

UNITED STATES DEPARTMENT OF COMMERCE
Patent and Trademark Office
Trademark Trial and Appeal Board
2900 Crystal Drive
Arlington, Virginia 22202-3513

Bottorff

Cancellation No. 20,912

THIS DISPOSTION IS
CITABLE AS PRECEDENT OF THE
TTAB

MARCH 23, 99

McKee Foods Corporation

v.

Debbie & Skip Singleton

Before Quinn, Hohein and Hairston, Administrative Trademark
Judges.

By the Board.

Respondents have registered the mark depicted below



for goods identified as "processed granola cereal."¹

Petitioner has petitioned to cancel respondents'

¹ Registration No. 1,658,376, issued September 24, 1991. Section 8 affidavit accepted. The words FAMOUS GRANOLA have been disclaimed apart from the mark as shown. The mark is lined for the color red. The date of first use identified in the

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registration, alleging as grounds therefor priority of use and likelihood of confusion under Trademark Act Section 2(d), 15 U.S.C. §1052(d). Specifically, petitioner alleges that it has used the designation LITTLE DEBBIE as a trademark for various food items, including granola products, since prior to respondents' first use of their mark, and that respondents' mark, as applied to respondents' goods, so resembles petitioner's mark as to cause confusion, to cause mistake, or to deceive.² Respondents have filed an answer denying the essential allegations of the petition to cancel.

This case now comes up on the parties' cross-motions for summary judgment with respect to petitioner's Section

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registration is March 6, 1990. The registration arose from application Serial No. 74/049,680, filed April 16, 1990.
² Petitioner also has alleged ownership of Registration No. 735,443, issued July 31, 1962, of the mark LITTLE DEBBIE for "oatmeal crème pies," and Registration No. 967,756, issued September 4, 1973, of the mark LITTLE DEBBIE for "cakes, cookies and pies." Additionally, petitioner alleges ownership of two intent-to-use applications filed March 12, 1992, i.e., application Serial No. 74/254,549, by which it seeks registration of the mark LITTLE DEBBIE for "breakfast cereals," and application Serial No. 74/473,036, by which it seeks registration of the mark DEBBIES for "snack cakes and breakfast cereals." Respondents' DEBBIE'S FAMOUS GRANOLA registration, the registration involved herein, has been cited as a Section 2(d) bar to both applications, and the applications currently are suspended pending the outcome of this proceeding. It also appears that, on December 27, 1993, after commencement of this proceeding, petitioner filed a use-based application to register the mark LITTLE DEBBIE for goods in twelve classes, including "breakfast cereals" and "granola bars" in Class 30. That application also has been refused registration under Section

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2(d) claim. Generally, summary judgment is appropriate in cases where the moving party establishes that there are no genuine issues of material fact which require resolution at trial and that it is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(c). An issue is material when its resolution would affect the outcome of the proceeding under governing law. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). A fact is genuinely in dispute if the evidence of record is such that a reasonable factfinder could return a verdict in favor of the nonmoving party. *Id.* The nonmoving party must be given the benefit of all reasonable doubt as to whether genuine issues of material fact exist, and the evidentiary record on summary judgment, and all inferences to be drawn from the undisputed facts, must be viewed in the light most favorable to the nonmoving party. See *Opryland USA, Inc. v. Great American Music Show, Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992); *Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542 (Fed. Cir. 1992).

In this case, after careful consideration of the evidence and arguments submitted by each party, we conclude that no genuine issues of material fact exist and that

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2(d) and remains suspended pending the outcome of this

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petitioner is entitled to judgment as a matter of law on its Section 2(d) claim. Accordingly, we grant petitioner's motion for summary judgment and deny respondents' cross-motion for summary judgment. See Fed. R. Civ. P. 56(c).

We turn first to the issue of priority. There is no dispute that the date of respondents' first use of their DEBBIE'S FAMOUS GRANOLA mark on their granola cereal, and thus the earliest date upon which respondents may rely for purposes of determining priority in this case, is March 6, 1990.

