, applicant employs the protected "Cognac" name in such mark with intent to appropriate and trade upon the substantial goodwill and recognition that have accrued in the "Cognac" name as a result of the careful regulation and oversight exercised by the INAO and the BNIC over time. (Notice of Opposition, paragraph 10.)

Opposers also allege that:

Applicant's alleged mark so resembles the protected "Cognac" name as to be likely, when applied to the goods of the Applicant, to cause confusion, or to cause mistake, or to deceive as to the source, sponsorship, or affiliation of Applicant's goods within the meaning of Section 2(d) of the Trademark Act, 17 [sic - should be "15"] U.S.C. § 1052(d). The purchasing public is likely to believe mistakenly that goods promoted and sold by Applicant under such mark are sponsored by Opposers and/or the persons they represent, or are otherwise affiliated with or connected to Opposers, the persons they represent, or the Cognac they produce. As discussed above, the "Cognac" name has previously been used in the United States, and not abandoned, by Opposers and the persons they represent. (Notice of Opposition, paragraph 11.)

Opposers conclude their notice of opposition by asserting that applicant's mark is barred from registration on the Principal Register under Section 2 of the Lanham Act and Section 2.69 of the Trademark Rules of Practice, 37 C.F.R. § 2.69 (1994).²

² Trademark Rule 2.69 reads as follows:

Compliance with other laws. When the sale or transportation of any product for which registration of a trademark is sought is regulated under an Act of Congress, the Patent and Trademark Office may make appropriate inquiry as to compliance with such Act for the sole purpose of determining the lawfulness of the commerce recited in the application.

The parties have disputed, in their summary judgment briefs, whether opposers' citation in their pleading to Trademark Rule 2.69 and their allegations regarding the various treaties, conventions and agreements concerning the designation COGNAC constitute a pleaded ground of opposition to registration of applicant's mark which is separate from and independent of opposers' pleaded claims under Section 2(d) and Section 2(a). However, the parties' arguments on this issue are merely incidental to their primary arguments on the cross-motions for summary judgment.

After consideration of opposers' pleading and the parties' arguments, the Board concludes that the only statutory grounds of opposition alleged in the notice of opposition are Section 2(a) false suggestion of a connection and Section 2(d) priority and likelihood of confusion. Opposers have not shown that the treaties, conventions and bilateral agreements alleged in their pleading, standing alone, constitute an independent ground of opposition to registration of applicant's mark. Likewise, Trademark Rule 2.69 is not, in itself, a statutory ground of opposition. It merely authorizes the Trademark Examining Attorney to make inquiry, in certain circumstances, regarding the applicant's compliance with other laws in order to determine whether applicant's use of the mark is lawful use in commerce, under Trademark Act Section 1, 15 U.S.C. Section 1051. See TMEP section 907. Opposers also are advised that Section 44(b) of the Lanham Act, 15 U.S.C. Section 1126(b), relied on by opposers in their summary judgment briefs, does not provide a statutory ground of opposition to registration of applicant's mark.

If opposers intend to assert that the provisions of the various treaties, conventions and bilateral agreements alleged
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In its answer to the notice of opposition, applicant admits that products bearing the designation COGNAC on their labels have been sold in the United States by others since prior to applicant's first use of its own mark in September 1994. Applicant otherwise denies the allegations of the notice of opposition which are essential to opposers' claims.

Applicant also has asserted various affirmative defenses in its answer, i.e., that opposers have failed to state a claim for relief; that opposers lack standing to oppose; that the word "Cognac" is understood in the United States to be the common descriptive name for brandy produced in the Cognac region of France, French brandy generally,

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in the notice of opposition constitute a ground of opposition which is separate and independent from the Section 2(a) and Section 2(d) grounds of opposition which are expressly alleged in the notice of opposition, opposers are allowed until **thirty days** from the date of this order to file a properly-supported motion under Fed. R. Civ. P. 15 for leave to file an amended notice of opposition which adequately alleges a valid statutory basis for such a ground of opposition. Alternatively, within thirty days, opposers must file a brief which specifically supports their apparent contention that the allegations contained in the current notice of opposition regarding the treaties, conventions and bilateral agreements state a ground of opposition which is independent of the Section 2(a) and Section 2(d) grounds. Applicant's response to any such motion or brief filed by opposers shall be due within the time established by Trademark Rules 2.127(a) and 2.119(c). If opposers fail to file such a motion or brief within the time allotted, or if any such motion is denied or any such brief is found to be unconvincing, this case shall proceed solely on the pleaded Section 2(d) ground of opposition. (As discussed, *infra*, the Board is granting applicant's motion for judgment of dismissal of opposers' Section 2(a) claim.)

and/or any fine brandy (regardless of geographic origin); and that applicant's truthful and accurate use of the word to designate an ingredient of its identified goods cannot give rise to a likelihood of confusion or to a false suggestion of a connection with opposers; that, to the extent that opposers allege that "Cognac" is a common law certification mark, such mark is invalid because opposers allege that they have used the mark themselves, in contravention of the nature of the alleged certification mark; that neither opposers nor their members would be damaged by registration of applicant's mark because applicant has disclaimed the exclusive right to use the word "Cognac," such that applicant's registration will not interfere with the right of opposers and their members to use the term to describe their goods; that opposers will not be damaged by registration of CANADIAN MIST AND COGNAC because applicant already owns incontestable registrations of the mark CANADIAN MIST for very similar goods; and that opposers and their members have licensed applicant's use of the term COGNAC as part of the CANADIAN MIST AND COGNAC mark, and/or are estopped from opposing registration of CANADIAN MIST AND COGNAC because applicant has entered into a supply contract with one of opposers' members pursuant to which applicant uses, in its identified goods, only brandy that has been certified by opposers as "Cognac" under French

and United States law prior to its sale to and use by applicant.

SUMMARY JUDGMENT STANDARDS

Generally, summary judgment is appropriate in cases where the moving party establishes that there are no genuine issues of material fact which require resolution at trial and that it is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(c). An issue is material when its resolution would affect the outcome of the proceeding under governing law. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). A fact is genuinely in dispute if the evidence of record is such that a reasonable factfinder could return a verdict in favor of the nonmoving party. *Id.* The nonmoving party must be given the benefit of all reasonable doubt as to whether genuine issues of material fact exist, and the evidentiary record on summary judgment, and all inferences to be drawn from the undisputed facts, must be viewed in the light most favorable to the nonmoving party. See *Opryland USA, Inc. v. Great American Music Show, Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992); *Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542 (Fed. Cir. 1992).

SUMMARY JUDGMENT EVIDENCE

Applicant has moved for summary judgment in its favor as to opposers' Section 2(a) and Section 2(d) grounds of opposition, and opposers have moved for summary judgment in their favor on the issue of whether they own certification mark rights in the term COGNAC. The Board shall first discuss the evidence submitted by the parties with respect to these pending motions and then shall discuss the parties' arguments.

Applicant has presented evidence showing that applicant has sold CANADIAN MIST brand Canadian whiskey in the United States for over thirty years with great success; that applicant has made \$650 million in sales of CANADIAN MIST brand Canadian whiskey since 1990; that applicant spent \$2,000,000 on advertising CANADIAN MIST brand Canadian whiskey in the United States in 1994; that CANADIAN MIST brand Canadian whiskey was the seventh-largest selling brand of spirits in the United States in 1994; that applicant owns two incontestable registrations of the CANADIAN MIST mark for Canadian whiskey³; that applicant's advertisements for CANADIAN MIST brand Canadian whiskey have emphasized a Canadian theme or heritage; that applicant's CANADIAN MIST AND COGNAC product contains no less than 40% Cognac brandy;

³ Registration Nos. 970,915 and 750,984.

that prior to applicant's filing of the application involved herein, applicant had entered into a supply agreement with a producer of grape brandy in the Cognac region of France, one of opposers' members, to supply applicant with bulk Cognac brandy, the terms of which agreement require the supplier to certify that the Cognac brandy supplied complies with all ingredients and labeling requirements applicable to the production and importation of Cognac brandy under French and United States law;⁴ and that applicant has obtained Bureau of Alcohol, Tobacco and Firearms (BATF) label approval for six different labels bearing the CANADIAN MIST AND COGNAC mark.

Applicant also has submitted evidence consisting of excerpts from several dictionaries, all of which include, as their primary definition of the word "Cognac," a specific reference to brandy from the Cognac region of France, and some of which include a secondary definition of "Cognac" as "any fine brandy." Additionally, applicant has submitted copies of forty-eight third-party registrations, some of

⁴ The supply contract between applicant and its supplier is dated May 30, 1994 and states that its term is three years. Under the heading "QUALITY," the agreement states: "The Cognac you sell us will be [sic] meet the quality specifications set forth in Schedule A to this Agreement. In addition, the Cognac must comply with French and United States laws and regulations applicable to the ingredients and labelling, as such laws and regulations may be in effect from time to time." "Schedule A" to the agreement is a "Certificate of Analysis for Cognac," printed on the letterhead of opposer BNIC.

which have expired or been cancelled, assertedly offered by applicant to show that the Office accepts the word "Cognac" in identifications of goods, and that when the word COGNAC appears in the registered marks it often is disclaimed or the mark is on the Supplemental Register. The registrations appear to be owned by various spirits producers and importers located in France and the United States.

Applicant also has submitted the complete file history of Registration No. 1,520,026, which issued on January 10, 1988 to an Italian corporation and which has since been cancelled under Section 8. The registration is of the mark OPERA GRAND COGNAC (GRAND COGNAC disclaimed) for goods identified as "chocolate filled with cognac and liqueurs." The specimens of use in the registration describe the goods as "the twin liqueur chocolate with real Napoleon Cognac."

