THIS DISPOSITION
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OF THE T.T.A.B.

Hearing: Paper No. 65
April 25,2000 1/31/01 RFC

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

G-Mar Development Corporation
v.
Tully's Coffee Corporation

Opposition Nos. 103,825 and 105,490 to application Serial Nos. 74/731,366 and 74/732,538, filed on September 16,1995 and September 20, 1995, respectively.

Bernard P. Molldrem of Trapiani and Molldrem, Jr. for G-Mar Development Corporation.

Paul T. Meiklejohn and Andrew F. Pratt of Dorsey & Whitney LLP for Tully's Coffee Corporation.

Before Cissel, Quinn and Wendel, Administrative Trademark Judges.

Opinion by Cissel, Administrative Trademark Judge:

The above-referenced applications, as amended, seek registration of the mark "TULLY'S" for "retail coffee store services; cafe services," in Class 42, and for "coffee," in Class 30, respectively. The applications were based on claims that applicant has used the mark with these services and goods since September 16, 1992.

Opposer timely filed a Notice of Opposition to each application. As grounds for opposition in each proceeding, opposer asserted that it had used the mark “TULLY’S” since as early as June of 1991 in connection with restaurant services, and that applicant’s mark, as used in connection with the goods and services identified in each opposed application, so resembles opposer’s mark that confusion is likely.

Applicant denied the essential allegations set forth in the Notices of Opposition. The two proceedings were subsequently consolidated. A trial was conducted and both parties presented arguments at an oral hearing before the Board on April 25, 2000.

The record before us in this consolidated proceeding includes the application files of the two opposed applications, the testimony, with attached exhibits, of several witnesses, and materials made of record by notices of reliance, all of which have been specifically listed in the briefs filed by the parties.

Before we begin our discussion of the merits of the various claims and defenses, we must turn our attention to the outstanding motion, filed by applicant on November 2, 2000, to strike opposer’s October 16, 2000 Supplemental Notice of Reliance. Both parties filed arguments with respect to this motion.

By means of the Supplemental Notice of Reliance which applicant has moved to strike, opposer seeks to introduce into the record a copy of an article appearing in the October 16, 2000 edition of The Syracuse (New York) Post-Standard newspaper. The article is about the 2000 American League championship series in professional baseball. Opposer contends that the photograph accompanying the article shows a sign advertising applicant's coffee, and that because the game was televised nationwide, people across the country were exposed to the advertisement showing applicant's mark used in connection with applicant’s products.

We have not considered this evidence because it was not filed within the period established for opposer to introduce evidence in this proceeding and opposer has not satisfactorily explained why it could not have been submitted during the established period. Moreover, even if we were to consider this late-filed evidence to have been timely submitted because it had been unavailable previously, as applicant points out, it would be of little assistance to opposer in establishing opposer’s claims in this proceeding. The photo is not in focus, and there is no evidence that establishes that it originated from or was displayed during any television broadcast in such a way that it would have been clearly visible and therefore viewed by any appreciable

number of people watching the game on television in applicant’s trading area.

As noted in the Board's denial of opposer's October 14, 1997 motion for summary judgment, the central issues in this proceeding are priority, likelihood of confusion, including analysis of the similarities in the goods and services and the channels of trade through which they move in commerce, the strength of opposer’s mark, and whether opposer has abandoned its mark.

Based on careful consideration of the record and the arguments before the Board, we find that opposer has established its priority, that opposer’s mark has not been abandoned, and that confusion is likely with respect to applicant's mark for both coffee, in Class 30, and retail coffee store services and cafe services in Class 42.

Opposer’s priority is not seriously disputed. The record establishes that opposer, G-Mar Development Corporation, opened a “TULLY’S” restaurant and first used the mark “TULLY’S GREAT FOOD AND GOOD TIMES” in Batavia, New York in June of 1991, whereas applicant first sold coffee and operated coffee shops under the mark “TULLY’S” in the Seattle, Washington area at the end of the following year.

As noted above, however, in addition to disputing the issue of whether confusion is likely, applicant strongly urges the Board to conclude that opposer has abandoned any

rights it may have had in the “TULLY’S” mark by virtue of the fact that it has allowed the mark to be used by another entity, GiBar Development Corporation, without a license from opposer, G-Mar Development Corporation.

