

**THIS DISPOSITION
IS NOT CITABLE AS PRECEDENT
OF THE T.T.A.B.**

Hearing:
February 23, 2000
9/27/00

Paper No. 52
TEH

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board
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Murphy's Ltd.
v.
Murphy Brewery Ireland Limited

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Cancellation No. 25,091
—————

P. Jay Hines of Oblon, Spivak, McClelland, Maier & Neustadt, P.C.
for Murphy's Ltd.

Charles H. Knull of Graham, Campaign P.C. for Murphy Brewery
Ireland Limited

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Before Quinn, Bucher and Holtzman, Administrative Trademark Judges.

Opinion by Holtzman, Administrative Trademark Judge:

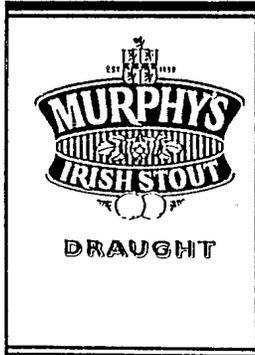
Murphy's Ltd. has filed a petition to cancel the following two
registrations:

Cancellation No. 25,091

Registration No. 1,847,441 for "beer, ale, porter and stout";¹



Registration No. 1,877,199 for "beer, ale, porter and stout."²



In the petition to cancel, petitioner alleges that it is the owner of Registration No. 1,503,448 for the mark MURPHY'S for

¹ Issued July 26, 1994, claiming a date of first use of 1985 and first use in commerce of 1992. The phrase "IRISH STOUT" has been disclaimed. The registration contains a statement that the lining shown in the drawing is a feature of the mark and does not indicate color. An affidavit under Section 8 has been filed.

² Issued January 31, 1995, claiming a date of first use of January, 1992 and a first use in commerce of September, 1993. The terms "IRISH STOUT DRAUGHT", and "EST. 1836" have been disclaimed. The registration contains the statement that the lining shown in the drawing is a feature of the mark and does not indicate color. An affidavit under Section 8 has been filed.

restaurant and bar services.³ Petitioner maintains that its "incontestable" registration "is conclusive evidence of Petitioner's exclusive right to use Petitioner's mark in commerce" in connection with those services. In addition to the services identified in its pleaded registration, petitioner states that it has used its mark "for other and various related products" including pilsner and light beer products since 1988, and that its use on these products is "a natural extension" of its use in connection with restaurant services. Petitioner asserts that it has extensively used and promoted its goods and services bearing the mark, and has built up extensive goodwill in connection with those goods and services under the mark. Petitioner claims that respondent's marks so resemble petitioner's mark, as to be likely, when applied to respondent's goods, to cause confusion, or to cause reverse confusion, and that confusion is, in fact, inevitable. Anticipating respondent's affirmative defenses, petitioner alleges that its claim "is immune from estoppel on grounds of laches or acquiescence" because of inevitable confusion and instances of actual confusion.

Respondent has denied the salient allegations in the petition and has asserted that MURPHY is a very common surname with numerous third-party uses for restaurants and bars and that, therefore, the mark is weak and deserving of only a narrow scope of protection.

Respondent also asserts that, through its predecessor, it has used "MURPHY'S" as, or as part of, a mark for Irish stout since the year 1856. Respondent claims that it "introduced or re-introduced" MURPHY'S IRISH STOUT to the United States at least as early as 1979, "the same year in which petitioner claims first use as a service mark," long prior to the filing date of petitioner's underlying application in 1988 and prior to petitioner's alleged use of MURPHY'S as a mark for malt beverages. Respondent affirmatively asserts that petitioner should be barred by estoppel, laches and acquiescence from maintaining this proceeding as a result of the long co-existence of "petitioner's and respondent's marks" and petitioner's acquiescence therein.

The record consists of the files of the involved registrations, testimony (with exhibits) taken by each party, and notices of reliance on discovery responses, official records and printed publications of each party. Petitioner has submitted the testimony of its General Manager, Thomas E. Mooney, Jr., as well as the testimony of a customer of petitioner's restaurant, and three of petitioner's employees. Respondent has submitted the testimony of respondent's Export Director, Robert Kennefick.

The case has been fully briefed⁴ and an oral hearing was held.

³ Issued September 6, 1988, claiming a date of first use of January 29, 1979. The mark is registered under Section 2(f) of the Trademark Act. A combined affidavit under Sections 8 and 15 has been filed.

⁴ The third-party registrations attached to petitioner's brief on the case will not be considered in view of petitioner's failure to properly introduce them during testimony period and respondent's objection to the evidence on that basis.

By way of brief background, the record shows that respondent, through its predecessors, began its brewery operations at Lady's Well Brewery in Cork, Ireland in 1856, and has been using the name "Murphy" in connection with stout since that time. Such product is "premium" quality and is currently distributed in approximately 66 countries throughout the world including the United States. Respondent's MURPHY'S IRISH STOUT is sold in the U.S. market to Heineken USA, which, through its distributors, sells to the retail market. Heineken USA also conducts the marketing activities on behalf of respondent for the product in this country.

