

1/17/01

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
2900 Crystal Drive
Arlington, Virginia 22202-3513

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

EAD

Cancellation No. 29,785

Finck Cigar Company

v.

El Duque Group, Inc.

Before Walters, Chapman, and Wendel, Administrative
Trademark Judges.

By the Board:

Finck Cigar Company has filed a petition to cancel
Registration No. 2,198,739¹ for the mark shown below



for "cigars". Petitioner asserts that it is engaged in the
manufacture and promotion of cigars; that it has used since
1971 and intends to use the mark ALAMO in connection with
its manufacture and promotion of cigars; that its

¹ Registration No. 2,198,739 issued October 20, 1998. The word
"cigars" is disclaimed and the claimed date of first use is April
1998.

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application for registration of the mark ALAMO for cigars was refused on the basis of Registration No. 2,198,739; that no affidavits of use or incontestability regarding the registration have been filed²; and that Registration No. 2,198,739 is and will continue to be a source of damage and injury to petitioner. The Board instituted this proceeding on January 6, 2000. On March 7, 2000, respondent filed a motion to dismiss or alternatively, for summary judgment based on *res judicata*.³

As a preliminary matter, the Board notes that the petition to cancel does not specify a statutory basis for cancellation. Insofar as the petition to cancel refers to the refusal of petitioner's trademark application as a basis for cancellation, and insofar as the refusal of registration was based on likelihood of confusion, for the purpose of this motion we construe likelihood of confusion as the only basis possibly pleaded for cancellation of Registration No. 2,198,739.

² The Board notes that a Section 15 affidavit of incontestability is not required to maintain a registration and the lack thereof is not a basis for canceling a registration. See Trademark Act Section 15, 15 U.S.C. §1065; Trademark Manual of Examining Procedure (2d ed. 1993, rev. 1.1)(TMEP) §1604.

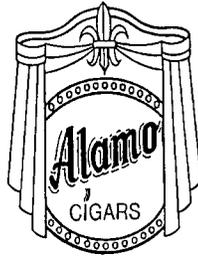
Further, because Registration No. 2,198,739 issued October 20, 1998, the Section 8 affidavit of use is not yet due. See Trademark Act Section 8, 15 U.S.C. §1058; and TMEP §1603.03(a).

³ The parties were advised in the Board order of March 30, 2000 that because the motion contains matter outside the pleadings, we shall treat it as a motion for summary judgment.

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The granting of a motion for summary judgment is appropriate where there exists no genuine dispute as to any material fact and where the moving party is entitled to judgment as a matter of law. See Fed. R. Civ. Pro. 56(c); *Celotex Corp. v. Catrett*, 477 U.S. 317, 106 S. Ct. 2548 (1986). Here, there are no disputes as to any genuine issues of material fact, but the parties differ on the conclusions of law to be drawn from those facts.

The record makes clear that in Opposition No. 101,716 opposer (petitioner herein) filed a notice of opposition to registration of the mark shown below



for "cigars" on the grounds of priority of use and likelihood of confusion, alleging applicant's mark so resembled opposer's mark ALAMO CIGARS for cigars as to be likely to cause confusion, mistake or deception.

Applicant (respondent herein) moved to dismiss the opposition pursuant to Trademark Rule 2.132(a). Opposer did not contest the motion. The Board granted the motion, entered judgment against opposer, and dismissed the opposition with prejudice. Opposer did not file an appeal

of the Board's decision. On October 20, 1998, application Serial No. 74/695,164 issued as Registration 2,198,739, the registration involved herein.