In support of its priority claim, petitioner has submitted the declaration of John A. Phillips, Jr., petitioner's Vice President of Marketing and Sales. Mr. Phillips avers, inter alia, that petitioner began using its LITTLE DEBBIE mark in connection with snack cake products in 1960; that petitioner has sold billions of units of LITTLE DEBBIE products, including snack cake items such as cakes, cookies, pies, bars, brownies, donuts, muffins, rolls and pastries, as well as other food products including cereal, candy, crackers and peanuts, at retail sales prices in the billions of dollars; that petitioner's LITTLE DEBBIE products have a 60% market share of the national market for snack cakes; and that petitioner's LITTLE DEBBIE mark is one

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proceeding.

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of the most well-known trademarks in America. (Phillips declaration, paragraphs 3-11.)

Mr. Phillips also avers that petitioner began selling granola bars in 1977 under its LITTLE DEBBIE mark; that after 1981 petitioner also began using the marks SUNBELT and/or GRANOLA NATURALS, in addition to its LITTLE DEBBIE mark, on its granola bar products; and that petitioner has continued to sell granola bars bearing its LITTLE DEBBIE mark, with \$238 million in total sales of such products. (Phillips declaration, paragraphs 12-18.)

Mr. Phillips also avers that petitioner began selling granola cereals in 1986; that the packaging for petitioner's granola cereals always has borne both petitioner's SUNBELT mark and its LITTLE DEBBIE mark; and that petitioner's annual sales of its granola cereal products bearing the SUNBELT and LITTLE DEBBIE marks have been as follows:

1986	\$526,027
1987	827,593
1988	936,622
1989	1,175,157
1990	1,407,178
1991	1,909,884
1992	3,997,662
1993	5,830,080
1994	9,847,723

(Phillips declaration, paragraphs 12-22.)

Petitioner also has submitted samples of the packaging it has used over the years for its granola cereals.

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(Petitioner's Exhibit Nos. PX19-PX25.) These exhibits show that petitioner has used SUNBELT as the primary brand name on the packages for petitioner's granola cereals, and that the LITTLE DEBBIE mark appears variously on the front, back and side panels of the packages in conjunction with various other wording, e.g., "LITTLE DEBBIE Snacks," or "from LITTLE DEBBIE," or "from the bakers of LITTLE DEBBIE Snack Cakes," or "from LITTLE DEBBIE Snacks," or "baked by LITTLE DEBBIE." Of particular interest is petitioner's Exhibit No. PX19, a 1986 cereal package which bears both the SUNBELT mark and the LITTLE DEBBIE mark, and the back panel of which also contains the following text:

So by now you've noticed us. We're Sunbelt brand snacks, the snack with the old fashioned ingredients. And, you've probably also noticed the Little Debbie trademark. This is our way of telling you that the same quality and value associated with Little Debbie for over 25 years will also be found in Sunbelt brand snacks.

The Board finds that petitioner's evidence is sufficient to establish that petitioner has used LITTLE DEBBIE as a trademark on its granola cereal products since 1986, prior to respondents' first use of their DEBBIE'S FAMOUS GRANOLA mark on March 6, 1990. The Board also finds, for the reasons discussed below, that respondents have failed to demonstrate that there are any genuine issues of material fact as to this prior use by petitioner.

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Accordingly, the Board finds as a matter of law that priority rests with petitioner in this case.³

Respondents have not disputed petitioner's averments and evidence that petitioner has used the LITTLE DEBBIE mark on the packages for its granola cereal products since 1986. Respondents instead argue that, as a result of the "inconsistent" and "subtle" manner in which petitioner has used the LITTLE DEBBIE mark on its granola cereal packages over the years, and because petitioner has adopted and used the mark SUNBELT as its "primary" mark for granola cereal, petitioner has acquired no rights in LITTLE DEBBIE as a trademark for its granola cereal, or else has abandoned any such rights.