Although applicant argues that GiBar is not a “related company” within the meaning of Section 45 of the Lanham Act in the sense that G-Mar cannot claim that it has common ownership with GiBar or that GiBar has a license from G-Mar to use the mark in question, it is clear from the evidence of record that opposer has exercised sufficient control over the services rendered under the mark by GiBar in order for us to recognize an implied license from opposer. Seventy-five per cent of G-Mar is owned by John Giamartino, and his brother David Giamartino owns the other twenty-five per cent, while GiBar is owned in equal shares by John Giamartino, David Giamartino and Richard Bartlett. John Giamartino is president of both corporations, and he has testified about the ways in which he and John Rybak, who works directly under him as the supervisor of all five restaurants which use the mark, maintain the quality and consistency of the services rendered under it, whether the particular restaurant is owned by G-Mar or by GiBar. The record makes it clear that the same degree of control is exercised over all five restaurants. Each is under the direct control of John Giamartino and each is supervised by

Mr. Rybak. All of the restaurants use identical menus and operate in the same way with the same standards and similar motifs. Customers receive the same quality of food and service at each restaurant, regardless of whether it is owned by GiBar or GiBar. The managers of all five restaurants meet regularly and answer directly to Mr. Rybak, who conducts monthly inspections of all of the "Tully's" restaurants. We agree with opposer that the facts in this opposition proceeding do not support applicant's contention that opposer has abandoned its mark any more than the facts in Woodstock's Enterprises Inc. (California) v. Woodstock's Enterprises Inc. (Oregon), 43 USPQ2d 1140 (TTAB 1997), aff'd unpublished opinion, Appeal No. 97-1580, (Fed. Cir. March 5, 1998), established that the mark in that case had been abandoned by virtue of uncontrolled use by another entity.

Turning next to the central issue in this proceeding, likelihood of confusion, the first issue we must address is whether the marks are similar. In this regard, we reject applicant's contention that we cannot find similarity because the record does not show opposer's use of "TULLY'S" by itself as a mark, but instead is replete with examples of the use of stylized presentations of the name "TULLY'S" together with the slogan, "GREAT FOOD AND GOOD TIMES."

Simply put, the name "TULLY'S" is the dominant portion of opposer's mark. It is the nondescriptive, non-suggestive

component of the mark that people are likely to remember and use when referring to applicant's services or recommending them to others. This record shows that opposer's mark is strong, in that opposer has extensively used and promoted it and that it is not used or registered by others for similar services.

The dominant component of opposer's mark, "TULLY'S," is applicant's mark in its entirety. The marks of the parties, therefore, when considered in their entireties, are very similar in commercial impression, such that their use in connection with commercially related goods and services is likely to cause confusion.

As noted above, the evidence in this case establishes that opposer's restaurant services are related to the goods and services set forth in the opposed applications, namely, "retail coffee shop services," "cafe services" and "coffee."

The parties spent considerable effort debating the differences and similarities between applicant's particular coffee shop services and cafe services and the particular services opposer actually renders at its restaurants, which are of the type which is commonly referred to as "sports bar restaurants," featuring not just food, but also alcoholic beverages and video entertainment provided by means of a number of televisions throughout the restaurants showing sporting events. We must determine the likelihood of

confusion, however, based on the way applicant's goods and services are identified in the opposed applications, without restrictions or limitations that are not specifically reflected therein. Toys "R" Us, Inc. v. Lamps R Us, 219 USPQ 340, 343 (TTAB 1083) and cases cited therein. As opposer points out, applicant's goods are not identified in the opposed applications as "gourmet, whole-bean, premium coffee," but rather just as "coffee," and the services are not stated to be "gourmet, specialty coffee shop services" or "coffee shop services not including serving meals or alcoholic beverages." The ordinary meaning of the word "cafe" includes a restaurant, barroom, and even a cabaret or nightclub, according to Webster's Ninth New Collegiate Dictionary, (1985 edition), of which the Board may take judicial notice. Opposer renders bar and restaurant services under its mark. Notwithstanding applicant's arguments to the contrary, its coffee shop and cafe services are simply types of restaurant services, just as opposer's restaurant services fall within that broad description of services. Confusion is clearly likely when cafes, coffee shops and restaurants are promoted and operated under the same or similar marks.

This record also shows that confusion is likely when these similar marks are used in connection with opposer's services and the goods of applicant, coffee. The evidence

in this proceeding shows that applicant, as well as other businesses, such as Chock Full O’ Nuts Corporation and applicant’s business model and principal competitor, Starbucks Corporation, have registered or seek to register their respective marks both for coffee and for cafe and restaurant services. Opposer’s May 14, 1999 Notice of Reliance includes copies of third-party registrations of marks wherein both coffee and restaurant services are listed. Third-party registrations listing both these products and these services are evidence that tends to show that the goods and services listed therein may be expected by consumers to emanate from the same entities. In re Albert Trostel & Sons Co., 29 USPQ2d 1783 (TTAB 1993). In view of this practice, it is reasonable to conclude that ordinary consumers, the class of customers for the goods and services of both parties, who are familiar with opposer’s use of its mark in connection with its restaurant services, would, upon seeing both applicant’s coffee and retail coffee shop and cafe services offered under applicant’s mark, be likely to assume some connection with or sponsorship by opposer. This is precisely the kind of confusion that Section 2(d) of the Lanham Act is designed to preclude.