Finally, applicant has submitted the results of a NEXIS® search conducted by its attorney, in which 16,339 references to the word "Cognac" appeared in the ALLNEWS database, fifty-nine of which (.0036% of the total, according to applicant) also made reference to one or both of the opposers. Applicant has submitted printouts of those fifty-nine articles. The Board has reviewed these articles and notes that many of them, appearing in publications including The New York Times, The Chicago Tribune, The Los Angeles Times, The Washington Post, and Money Magazine,

include specific references to opposers and discussions of the French laws and regulations governing production and marketing of brandy under the COGNAC designation.

Opposers' evidence on summary judgment includes the declaration of Frederique Helin, an attorney employed by opposer INAO. Mr. Helin provides detailed explanations of INAO's structure and functions, of the French system of Appellations of Origin and Appellations of Controlled Origin, and of the framework of legal protection afforded such appellations under French law, European Community law, and international and bilateral treaties, conventions and agreements. Mr. Helin asserts that applicant's goods, which consist of a blend of Canadian whiskey and Cognac brandy, could not legally be imported or sold under the mark CANADIAN MIST AND COGNAC in France or in any of the European Community countries, and that the United States is obligated under treaty, convention and bilateral agreement to prohibit applicant's use or registration of the mark in this country as well. Copies of certain of the laws, regulations, and agreements referred to by Mr. Helin in his declaration are attached as exhibits to the declaration.

Opposers also have submitted the declaration of Jean-Marc Girardeau, an attorney employed by opposer BNIC. Mr. Girardeau explains the structure and functions of BNIC, and gives a detailed account of the production and certification

processes for Cognac brandy, as prescribed by French law and regulation. He asserts that 147.6 million bottles of Cognac brandy are sold per year, including 27.2 million bottles per year sold to purchasers in the United States, and that approximately \$10.2 million is spent per year on advertising Cognac brandy in the United States. He asserts that one of BNIC's associated members has informed him that applicant was the exclusive distributor for the firm of Martell Cognac, and that applicant thus would be aware of the laws and regulations pertaining to Cognac brandy, as well as the certification and enforcement roles played by opposers. Attached to Mr. Girardeau's declaration is a copy of applicant's "Canadian Mist & Cognac Market Introduction Guide," which BNIC obtained from a retailer who had received it from applicant.⁵

⁵ Following are excerpts from applicant's Marketing Guide:

- - *Question 1: What is Canadian Mist & Cognac?*

Answer: Canadian Mist & Cognac is a unique delicious blend of 6 year-old Canadian Whisky and rich French Cognac. It was created specifically for those who seek the smooth taste of aged Canadian Whisky, yet also relish the exquisite taste of fine Cognac.

- - *Since Canadian Mist is referred to as "Mist" by the majority of its current consumers, the nickname "Mist & Cognac" will be used for all promotional purposes and for the balance of this document.*

- - *Question 2: Why did you blend Canadian Whisky and Cognac?*

Answer: Mist & Cognac was a creation waiting to happen and its uniqueness is a result of the terrific compatibility of Canadian Whisky and Cognac. Developed in the lush Charente region of

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Southwestern France, Cognac remains the premier spirit of choice among young and old consumers alike and represents the finest spirit that money can buy. Cognac is distinguished from other spirits because of its double distillation process that helps to refine Cognac's powerfully rich flavor. In *Mist & Cognac* we use V.S. quality Cognac. On the other hand, Canadian whisky distinguishes itself from other whiskies through its differing maturation process. In *Mist & Cognac* we use carefully aged 6-year old Canadian Whisky which adds the smooth, mellow flavor to this new blend that is destined for stardom.

- - Question 3: Is "*Mist & Cognac* a Cognac or a Whisky?"

Answer: It's both. No less than 40% of the spirits in *Mist & Cognac* is Cognac. In fact, *Mist & Cognac* offers many benefits versus both whisky and cognac. It represents the best that both of those fine spirits have to offer.

"*Mist & Cognac*" vs. Whiskey

- can be served as an after-dinner drink
- Cognac aroma, flavor and finish
- Mellow
- Cognac status and prestige

"*Mist & Cognac*" vs. Cognac

- Affordable Price
- Better mixability
- Lighter
- Smoother

- - Question 4: What Consumers will buy "*Mist & Cognac*?"

Answer: A broad group of liquor drinkers. However, we feel the prime prospects for *Mist & Cognac* are. . .

- Male and female Brandy, Premium Whisky, Canadian Mist and occasional Cognac drinkers.
- Trendsetters, trendseekers, and status-seekers 21-49 years of age. These drinkers have a high school education and earn less than \$50,000 per year.

- - Question 6: "*Mist & Cognac*" is a cognac blend. Will it appeal to exclusive cognac drinkers?

Answer: Yes, research has shown that exclusive Cognac drinkers have a 78% acceptance rate, only 1% lower than occasional Cognac drinkers.

- - Question 8: How do you drink "*Mist & Cognac*?"

Answer: Any way you like. Straight, on-the-rocks, with your favorite juice or soda, it's the versatility of *Mist & Cognac* that makes it so special. In fact, consumer research shows that 49% would consume the product straight, like premium Cognacs, versus 38% who prefer to mix the product. Either way, *Mist & Cognac* is delicious, yet these statistics suggest the consumer's propensity to drink *Mist & Cognac* like other premium, high quality Cognacs.

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Opposers also have submitted the declaration of Bruno Bonnet, who states that he is currently the Wine/Beer Manager/Buyer for Sutton Place Gourmet in Bethesda, Maryland; that he has been a professional in the international wine and spirits industry since 1980; that he is professionally trained and has been employed as a sommelier in some of the finest wine and spirit serving establishments in the United States, including at the Willard Inter-Continental Hotel in Washington, D.C. from July 1987 through May 1993; that, as a sommelier, he is professionally trained to have extensive knowledge regarding wines and spirits, including Cognac brandies; that he has received several awards in recognition of his experience and

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- - *Mist & Cognac* should be well on its way to becoming a premier Cognac blend in the spirits marketplace.

- - PRICING GUIDELINES (off and on-premise)

Mist & Cognac is to be retail shelf-priced above popular-priced Canadians such as Seagram's V.O., Canadian Club, Imported and domestic brandies, and below Crown Royal and Cognacs on all sizes. On-premise, *Mist & Cognac* drink prices should be below Cognacs and within the premium drink price slot allotted to Canadian Club, Seagram's V.O., and Crown Royal.

Mist & Cognac should be retail shelf-priced below Premium Cognac (i.e. Hennessy, Courvoisier, etc.) and Crown Royal by the following ranges (off-premise):

Example: 750ml Pricing

<u>Segment</u>	<u>Brand</u>	<u>Price</u>
Premium Cognac	Hennessy	\$19.99
Premium Canadian	Crown Royal	\$17.99-\$19.99
	<i>MIST & COGNAC</i>	\$13.99-\$14.99

skills and has lectured at various culinary schools, including the Culinary Institute of America, asserted to be the premier culinary school in the United States; that his duties as sommelier have included selecting the wines and Cognac brandies to be included in the restaurant's stock, which requires extensive interaction with the wine and spirit industry sales representatives; and that his duties also have included extensive interaction with the general public in order to educate them about Cognac brandies, to help them select the Cognac brandy that best suits their taste.

Mr. Bonnet also makes the following assertions:

It is my experience that American purchasers and consumers of Cognac correctly associate the word "Cognac" with genuine Cognac that is produced in the Cognac region of France, and not merely with just "any fine brandy." Americans who purchase and consume Cognac are aware that although all Cognac is brandy, not all brandy is Cognac.

Based on my professional training and experience as a Sommelier, and my interaction with the Cognac consuming and purchasing public over the years, it is my opinion that the name "CANADIAN MIST AND COGNAC" would be confusing to that public. This confusion would take one or more of several forms:

- a. Some consumers are likely to believe mistakenly that "CANADIAN MIST AND COGNAC" is a new brand of genuine Cognac, and/or that it is the product of a Cognac firm;
- b. Some consumers who previously understood or came to expect by reputation and experience that only genuine, unadulterated Cognac was contained in bottles labeled "Cognac" are likely to conclude mistakenly that because "CANADIAN MIST AND COGNAC" is a blend of Canadian whiskey and Cognac, all products labeled Cognac are potentially a blend of Cognac and

something else, thereby destroying the efforts of the French government to ensure that all products labeled "Cognac" are pure, genuine Cognac.

It is also my opinion that wholesalers and retailers who deal with Cognac, who are aware that Cognac is a specific kind of brandy produced in France, might also mistakenly conclude that "CANADIAN MIST AND COGNAC" is a new importer of genuine Cognac. Thus, they would likely convey this misinformation to their customers, either directly in response to consumer questions about available Cognac stocks, or indirectly by stocking "CANADIAN MIST AND COGNAC" with Cognacs, thereby implying to the customer that it is a Cognac.

Sommeliers, as well as most Cognac wholesalers and retailers, are aware that all Cognac is certified as genuine Cognac from the Cognac region of France by the Bureau National Interprofessionnel Du Cognac ("BNIC") before it can be exported from France or labeled Cognac.