Specifically, respondents contend that the LITTLE DEBBIE mark has appeared in various locations on petitioner's granola cereal packages over the years, rather than in a single location to which consumers could become

³ Petitioner also has based its summary judgment priority claim on its ownership of its pleaded LITTLE DEBBIE registrations covering, respectively, "oatmeal crème pies" and "cakes, cookies and pies." Petitioner has not submitted status and title copies of those registrations, but because respondents have treated the registrations as having been properly made of record, so shall we. However, because we find that petitioner has established its valid and prior common law use of the LITTLE DEBBIE mark on the very goods identified in respondents' registration, i.e., processed granola cereal, we need not base our priority determination in this case on petitioner's registrations. Likewise, although petitioner has established valid and prior use of the LITTLE DEBBIE mark on granola bars, we need not rely on such use to find for plaintiff, in view of petitioner's proven prior use of the mark on granola cereals.

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accustomed; that the LITTLE DEBBIE mark has appeared on the packages in varying sizes, and that it always is smaller and less prominently displayed than the SUNBELT mark; and that, accordingly, although consumers might recognize LITTLE DEBBIE as petitioner's trademark for its "snack cake" products, LITTLE DEBBIE has not acquired "secondary meaning" as a mark for petitioner's granola products.⁴

Additionally, respondents argue that when petitioner applied in March 1992 to register its LITTLE DEBBIE mark for "breakfast cereals," it filed an intent-to-use application, rather than a use-based application. Respondents contend that petitioner's filing of an intent-to-use application constitutes petitioner's admission that it was not using the LITTLE DEBBIE mark on breakfast cereals as of the filing date of that application.

The Board has carefully considered respondents' arguments and finds them to be without merit. First, it is

⁴ The Board presumes that respondents, in repeatedly using the term "secondary meaning" in their arguments, are not using it in the sense in which it traditionally is used in trademark cases, i.e., to denote a designation which, in addition to its primarily descriptive or otherwise non-inherently distinctive meaning, has acquired distinctiveness or "secondary meaning" as a trademark. Cf. Trademark Act Section 2(f), 15 U.S.C. §1052(f). There is no dispute in this case that LITTLE DEBBIE is an inherently distinctive mark which is protectable without the need for a showing of acquired distinctiveness or "secondary meaning." Rather, the Board presumes that respondents are using the term "secondary meaning" in the context of their argument that petitioner is not entitled to claim rights in LITTLE DEBBIE as a "secondary" mark in connection with its granola products, which are marketed under the "primary" mark SUNBELT.

immaterial that the LITTLE DEBBIE designation has appeared on petitioner's packages in varying locations and in varying sizes over the years. The evidence of record shows that although there have been variations in the ways in which petitioner has placed its LITTLE DEBBIE mark on its granola cereal packages, each of those uses has been valid trademark use. See *Johnston Foods, Inc. v. Carnation Co.*, 159 USPQ 624, 627 (TTAB 1968). Respondents cite no authority for their argument that a trademark is abandoned unless it consistently appears on the package in the same position and in the same size, and we are aware of no such authority.

Second, it is immaterial that petitioner regards and uses SUNBELT as the primary mark for its granola cereal, or that the LITTLE DEBBIE mark is smaller and less prominently displayed on the packages than is the SUNBELT mark. It is well-settled that a product can bear more than one protectable trademark, so long as each of the marks is used in a trademark manner, as are petitioner's SUNBELT and LITTLE DEBBIE marks on petitioner's granola cereal packaging.⁵ See *The Chun King Corporation v. Genii Plant*

⁵ Respondents, relying on selective quotations from petitioner's internal memoranda and correspondence, contend that petitioner has adopted and utilized a two-track marketing strategy for its various product lines, pursuant to which, according to respondents, petitioner uses its SUNBELT mark to identify its more healthy "light snack" products such as granola cereal, while using the LITTLE DEBBIE mark to identify its sweeter "snack cake" product line. (Respondents go so far as to argue

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Line, Inc., 403 F.2d 274, 159 USPQ 649 (CCPA 1968); *The Procter & Gamble Company v. Keystone Automotive Warehouse, Inc.*, 191 USPQ 468, 474 (TTAB 1976).

