

Coca-Cola Successfully Petitions to Cancel Trademark Registrations Based on Misrepresentation of Source

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by Cathy Dahl



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Coca-Cola Company has a rich history and well-established global brand in its products originating in the U.S. It has also purchased and invested in the development of other brands and distribution of beverage products outside of the U.S., including in India. Coca-Cola entered the market in India through the acquisition of the marks **THUMS UP** and **LIMCA**, because when it initially expressed interest in selling its Coke-branded products in India, the Indian government required companies to disclose the full formula of the products. Instead, in the 1990s, Coca-Cola acquired the **LIMCA** (lemon-lime soda) and **THUMS UP** (cola) marks and logos featured above, along with the tagline, that had been introduced and made popular in India since the 1970s by a predecessor-in-interest. The **THUMS UP** product enjoys a significant market share in India and is one of the world's best-selling beverages. The **LIMCA** soft drink is one of the best selling carbonated lemon-lime beverages in India. Both marks have achieved "well-known" status established through the high courts in India, and Coca-Cola owns trademark registrations for the marks in India and in other countries outside of the U.S. Third parties also import both products into the U.S. and focus sales of the products to Indian-American consumers. Coca-Cola was not directly making sales of the products in the U.S. and did not own registered rights in either mark in the U.S. at the time it filed petitions to cancel registrations owned by respondent Meenaxi Enterprise, Inc. (although Coca-Cola has since filed trademark applications for the marks in the U.S.).

Meenaxi was founded in 2003 and is owned and operated by two Indian-American brothers who described their business as a "purveyor of and distributor of food products" that are "manufactured in India and distributed primarily to Indian grocers in the United States." The company advertised its products in a monthly magazine focused on the "Indian Community." Meenaxi obtained United States registrations for the **LIMCA** and **THUMS UP** trademarks, initially claiming during the cancellation proceeding that it came up with the names independently. One of the brothers later conceded in testimony that he had tasted the products in his college days in India and was aware of the brands.

Coca-Cola filed petitions for cancellation of the registrations in the Trademark Trial and Appeal Board under Section 14(3) of the Trademark Act. This section provides that a registration is subject to cancellation if the mark "is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services on or in connection with which the mark is used." To state a claim under Section 14(3), it is not sufficient to allege the willful use of a confusingly similar mark. Rather, the alleged misrepresentation must involve the deliberate passing off of goods as those of another. It is a blatant misuse of the registered mark in a manner intended to trade on the goodwill and reputation of another.

To prevail on a claim under Section 14(3), a petitioner must establish:

1. The trademark originated with the Petitioner;
2. That the origin of the trademark was falsely designated by the Registrant;
3. That the false designation of origin was likely to cause consumer confusion; and
4. That the Petitioner was harmed by the Registrant's false designation of origin.

The *Coca-Cola* case presented a factual scenario similar to *Bayer Consumer Care AG v.*

Belmora LLC. In *Bayer*, an unauthorized entity in the U.S. registered and marketed products under Bayer's **FLANAX** mark to Hispanic consumers because the mark and products were well-known to consumers in Mexico. Even though Bayer was not selling products under the **FLANAX** trademark in the U.S., the courts and the TTAB found that it had met the elements of a claim of misrepresentation, leading to the cancellation of Belmora's registration (the final stages of which are currently before the TTAB). In that case, it was established that if a third party is using a trademark in the U.S. to misrepresent to U.S. consumers the source of the registrant's products as originating with the petitioner, the petitioner suffers actionable harm and damage through the loss of the ability to control its reputation. The record in the *Bayer* case clearly established that the reputation of the Mexican **FLANAX** mark did not stop at the Mexican border.

The outcome in the precedential decision from the TTAB involving Coca-Cola's **THUMS UP** and **LIMCA** marks is consistent. Not only did Meenaxi adopt marks owned by Coca-Cola with explanations that were found lacking in credibility, it also adopted a tagline and logos that were identical or nearly identical to those owned by Coca-Cola for the beverage products. In addition, Meenaxi had a pattern of such behavior and in testimony revealed that it had adopted the marks of others from the marketplace in India *at least four other times* and sought registrations for those marks in the USPTO. With all of those factors in mind, the TTAB found it highly unlikely that Meenaxi's adoption of all of these marks, logos, and taglines were an unintended coincidence. Rather, the evidence strongly suggested that Meenaxi sought the registrations of others in an effort to trade on the goodwill of the prior registrants. Meenaxi's course of conduct belied its excuses that consumers in the U.S. were not aware of Coca-Cola's **LIMCA** and **THUMS UP** marks, and established that it clearly sought to capitalize on the awareness of Indian-Americans of the well-known marks.

The TTAB accordingly granted Coca-Cola's petitions to cancel the registrations for the **LIMCA** and **THUMS UP** marks owned by Meenaxi.

Takeaways

- Owners of trademarks outside of the U.S. are not required to sell products bearing the marks in the U.S. to have standing to petition to cancel the registered marks used by another party to misrepresent the source of the goods.
- Trademark owners should keep an international perspective on trademark enforcement strategies and take action against U.S. registrants exploiting the reputation of marks that have gained fame and renown in other countries.