Finally, opposers also have submitted the declaration of Brian Chilton, one of their attorneys. Attached thereto is a copy of an item entitled The Three Great Brandies From France, from The New Basics Cookbook by Julee Rosso & Sheila Lukins (Workman 1989), at page 682;⁶ a copy of an article from the November 1995 issue of Food & Wine magazine entitled "Cognac - A connoisseur's guide to the basics and

⁶ This excerpt from the cookbook reads as follows:

Cognac: Smoother and considered finer than the spirited Armagnac, Cognac is distilled twice and put to age in Limousin oak barrels and develop its rich amber color. The western region of Grande Champagne is most well known for this sophisticated brandy, which by law is produced only from Folle Blanche, Colombard, and Saint-Emilion grapes. Swirl it in large brandy snifters and enjoy it after a perfect dinner. The most familiar and best Cognac in America is labeled V.S.O.P. for Very Superior Old Pale.

how to buy the best bottles";⁷ and a copy of an article about super-premium Cognac brandies from the March 1992 issue of Bon Appetit magazine, entitled "Cognac: Beyond VSOP." Mr. Chilton also asserts in his declaration that opposers intend to conduct further discovery directed to each of the thirteen likelihood of confusion evidentiary factors, including trade channels, and also that opposers intend to conduct further discovery "regarding the Cognac purchasing public's knowledge of the entities who certify and monitor Cognac, and use of that name on the product Cognac from the Cognac region of France."

OPPOSERS' SUMMARY JUDGMENT MOTION: CERTIFICATION MARK STATUS

We turn first to opposers' cross-motion for partial summary judgment, by which they seek a determination that the term COGNAC is a common law certification mark.⁸

⁷ This article provides an explanation of the production and labeling process for Cognac brandy, and includes the following statement: "The only spirits entitled to use the name Cognac are those produced in six designated regions surrounding the town of Cognac, which lies north of Bordeaux in the Charente area of coastal southwest France."

⁸ The Lanham Act, at 15 U.S.C. § 1127, defines "certification mark" as follows:

Certification mark. The term "certification mark" means any word, name, symbol, or device, or any combination thereof--

(1) used by a person other than its owner, or

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Opposers have raised this issue because applicant, in its answer to the notice of opposition and in its summary judgment motion, has defended against opposers' Section 2(a) and Section 2(d) claims by arguing that "Cognac" is a generic term in which opposers can claim no exclusive or proprietary rights. Opposers contend that they indeed have a protectible interest in the designation COGNAC, namely, as a certification mark certifying the regional origin of the brandy produced by opposers' members in the Cognac region of France, and they have moved for entry of partial summary judgment to that effect.

In support of their motion, opposers argue that the term COGNAC has long been recognized by courts and by the Board as a protected regional certification mark, citing *Otard, Inc. v. Italian Swiss Colony*, 141 F.2d 706, 61 USPQ 131 (CCPA 1944) (in which a defendant's use of the marks CALOGNAC and COLOGNAC in connection with brandy made from California grapes was found to be deceptive); and Bureau

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(2) which its owner has a bona fide intention to permit a person other than the owner to use in commerce and files an application to register on the principal register established by this Act,

to certify regional or other origin, material, mode of manufacture, quality, accuracy, or other characteristics of such person's goods or services or that the work or labor on the goods or services was performed by members of a union or other organization.

National Interprofessionnel Du Cognac v. International Better Drinks Corp., 6 USPQ2d 1610 (TTAB 1988), wherein the Board, citing the requirements of French law pertaining to use of the COGNAC designation, the fame and reputation of that designation, and the regulations of the U.S. Bureau of Alcohol, Tobacco and Firearms (BATF) restricting use of the COGNAC designation in the United States to brandy which is entitled to be so designated by French law, concluded that ". . . it is clear that the designation 'COGNAC' serves as a certification of regional origin, as well as of the quality of the brandy products entitled to bear the designation under French law and regulations. . ." Id. at 1614.

Opposers argue that the facts on which the Board based that conclusion have not changed, and that the Board accordingly should find in this case that COGNAC remains a valid certification mark upon which opposers may rely in asserting their pleaded grounds of opposition.

Opposers further argue, in support of their motion for partial summary judgment, that applicant itself, which is a major purchaser of Cognac brandy in this country, is aware of and relies upon the certification function performed by opposers. Opposers point to the supply contract between applicant and its supplier of bulk Cognac brandy, wherein applicant has specified that it will accept only Cognac brandy which complies with French and U.S. laws governing

the ingredients and labeling of the product, i.e., which meets the specifications set by opposers. (See discussion supra at footnote 4.)

Opposers note that applicant has expressly conceded that opposers in fact perform certification functions with respect to the regional origin of goods bearing the COGNAC designation. Opposers further note that applicant has expressly conceded that the term COGNAC is primarily understood in the United States to refer to the brandy distilled in the Cognac region of France. Therefore, opposers argue, inasmuch as it is undisputed that COGNAC has not lost its significance as an indication of regional origin for brandy, it is not a generic term but rather is a valid common law certification mark.

In opposition to opposers' cross-motion for partial summary judgment, applicant argues that "Cognac" is not a certification mark, but rather is an unprotectible generic term.⁹ Applicant argues that the evidence it has presented establishes, and the parties do not dispute, that the purchasing public in the United States primarily understands the term "Cognac" to refer to brandy from the Cognac region

⁹ Applicant, on summary judgment, has not presented any evidence or arguments in support of its pleaded affirmative defense that opposers do not own certification mark rights in the term COGNAC because they themselves have used the term as a mark. Accordingly, the Board has given that affirmative defense no consideration in deciding opposers' motion for partial summary judgment.

of France. According to applicant, "[t]he parties' disagreement centers on whether the word serves any other function." (Applicant's brief in opposition to opposers' cross-motion for partial summary judgment, at p. 2.)

More specifically, applicant argues that in determining whether "Cognac" is a regional certification mark, it is not enough that purchasers in the United States understand that the term identifies brandy produced in the Cognac region of France. "Cognac" cannot be found to be a regional certification mark, applicant argues, unless opposers establish that purchasers in the United States are aware that the term constitutes a certification of such regional origin. If the public, when it sees the term COGNAC on brandy products, recognizes the term as an indication that the brandy comes from the Cognac region of France, but is not also aware that the term is a certification of such regional origin, then, applicant argues, "Cognac" is not a regional certification mark but merely the generic or common descriptive name for brandy produced in that region. Applicant argues that opposers are not entitled to summary judgment because a genuine issue of material fact exists as to whether the public is aware of the certification function performed by the designation "Cognac."

Initially, the Board notes that applicant has conceded that opposers in fact perform a certification function with

respect to the use of the term COGNAC, by which they certify the regional origin of brandy bearing that designation and limit the use of that designation to brandy which meets the prescribed standards of regional origin. Furthermore, the parties agree that the COGNAC designation, as applied to brandy, is recognized by purchasers in this country primarily as an indication of regional origin, i.e., that the term is understood primarily as identifying a particular type of brandy which is produced only in the Cognac region of France.¹⁰

¹⁰In its answer to the notice of opposition and in its initial summary judgment brief, applicant contended that the American purchasing public might understand the term "Cognac" to refer to "any fine brandy" regardless of geographic origin. However, it is clear from applicant's later filings in connection with the parties' cross-motions for summary judgment that applicant is not basing its genericness claim on that contention. Rather, applicant has expressly stated that its genericness claim is based on the undisputed fact that the term "Cognac" is primarily understood by the relevant purchasing public as referring to brandy from the Cognac region of France. In its reply brief in support of its motion for summary judgment, at pp. 2-3, applicant argues as follows:

Applicant has introduced evidence showing that the word "cognac" is understood primarily as a brandy distilled in the Cognac region of France, Cooke Decl. Ex. 1, and that "cognac" has been accepted by the Patent and Trademark Office as a proper portion of a composite mark and as a proper product generic in numerous registrations of goods consisting of, or containing or relating to, cognac. Cooke Decl. Exs. 2-3. The Opposers do not directly address this evidence; instead, they spend several pages of their opposition brief setting up a straw man argument suggesting that the primary thrust of Applicant's motion is that "cognac" is a generic term for "any fine brandy." Opp. Memo. at 15-18. Applicant's motion does not rely upon such a claim. See App. Br. at 8 (this definition is only one of several definitions of "cognac," the most common of which is a brandy produced in the Cognac region of France.) But it is in this context, and in this

(footnote continued next page)

The crux of the parties' disagreement is whether, as opposers argue, these undisputed facts are sufficient to establish opposers' entitlement to a determination that, as a matter of law, "Cognac" is a common law regional certification mark, or whether, as applicant argues, "Cognac" is merely the generic name for brandy from the Cognac region of France unless the opposers also can show that the public is expressly aware that "Cognac" serves to certify, rather than merely indicate, the quality and regional origin of brandy bearing that designation. After careful consideration of the parties' arguments and of the relevant authorities, the Board agrees with opposers that the undisputed facts of record establish as a matter of law that COGNAC is a common law regional certification mark.

Applicant has cited no statutory or decisional authority in support of its argument that a term cannot be found to be a certification mark unless the public is expressly aware of the term's certification function, and we

(footnote continued from previous page)

context only, that the Opposers even address the dictionary definitions and registrations made of record by Applicant. Opp. Memo. at 17. The Opposers introduce no contrary evidence to this (sic) references; indeed, they concede that the evidence in the record "establishes that the marketplace, and in particular the purchasing public, understands that 'Cognac' refers to brandy from the Cognac region of France." Opp. Memo. at 18.

are aware of no such authority. Nor are we persuaded by applicant's argument that, absent proof of the public's express awareness of the certification function performed by a regional certification mark, the mark is merely a generic name for the goods which come from that region.

