

Unbranded Brandy: COGNAC Certification Mark Matters, Even in Hip-Hop

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The US Court of Appeals for the Federal Circuit vacated a ruling from the Trademark Trial & Appeal Board, disagreeing with the Board's dismissal of Bureau National Interprofessionnel du Cognac's opposition to a trademark application filed by Cologne & Cognac Entertainment related to a hip-hop record label. *Bureau National Interprofessionnel Du Cognac v. Cologne & Cognac Entertainment*, Case No. 23-1100 (Fed. Cir. Aug. 6, 2024) (**Lourie**, Clevenger, Hughes, JJ.)

The certification mark COGNAC is protected by two entities: the Bureau National Interprofessionnel du Cognac (the interprofessional union of all growers, producers and merchants of COGNAC spirits) and the Institut National des Appellations d'Origine (an administrative agency within the French government) (collectively, the opposers). Unlike a trademark that indicates a single source for a product, a certification mark is used by an entity other than the owner and is typically used to certify regional or other origin-related characteristics of the product (e.g., FLORIDA oranges, DARJEELING tea or GEORGIA peaches). The opposers are responsible for controlling and protecting the common law certification mark COGNAC for brandy manufactured in the Cognac region of France according to particular standards.

The applicant filed a trademark application in March 2019 seeking registration of a composite trademark for Cognac & Cologne Entertainment to be used for hip-hop music and production services.

The opposers opposed that trademark application, claiming priority and arguing both a likelihood of confusion with the COGNAC certification mark and that the applicant's mark, by creating an association with the COGNAC mark, would likely cause dilution through blurring. In a split decision, the Board dismissed the opposition, finding no likelihood of consumer confusion and no likelihood of dilution. The opposers appealed.

For likelihood of confusion, the opposers argued and the Federal Circuit agreed that:

- The Board applied the wrong legal standard for "fame," and its finding that the COGNAC mark was not famous was not supported by substantial evidence.
- The Board legally erred in analyzing similarities in the parties' marks, and its allegedly inconsistent findings showed that its conclusion on similarity was not supported by substantial

evidence.

- The Board applied the wrong legal standard in evaluating the relatedness of goods, trade channels and consumers.

The Federal Circuit reviewed the Board's decision, working through each issue in turn. First, the Court assessed likelihood of confusion, reviewing the Board's ultimate legal conclusion *de novo* and underlying factual findings for substantial evidence. The Court analyzed the *DuPont* factors to assess whether a likelihood of confusion existed.

Fame: *DuPont* factor five assesses the fame of the prior mark, including sales, advertising and length of use. Fame is not binary, but instead is a spectrum from very strong (*i.e.*, very famous) to very weak. More famous marks have more extensive public recognition and renown and accordingly are afforded a broad scope of protection. The Federal Circuit found multiple reversible errors in the Board's fame analyses.

The Federal Circuit explained that the first Board error was its requirement that COGNAC be famous for its "certification status." Instead, it should have considered whether COGNAC was famous for indicating geographic origin. The second Board error was its finding that substantial sales and advertising of certified COGNAC products could not establish the certification mark's fame because those products also bore brand names (*e.g.*, HENNESSEY). This was erroneous because "it is not an either/or situation"; a brand can be famous while appearing alongside a famous certification mark. Finally, the Board's factual findings regarding fame were so inconsistent that "even were there not legal errors, the Board's finding that COGNAC is not famous was not supported by substantial evidence."

Similarity of Marks: *DuPont* factor one assesses the similarity or dissimilarity of the marks in their entireties, considering their appearance, sound, connotation and commercial impression. This is not a side-by-side comparison but a holistic assessment of the commercial impression the marks have on consumers. Here, the applicant's mark incorporated the term COGNAC in its entirety, but the Board incorrectly concluded that the marks were not similar because the applicant's mark "engenders a different appearance, sound, commercial impression, and connotation" from the certification mark. The Federal Circuit held that this conclusion amounted to improperly limiting COGNAC's connotation to its certification function. "[S]imply because COGNAC informs consumers that the brandy being sold by the certified users comes from the Cognac region of France, it does not mean that it cannot also project an image of sophistication and elegance."

Relatedness of Goods, Trade Channels and Consumers: *DuPont* factors two and three assess similarity or dissimilarity and nature of the goods or services and trade channels, respectively. The Federal Circuit found that the Board erred by completely discounting record evidence of the close connection between certified COGNAC brands and hip-hop music in the United States.

Dilution: Finally, the Federal Circuit vacated the Board's dismissal of the claim for dilution by blurring because – contrary to the Board's ruling – the opposers had adequately pleaded that the COGNAC mark was used prior to the allegedly diluting mark.

Accordingly, the Court vacated and remanded the Board's decision.

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