Applicant argues that John Giamartino's testimony, (pp. 160-61), constitutes an admission that there is no likelihood of confusion between opposer's use of its mark

for restaurant services and Tully's use of its mark for coffee. Applicant's counsel posed the following question to the witness: "In terms of just sale of coffee, whole bean and ground coffee, do you think there is any likelihood of confusion as a result of simultaneous use of the marks?" His answer was that if applicant were in the business of selling only coffee, Mr. Giamartino did not believe that confusion would be likely. The evidence, however, as noted above, shows that consumers have a basis for assuming that a single mark may be used for both restaurant services and coffee. The third-party registrations of record as well as the newspaper and magazine articles submitted by opposer with the same Notice of Reliance establish this.

In view of the fact that applicant itself uses its mark in connection with both these goods and these services, applicant's contention that they are commercially unrelated would appear to be disingenuous. Moreover, and again in view of the fact that applicant uses its mark in connection with both the goods and the services, the hypothetical posed to Mr. Giamartino by applicant's attorney is not the situation with which we are faced on this record. Maybe opposer would not be concerned if applicant were to use its mark only on coffee, but this is not the case. Applicant's use in connection with both coffee and retail coffee store

and cafe services is a pleaded basis for this proceeding. This obviously presents a problem for opposer.

The logical extension of applicant's argument in this regard would result in the issuance of a registration to applicant for the goods, coffee, but registration of applicant's service mark for retail coffee store and cafe services would be refused under Section 2(d) of the Act. It is unclear to us why applicant would want to create such a situation. Would applicant contend that the sign outside its business establishment identifies the source of the coffee sold inside, but not the coffee store and cafe services rendered therein?

Another unpersuasive argument applicant makes is that opposer conceded the issue of likelihood of confusion in this proceeding when, during the prosecution of its application to register its own mark, G-Mar argued that there was no likelihood of confusion between its mark for restaurant services and applicant's mark for the goods and services specified and the applications herein opposed. It is well settled that an opposer is not estopped in an opposition proceeding from taking a position with regard to the likelihood of confusion which is different from that which it took before the Examining Attorney during prosecution of its application. West Chemical Products, Inc. v. Candle-Lite, Inc., 173 USPQ 190 (TTAB 1972).

Applicant's argument that "TULLY'S" is not distinctive because of the existence of a municipality named ”Tully” located near Syracuse, New York, is without merit. Applicant does not even allege that there is a goods/place association between applicant's goods and services and this particular town, so applicant has failed to establish that registration should be refused on the basis of geographical descriptiveness or misdescriptiveness. In re Nantucket, Inc., 213 USPQ 889 (CCPA 1982). We have nothing upon which to base a conclusion that opposer’s mark is not distinctive.

Lastly, we must dismiss applicant's contention that because this record does not include evidence that actual confusion has occurred, confusion is not likely. Evidence of incidents of actual confusion is notoriously difficult to obtain, and is clearly not necessary in order to establish that confusion is likely. Helena Curtis Industries, Inc. v. Suave Shoe Corp., 13 USPQ2d 1618 (TTAB 1989). As we stated in Gillette Canada Inc. v. Ranir Corp., 23 USPQ2d 1768, at 1774, (TTAB 1992), “…the absence of any reported instances of actual confusion would be meaningful only if the record indicated appreciable and continuous use by applicant of its mark for a significant period of time in the same markets as those served by opposer under its marks.” In the instant case, in view of the relatively limited geographic area in which applicant has operated its coffee stores and cafes and

the fact that the restaurants using opposer's mark are all located in a relatively small geographic area on the other side of the country, the opportunity for actual confusion appears to have been quite limited, so we cannot conclude that because the parties are unaware of any actual confusion in connection with their marks, confusion is not likely.

In summary, the record in this case establishes that confusion is likely because the mark applicant seeks to register and opposer's mark, when considered in its entirety, are similar, and the goods and services specified in the opposed applications are commercially related to opposer's services. Opposer has neither admitted that confusion is unlikely nor abandoned its mark by virtue of allowing uncontrolled use of it by GiBar.

Decision: The oppositions are sustained and registration to applicant is refused under Section 2(d) of the Lanham Act.