Rather, we conclude that if the use of a geographic designation is controlled and limited in such a manner that it reliably indicates to purchasers that the goods bearing the designation come exclusively from a particular region, then that term functions as a regional certification mark, just as a term which reliably indicates to purchasers that the goods come from a particular producer functions as a trademark. Applicant's argument that COGNAC is a generic name for the brandy produced in the Cognac region of France is akin to arguing that CANADIAN MIST is a generic name for the whiskey produced by Brown-Forman Corporation. Just as a trademark functions as an indication of single source, and does not thereby become the name of a genus of goods comprised of the goods produced by that single source, so also does a regional certification mark function as an indication of regional source, and does not thereby become the name of a genus of goods comprised of the goods produced in that region.

In determining whether a designation, the use of which in fact is controlled by the certifier and is limited to

products meeting the standards of regional origin established by the certifier, is a protectible regional certification mark, as opposed to an unprotectible generic name for the product, the issue is not whether the public is expressly aware of the certification function of the mark or the certification process underlying use of the mark, but rather is whether the public understands that goods bearing the mark come only from the region named in the mark. If use of the designation in fact is controlled by the certifier and limited to products meeting the certifier's standards of regional origin, and if purchasers understand the designation to refer only to products which are produced in the particular region, and not to products produced elsewhere, then the designation functions as a regional certification mark. Neither the statute nor the caselaw requires that purchasers also be expressly aware of the term's certification function, per se. See, e.g., *Community of Roquefort et al. v. William Faehndrich, Inc.*, 303 F.2d 494, 133 USPQ 633 (2d. Cir. 1962) (in absence of any evidence that purchasers understand ROQUEFORT to refer to any blue-mold cheese made with sheep's milk, regardless of regional origin, the term is a regional certification mark, not a generic name for such cheese); *Black Hills Jewelry Manufacturing Co. v. LaBelle's, et al.*, 489 F.Supp. 754, 208 USPQ 336 (D.S.D. 1980), aff'd 633 F.2d 746, 208 USPQ 631

(8th Cir. 1980); compare *In re Cooperativa Produttori Latte E Fontina Valle D'Acosta*, 230 USPQ 131 (TTAB 1986) ("fontina" is generic name of type of cheese, not a regional certification mark indicating regional origin in the Valle D'Aosta in Italy, in view of fact that non-certified producers outside that region use the term to identify non-certified cheeses).

In short, a regional certification mark will not be deemed to have become a generic term as applied to particular goods unless it appears that it has lost its significance as an indication of regional origin for those goods, e.g., by virtue of its having been used on goods which originate somewhere other than the place named in the mark. The issue of whether the public is aware of the significance of the designation COGNAC as a certification of regional origin, as opposed to merely an indication of regional origin, simply is not material to our determination of whether the designation is a regional certification mark. Any factual disagreement between the parties on that issue is not a genuine issue of material fact which would preclude entry of summary judgment in opposers' favor.

The parties do not dispute that the term "Cognac" is recognized by purchasers in this country as a reliable indication of regional origin. That is, the parties agree that purchasers primarily understand the designation COGNAC

to refer to brandy originating in the Cognac region of France, and not to brandy produced elsewhere. Nor do the parties dispute that opposers in fact control and limit use of the designation COGNAC to brandy which meets certain standards of regional origin. In view of these undisputed facts, we find that COGNAC is not a generic term, but rather a valid common law regional certification mark.¹¹ Opposer's

¹¹ The third-party registrations submitted by applicant, including the OPERA GRAND COGNAC registration upon which applicant particularly relies (see discussion supra at pp. 12-13), in which COGNAC is disclaimed when it appears in the mark and/or in which the word "Cognac" appears in the identification of goods, do not raise a genuine issue of material fact as to whether "Cognac," as applied to brandy, has become generic, i.e., has lost its significance as a reliable indication of regional origin. Applicant has not argued or shown that the goods upon which these registered marks are used consist of or contain anything other than certified Cognac brandy from the Cognac region of France. Accordingly, although the presence of the term "Cognac" in these registrations' identifications of goods might tend to show that "Cognac" is, as the parties agree, the name of the type of brandy produced in the Cognac region of France, it is not a sufficient basis upon which a reasonable factfinder could conclude that "Cognac" also is a generic name for a type of brandy, regardless of its regional origin. Likewise, the fact that the owners of these registrations have disclaimed the exclusive right to use the word COGNAC apart from the marks as shown is not a sufficient basis upon which a reasonable factfinder could conclude that "Cognac" is a generic name for brandy which is not produced in the Cognac region of France. Such disclaimers are not inconsistent with the certification mark status of "Cognac"; indeed, they are necessitated by such status because a regional certification mark, by its nature, is often a geographically descriptive term which can have many authorized users, none of whom are entitled to claim the exclusive right to use the term.

motion for partial summary judgment to that effect is granted.¹² See Fed. R. Civ. P. 56(c).

APPLICANT'S SUMMARY JUDGMENT MOTION: SECTION 2(a)

We turn next to applicant's motion for summary judgment in its favor on opposers' Section 2(a) "false suggestion of a connection" ground of opposition. To establish this ground of opposition, opposers must prove that applicant's mark is the same as or a close approximation of opposers' previously-used name or identity; that the mark would be recognized as such by purchasers, i.e., that it points uniquely and unmistakably to opposers' persona or identity; that opposers are not connected with the goods sold by

¹² In its opposition to opposers' cross-motion for partial summary judgment, applicant has alternatively argued that if the Board finds that COGNAC is a common law certification mark, the Board should find that COGNAC is a regional certification mark only, and not a GOOD HOUSEKEEPING-style "quality" certification mark. Opposer, in response, has argued that COGNAC in fact is a quality certification mark, as well as a regional certification mark. The Board cannot determine, nor has applicant clearly explained, the legal or strategic rationale behind its alternative argument that, even if COGNAC is a regional certification mark, it is not a quality certification mark. That distinction, even if drawn, would not appear to have any material effect on the outcome of this case, in view of our finding that COGNAC is a protectible certification mark. If applicant is attempting to draw this distinction in furtherance of its apparent likelihood of confusion theory in this case, i.e., that regional certification marks are entitled to a different and lesser scope of Section 2(d) protection than other types of marks, we would note that, as discussed *infra*, we have not adopted that theory. Having found that COGNAC is a valid regional certification mark, we need not and do not reach the issue of whether it also is a valid quality certification mark.

applicant under its mark; and that opposers' name or identity is of sufficient fame or reputation that when the defendant's mark is used on its goods, a connection with the plaintiff would be presumed. See *In re Kayser-Roth Corp.*, 29 USPQ2d 1379 (TTAB 1993); *Buffett v. Chi-Chi's, Inc.*, 226 USPQ 428, 429 (TTAB 1985).

In support of its motion for summary judgment, applicant argues that the Section 2(a) determination to be made in this case is whether applicant's mark CANADIAN MIST AND COGNAC, as a whole, is the same as or a close approximation of opposers' name or identity and points uniquely and unmistakably to opposers' persona or identity. Applicant argues that inasmuch as CANADIAN MIST, the dominant feature of applicant's mark, is applicant's own famous trademark, CANADIAN MIST AND COGNAC is not, as a matter of law, opposers' name or identity, and cannot be found to point uniquely and unmistakably to opposers' persona. Furthermore, applicant argues, even if we were to disregard the CANADIAN MIST portion of applicant's mark, the remaining, disclaimed term COGNAC is not opposers' name or identity and does not point uniquely and unmistakably to opposers' persona or identity, because it also is the name of the brandy which is an ingredient in applicant's identified goods. Finally, applicant argues that opposers' alleged name and identity is not of sufficient fame in the

United States that purchasers would presume, upon seeing applicant's mark as applied to applicant's goods, that opposers are somehow connected with the goods.

In opposition to applicant's motion for summary judgment on the Section 2(a) claim, opposers argue that there is a genuine issue of material fact as to whether the public is aware of opposers' identities and relationship to Cognac brandy.¹³ Opposers note that applicant itself, a major purchaser of Cognac brandy, is aware of opposers' identity and connection to Cognac brandy. Opposers also rely on the declaration of Bruno Bonnet, who has asserted that wine and spirits professionals in this country know who opposers are. Opposers also argue that, in the context of a certification mark such as COGNAC, the inquiry under Section 2(a)'s "false suggestion of a connection" provision should be directed to whether the applicant's mark falsely suggests a connection with the identities and personas of the users of the mark/producers of the goods, rather than with the opposers/certifiers. Opposers contend that even if opposers themselves are not sufficiently famous, a Section 2(a) claim

¹³ Opposers' counsel, in his summary judgment declaration, asserts that opposers intend to conduct further discovery regarding the public's knowledge of opposers and their connection to Cognac brandy. The Board has disregarded this assertion, inasmuch as it is neither a proper request for discovery under Fed. R. Civ. P. 56(f), nor does it constitute proper evidence in support of opposers' opposition to applicant's motion for summary judgment.

still exists because the producers of Cognac brandy, who are the actual users of the mark, are of sufficient fame that the public will presume a connection between them and applicant's goods sold under applicant's mark.

We have carefully considered the parties' arguments and submissions with respect to opposers' Section 2(a) claim and, for the following reasons, we find that applicant is entitled to judgment as a matter of law.

First, we are aware of no authority for, and are not persuaded by, opposers' argument that the issue in Section 2(a) cases involving certification marks is whether there is a false suggestion of a connection with the producers of the goods and actual users of the mark, rather than with the owner of the certification mark. The numerous individual growers, producers and merchants of Cognac brandy are separate persons. Opposers have not explained how applicant's mark CANADIAN MIST AND COGNAC, or even COGNAC alone, can point uniquely and unmistakably to each of these discrete entities, or to all of them, or to any of them. In any event, even if opposers' Section 2(a) theory were plausible, opposers have not demonstrated the existence of a genuine issue of material fact on this point which would require a trial for its resolution. Opposers have presented no evidence from which a reasonable factfinder might conclude that the name, persona, or identity of any, or all,

of the growers, producers or merchants of Cognac brandy is either CANADIAN MIST AND COGNAC or even merely COGNAC, or that those designations point uniquely and unmistakably to any or all of those persons.