The record shows that petitioner has owned and operated a restaurant and pub under the mark MURPHY'S in the Old Town section of Alexandria, Virginia since at least as early as January 1979. Petitioner opened other locations of MURPHY'S restaurants in Washington, DC and in Ohio in 1985 and 1988, respectively. Petitioner serves 15 beers on tap and eight bottled beers in its restaurants with the major sellers being brands out of Ireland such as Guinness. Petitioner has sold in its restaurant its own brand of stout called "Mooney Stout" since 1991. In either late 1991 or early 1992, petitioner began selling its own malt beverages in its restaurants under the names "Murphy's Pilsner" and "Murphy's Light," and "Murphy's Ale" was offered by petitioner in 1997. All of these products were produced by Old Dominion Brewery exclusively for sale and consumption in petitioner's restaurants. Petitioner continued to sell its house-branded products in its restaurants

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until 1998, when respondent initiated an infringement action against Old Dominion Brewery in the Eastern District of Virginia. As a result of the action, the brewery ceased production of beer for petitioner.

On August 6, 1991, Mr. Mooney contacted respondent about the prospects of selling MURPHY'S IRISH STOUT in petitioner's restaurants. Petitioner thereafter became a customer of respondent's MURPHY'S IRISH STOUT which was then sold in its Old Town and Washington, DC restaurants at least as of February of 1992, and perhaps as early as the latter part of 1991. Petitioner stopped selling the product in March 1996 when, according to petitioner, it became aware of instances of customer confusion. This cancellation proceeding was brought against respondent on May 6, 1996.

PRIORITY

Mr. Mooney has testified that petitioner began using the name MURPHY'S in connection with its restaurants in January 1979. The evidence submitted by petitioner, including its 1978 corporate tax return, advertisements, promotional matter and newspaper articles, taken as a whole, corroborates this date of first use. Respondent does not dispute the validity of the January 1979 date but instead claims earlier use of its own marks on stout products.

Mr. Kennefick, an employee of respondent since 1972, testified that respondent's predecessors first shipped products to the United States in kegs under the Murphy's mark in 1892 and that respondent has continued to ship its stout to the United States since that time.⁵ For the years 1892 to 1979, the only evidence for this claim comes from "family sources" of Mr. Kennefick, as well as from "friends of my family" and from "old employees" in the brewery. (Kennefick test. p.10). According to Mr. Kennefick, documentary records to support this claim "seem to have disappeared" or "were destroyed or just not available to us." (Kennefick test. p.12). Mr. Kennefick states that his family has been in the pub business since the 1600's and he describes his impressions regarding respondent's asserted date of first use as follows: (Kennefick test. p.5).

Q. Are any of the Murphy products you have described as being packages in bottles, cans or other containers sold in the United States?

A. Yes.

Q. If so, since when?

A. 1892

Q. If any of the dates ... were before your time at the company, how did you learn of such dates?

⁵ Mr. Kennefick's deposition was taken by written questions on February 19, 1999 in accordance with the applicable rules for deposing a foreign party. Thus, petitioner's general objection to the manner of taking the deposition upon written questions due to the lack of an opportunity for effective cross-examination is overruled. In any event, the proper mechanism for objecting to the form of the deposition would have been to file a motion, prior to the date scheduled for the deposition, for an order that the deposition be taken orally. See, e.g., Trademark Rules 2.120(c) and 2.123(a)(1) and, e.g., Feed Flavors Incorporated v. Kemin Industries, Inc., 209 USPQ 589 (TTAB 1980).

A. I learned of such dates from people, older management when I joined the company, from historical records. And since I was born into the pub business, I was born in a pub, I've heard it from my father and grandfather and uncles who have all been in that business.

Mr. Kennefick testified as to the asserted continuous use of the mark since that date as follows: (Kennefick test. p.5).

Q. What time periods would encompass the time when your company would fulfill such requests [for a keg or kegs of Murphy's Irish Stout to be sent to the US]?

A. That would be possibly in the -- from the foundation of the company right up to around 1970, I would think.

Q. If any of the dates [for such orders]...were before your time at the company, how did you learn of such dates?

A. Again, as I have said previously, I was -- I would have learned from older managers and people, operators in the brewery when I joined the brewery 27 years ago, and I would have learned it from my father and the people around Cork.

In support of its claim of prior and continuous use of the "Murphy" mark on stout, respondent refers to an article dated June 25, 1892 from an Irish publication called the *Cork Herald* which states:

New ground has also been opened up in America and those of our exiled kith and kin in that country will be in a position to sip of the creamy stout brewed within sight and within sound of some of the most historic scenes of their boyhood's years.

