

TRADEMARK PROSECUTION AND ENFORCEMENT

DESPITE CONSENT AGREEMENT, TRADEMARKS FOR CRAFT BEER TOO SIMILAR FOR REGISTRATION

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Does each of those ninety-nine bottles of beer on that wall have a sufficiently different trademark to garner federal registration at the Trademark Office? At least two did not, according to the precedential decision in *In re Bay State Brewing Co.*, Serial No. 85826258 (Feb. 25, 2016) by the Trademark Trial and Appeal Board (the Board).

Despite an applicant's consent agreement with the owner of a prior registered trademark, the Board affirmed a refusal to register the TIME TRAVELER BLONDE trademark for "beer." The refusal was based on a likelihood of confusion with the prior registered TIME TRAVELER trademark for "beer, ale, and lager." **This decision signals that consent agreements will be scrutinized for real distinctions by the Trademark Office and are only one factor that must be considered among others in the decision to register — or to refuse to register — a trademark.** While the decision concerns two beer companies, the effect of this decision is not limited to breweries and applies to trademarks in all industries.

What's a Consent Agreement?

A consent agreement is entered into between a registered trademark owner and an applicant seeking registration of a same or similar trademark in which the registered trademark owner "consents" to the registration of the applicant's trademark. **A consent agreement can be a useful tool to overcome a refusal to register a trademark based on likelihood of confusion at the**

Trademark Office. In addition to consent to registration, this type of agreement usually includes conditions on how the respective parties can coexist in the marketplace and use their trademarks in ways to avoid confusion. **A consent agreement is usually given considerable deference by the Trademark Office since it reflects the interests of the real parties with knowledge of the actual marketplace realities of their respective uses.** The Trademark Office will generally not substitute its judgment on a likelihood of confusion assessment over the judgment of the parties involved, unless other factors show that consumers are likely to be confused.

Why Didn't This Agreement Overcome the Rejection?

To overcome the rejection of its TIME TRAVELER BLONDE mark, applicant Bay State Brewing Company, Inc. (Bay State), relied on its agreement with A&S Brewing Collaborative LLC (A&S), the owner of the prior registered trademark. **In this agreement, the parties agreed that no confusion was likely to occur and each trademark could coexist in the marketplace since Bay State would only use its TIME TRAVELER BLONDE mark in New England and New York, and each agreed to use the respective marks in certain ways.** The Examining Attorney maintained the rejection. Subsequently, Bay State appealed the rejection to the Board.

The Board affirmed the refusal because this agreement failed to set out meaningful conditions to avoid the likelihood of confusion between the parties' respective trademarks.

In its decision, the Board reiterated that the existence of a consent agreement is only one factor in the likelihood-of-confusion analysis, and that all relevant factors — like similarity of the marks, goods, consumers, and trade channels — must still be examined.

The Board first asked whether consumers are likely to be confused by two TIME TRAVELER marks for beer. The answer was yes. The respective goods were identical for "beer." As the goods were identical, the channels of trade and classes of purchasers were presumed to be the same: liquor stores, beer sections of grocery and convenience stores, and ordinary consumers. As for a comparison of the marks themselves, the Board focused on TIME TRAVELER as the more distinctive portion of the respective marks since "blonde" is a descriptive or generic term for a type of beer.

No Real Geographic Limitation Since Registration with the Trademark Office Is Nationwide

Then the Board considered the measures the parties defined for coexistence to determine whether they reduced the likelihood of confusion. The answer was no.

The Board focused on the geographical limitation under which Bay State would only use TIME TRAVELER BLONDE in New England and New York. This was deemed deficient for two reasons.

First, A&S had no limitation in the agreement on where it could use its TIME TRAVELER trademark. Instead, A&S was free to sell and market its beer in Bay State's areas of New England and New York. Second, A&S's prior registration gave it nationwide rights to use its mark — no geographic limitation would be reflected in its registration. This agreement would frustrate a central purpose of registration — to provide the public with notice of a registrant's actual trademark rights — since no geographic limitation would be included on A&S's registration certificate. This would also impair the system of searching and clearing marks, as these two which appeared in direct conflict would be concurrently registered.

Use Conditions Did Not Avoid Likelihood of Confusion

The Board also found the conditions articulated in the parties' agreement concerning usage of their respective trademarks did not avoid a likelihood of confusion. For example, the parties agreed to use their brewery name with their respective trademarks – for example, BAY STATE BREWING TIME TRAVELER BLONDE and THE TRAVELER BEER CO. TIME TRAVELER – but inclusion

of a house mark would not avoid confusion for such similar trademarks. The parties also agreed not to use similar packaging and labels, but were not required to use particular packaging. **More significantly, neither of these conditions would be reflected in the registration certificates and would, again, frustrate the public notice function of informing the public of a registrant's actual trademark rights.**

Conclusion

A consent agreement should not be brewed up in a hurry. It must be supported by real distinctions, like any differences in the sight, sound, or meaning of the respective trademarks; the goods or services; the trade channels and classes of purchasers; the sophistication of the purchasers; and methods of advertising and promotion, to successfully overcome a likelihood of confusion rejection.

The Board reiterated that consent agreements frequently are entitled to great weight, but this consent agreement was just not enough to outweigh the other relevant likelihood-of-confusion factors. **Consent agreements remain a viable option to overcome refusals based on a likelihood of confusion, but this decision indicates that they may be subject to greater scrutiny by the Trademark Office.**

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