Finally, in view of the clear and uncontradicted evidence submitted by petitioner which establishes that petitioner has actually been using the LITTLE DEBBIE mark continuously since 1986 on its granola cereal products, the fact that petitioner filed an intent-to-use application in 1992 to register its LITTLE DEBBIE mark for "breakfast cereals" simply does not raise a genuine issue of material fact on the priority issue in this case. Respondents have cited no authority, and we are aware of none, for their argument that petitioner's filing of that application on an intent-to-use basis constitutes an "admission" that petitioner was not using the mark on the identified goods,

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that petitioner, by using its LITTLE DEBBIE mark in an inconsistent and subtle manner on its granola cereal packaging, is attempting to disassociate the LITTLE DEBBIE mark and its "junk food" connotation from petitioner's relatively more healthy SUNBELT granola cereal.) However, it is not petitioner's internal marketing strategy which is at issue in this case. Rather, the issue is whether or not petitioner has made prior use of its LITTLE DEBBIE mark on its granola cereal products. The evidence of record clearly establishes such use by petitioner. In view thereof, respondents' rather elaborate efforts to deconstruct petitioner's marketing strategy are misguided, and respondents' reliance on that deconstruction as the basis of their legal theory on the priority issue is misplaced.

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or had abandoned such use, as of the 1992 filing date of the application.

For the reasons discussed above, we find that petitioner's rights in its LITTLE DEBBIE mark, as applied to granola cereal, are prior and thus superior to respondents' rights in their DEBBIE'S FAMOUS GRANOLA mark.

Having determined that priority rests with petitioner in this case, we turn next to the question of likelihood of confusion. The issue to be determined is whether respondents' mark DEBBIE'S FAMOUS GRANOLA (and design), when used on or in connection with the goods identified in respondents' registration, i.e., "processed granola cereal," so resembles petitioner's mark LITTLE DEBBIE, previously used on or in connection with granola cereals, as to be likely to cause confusion, or to cause mistake, or to deceive. See Trademark Act Section 2(d).

At the outset, we are constrained to agree with petitioner's contention that respondents have judicially admitted that a likelihood of confusion exists in this case, thereby eliminating any genuine issue of material fact on that question and establishing petitioner's entitlement to judgment as a matter of law. Respondents' efforts, in their summary judgment briefs, to "clarify" their previous allegations regarding the existence of a likelihood of confusion have only served to make it clear that respondents

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actually do not dispute that confusion is likely to result from the concurrent use of the parties' respective marks on granola cereal products.

By way of background, and to provide context for the statements contained in respondents' judicial admissions (which are fully quoted below), it should be remembered that petitioner alleged, in its petition to cancel, that it has filed applications to register the marks LITTLE DEBBIE for "breakfast cereal" and DEBBIES for "snack cakes and breakfast cereal," and that the Trademark Examining Attorney, citing respondents' registration involved herein, has refused registration to petitioner under Trademark Act Section 2(d), finding that a likelihood of confusion exists between petitioner's marks LITTLE DEBBIE and DEBBIES, for "breakfast cereals," and respondents' mark DEBBIE'S FAMOUS GRANOLA for "processed granola cereals."

After having been served with the petition for cancellation, which included petitioner's allegations regarding the Office's refusal of petitioner's intent-to-use applications to register the LITTLE DEBBIE and DEBBIES marks for breakfast cereal, the first pleading that respondents filed herein (in lieu of a proper answer to the petition for cancellation) was their "Petition to Deny Claim and to Seek to Cancel Petitioner's Application for Registration." (Docket No. 3; see also respondents' Exhibit No. RX34.) In

paragraph 7 of this initial pleading, respondents alleged as follows:

7. Therefore, by virtue of DEBBIE'S FAMOUS GRANOLA's high industry standards and recognition, defendant seeks to cancel Petitioner[']s application for registration No. 74,254,546 and No. 74,254,549 (which were denied registration) as it is agreed that these new marks might cause confusion if MCKEE FOODS CORPORATION changes its primary registered mark of SUNBELT (and secondary mark of LITTLE DEBBIE'S) that it has been using on its cereal products to that of "DEBBIES for Snack Cakes and Breakfast Cereal" or "LITTLE DEBBIE for Breakfast Cereal" as a new registered trademark. The defendant and owner of registered trademark No. 1,658,376 opposes the granting of the new applications pursued by MCKEE FOODS CORPORATION and hereby seeks to cancel petitioner's application for registration No. 74,254,546 and No. 74,254,549. Defendant denies petitioner[']s claim that any confusion or damage currently exists by the registered marks that either company uses, however, it is the aforementioned new marks that MCKEE FOODS CORPORATION seeks that will likely cause damage to the registered mark No. 1,658,376. An official "Letter of Protest" has been filed petitioning the application for registration for these two new marks with the Director's office of the U.S. Patent and Trademark office.