Petitioner has objected to Mr. Kennefick's testimony on the basis of his lack of personal knowledge as to these purported

events and as inadmissible hearsay.⁶ Although the testimony does constitute hearsay, it falls within FRE 803(20) which allows a specific exception for, inter alia, "reputation as to events of general history important to the community or State or Nation in which located." This exception is designed to facilitate proof of historical matters when, perhaps due to the passage of time, no direct testimony is available. This is the nature of the testimony offered by Mr. Kennefick.⁷

We also find that Mr. Kennefick has sufficient knowledge to testify as to the asserted reputation of the event. Personal knowledge does not necessarily mean firsthand knowledge. See Wright & Gold, *Federal Practice and Procedure: Evidence* § 6024 (1990) citing Commentary, N.C.R.Evid. Rule 602 ("It is not intended that firsthand knowledge be required where a hearsay exception

⁶ Specifically, petitioner has objected to written questions nos. 32, 34, 36, 37, and 38 of Mr. Kennefick's deposition.

Petitioner's objections to question nos. 29, 30 and 31 on the same grounds are not well taken. Mr. Kennefick has been an export director of respondent's company for 12 years and thus has personal knowledge of those aspects of the company's operations which have occurred during his tenure. In any event, the information elicited by these questions is not critical to our determination of the issues herein.

We also note that respondent had served objections to a number of petitioner's written cross-examination questions of Mr. Kennefick. Since none of the objections were subsequently raised in respondent's brief, we have considered these earlier objections to be waived. See *Reflange Inc. v. R-Con International*, 17 USPQ2d 1125, fn 4, (TTAB 1990).

⁷ Petitioner also questions the historical significance of this event. We find the importance of export trade to the economy of this area of Ireland during the latter part of the nineteenth century and thus to its local history would seem to be self-evident.

necessarily embraces secondhand knowledge."). The exception set forth in Rule 803(20) implies that the declarant's knowledge of the reputation is sufficient even though the facts or events giving rise to that reputation may not be known. See Wright & Gold, *Federal Practice and Procedure*, supra.

The fact that the knowledge or impressions reported by the declarant may be sparse or vague goes to the weight of the evidence rather than its admissibility. In this regard, we find that the testimony given by Mr. Kennefick is seriously deficient. While an incomplete recollection of these events may be understandable, given the antiquity of the initial event and the long passage of time, the details provided by Mr. Kennefick are so vague and sketchy as to make it impossible for us to conclude that any use, let alone continuous use, actually occurred at any time during those early years.⁸

It is also significant that a publication made of record by petitioner entitled *The Murphy's Story, The History of Lady's Well Brewery, Cork*, provides detailed accounts and supporting records of other exporting activities in the company's history, while referring only to an "attempt" to establish trade with the U.S. in 1892 in the following manner: "There is no reference to that trade

⁸ Similarly, under FRE 803(16), statements in a document in existence twenty years or more whose authenticity is established falls within a hearsay exception. In any event, there appears to be no issue as to the authenticity of this newspaper article.

in any of the Brewery records and in the absence of such information it may be concluded that the venture was not pursued for too long a period." Thus, to the extent that any such early trade with the United States actually took place in 1892, there is no indication that it constituted anything more than a token shipment of respondent's products to the United States. Moreover, this account strongly suggests a lack of continuous use of the mark on stout in this country for any sustained period subsequent to that date.

Thus, based on the record before us, the earliest documented date of use of the name "Murphy's" on which respondent can rely is November 14, 1979. In support of this use, respondent submitted a "Revenue Commissioners" statement obtained from the Customs & Excise officer in Cork, Ireland indicating that MURPHY'S IRISH STOUT in bottles was shipped to New York beginning on that date.⁹ Nevertheless, the November 14, 1979 date is subsequent to petitioner's date of first use in connection with its restaurant services.¹⁰

⁹ Petitioner has failed to show that the fact that the statement is in letter form somehow detracts from its status as an official record. In any event, the document does not establish priority for respondent.

¹⁰ Petitioner, in its reply brief, admits that "the record is inconclusive with respect to which party first began using MURPHY'S in connection with malt beverages in the early 1990's." (Petitioner's reply brief p.2). We find that the record is indeed inconsistent and contradictory as to these dates. Inasmuch as petitioner has the burden of proving priority, and since petitioner itself recognizes that the record is unclear in this regard, petitioner cannot prevail on any asserted claim of priority as to beverages. Moreover, petitioner's counsel expressly stated during the oral hearing that petitioner is not claiming priority as to those goods, but only as to its restaurant

LIKELIHOOD OF CONFUSION

We turn then to a consideration of likelihood of confusion. Our determination under Section 2(d) is based on an analysis of all of the probative facts in evidence that are relevant to the factors bearing on the likelihood of confusion issue. The factors deemed pertinent in this proceeding are discussed below.

With respect to the relatedness of the parties' goods and services, we note that likelihood of confusion may result from the use by different parties of the same or similar marks in connection with goods, on the one hand, and services which deal with or are related to those goods, on the other.¹¹ See *In re Mucky Duck Mustard Co. Inc.*, 6 USPQ2d 1467 (TTAB 1988). We find, and respondent does not argue differently, that the goods and services in this case are related.