"Application of *res judicata* requires a prior final judgment on the merits by a court or other tribunal of competent jurisdiction; identity of the parties or those in privity with the parties; and a subsequent action based on the same claims that were raised, or could have been raised, in the prior action. (citations omitted)" *International Nutrition Co. v. Horphag Research Ltd.*, 55 USPQ2d 1492, 1494 (Fed. Cir. 2000) . Application of *res judicata* principles for issue preclusion operates only as to issues actually litigated⁴, whereas application of *res judicata* principles for claim preclusion may operate between the parties simply by virtue of the final judgment. *The Young Engineers Inc. v. U.S. International Trade Commission*, 721 F.2d 1305, 1314, 219 USPQ 1142, 1151 (Fed. Cir. 1983). Claim preclusion, where found, operates to bar subsequent assertion of the same transactional facts in the form of a different cause of

⁴ As noted by both parties, issue preclusion, or collateral estoppel, is inapplicable herein because the prior opposition proceeding was dismissed pursuant to Trademark Rule 2.132(a), and thus did not meet the requirement that "the identical issue was fully litigated in a prior suit between the same parties or their privies, and that resolution of the issue was essential to the judgment in the prior suit." *International Order of Job's Daughters v. Lindeburg and Company*, 220 USPQ 1017 (Fed. Cir. 1984); *Treadwell's Drifters Inc. v. Marshak*, 18 USPQ2d 1318, 1321 (TTAB 1990).

action or theory of relief. Generally, this principle rests on the assumption that all forms of relief could have been requested in the first action. *The Young Engineers*, at 1151.

Default judgments can give rise to *res judicata*. *International Nutrition Co.*, *supra*, at 1494, citing *Riehle v. Margolies*, 279 U.S. 218, 225 (1929); *The Young Engineers*, *supra*; and *Wells Cargo, Inc. v. Wells Cargo, Inc.*, 606 F.2d 961, 963, 203 USPQ 564, 566 (CCPA 1979). A trial or hearing is not required, so long as "the parties might have had their controversies determined... if they had presented all their evidence and the court had applied the law". *Wells Cargo, Inc. v. Wells Cargo, Inc.*, *supra*, at 566 (citations omitted). See also Marc A. Bergsman, *TIPS FROM THE TTAB: The Effect of Board Decisions in Civil Actions; Claim Preclusion and Issue Preclusion in Board Proceedings*, 80 TMR 540, 546 (1990) ("An involuntary dismissal generally operates as an adjudication upon the merits and will preclude a subsequent action based on the same cause of action").

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* Section 24 (1982) in determining whether a plaintiff's claim in a particular case is barred by the

doctrine of claim preclusion. 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 proceedings 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 confusion would be identical. 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. *Institut National Des Appellations d'Origine v. Brown-Forman Corp.*, 47 USPQ2d 1875, 1894 (TTAB 1998); *Metromedia Steakhouses Inc. v. Pondco II Inc.*, 28 USPQ2d 1205 (TTAB 1993); *Treadwell's Drifters, supra*; *La Fara Importing Co. v. F. Lli de Cecco di Filippo Fara S. Martino S.p.a.*, 8 USPQ2d

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1143 (TTAB 1988); and *Miller Brewing Company v. Coy International Corporation*, 230 USPQ 675 (TTAB 1986).

Respondent has moved for summary judgment on the ground that petitioner's claims are barred under the doctrine of claim preclusion, or *res judicata*, based on the Board's entry of judgment against petitioner as opposer in Opposition No. 101,716 (*Finck Cigar Company v. El Duque Group, Inc.*), in which the opposition to application Serial No. 74/695,164 based on likelihood of confusion and priority of use was dismissed with prejudice, and the application matured into Registration No. 2,198,739. The motion is supported by copies of the notice of opposition setting forth opposer's claims in Opposition No. 101,716, and the Board order entering judgment against opposer in the opposition proceeding pursuant to Trademark Rule 2.132(a). Specifically, in its motion for summary judgment dismissing the petition to cancel, respondent argues that the petition to cancel "is a mirror image" of the previously dismissed opposition, and that the Board's decision in Opposition No. 101,716 acts as an estoppel against petitioner's relitigating the issues of priority of use and likelihood of confusion.