Second, to the extent that opposers are contending that applicant's mark is not their name or identity but rather the name or identity of the growers, producers and merchants of Cognac brandy, that contention is an admission that applicant's mark does not point uniquely and unmistakably to opposers, and is in itself sufficient to defeat opposers' Section 2(a) claim.

Third, leaving aside the question of the growers, producers and merchants of Cognac brandy, the Board notes that opposers themselves are separate entities, and it is unclear to the Board how it is possible for applicant's mark to point uniquely and unmistakably to both of the opposers. Even assuming arguendo that it is legally possible that applicant's mark could be found to point uniquely to two separate entities such as opposers, opposers have not demonstrated the existence of a genuine issue of material fact on this point which would require a trial for its resolution. Opposers have presented no evidence from which a reasonable factfinder might conclude that the name, persona, or identity of either or both of the opposers is CANADIAN MIST AND COGNAC or even merely COGNAC, or that

those designations point uniquely and unmistakably to either or both of them.

Opposers accordingly cannot prevail on their claim that applicant's mark falsely suggests a connection with them. Applicant's motion for summary judgment dismissing opposers' Section 2(a) claim for false suggestion of a connection is granted. See Fed. R. Civ. P. 56(c).

APPLICANT'S SUMMARY JUDGMENT MOTION: SECTION 2(d)

Next, we turn to applicant's motion for summary judgment dismissing opposers' Section 2(d) ground of opposition. In support of its motion, applicant argues that the traditional du Pont¹⁴ Section 2(d) analysis, focusing on likelihood of confusion as to source, is not applicable in cases where the previously-used mark cited as a Section 2(d) bar is a certification mark, rather than a trademark or service mark. "Assuming arguendo that the word 'cognac' is a common law regional certification mark, the type of 'confusion, mistake, or deception' that is actionable under § 2(d) appears to be quite limited." (Applicant's summary judgment reply brief, p. 4.) According to applicant, the Section 2(d) likelihood of confusion analysis in cases involving a previously-used certification mark is

¹⁴ In re E.I. du Pont de Nemours and Co., 476 F.2d 1357, 177 USPQ 563 (CCPA 1973).

essentially the same as, and conflated with, the analysis of whether the mark is deceptive under Section 2(a) or deceptively misdescriptive under Section 2(e).

Applicant argues in this regard that the cases relied on by opposers in support of their Section 2(d) claim, in which a likelihood of confusion was found to exist between a defendant's mark and a previously-used certification mark, are distinguishable from the present case. In those cases, applicant argues, the defendant's goods were non-certified goods which purchasers would mistakenly assume to be certified goods, as a result of the defendant's use of a mark which was confusingly similar to the previously-used certification mark. Applicant argues:

Consistent with the nature of regional certification marks, the Board in these cases applied a deceptiveness or misdescriptiveness analysis under Section 2(d) virtually identical to that used under § 2(a) or § 2(e)(1), rather than a traditional analysis of likelihood of confusion as to source or sponsorship, to determine whether the applicant's mark falsely suggested that the goods consisted of or contained products identified by the regional certification mark. (Applicant's reply brief, p. 7.)

The issue in certification mark cases, applicant argues, is whether purchasers encountering goods sold under a mark which is confusingly similar to a previously-used certification mark are likely to be deceived or confused into mistakenly assuming that such goods are certified goods, when in fact they are not. The only sort of

"confusion" at issue in Section 2(d) cases involving certification marks, according to applicant, is the purchaser's confusion as to the nature of the goods, i.e., whether they are certified or not. If the defendant's mark is similar to a previously-used certification mark, and the goods on which the mark is used are not certified goods, then purchaser confusion, mistake and deception are likely and registration must be refused under Section 2(d).

Conversely, applicant contends, if the defendant's goods in fact are certified goods, then purchasers cannot be confused, mistaken or deceived by defendant's use of a mark which is similar to the previously-used certification mark. The purchaser would not be confused, mistaken or deceived, but rather would be correct in assuming that the goods bearing the defendant's mark are certified goods, and therefore there would be no basis for finding that a likelihood of confusion exists, under Section 2(d).

Applying this analysis to the present case, applicant argues that the product sold under its CANADIAN MIST AND COGNAC mark in fact contains Cognac brandy, certified as genuine by opposers, as an ingredient. Likewise, the identification of goods in applicant's application expressly states that applicant's product consists, in part, of Cognac brandy. Applicant argues that because purchasers perceive COGNAC to be the name of a type of brandy, and because

applicant's goods, as identified, actually contain that type of brandy, the presence of the term COGNAC in applicant's mark cannot cause confusion, mistake or deception, but rather would be correctly perceived merely as an accurate statement or description of one of the ingredients of applicant's goods.

Alternatively, applicant argues that even if the traditional du Pont likelihood of confusion analysis applies to this case, there are no genuine issues of material fact and applicant still would be entitled to judgment as a matter of law. In support of this argument, applicant asserts that it does not dispute that its CANADIAN MIST AND COGNAC mark contains the term COGNAC, that its product, like Cognac brandy, is a distilled spirit beverage, that the trade channels and customers for the parties' respective goods overlap, that COGNAC is a famous designation for brandy, that Cognac brandy itself enjoys a world-wide reputation as a superior and prestigious quality brandy, and that applicant adopted its CANADIAN MIST AND COGNAC mark to signify that its product contains Cognac brandy.

However, applicant contends, there also is no genuine issue of material fact that applicant did not adopt the designation "COGNAC" as part of its CANADIAN MIST AND COGNAC mark with the intention of passing off its goods as something other than what they are. "The fact that

Applicant chose to use and identify a 'superior and prestigious quality brandy' as an ingredient of its goods is simply not evidence of an intent to confuse or deceive, and any marketing benefit that Applicant may get from its selection, use and identification of this ingredient is legitimate, and certainly not a ground for the denial of a registration." (Applicant's reply brief, p. 10.) Because applicant did not adopt its CANADIAN MIST AND COGNAC mark in bad faith or with improper intent, applicant argues, this case is distinguishable from the reported cases in which a defendant's mark was found to be confusingly similar to a previously-used certification mark. Applicant apparently is arguing that, if the du Pont analysis applies in this case, then the dispositive factor in that analysis, outweighing all other evidentiary factors which otherwise might support a finding of likelihood of confusion, is that applicant did not adopt its mark in bad faith or with deceptive intent.

In opposition to applicant's motion for summary judgment dismissing their Section 2(d) claim, opposers contend that the evidence already of record on many of the du Pont evidentiary factors, i.e., the similarity of the marks, the similarity of the goods, the similarity in classes of purchasers, the conditions under which applicant's goods are marketed, and the fame of opposers' mark, supports opposers' claim that confusion is likely and

precludes entry of summary judgment in favor of applicant. Furthermore, opposers argue, the declaration of its expert witness, Bruno Bonnet, establishes the existence of genuine issues of material fact with respect to the likelihood of confusion arising from the public's likely perception of and reaction to applicant's mark, as applied to applicant's goods.

Opposers also challenge the premises of applicant's primary Section 2(d) argument regarding the appropriate scope of the likelihood of confusion analysis in cases involving certification marks. Opposers argue that nothing in the language of Section 2(d) supports applicant's contention that the likelihood of confusion protection afforded to certification marks is different from or more limited than the protection afforded to trademarks or service marks. They further argue that even if applicant's goods in fact contain genuine Cognac brandy, that fact is not dispositive of the question of whether applicant's mark CANADIAN MIST AND COGNAC is likely to cause confusion within the meaning of Section 2(d) because, as the Board noted in *Hilson Research Inc. v. Society for Human Resource Management*, 27 USPQ2d 1423 (TTAB 1993), "[a]lthough confusion, mistake or deception about source or origin is the usual issue posed under Section 2(d), any confusion made likely by a junior user's mark is cause for refusal;

likelihood of confusion encompasses confusion of sponsorship, affiliation or connection." Id. at 1429.

Opposers argue that *Community of Roquefort v. Santo*, 157 USPQ 444 (TTAB 1968), aff'd 443 F.2d 1196, 170 USPQ 205 (CCPA 1971) is of particular relevance to the Section 2(d) issues posed by the present case. In that case, although the Board found that the defendant's ROQUITAL mark as applied to salad dressing was "readily distinguishable" from the plaintiff's registered certification mark ROQUEFORT for cheese and thus was not subject to refusal under Section 2(d), the Board nonetheless implied that if the defendant's mark had been confusingly similar to the plaintiff's certification mark, the fact that defendant's goods actually contained Roquefort cheese would not have provided a defense to the plaintiff's Section 2(d) claim. The Board stated:

It is our opinion that as long as a person is free to purchase "ROQUEFORT" cheese on the open market without any restriction on use (we note that opposer's license agreements are on a voluntary and non-royalty basis), he is free to use as much as he wants of it in formulating a salad dressing for commercial sale so long as he does not misrepresent the contents thereof on the labels and/or sells [sic] it as a "ROQUEFORT CHEESE DRESSING" or under a mark confusingly similar to "ROQUEFORT." Applicant's activities under the mark in question have not come within any of these proscriptions, and hence the registration sought by applicant will not be in derogation of opposer's established rights in the registered mark "ROQUEFORT."

Community of Roquefort, supra, 157 USPQ at 448.