The evidence shows that petitioner's establishment serves prominent brands of malt beverages including, at one time, the very malt beverage produced by respondent. The evidence also shows that petitioner's customers often request those products by their brand names. Thus, there is a natural connection between restaurant and

services. In any event, we find that the evidence submitted by respondent sufficiently establishes its priority as to malt beverages and, therefore, priority as to those goods is not in issue.

¹¹ Contrary to opposer's claim, however, there is no per se rule that restaurant services and all beverage products are related. See, for example, *Lloyd's Food Products Inc. v. Eli's Inc.*, 987 F.2d 766, 25 USPQ2d 2027 (Fed. Cir. 1993).

bar services and the malt products sold therein. This connection is further exemplified by petitioner's sale of its own "Murphy's" house brands of malt beverages in its restaurant. Thus, petitioner's restaurant and bar, on the one hand, and respondent's stout on the other, while specifically different goods and services, are nonetheless related. The evidence also tends to show that purchasers of beer may be, but are generally not discriminating or knowledgeable about those products. Most purchasers of beer as well as patrons of restaurants are members of the general public who would not necessarily be likely to exercise the high degree of care necessary to prevent confusion.

Thus, the question is whether use of the respective marks in connection with these goods and services is likely to cause confusion. In this regard, we note that while there are specific differences in the marks, they do create similar commercial impressions. Viewing the marks in their entireties, as we must, it is nonetheless true that more or less weight may be given to a particular feature of a mark. See *In re National Data Corp.*, 753 F.2d 1056, 224 USPQ 749 (Fed. Cir. 1985). In this case, the dominant portion of both marks is the word "MURPHY'S." That same word is petitioner's entire mark. Respondent contends that the term "IRISH STOUT" distinguishes its marks from petitioner's mark as it identifies respondent's goods as being of Irish origin. Respondent contends that the parties' marks are further distinguished by the "distinctive design elements" in respondent's

mark and in particular the appearance of the "Murphy" crest or coat of arms in its marks.

To begin with, the design elements are not sufficient to differentiate petitioner's mark from respondent's marks because they are not as likely to be noted or remembered as are the words in the parties' marks. The words in a mark are normally accorded greater weight as they would be used by purchasers to request the goods and services. See *In re Continental Graphics Corp.*, 52 USPQ2d 1374 (TTAB 1999) citing *In re Appetito Provisions Co.*, 3 USPQ2d 1553 (TTAB 1987).

Moreover, the term "IRISH STOUT" is descriptive of respondent's products, identifying their geographic origin rather than a particular producer. While the Irish origin of respondent's stout may be appealing to customers, they would be unlikely to turn to this matter as an indicator of source. See *In re National Data Corp.*, *supra*.

Although the parties' marks are similar, respondent claims that MURPHY'S is a weak mark as applied to restaurant and bar services and therefore entitled only to a narrow scope of protection. In support of this claim, respondent has relied on nine third-party registrations (owned by four different entities) comprising, in part, the word "Murphy's" for restaurant services. Respondent has also submitted numerous telephone directory listings for "Murphy" as a surname, and current yellow and white pages directories containing some 40 entries for "Murphy's" and its

variants as a business name for restaurants and/or bars located in a number of cities throughout the United States.¹² Examples of these third-party uses include "Murphy's Pub" in Urbana and Champaign, Illinois; "Murphy's Bar and Grill" in Boulder, Colorado; "Murphy's Bar" in Rapid City, Iowa; "Murphy's Tavern" in Newark, New Jersey; "Murphy's Irish Pub" in Penns Grove, New Jersey; "Murph's [sic] Back Street Tavern" in Sag Harbor, New York; "Murphy's Pub" in Manhattan, New York; "Murphy's Pub & Restaurant" and "Murphy's Tavern On The Corner" both in Syracuse, New York; "Murphy's Tavern" in Philadelphia, Pennsylvania; and "Murphy's Pub" in Seattle, Washington.¹³ The evidence demonstrates the relatively common usage of "Murphy's" and its variants in the restaurant/bar field and persuades us that the public would be accustomed to distinguishing such marks by any slight variations contained therein.

While third-party registrations are not evidence of use of the marks therein or that purchasers are familiar with them they are

¹² Some of these entries have not been considered because they contain no descriptive information about the specific nature of the business under the companies' names. Multiple locations in a particular area for what appear to be a chain of the same restaurants have not been counted as separate listings. A listing for "Murphy's Irish Pub" located in Sonoma, California has not been considered because petitioner has issued a demand letter with respect to that business.

¹³ Respondent has also submitted a printout of a web page for a restaurant located in New Jersey as well as listings of restaurants and bars in 7 states obtained from the *America Online Yellow Pages*. Although these search results appear, for the most part, to duplicate the areas covered by the directory listings, we can consider this evidence as further support for the extent of public exposure to the "Murphy's" name for restaurants and bars.

useful to show that a particular term has been adopted by those engaged in a certain field or industry. In re Dayco Products-Eaglemotive Inc., 9 USPQ2d 1910 (TTAB 1988). Thus, the third-party registrations are relevant to the scope of protection to be accorded petitioner's mark. Keebler Company v. Associated Biscuits Limited, 207 USPQ 1034 (TTAB 1980).

