

WINE AND SPIRIT COMPANIES TRADEMARK ALERT: CHECK YOUR TRADEMARKS TO ENSURE THEY ARE NOT “DECEPTIVE”

Hodgson Russ Food & Beverage Alert
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The United States Patent and Trademark Office Trademark Trial and Appeal Board (the “TTAB”) recently published a *precedential* decision regarding the treatment of trademarks for wine and spirits and their potential for being “deceptively misdescriptive” pursuant to Section 2(a) of the Lanham Act, 15 U.S.C. § 1052(a). Section 2(a) has three provisions, all of which are relevant to the alcoholic beverage industry. In this new precedential decision, the TTAB held that “[t]erms that are not specifically place names, but which may have ‘geographical association,’ may provide bases for claims under the general deceptiveness provision of Section 2(a).” Crucially, Section 2(a) claims have no sunset—meaning that cancellation proceedings can be brought at any time.

Specifically, ASW Distillery, LLC (“ASW”) filed a trademark application to register BURNS NIGHT for “malt whisky and whiskey,” without a qualifier that ASW’s goods were produced in Scotland. Whisky spelled without the “e” often refers to the beverage which is distilled in Scotland. More importantly, BURNS NIGHT was suggestive of Scotland insofar as it alluded to celebrations that take place on the anniversary of the birth of Robert Burns, Scotland’s national poet, famed for penning *Auld Lang Syne*. Seeing this as a problem, the Scotch Whisky Association (“Association”), a trade association that safeguards usage of the geographic designation “Scotch Whisky,” opposed the application, alleging that BURNS NIGHT for malt whisky is deceptively evocative of Scotland. The Association also alleged that ASW came too close for comfort when it advertised its whisky as being produced using the “traditional Scottish-style copper-pot” distillation process.

In its Opposition, the Association raised three claims, namely, that the proposed use of the mark in connection with whisky (or whiskey) was: (i) geographically deceptively misdescriptive pursuant to 15 U.S.C. § 1052(e); (ii) deceptive pursuant to 15 U.S.C. § 1052(a); and (iii) is “a geographic indication, which when used on or in connection with wines or spirits, identifies a place other than the origin of the goods” under 15 U.S.C. § 1052(a). ASW filed a motion to dismiss, arguing that the Association failed to plead a claim for geographic misdescription; that the more general deceptiveness prohibition did not apply to “wines and spirits”; and the Association failed to state a claim under the specific “wines and spirits” provision of

Attorneys

Christine Bonaguide
Paul Comeau
Reetuparna Dutta
George Eydt
Emily Florczak
Andrew Freedman
Neil Friedman
Nathaniel Lucek
Ryan Lucinski
Michael Maxwell
Ryan McGonigle
Elizabeth McPhail
R. Kent Roberts
Hugh Russ III
Christian Soller
Daniel Spitzer
James Zawodzinski Jr.

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15 U.S.C. §1052(a). After initially losing the motion, ASW sought reconsideration which the TTAB granted in part and denied in part.

In its precedential decision on reconsideration, the TTAB decided that both provisions of 15 U.S.C. § 1052(a) applied to the mark, not just the wine-and-spirits-specific provision. It noted that, while the 1996 amendment specifically addressed wine and spirits, Congress did not indicate that the preexisting general deceptiveness prohibition would no longer apply to wines and spirits. But, it also rejected the Association’s claim that ASW’s label was geographically misdescriptive or that it violates the wines and spirits provision of Section 2(a) because BURNS NIGHT is not a geographic location nor is it an appellation. It noted that the Association had alleged only that BURNS NIGHT was “evocative of Scotland”—not an actual geographical indication sufficient to plead a claim, although it gave the Association leave to amend to strengthen its argument. However, ASW failed to persuade the TTAB that it erred in not dismissing the Association’s “general deceptiveness” argument under Section 2(a). In that sense, alluding to Robert Burns in a trademark for whisky—where that evokes Scotland—is a sufficient factual basis for the Association’s claims.

The above case demonstrates the complicated statutory regime governing trademarks in the wine and spirits categories. Before applying for trademarks for wine and spirits products, companies should seek the assistance of experienced counsel. The BURNS NIGHT decision counsels that marks that evoke third-party cultural patrimony such as that of the Association should be avoided—unless the goods are to be produced in accordance with the standards and within the geographic locations that such goods are meant to evoke.

The Hodgson Russ Food & Beverage team and its Intellectual Property attorneys keep apprised of evolving standards and decisions relating to trademarks and are able to assist with all your trademark needs. Please contact Neil Friedman (646.218.7605), Ryan McGonigle (646.218.7537) or any member of our Food & Beverage Practice should you have any questions.