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RumChata fights to protect trademark

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As bar patrons this year ordered round after round of RumChata, a popular brand of a drink that combines rum and horchata, they brought life to a trademark battle.

RumChata struggled to sell about 1 million bottles after it hit the market in 2009, said [Thomas J. Maas](#), an associate at Katten, Muchin, Rosenman LLP, the son and grandson of part owners of RumChata.

The fortune of the cream-colored, cinnamon-spiced drink with Spanish and Mexican influences changed this year.

The company that makes the drink, Agave Loco LLC, plans to sell its 5 millionth bottle soon. That follows a surge this year due in part to word-of-mouth marketing among a fervent fan base and a tasty product bolstered by Maas' family's 80-plus years of combined experience in the booze business, he said.

The company celebrated its 2 millionth sale by displaying the record number on a banner at its office, he said.

"But 2 million is already obsolete, so we're making up one of those signs with numbers that flip down," Maas said.

The company's growth came with bigger headaches than ordering celebratory banners for its new Vernon Hills office, though.

Agave Loco last month settled a trademark infringement lawsuit it filed in September against another horchata-style beverage branded Ricacha.

And on Dec. 5, RumChata's company filed a similar trademark infringement lawsuit against Sazerac Company Inc.'s 'Orchata brand. That lawsuit, *Agave Loco v. Sazerac Co. Inc.* 12 C 9698, was filed in Chicago's federal court.

Both lawsuits accused the defendants' products of infringing Agave Loco's trademarks protecting "RumChata" and "Chata."

The lawsuit against Ricacha also accused it of infringing RumChata's trademark-protected white bottle that features gold lettering.

Under the agreement reached last month, Ricacha will change its name and no longer greet consumers in a white bottle, an Agave Loco news release says.

The lawsuit against Sazerac continues.

"If (a) brand is more popular, you're more likely to find potential infringers," said [Floyd A. Mandell](#), national co-chairman of Katten's intellectual property department who represents Agave Loco along with Maas, [Kristin J. Achterhof](#) and [Breighanne A. Eggert](#).

"If (RumChata) wasn't popular and nobody knew about it, there may be different considerations. But the brand is popular," Mandell said.

Coupled with the fact that it sounds like "horchata," RumChata's popularity creates a complicated legal question, said [David L. Ter Molen](#), a trademark partner at Freeborn & Peters LLP who isn't involved in the litigation.

"Horchata is generic, and when you create (trademarks) trying to play on that term, you're potentially creating a weak mark," Ter Molen said.

That argument runs both ways in Agave Loco's lawsuit against Sazerac's 'Orchata trademark, which arguably borrows more heavily from horchata.

But RumChata's growing popularity plays a large role in whether or not its trademarks' similarities to horchata could weaken its legal protection, Ter Molen said.

According to data from Google, U.S. Internet users searched "RumChata" more frequently than "horchata" for the first time ever during the month of December.

Google lists searches for "RumChata price," "RumChata mixed drinks" and "RumChata cupcakes" as "breakout" searches, meaning they grew in popularity by 5,000 percent or more in the past year.

No "Horchata" searches, by comparison, increased by more than 110 percent over the same time.

The large role RumChata plays in introducing the American drinking-age public to horchata could help RumChata's legal case.

It can be used to argue that consumers know the difference between its brand and horchata, which would strengthen its trademark protection, Ter Molen said.

But popularity cuts both ways. If RumChata becomes a ubiquitous phrase for horchata — the way Kleenex is used to refer to tissue paper — its trademarks can lose their protection, he said.

"That's known as 'genericide,'" Ter Molen said.

"Your mark becomes so well-known with respect to the particular product that all of a sudden you lose trademark rights because other people have a right to use that term to describe what their product is."

Ter Molen doubted RumChata reached that status yet.

Maas doubted it as well, pointing out RumChata "is not the only horchata liqueur."

"We're the leading horchata-flavored liqueur, I would say."

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