Moreover, as explained by our primary reviewing court in the case of Lloyd's Food Products Inc. v. Eli's Inc., supra, use of a service mark in advertising such as listing the name of the business including the mark, in telephone directories and placing listings and advertisements in the yellow pages, carries the presumption that the service mark is being used by third parties in connection with the offering of the advertised services.

It is true that respondent in this case has not shown how extensive these third-party uses are and how long they have continued. Nevertheless, the evidence does show that restaurants and bars across the country are using "Murphy's" as part of their names. Thus, the evidence indicates at least some degree of use and popular appeal of that name in the restaurant field and that the use has had at least some effect on the consuming public.¹⁴

¹⁴ Copies of the files from respondent's underlying applications were attached as exhibits to the petition to cancel. Registration was refused in each case under Section 2(d) in view of petitioner's "MURPHY'S" registration. We note that in its response to the refusal, respondent referred to the existence of 279 listings from the Dun & Bradstreet Electronic Business Directory of eating and drinking establishments which contain "MURPHY'S" as part of their names. Respondent had attached fifty of those listings to its response in each case. Quite surprisingly, none of that evidence was made of record in this proceeding.

Petitioner nevertheless maintains that its mark is strong as demonstrated by its continuous use of MURPHY'S in connection with restaurant services for nearly twenty years, its growth in sales over the years, its significant tourist trade, the advertising and promotion of its mark through a variety of media, and its aggressive policing of use of MURPHY'S by others. Evidence of strength of a party's mark for its services may outweigh evidence of the weakness of a term. See *United Foods Inc. v. J.R. Simplot Co.*, 4 USPQ2d 1172 (TTAB 1987) and *Conde Nast Publications, Inc. v. American Greetings Corp.*, 329 F.2d 1012, 141 USPQ 249 (CCPA 1964). However, in this case, it does not.

The evidence shows that petitioner has achieved some measure of commercial success with its restaurants. However, the evidence is not sufficient to show that MURPHY'S is a strong mark or entitled to a broad scope of protection. First, while it is true that the advertising expenditures for petitioner's restaurants have nearly doubled since 1991, petitioner's sales figures do not reflect any significant increase in revenue over the six-year period from 1990 to 1996 for all three restaurants and, in fact, have remained relatively consistent during that time period.¹⁵ For example, gross sales for all three locations totaled \$2.7 million in 1990 and again in 1996, and sales for the Alexandria location alone totaled \$1.5 million in 1996 and again in calendar year 1998

¹⁵ We have sales figures for all three restaurant for the years 1987 to 1996 and for the Alexandria location alone for 1996 through October 1998.

(through October). More importantly, petitioner has provided no context for these figures in the restaurant industry so that the significance of the sales can be assessed. In other words, there is nothing in the record to suggest that petitioner's sales reflect anything more than normal growth (to the extent any such growth has been shown) or typical revenue for any restaurant business.

In addition, we have no information as to the extent of petitioner's fundraising activities (e.g. publicity received or funds raised) or the extent of sales of its promotional items. Further, although there has apparently been some advertising directed to out-of-state customers, there is no indication as to the geographic extent of such advertising and no indication as to how long petitioner's web site has been in existence. The restaurant located in Old Town appears to draw a significant number of tourists but there is no indication that their attraction to the restaurant is the result of petitioner's advertising or reputation or anything other than its general appeal as an "Irish pub" or its location in a popular tourist area.

Petitioner has also submitted evidence showing some reasonable efforts to police its mark against possible infringers. We would not characterize these efforts as aggressive, however, particularly in light of the numerous third-party uses of "Murphy's" established by respondent. Mr. Mooney stated that he is not aware of any third-party marks in use that do not predate petitioner's use. However, Mr. Mooney acknowledged that he was unaware of any of the

nine third-party uses specifically mentioned by respondent during cross-examination and there is no indication that petitioner ever even investigated those uses.¹⁶ Thus, despite petitioner's policing efforts, the third-party uses of "Murphy" as a name for bars or restaurants tends to detract from petitioner's claim that its mark is strong or well known in its field.

Even weak marks are entitled to some protection. However, based on the record before us, we conclude that the scope of protection of MURPHY'S is fairly limited, and in any event should not extend beyond petitioner's restaurant and bar services to respondent's malt beverages. See, for example, *G.H. Mumm & Cie v. Desnoes & Geddes, Ltd.*, 917 F.2d 1292, 1295, 16 USPQ2d 1635 (Fed. Cir. 1990).

Petitioner nevertheless claims that numerous instances of actual confusion have occurred in an attempt to demonstrate that confusion is not only likely but inevitable. It is true that proof of actual confusion is strong evidence that confusion is likely. *J. McCarthy, McCarthy on Trademarks and Unfair Competition*, § 23:12 (4th ed. 1999). However, none of petitioner's testimony provides convincing evidence of confusion between the parties' marks and the respective goods and services thereunder. Petitioner has relied on the testimony of Mr. Mooney, three of petitioner's bartenders,

¹⁶ It is interesting to note that despite petitioner's 20-year existence, any such policing efforts did not begin until after institution of the present cancellation proceeding.