Petitioner opposes the summary judgment motion on the ground that *res judicata* is inapplicable because this proceeding involves different claims. Petitioner argues

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that it is not estopped from raising the issues of priority of use and likelihood of confusion because the opposition proceeding involved petitioner's mark ALAMO CIGARS for cigars and this cancellation proceeding involves petitioner's mark ALAMO for cigars. Further, petitioner argues that the instant proceeding features the "entirely different claim" that, because petitioner has now filed an application for registration that was refused on the basis of respondent's registration, "the continued registration of [respondent's] mark is causing harm by precluding [petitioner] from obtaining a federal trademark registration for its 'ALAMO' mark."

The latter issue does not require much discussion. The "new" harm to petitioner, if any, caused by the refusal of registration of petitioner's trademark application (filed after entry of judgment in the opposition proceeding) affects only petitioner's standing to bring this action. See Trademark Rule 2.112. The refusal of registration of petitioner's trademark application does not, in and of itself, constitute a cause of action for cancellation of respondent's registration. See Trademark Act §14(3), 15 U.S.C. §1064(3), specifying grounds for cancellation. The same claims of priority of use and likelihood of confusion decided in the opposition proceeding are the only claims

that can possibly be read into the petition to cancel, as discussed *supra*.

Petitioner's second argument that claim preclusion is inapplicable because two different marks of the petitioner are involved in the two different proceedings is also unpersuasive. The difference between petitioner's "first" mark ALAMO CIGARS (with CIGARS disclaimed) and petitioner's "second" mark ALAMO, is merely the deletion of the generic term CIGARS. Generic terms are incapable of functioning as registrable trademarks denoting origin or any specific source. *Continental Airlines Inc. v. United Air Lines Inc.*, 53 USPQ2d 1385, 1387 (TTAB 1999). The addition or deletion of generic matter is seldom held to change a mark's commercial impression or constitute a material alteration. *In re Dixie Restaurants Inc.*, 41 USPQ2d 1531, 1534 (Fed. Cir. 1997) ("Neither the design element nor the generic term "cafe" offers sufficient distinctiveness to create a different commercial impression"); *In re CTB Inc.*, 52 USPQ2d 1471, 1476 (TTAB 1999) ("For example, the Office often finds that the deletion of the generic name of the goods [e.g., from "TURBO BLOWERS" to simply "TURBO"] would not generally constitute a material alteration [unless it was so integrated into the mark that the deletion would alter the commercial impression]").

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Because petitioner's marks ALAMO CIGARS and ALAMO create the same commercial impression when applied to cigars, and the evidence of likelihood of confusion would likely be identical in the opposition and cancellation proceedings, the Board decision on the issues of priority of use and likelihood of confusion between respondent's mark ALAMO CIGARS (and design) and petitioner's mark ALAMO CIGARS in the prior opposition proceeding must preclude petitioner in this cancellation proceeding from raising the same issues of priority of use and likelihood of confusion between respondent's mark ALAMO CIGARS (and design) and petitioner's mark ALAMO. See *Aromatique Inc. v. Lang*, 25 USPQ2d 1359 (TTAB 1992) (prior decision equitably estops applicant from seeking to register a mark that differs slightly in typeface and capitalization); *Miller Brewing Co., supra* (prior decision involving LITE and design estops applicant seeking registration of LITE and new design with disclaimed terminology "CASK NO. 32" and additional sheaves of grain outside the oval design in stylized form mark); *J. I. Case Company v. F.L. Industries, Inc.*, 229 USPQ 697 (TTAB 1986) (prior decision involving HI in typed form mark estops applicant seeking registration of HI in stylized form mark).

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Petitioner is barred by the principle of claim preclusion from raising the allegations of priority of use and likelihood of confusion.

Accordingly, respondent's motion for summary judgment is granted, judgment is entered against petitioner, and the petition to cancel is dismissed with prejudice.