Citing the above-quoted language, opposers argue that regardless of whether or not applicant's product contains genuine Cognac brandy as an ingredient, the determination of likelihood of confusion depends on the usual du Pont analysis of whether the parties' respective marks, goods, etc. are confusingly similar. According to opposers, if our analysis under du Pont results in a determination that confusion is likely, then, under the ROQUITAL case, the fact that applicant's product may contain genuine Cognac brandy as an ingredient does not constitute a defense to opposers' Section 2(d) ground of opposition.

After careful consideration of the parties' arguments and the relevant authorities, the Board rejects the legal theory underlying applicant's motion for summary judgment with respect to opposers' Section 2(d) claim. That is, the Board is not persuaded by applicant's arguments: (a) that the du Pont likelihood of confusion analysis is inapplicable to certification mark cases; (b) that certification marks such as opposers' COGNAC mark are afforded a more narrow scope of protection under Section 2(d) than that afforded to trademarks and service marks; and (c) that applicant's use of genuine Cognac brandy as an ingredient in its product precludes, as a matter of law, any finding that applicant's mark CANADIAN MIST AND COGNAC is likely to cause confusion, within the meaning of Section 2(d).

There is nothing in the language of Section 2(d) which mandates or warrants application of one level of likelihood of confusion analysis (i.e., the du Pont analysis) in cases where the plaintiff's mark is a trademark or service mark, but a different and more limited likelihood of confusion analysis in cases where the plaintiff's mark is a certification mark. Section 2(d) does not distinguish between certification marks, on the one hand, and trademarks and service marks on the other. Rather, Section 2(d) bars registration of any mark which so resembles "a mark" previously used in the United States and not abandoned as to be likely to cause confusion, mistake or deception. "Mark" is defined in Section 45 of the Act, 15 U.S.C. Section 1127, as including "any trademark, service mark, collective mark or certification mark." In short, applicant's argument that the likelihood of confusion analysis applicable to certification marks is different from the analysis applicable to trademarks or service marks finds no support in the statute.

Applicant apparently bases its legal theory on its reading of several reported decisions in which, according to applicant, the determination of whether the defendant's mark was likely to cause confusion vis-a-vis a previously-used certification mark was based on an analysis similar to the analysis undertaken in the context of a Section 2(a)

deceptiveness or Section 2(e)(1) deceptive misdescriptiveness claim. From these decisions, applicant concludes that the likelihood of confusion analysis in the context of marks which are similar to previously-used certification marks is limited to a determination of whether the defendant's mark is "deceptive," i.e., whether the defendant's mark accurately describes its goods. The Board disagrees.

It is true that the cases¹⁵ cited by applicant each involved situations where the "likelihood of confusion" at issue was found to arise from the defendant's deceptive use of a mark which was similar to the previously-used certification mark on goods that were not certified goods. However, these cases do not hold, expressly or impliedly, that the only type of confusion that is legally possible or cognizable in certification mark cases is confusion as to whether the defendant's goods are certified goods.

It also is true that the discussion in these cases of the legal and factual analysis supporting the finding of likelihood of confusion often parallels, in certain respects, the discussion of the legal and factual analysis supporting the additional findings of Section 2(a)

¹⁵ Stabilisierungsfonds für Wein v. Peter Meyer Winery, 9 USPQ2d 1073 (TTAB 1988); Bureau National Interprofessionnel Du Cognac v. International Better Drinks Corp., supra; Otard, Inc. v. Italian Swiss Colony, supra; and Community of Roquefort v. William Faehndrich, Inc., supra.

deceptiveness and/or Section 2(e) deceptive misdescriptiveness. However, in none of these cases is it expressly or impliedly held that the usual du Pont likelihood of confusion analysis is legally subsumed by, or rendered unnecessary by, the analysis of Section 2(a) deceptiveness or Section 2(e)(1) deceptive misdescriptiveness. Indeed, in the Peter Meyer Winery case, supra, 9 USPQ2d at 1075-76, and in the International Better Drinks case, supra, 6 USPQ2d at 1616-17, the Board discussed various of the du Pont likelihood of confusion evidentiary factors in the course of its Section 2(d) analysis, such as trade channels, classes of purchasers, and fame of the mark. That discussion would have been unnecessary and gratuitous if, as applicant contends, the Board had deemed the du Pont factors to be irrelevant to the determination of whether the defendants' respective marks in those cases were likely to be confused with the previously-used certification marks.

Similarly, we are not persuaded by applicant's argument that, where a defendant's product actually contains goods which have been certified by the owner of a certification mark, the defendant's incorporation of that certification mark into its own mark with a disclaimer cannot, as a matter of law, be deemed to be likely to cause confusion under Section 2(d) because purchasers would be correct, not confused or deceived, in assuming that the defendant's goods

are certified. As opposers have pointed out, likelihood of confusion encompasses not only confusion as to product contents but also confusion as to sponsorship, affiliation or connection. Hilson Research Inc., supra, 27 USPQ at 1429. Applicant's attempt to distinguish Hilson Research on the basis that it involved a service mark rather than a certification mark is unavailing because, as discussed above, there is no authority for treating certification marks differently from service marks or trademarks under Section 2(d), or for affording them a lesser scope of protection.

Furthermore, we believe that the discussion and treatment of this issue by the Board and by the CCPA in *Community of Roquefort v. Santo*, supra, is instructive and persuasive. The Court affirmed the Board's finding that there was no likelihood of confusion between the defendant's mark ROQUITAL and the plaintiff's certification mark ROQUEFORT. However, that finding was based solely on the dissimilarity of the marks themselves. Contrary to the approach advocated by applicant in the present case, in *Community of Roquefort v. Santo* neither the Board nor the Court treated the likelihood of confusion determination as turning on the presence, or absence, of genuine Roquefort cheese in the defendant's salad dressing. Indeed, in affirming the Board's decision that there was no likelihood

of confusion, the Court expressly stated that it gave "no weight" to the fact that the defendant's goods may have contained genuine Roquefort cheese. *Community of Roquefort v. Santo*, supra, 170 USPQ at 207. It also is clear from the Board's discussion, quoted supra at page 42, that a defendant's use of certified goods as an ingredient in his own goods does not automatically entitle the defendant to use a mark which is confusingly similar to the previously-used certification mark, nor would such use of certified goods constitute a defense to the certification mark owner's Section 2(d) claim.

In short, we reject applicant's argument that the du Pont analysis is inapplicable to opposers' Section 2(d) claim in this case, as well as applicant's argument that opposers' COGNAC mark is entitled to a more narrow scope of protection merely because it is a certification mark rather than a trademark. Rather, we hold, as a matter of law, that the traditional du Pont likelihood of confusion analysis is applicable in this case, and that, as in any other Section 2(d) case, the "likelihood of confusion" which may bar registration of applicant's mark, if proven, includes likelihood of confusion as to source, sponsorship,

affiliation, or connection.

On the record before us, we find that applicant has not established that it is entitled to judgment as a matter of law on opposers' Section 2(d) claim. We are not persuaded by applicant's argument that applicant's asserted good faith adoption of its mark outweighs the other du Pont evidentiary factors which, as applicant has conceded at least for purposes of its summary judgment motion, might be found at trial to weigh in favor of opposers' likelihood of confusion claim.

Additionally, we find that the declaration of opposers' expert witness Bruno Bonnet is sufficient to raise genuine issues of material fact as to whether applicant's use of its mark on its product will be likely to confuse purchasers into thinking that opposers sponsor, are affiliated with, or are otherwise connected to applicant and/or applicant's product. For example, Mr. Bonnet asserts that the types of confusion which are likely to arise from applicant's use of its mark on its product are that purchasers may mistakenly believe that CANADIAN MIST AND COGNAC is a new brand of genuine Cognac brandy and/or that it is the product of a Cognac firm, and/or that purchasers will assume that products with COGNAC in their names need not be pure Cognac brandy but rather can be blends of Cognac brandy and other liquors. He also asserts that retailers might contribute to

these mistaken beliefs on the part of purchasers, either directly by mistakenly misinforming purchasers that CANADIAN MIST AND COGNAC is a new importer of genuine Cognac brandy, or indirectly by stocking CANADIAN MIST AND COGNAC alongside Cognac brandies, thereby implying to the customer that it is a Cognac brandy.

Applicant attacks these and the other assertions in Mr. Bonnet's declaration as being mere opinion and without factual basis. However, opposers also have made of record applicant's Market Guide for CANADIAN MIST AND COGNAC, portions of which the Board has excerpted above at footnote 5. Applicant's Market Guide, which is directed to retailers, includes the following statements: "*Mist & Cognac* is a cognac blend" (Question 6); ". . .statistics suggest the consumer's propensity to drink *Mist & Cognac* like other premium, high quality Cognacs" (Question 8); and "*Mist & Cognac* should be well on its way to becoming a premier Cognac blend in the spirits marketplace" (Question 10). The Board finds that these statements, contained in applicant's own marketing materials, tend to corroborate Mr. Bonnet's assertions that the public is likely to mistakenly believe, or to be misinformed, that CANADIAN MIST AND COGNAC is a brand of Cognac brandy, or that the designation COGNAC can be used to identify "Cognac blends" consisting of a mixture

of Cognac brandy and other spirits. These questions require trial for their resolution.

In short, we find that genuine issues of material fact exist with respect to opposers' Section 2(d) claim, and that applicant has failed to establish that it is entitled to judgment as a matter of law on that claim. Accordingly, applicant's motion for summary judgment dismissing the Section 2(d) claim is denied. See Fed. R. Civ. P. 56(c).

OPPOSERS' MOTION TO AMEND PLEADINGS

Finally, we turn to opposers' motion under Fed. R. Civ. P. 15(a) and (d) for leave to amend their notice of opposition to add a claim based on the doctrine of res judicata. Applicant has contested opposers' motion and, in the event that the Board grants the motion, alternatively has moved to dismiss the res judicata claim. Opposers have contested applicant's contingent motion to dismiss the res judicata claim.