Gregory M. Davis, Gary Semerjian and Eve Young, and one customer of petitioner's restaurant in Old Town, William D. Stokes.

The first such instance was allegedly precipitated by an incident which occurred on March 14, 1996. As recounted by Mr. Mooney, Heineken USA was one of the sponsors of a charitable function in Washington DC called the Fourth Annual American National Gala Ireland Fund to be held on that date. The invitation, as it was initially sent out, requested attendees to "Please join us for entertainment, desserts and refreshments in Murphy's Irish Pub," an area set up near the ballroom. Use of the name was not authorized by petitioner but Mr. Mooney claims that he received "numerous" calls after the invitations went out inquiring whether petitioner was part of the event. Petitioner's counsel, in a letter to Heineken USA's counsel, H. John Campaign, objected to the appearance of the name on the invitation. Mr. Campaign responded to the objection by letter stating:

...since our client is apparently unwilling to place an ad for Murphy's Irish Pub, your client seeks written confirmation that they will not use this name for their bar at the annual benefit...

As a result of this exchange, the name on the remaining invitations was changed to "Irish American Bar."

It is apparent that this incident formed the basis for petitioner's termination of the parties' business relationship. However, it is not relevant evidence of actual confusion. Petitioner's customers may have been confused, but they were not confusing sponsorship of the restaurant with respondent's stout

products, but rather with the event which was sponsored by respondent's company.

Another asserted episode of confusion occurred, according to Mr. Mooney, during a Saint Patrick's Day parade in Old Town, Alexandria. As recounted by Mr. Mooney, someone approached his mother at the parade and reportedly said, "Melinda, you need to talk to these people. They're pouring your Murphy's Stout terribly" to which his mother allegedly replied, "That's not our stout. That's something completely different."

First, this testimony is inadmissible. As a classic example of "double" hearsay, it is particularly unreliable. Also, it appears that the sale of respondent's stout in petitioner's restaurant has clouded the issue of whether any confusion has actually occurred. Here, there is no way of knowing whether the individual who approached Mr. Mooney's mother was confused about the source of the stout or whether the person was in fact aware that petitioner and respondent are separate entities. By using the words "your...stout," the person could have been simply pointing out that the particular brand of stout which she perhaps had purchased in petitioner's restaurant was not being poured properly outside the restaurant.

Other asserted instances of actual confusion are described below by Mr. Mooney, Mr. Stokes, Ms. Young, Mr. Semerjian and Mr. Davis. It is immediately apparent that most, if not all of the following accounts, if anything, indicate confusion between

respondent's stout and petitioner's own house brands of beers and stout, not its restaurant. The specific issue in this case is whether customers are confusing the source of respondent's stout with petitioner's restaurant and bar services. The issue of confusion, actual or otherwise, with any of petitioner's products is not before us. It also seems clear from this testimony that petitioner, by selling respondent's stout in its restaurant, may have invited any actual confusion which occurred, or at least enhanced the opportunity for such confusion to occur.

Mr. Mooney testified that he personally witnessed "weekly" instances of confusion stating that customers thought the Murphy's Pilsner and Light and Murphy's Irish Stout were "all one and the same." p.27 test.

Q. Why did you discontinue its [MURPHY'S IRISH STOUT] use?

A. It came to our attention that there was confusion occurring with that product being in our establishment with our own product....

Q. So people confused the Murphy's Irish Stout with the Mooney's Irish Stout?

A. Yes.

Q. Did they confuse the Pilsner and Light also with the Murphy's Irish Stout?

A. They thought it was all one and the same.

A similar example of such "confusion" is described by Mr. Stokes, a long-time customer of petitioner's Old Town restaurant. Mr. Stokes testified that he encountered an advertisement for MURPHY'S IRISH STOUT in a major newspaper. Upon seeing the

advertisement for the product, Mr. Stokes testified that he "thought Murphy's [restaurant] had started selling beer on the outside under their label, out of Murphy's itself because [he] saw it advertised." Mr. Stokes also stated that he was aware that petitioner (at that time) served beer under its house label stating "[t]hat's why I asked them about it because they were advertising on the outside."

This recurring "theme" of confusion is also recounted by Ms. Young, a part-time bartender since 1986 who works "almost every weekend." She states that she does not "think they [petitioner's customers] really do know exactly where [Murphy's Irish Stout] comes from."

Q. Do customers assume that your employer carries Murphy's stout?

A. Frequently they assume that, yes.

Q. And what do they generally ask in that regard?

A. There is a variation of a related theme. For example, they may order a -- just come in and say "May I have a Murphy's," and they will assume that it's going to be a stout. They may say, "I would like a Murphy's." And I might ask, "Do you want a pilsner ale or light," and they will go, "no, no. I want the stout" ... -- I advise them we don't have stout, and they will go, "Aren't you Murphy's?"

