

Featured Professionals

Cynthia A. Moyer

Related Services

Advertising & Marketing

100 Bottles of Beer on the Wall (All with the Same Name) – What’s Wrong with Co-Existence Agreements?

Legal Update

03.01.2016

By Cynthia A. Moyer

Are co-existence agreements no longer a surefire strategy for getting a trademark registration in the face of a likelihood of confusion refusal? That could be the takeaway from the Trademark Trial and Appeal Board’s (TTAB) recent decision in which it held that a co-existence agreement was insufficient to overcome a refusal based on likelihood of confusion. *In re Bay State Brewing Co., Inc.*, Serial No. 85826258 (Feb. 25, 2016).

Wait – what’s a co-existence agreement and what does it mean if they don’t work?

It’s easiest to answer those questions by starting with a little background about the case. Bay State Brewing filed a trademark application for the trademark TIME TRAVELER BLONDE for beer. The problem was there was already a registered trademark owned by another party for TIME TRAVELER for beer, lager and ale. Thus the trademark office refused Bay State Brewing’s application because it concluded TIME TRAVELER BLONDE was likely to cause confusion with the previously registered mark for TIME TRAVELER.

This type of refusal happens with some regularity. So what did Bay State Brewing do? It used a common tactic to overcome the refusal – that is, it entered co-existence agreement with the owner of the cited registration.

A co-existence agreement refers to an agreement entered by the applicant, here Bay State Brewing, and the owner of the cited mark, pursuant to which they agree to take certain actions to ensure that no likelihood of confusion would ensue if the Trademark Office approved Bay State Brewing’s application.

Once Bay State Brewing and the owner of the cited registration entered a co-existence agreement, Bay State Brewing responded to the Trademark Office’s office action by explaining that it had entered a co-existence agreement with the owner of the cited mark and they had agreed to take certain steps so as to eliminate the

100 Bottles of Beer on the Wall (All with the Same Name) – What’s Wrong with Co-Existence Agreements?

possibility of consumer confusion. So far, there is nothing unusual – this is pretty standard stuff and typically resolves the Trademark Office’s refusal based on likelihood of confusion. Not this time.

The examining attorney disagreed that the co-existence agreement eliminated the likelihood of confusion and refused the application. Bay State Brewing appealed the refusal to the Trademark Trial and Appeal Board and on February 25, 2016, the TTAB affirmed the refusal. Why?

The TTAB took issue with the geographic restriction in the co-existence agreement.

The restriction allowed Bay State Brewing to use its mark only in New England and the State of New York, but the owner of the cited registration could use its mark anywhere, including New England and New York. Thus, both marks could be used in New England and New York, which could result in consumer confusion in those places.

The TTAB also took issue with the geographic restriction being only in the co-existence agreement.

If Bay State Brewing got its registration, the registration would not reflect that limitation – it would be only in the co-existence agreement but not on the federal register. It said this means that Bay State Brewing’s registration would be misleading.

Moreover, because both marks could be used in the same places, the other steps the parties agreed to take – like always using their house marks, and refraining from using similar trade dress and packaging – had diminished effectiveness.

The TTAB acknowledged that consent agreements usually resolve the issue, saying it “unmistakably recognize[d] the Federal Circuit’s instruction that consent agreements are frequently entitled to great weight,” but concluded that in this particular case with this particular co-existence agreement, patrons in New York and New England are likely to be confused as to the source of their beer.

But what choice did Bay State Brewing really have?

Their mark was virtually identical to the cited mark and the goods were identical. Thus, they could not have successfully argued around the refusal. A co-existence agreement was their only real option (apart from a license or acquisition).

Takeaway

Parties can still use co-existence agreements but should be prepared to have their agreements face greater scrutiny.