Opposers seek to amend their pleading to add the following new allegations:

2. On August 29, 1994, several months after filing the subject application, Applicant filed an application to register the mark "MIST AND COGNAC," application serial number 74/566,766 ("the '766 application"). The identification of goods in the '766 application is identical to that set forth in the subject application, namely, an "alcoholic beverage consisting of a mixture of Canadian whiskey and cognac," also classified in international class

33. The mark "MIST AND COGNAC" was published for opposition on July 11, 1995, two months after the subject mark was published.

3. Opposers timely filed a Notice of Opposition on August 9, 1995. The Notice of Opposition in the '766 application asserted exactly the same grounds of opposition as the Notice of Opposition in the instant proceeding. Indeed, the allegations of the two Notices are word-for-word identical except for the mark in question, serial number, and filing and publication dates.

4. Upon Applicant's request, and with Opposers' consent, the time for Applicant to file its Answer was extended, to November 22, 1995. On November 21, 1995, prior to the due date for its Answer in the "MIST AND COGNAC" opposition, Applicant filed an abandonment of the application without the written consent of either Opposer.

5. Pursuant to Trademark Rule 2.135, the Board, by order dated December 22, 1995, entered judgment against applicant, sustaining the opposition and refusing registration of "MIST AND COGNAC." That judgment is attached hereto as Exhibit 1.

6. On information and belief, Applicant devised the two marks, "CANADIAN MIST AND COGNAC" and "MIST AND COGNAC," at or about the same time.

7. On information and belief, Applicant intended that the two marks, "CANADIAN MIST AND COGNAC" and "MIST AND COGNAC," be used for the exact same goods.

8. On information and belief, Applicant intended that the two marks, "CANADIAN MIST AND COGNAC" and "MIST AND COGNAC," be used interchangeably by sellers and purchasers of the goods in question and understood as synonyms or equivalents.

9. The two marks, "CANADIAN MIST AND COGNAC" and "MIST AND COGNAC," create substantially the same commercial impression.

10. The instant application for registration of "CANADIAN MIST AND COGNAC" and the '766 application

for registration of "MIST AND COGNAC" constituted a single transaction or a series of transactions.

11. Under the doctrine of *res judicata*, the subject mark, "CANADIAN MIST AND COGNAC," is not entitled to registration on the Principal Register under Sections 2 and 19 of the Lanham Act, 15 U.S.C. §§ 1052, 1069.

12. Under the doctrine of *res judicata*, Opposers are entitled to a judgment in their favor on all claims and grounds of opposition set forth in the Notice of Opposition in the instant proceeding.

In support of their motion to amend their pleading, and in opposition to applicant's contingent motion to dismiss the *res judicata* claim, opposers argue that Fed. R. Civ. P. 15 motions, in general, should be granted liberally; that the judgment entered in Opposition No. 98,492 is, under Fed. R. Civ. P. 15(d), a transaction, occurrence or event which happened after the date of opposers' original pleading in the present case; and that no significant delay of this proceeding or substantial prejudice to applicant will occur if the amendment is allowed, since this case is still at an early procedural stage.

Opposers further argue that the issue to be decided in connection with opposers' Fed. R. Civ. P. 15 motion is not whether opposers can ultimately prevail on their *res judicata* claim, but whether their proposed amended pleading states a claim under that theory; that opposers' proposed *res judicata* claim is a colorable claim with legal and factual basis, such that the proposed amendment would not be

futile; that it is well-settled, see *Metromedia Steakhouses v. Pondco II, Inc.*, 28 USPQ2d 1205 (TTAB 1993), and *Miller Brewing Co. v. Coy International Corp.*, 230 USPQ 675 (TTAB 1986), that a judgment in one opposition proceeding can have res judicata effects on a subsequent opposition proceeding, even where the cases involve non-identical marks, if the marks create substantially the same commercial impression, or where both applications constituted a single transaction or a series of transactions.

Opposers further argue that, in applying the "single transaction or series of transactions" standard for res judicata claims, the Board, in *Miller Brewing Co.*, supra, looked to the multi-factor test set forth in § 24(2) of the Restatement (Second) of Judgments; that opposers' proposed amended pleading alleges facts sufficient to establish the applicability of res judicata, under the Restatement test; and that opposers should be allowed to take discovery to further develop those facts.

Regarding the "same commercial impression" standard asserted to be applicable to res judicata claims, opposers argue that the issue of whether the marks create substantially the same commercial impression is highly fact-specific and should not be resolved summarily by motion to dismiss; that such fact issues would include applicant's own unproven allegations regarding the "Canadian" emphasis in

applicant's marketing of its CANADIAN MIST product, the fame of applicant's CANADIAN MIST mark, and the significance, in terms of commercial impression, of the presence or absence of the term CANADIAN in applicant's two marks; that opposers have alleged that applicant intended and expected that the two marks would be perceived and used as interchangeable equivalents, and that this fact alone might be sufficient to support a finding that the marks create the same commercial impression; that in determining whether two marks have the "same commercial impression," for res judicata purposes, the Board should use the "commercial impression" analysis which is used in comparing two marks for likelihood of confusion; that under such analysis, applicant's two marks clearly create the same commercial impression.

Finally, opposers argue that, contrary to applicant's argument [see *infra*], opposers, in order to invoke the doctrine of res judicata, do not need to plead or prove that applicant filed its CANADIAN MIST AND COGNAC application merely to evade the res judicata effect of the judgment entered against its MIST AND COGNAC application in Opposition No. 98,492; that such evasive intent on the part of applicant is not a necessary element of opposers' res judicata claim; and that any absence of such evasive intent on applicant's part is not dispositive of the res judicata issue in this case.

In opposition to opposers' Fed. R. Civ. P. 15 motion and in support of their contingent motion to dismiss the res judicata claim, applicant argues that opposers' proposed res judicata claim is legally insufficient and that to permit the proposed amendment therefore would be futile; that the species of res judicata involved here is claim preclusion, not issue preclusion, since no issues were actually litigated in Opposition No. 98,492; that it was settled, in *Metromedia Steakhouses*, supra, that claim preclusion only applies in inter partes proceedings where a defendant who has had judgment entered against him with respect to one mark seeks to evade the res judicata consequences of that judgment by making merely minor alterations to his mark and re-applying for registration thereof; and that claim preclusion does not apply in cases such as the present one, where the defendant's two applications both were already pending at the time that judgment was entered against applicant as to one of the applications.

Applicant further argues that, under *Metromedia Steakhouses*, supra, 28 USPQ2d at 1208, claim preclusion does not apply in cases where the evidence relating to the issue of likelihood of confusion with the first mark would not be precisely the same as the evidence with respect to likelihood of confusion with the second mark, nor in cases where the commercial impressions of the defendant's two

marks can be argued to be different; that, in the present case, the commercial impressions of applicant's CANADIAN MIST AND COGNAC mark and its MIST AND COGNAC mark can be argued to be different, rendering the doctrine of claim preclusion inapplicable; that the evidence with respect to likelihood of confusion between opposers' mark and applicant's CANADIAN MIST AND COGNAC mark would not be precisely the same as the evidence with respect to likelihood of confusion between opposers' mark and applicant's MIST AND COGNAC mark, not least because CANADIAN MIST AND COGNAC includes applicant's registered mark CANADIAN MIST, while MIST AND COGNAC does not.

Applicant argues that opposers' reliance on the alleged fact that applicant intended that its CANADIAN MIST AND COGNAC mark and its MIST AND COGNAC mark be viewed as being "interchangeable" is misplaced. Applicant notes that the defendant in the Metromedia Steakhouses case certainly would have intended the word mark and the design mark involved in its co-pending applications to be viewed as being interchangeable, yet no mention of such intent or such interchangeability was made by the Board in its analysis of whether the claim preclusion doctrine was applicable in that case.

Applicant also disputes opposers' contention that the Board should use the "similarity of commercial impression"

standard employed in the likelihood of confusion analysis as the standard for determining whether applicant's two marks have the same commercial impression, for purposes of claim preclusion. Applicant argues that the proper standard for determining whether two marks create the same commercial impression for purposes of claim preclusion is the "legal equivalents" standard used in tacking situations, i.e., where one party is attempting to establish priority by tacking its use of one mark onto its prior use of another mark. Only if the marks involved in the two proceedings are legal equivalents, applicant argues, can the two proceedings be deemed to involve the same "claim," for purposes of the claim preclusion doctrine.

As the parties acknowledge, the species of res judicata involved in the present case is claim preclusion, rather than issue preclusion, inasmuch as no issues were actually litigated in the MIST AND COGNAC opposition, Opposition No. 98,492.

In *Chromalloy American Corp. v. Kenneth Gordon, Ltd.*, 736 F.2d 694, 222 USPQ 187 (Fed. Cir. 1984), the Court of Appeals for the Federal Circuit stated that it would be guided by the analysis set forth in the Restatement (Second) of Judgments § 24 (1982) in determining whether a plaintiff's claim in a particular case is barred by the

doctrine of claim preclusion.¹⁷ The court found that the doctrine of claim preclusion was not applicable in an opposition proceeding which involved the applicant's mark LADY GORDON, because that mark was a "different mark" from the applicant's marks involved in the parties' prior infringement proceeding, i.e., GORDON and GORDON OF NEW ORLEANS, as to which a consent judgment had been entered against applicant.