Ms. Young maintains that this type of "confusion" did not occur "when we only carried Murphy's stout" but since the restaurant has "stopped carrying the Murphy's stout and we have the line of three alternatives, that they have increased."

Similarly, Mr. Semerjian,¹⁷ when asked to explain the "typical circumstance" of the asserted confusion which he claims occurs "Every night. Every night. Every night. There isn't a night that goes by there...half a dozen times a night," described his customers' "chain of thought" as follows:

Well, I find that when somebody asks me for a Murphy's stout, there's at least two different things they could mean. They could mean Murphy's from Cork, Ireland, but sometimes, and at least half of the time, it's more of a generic order....I have to kind of delineate, "Do you mean Murphy's from Ireland or do you mean Murphy's house stout," which is actually called Mooney's.

When asked how long these instances have been ongoing, he stated:

This started the moment we started carrying Mooney's, and during the period that we had Murphy's, too, it was even more confusing during that period as to what people wanted.

Mr. Gregory M. Davis, when asked whether customers at Murphy's "confuse the source of Murphy's Irish stout," states:

It can be a source of confusion for people... among people who have traveled who have never been into the pub who used to see it on tap or do not see it on tap....

Mr. Davis explains that:

[customers] will ask if we do carry Murphy's stout because they don't normally look at the tap, but by looking at the outside of the building, looking at the name, they feel that it should be here. Many times they will ask if we are owned by Murphy's, Murphy's Irish Stout....We won't say a true constant between every customer that comes in and orders a drink, but there are people who do come in and have some confusion about the product and the pub....

¹⁷ Respondent raised objections in its brief to certain "leading questions" asked during Mr. Semerjian's deposition and Mr. Mooney's rebuttal deposition. Those objections were not timely raised by respondent during the respective depositions and are therefore waived. See TBMP § 718.03(c).

When asked if the instances of confusion "over the last several years" have increased, he states:

...the questions have actually probably grown with the amount of business we've actually accrued from selling stout. We sell a lot of stout. It's one of the most popular things we carry.

In a similar vein, Mr. Mooney also testified:

We have people that come in -- they come in and they see the name "Murphy's" on the front door, and they come in and expect to find Murphy's Stout or Murphy's Amber. ... We have other people that come. They know that we have our own [Mooney's] stout. And they're, like, "Give me a Murphy's Stout." We explain to them that we do not sell Murphy's Stout. We're not part of Murphy's Stout. They're, like, "but you're Murphy's." We're, like, "yes, but that's separate from our Murphy's. We sell Mooney's Stout." They're, like, "Okay. give me the Mooney's Stout."

There are several other serious problems with this testimony. First, with the exception of Mr. Stokes, all of the witnesses have provided secondhand, inadmissible hearsay accounts of the alleged confusion.¹⁸ Not a single, specific individual was even identified by these witnesses.

Even if considered on the merits, this testimony would not be persuasive of actual confusion of any kind. There are at least two plausible explanations, other than confusion, for the perceptions, questions, comments, etc., these customers allegedly had. As demonstrated particularly in the scenarios described by Ms. Young, customers, having purchased MURPHY'S IRISH STOUT in the restaurant on one occasion, may have logically expected to be able to purchase

¹⁸ Respondent has broadly objected to testimony "made throughout Petitioner's Testimony Depositions concerning the supposed state of mind of customers ordering or consuming products in Petitioner's restaurants"

that particular brand of stout on a subsequent visit to the restaurant.

It is also likely that customers have come into petitioner's restaurant expecting to be able to purchase MURPHY'S IRISH STOUT, an admittedly high-profile brand of stout, not because of any confusion with the restaurant or the restaurant's products, but because, as the record shows, petitioner's establishment is known as an "Irish pub" and "[i]t stands to reason that Petitioner, as an Irish pub, is known for stout."¹⁹ (Mooney test. p.21 and petitioner's reply brief p.4). Thus, it seems inevitable that petitioner's customers, would "assume" that petitioner serves MURPHY'S IRISH STOUT in its restaurant. (Id.).

In view of the foregoing, and considering the weakness of petitioner's mark and the fact that the goods and services, while related, are specifically different and non-competitive, we find that the contemporaneous use of the marks in connection with petitioner's restaurant/bar services and respondent's stout is not likely to cause confusion. Nevertheless, for purposes of a complete record, we will decide respondent's claim of laches and acquiescence.

as inadmissible hearsay. The objection is sustained to the extent indicated above.

¹⁹ We note that petitioner's establishment is promoted in its advertising as "The original Irish pub" or a "grand Irish pub." (See Mooney test. p.22).

LACHES AND ACQUIESCENCE

The defense of laches is a type of equitable estoppel sometimes also referred to as "acquiescence." National Cable Television Ass'n, Inc. v. American Cinema Editors, Inc., 937 F.2d 1572, 1578, 19 USPQ2d 1424, 1429 (Fed. Cir. 1991). Laches and acquiescence have also been characterized as separate defenses, which, as explained by Professor McCarthy, can be distinguished as follows:

To preserve some semantic sanity in the law, it is appropriate to reserve the word "acquiescence" for use only in those cases where the trademark owner, by affirmative word or deed, conveys its implied consent to another. That is, laches denotes a merely passive consent, while acquiescence implies active consent. *McCarthy on Trademarks and Unfair Competition*, supra at § 31.14 [1].

While the nature of the consent may differ with respect to laches and acquiescence, a prima facie case of either defense requires a showing of unreasonable delay in asserting one's rights against another and material prejudice to the latter as a result of the delay. See *Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes, Inc.*, 971 F.2d 732, 23 USPQ2d 1701 (Fed. Cir. 1992) and *Hitachi Metals International, Ltd. v. Yamakyu Chain Kabushiki Kaisha*, 209 USPQ 1057 (TTAB 1981). In an opposition or cancellation proceeding, the determination of whether a period of delay is unreasonable is measured from the date the application for registration is published for opposition. National Cable

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Television Ass'n, Inc. v. American Cinema Editors, Inc., supra. It is respondent's burden to show an unreasonable delay and prejudice from that delay since the dates of publication. See *Marshall Field & Co. v. Mrs. Fields Cookies*, 25 USPQ2d 1321 (TTAB 1992). We find that respondent has met that burden.

The earlier of respondent's two underlying applications for "MURPHY'S IRISH STOUT" was published for opposition on April 20, 1993. The record shows that in August 1991, petitioner initiated the business relationship with respondent which led to the sale of respondent's MURPHY'S IRISH STOUT in petitioner's restaurants. Petitioner continued to sell MURPHY'S IRISH STOUT in its restaurant from 1992 to 1996, even featuring and promoting the stout in some of its restaurant advertisements. Thus, it is not only clear that petitioner had actual knowledge of respondent's use of its marks, but that by these actions, petitioner had unequivocally and unconditionally consented to respondent's use of its marks. Petitioner did not then object to respondent's use of its marks until it filed this cancellation proceeding on May 6, 1996, a delay of more than three years from the date of publication of respondent's application.

The record further shows, and petitioner even admits, that respondent's growth, strength and media attention in the market increased significantly since 1991 and continued to increase during the period from 1993, the date of publication, to 1996. Mr. Kenefick testified to "roughly" a 7 to 10% worldwide increase in

revenue per year for respondent's products. Mr. T. Daniel Tearno, Vice President Corporate Affairs for Heineken USA, the U.S. importer of MURPHY'S IRISH STOUT confirmed, during his discovery deposition, that sales of Murphy's products in the United States had increased at up to 160% in 1996, and that MURPHY'S IRISH STOUT has become at least the second best selling stout in United States.²⁰

Petitioner contends, however, that its delay in seeking to cancel respondent's registrations is excused. Petitioner argues that the increasing strength and visibility of respondent's mark along with respondent's intention, according to petitioner, to open a bar or restaurant under the "Murphy's" name and compete directly with petitioner have created a situation of "progressive encroachment," thereby justifying petitioner's delay.²¹ First, the concept of "progressive encroachment" is generally not applicable to Board proceedings. Any asserted expansion of respondent's operations or its entry into new or competing marketing areas has no bearing in this case since our determination of the issues concerns only the goods set forth in the challenged

²⁰ However, we make no finding as to respondent's claim that its mark is famous.

²¹ The concept of progressive encroachment applies in cases where a defendant has engaged in some infringing use of its trademark, but the plaintiff does not bring suit right away because the nature of defendant's infringement is such that the plaintiff's claim has yet to ripen into one sufficient to justify litigation. *Kellogg Co. v. Exxon Corp.*, 54 USPQ2d 1413 (6th Cir. 2000).

registrations.²² See, for example, *Marshall Field & Co. v. Mrs. Fields Cookies*, supra. Moreover, we believe that the evidence of respondent's increased strength and goodwill in its marks is more equitably a shield of unreasonable delay for respondent rather than a sword of justification for petitioner's delay.

In considering the totality of the above circumstances, and after carefully weighing the equities in light of those circumstances, we are persuaded that the acquiescence defense is appropriate in this case.²³ Thus, we find that petitioner is estopped by its own acquiescence from seeking to cancel respondent's registrations.

Decision: The petition to cancel is dismissed.

T. J. Quinn

D. E. Bucher

T. E. Holtzman
Administrative Trademark
Judges, Trademark Trial and

²² In fact, both Mr. Kennefick and Mr. Tearno stated that respondent's company has no plans to expand its operations into restaurants and bars in the United States and expressed their concern over the inaccuracy of the press reports, relied on by petitioner, which indicated otherwise.

²³ We note respondent's "affirmative defense" that this action arose out of a "personal dispute" between the parties and was filed "out of spite" which caused petitioner to sever the business relationship. We recognize that there may be some bad blood between the parties, but to the extent respondent is claiming that the cancellation proceeding was brought in bad faith, there is simply no evidence of any conduct which might support respondent's defense.

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Appeal Board