The Board, in applying the Restatement's analysis in determining whether two opposition proceedings, against two applications, involve the same "claim" for purposes of the claim preclusion doctrine, has looked to whether the mark involved in the first proceeding is the same mark, in terms of commercial impression, as the mark involved in the second proceeding, and whether the evidence of likelihood of

¹⁷ § 24 of the Restatement provides, in relevant part, as follows:

(1) When a valid and final judgment rendered in an action extinguishes the plaintiff's claim pursuant to the rules of merger or bar (see §§ 18, 19), the claim extinguished includes all rights of the plaintiff to remedies against the defendant with respect to all or any part of the transaction, or series of connected transactions, out of which the action arose.

(2) What factual grouping constitutes a 'transaction', and what grouping constitutes a 'series', are to be determined pragmatically, giving weight to such considerations as whether the facts are related in time, space, origin or motivation, whether they form a convenient trial unit, and whether their treatment as a unit conforms to the parties' expectations or business understanding or usage.

confusion between the opposer's mark and the applicant's first mark would be identical to the evidence of likelihood of confusion between the opposer's mark and the applicant's second mark. The Board also has looked to whether the applicant's second mark differed from the first mark only in minor, insignificant ways which suggested that the applicant, in filing the second application, was merely attempting to avoid the preclusive effect of the previous judgment entered against it. See *Metromedia Steakhouses v. Pondco II, Inc.*, *supra*, and *Miller Brewing Co. v. Coy International Corp.*, *supra*. See also *United States Olympic Committee v. Bata Shoe Company, Inc.*, 225 USPQ 340 (TTAB 1984).

In the *Chromalloy* case, the Court defined the "claims" involved, for *res judicata* purposes, as the plaintiff's pleaded likelihood of confusion claims against the defendant, i.e., the plaintiff's infringement claim in the prior civil action and its notice of opposition in the later opposition proceeding. In *Metromedia Steakhouses* and *Miller Brewing Co.*, by contrast, the Board defined the "claims" involved, for *res judicata* purposes, as the applicants' claims, as asserted in their applications, of entitlement to registration of their marks. However, regardless of whether claim preclusion was being asserted by the defendant, as in *Chromalloy*, or by the plaintiff, as in *Metromedia*

Steakhouses and Miller Brewing Co., the Court and the Board framed the basic issue and analysis in the same way, focusing on whether the defendant's mark involved in the earlier proceeding was the same mark as the defendant's mark involved in the later proceeding.

Applying this analysis to the present case, the Board finds that applicant's MIST AND COGNAC mark, which was involved in Opposition No. 98,492, is a different mark, in terms of commercial impression, from CANADIAN MIST AND COGNAC, the mark involved in this proceeding, and that the evidence with respect to likelihood of confusion would not be the same in this case as it would have been in Opposition No. 98,492. One of the marks includes the word CANADIAN, with whatever connotations that term may have as applied to applicant's goods, while the other does not. That difference is at least as significant as the difference between the marks involved in the Chromalloy case, i.e., LADY GORDON versus GORDON or GORDON OF NEW ORLEANS. Additionally, the mark CANADIAN MIST AND COGNAC includes applicant's registered mark CANADIAN MIST, while the mark MIST AND COGNAC does not.

Furthermore, it is clear that applicant did not file its application to register CANADIAN MIST AND COGNAC merely as an attempt to evade the preclusive effect of the judgment entered against it in the MIST AND COGNAC case. As was the

case in *Metromedia Steakhouses*, supra, both of applicant's applications had been filed long before the MIST AND COGNAC opposition was instituted.

The Board is not persuaded by opposers' argument that we should use the likelihood of confusion "similarity of commercial impression" analysis in determining whether two marks have the same commercial impression for purposes of the claim preclusion doctrine. Rather, applicant is more persuasive in arguing that the proper test for determining whether two marks have the same commercial impression, for purposes of the claim preclusion doctrine, is the test used in tacking situations, i.e., whether the marks are legal equivalents.

The fact that two marks might be similar enough to each other, in terms of commercial impression, to be deemed to be confusingly similar under a likelihood of confusion analysis is not enough to warrant a finding that they are legal equivalents capable of being tacked onto each other to establish a party's priority. See *Van Dyne-Crotty, Inc. v. Wear-Guard Corp.*, 926 F.2d 1156, 17 USPQ2d 1866 (Fed. Cir. 1991); *Pro-Cuts v. Schilz-Price Enterprises, Inc.*, 27 USPQ2d 1224 (TTAB 1993). Similarly, there is no reason why the fact that a party's two marks might be confusingly similar to each other under a likelihood of confusion analysis should be held to be a sufficient basis for finding that the

applications to register the two marks should be deemed to be a single "claim," for claim preclusion purposes. Clearly, the defendant's two marks involved in the Metromedia Steakhouses case (i.e., the mark RANCH STEAK AND SEAFOOD, in typed form, and the mark RANCH STEAK AND SEAFOOD, in stylized form and with a western landscape design element) were similar enough in terms of commercial impression that they would have been deemed to be confusingly similar under a likelihood of confusion analysis. Nonetheless, the Board held that the two marks did not create the same commercial impression, for purposes of the claim preclusion doctrine.

Nor are we persuaded by opposers' argument that the allegations they have made in their proposed amended pleading regarding applicant's intentions in adopting and using its marks are sufficient to establish that the applications to register the marks constitute a single claim, for purposes of the claim preclusion doctrine. Even if opposers were to prove, as they have alleged in their proposed amended notice of opposition, that applicant adopted its MIST AND COGNAC mark and its CANADIAN MIST AND COGNAC marks at or about the same time, that applicant intended that the two marks be used for the exact same goods, and that applicant intended that the two marks be used interchangeably by sellers and purchasers of the goods

and understood as synonyms or equivalents, those facts would not establish that the two marks have the same commercial impression, or that the two applications filed by applicant constitute a single transaction or series of transactions, within the meaning of Restatement § 24. In the Metromedia Steakhouses case, the defendant's word mark and its design mark undoubtedly were intended by the defendant to be used interchangeably to identify its services, but that fact played no part in the Board's determination of whether the doctrine of claim preclusion was applicable.

Thus, the fact that applicant may have intended to use the two marks for the same product and may have intended that purchasers use both marks to call for the product does not mean that the marks are legal equivalents creating a single commercial impression. For the reasons discussed above, we find as a matter of law that the two marks are not legal equivalents and do not create the same commercial impression, for purposes of the claim preclusion doctrine. Given the obvious differences between the marks, applicant's intentions with respect to the marketing of its product under the two marks are irrelevant to the determination of whether the claim preclusion doctrine applies in this case.

In short, we note that in each of the reported cases which have considered and applied the analysis set forth in § 24 of the Restatement to trademark opposition proceedings,

the decisions have turned on whether the defendant's marks involved in the prior proceeding and in the pending proceeding differed from each other in more than minor, insignificant ways. In this case, applicant's marks MIST AND COGNAC and CANADIAN MIST AND COGNAC differ from each other in more than minor, insignificant ways, and the commercial impressions of the two marks accordingly are not substantially identical. In view thereof, and in accordance with the authorities discussed above, the Board finds that the previous entry of judgment against applicant with respect to MIST AND COGNAC cannot be deemed, in law or equity, to be dispositive of applicant's right to register the mark CANADIAN MIST AND COGNAC.

Therefore, the Board finds that it would be futile to allow opposers to amend their notice of opposition to add a res judicata ground of opposition, because opposers cannot prevail on that claim in this case. As a matter of law, applicant's "claim" in Opposition No. 98,492 that it is entitled to registration of MIST AND COGNAC, and its "claim" in the present opposition that it is entitled to registration of CANADIAN MIST AND COGNAC, are not the same claim, for purposes of the doctrine of claim preclusion.

Accordingly, opposer's motion for leave to amend its

notice of opposition is denied. See Fed. R. Civ. P. 15.

In summary, **IT IS HEREBY ORDERED THAT:**

1. Opposers' motion for summary judgment on the issue of whether they own rights in the designation COGNAC as a common law regional certification mark is **granted**.

2. Applicant's motion for summary judgment dismissing opposers' Section 2(a) false suggestion of a connection ground of opposition is **granted**.

3. Applicant's motion for summary judgment dismissing opposers' Section 2(d) ground of opposition is **denied**.

4. Opposers' motion under Fed. R. Civ. P. 15 for leave to amend their notice of opposition to add a res judicata claim is **denied**. Applicant's contingent motion to dismiss the res judicata claim is **denied** as moot.

5. Opposers are allowed until **thirty days** from the date of this order to file the motion, or alternative brief, discussed supra at footnote 2. Applicant's response thereto shall be due as provided by Trademark Rules 2.127(a) and 2.119(c).

6. **Trial dates**, including the time for discovery, are set as follows:

IN EACH INSTANCE, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on the adverse party **WITHIN THIRTY DAYS** after completion of the taking of testimony. Rule 2.125.

THE PERIOD FOR DISCOVERY TO CLOSE:	August 20, 1998
Testimony period for party in position of plaintiff to close (opening thirty days prior thereto)	Oct. 19, 1998
Testimony period for party in position of defendant to close (opening thirty days prior thereto)	Dec. 18, 1998
Rebuttal testimony period to close (opening fifteen days prior thereto)	Feb. 1, 1999

Briefs shall be filed in accordance with Rule 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Rule 2.129.¹⁸


J. D. Sams


E. J. Seeherman


C. E. Walters

Administrative Trademark Judges
Trademark Trial and Appeal Board

¹⁸ This decision is interlocutory in nature. Appeal may be taken within two months after the entry of a final decision in the case. See Copelands' Enterprises Inc. v. CNV Inc., 887 F.2d 1065, 12 USPQ2d 1562 (Fed. Cir. 1989).