(Emphasis in original.)

During the discovery phase of this case, petitioner, by its Interrogatory Nos. 25, inquired of respondents: "Do Respondents contend that Petitioner's use and/or registration of the trademark LITTLE DEBBIE for Breakfast Cereals is likely to cause confusion, mistake or deception with Respondents' Mark? If so, state all grounds and all facts in support of such contention." (Petitioner's Exhibit

No. PX45.) Respondents answered the interrogatory as follows:

25. Respondents contend that Petitioner's use and/or registration of the trademark LITTLE DEBBIE for breakfast cereals is likely to cause confusion, mistake or deception with Respondents' Mark. DEBBIE'S FAMOUS GRANOLA has established itself as a leading high quality processed granola in America. LITTLE DEBBIE is known for snack cakes, not processed granola; McKee's granola products are known by the name and mark, SUNBELT. By virtue of DEBBIE'S FAMOUS GRANOLA's high industry standards and recognition, as well as its exclusive right for the classification of processed granola cereal by registration, the new marks that Petitioner seeks might likely cause confusion if registration is granted and the primary mark on Petitioner's granola products are changed.

(Petitioner's Exhibit No. PX46.)

In response to petitioner's argument that this interrogatory answer constitutes respondents' admission that likelihood of confusion exists in this case, respondents argue as follows in their main summary judgment brief:

Respondents answered "yes" in the reply [to the interrogatory]. To clarify, Respondents have always contended that there is no current confusion. However, if Petitioner receives the two marks for the new goods that it seeks and displays them in a prominent, identifying or primary position, confusion could likely occur. Respondents['] answer was then stating agreement with the two examining attorneys of the U.S. Patent and Trademark Office who denied Petitioner's two registrations on the basis of likelihood of confusion for the new marks for the new specific goods. It was therefore, not an admission for any current confusion as Petitioner has alleged.

Respondents contend that if Petitioner receives the new marks and places them in the dominant or primary position on similar goods as Respondents that

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the likelihood of confusion would exist. "Clearly, a right to use is not a right to confuse. The rights to use and register are not identical." Alfred Dunhill of London, Inc. v. Dunhill Tailored Clothes, Inc., 49 CCPA 730, 293 F.2d 685, 130 USPQ 412 (1961). The Board should deny Petitioner's registration for the new marks based on the likelihood of confusion with Respondents['] previously registered mark for these specific goods.

(Respondent's main summary judgment brief at pp. 21-22.

Emphasis in original.)

It also appears that respondents have filed a civil action for unfair competition and tradename and trademark infringement against petitioner in the United States District Court for the Northern District of Florida, Tallahassee Division. (Case No. 95-40074-WS, styled International Business Representatives, Inc., d/b/a Debbie's Famous Granola, and Debbie Singleton and Skip Singleton v. McKee Foods Corp. Neither party has requested suspension of this cancellation proceeding under Trademark Rule 2.117(a), and it appears from the record herein that the civil action has been stayed pending the outcome of this cancellation proceeding.) In their amended complaint in the civil action, respondents allege prior and superior rights in their DEBBIE'S FAMOUS GRANOLA mark and also allege, in pertinent part, as follows:

33. In light of Defendant's [petitioner herein] constructive and actual prior knowledge of Plaintiff's [respondents herein] production and sale of granola cereal under the federally registered

trademark DEBBIE'S FAMOUS GRANOLA, Defendant's adoption and use of substantially and confusingly similar trademarks in connection with identical goods, namely, granola cereal, has resulted in intentional tradename and trademark infringement, dilution of the distinctive quality of Plaintiff's trademark and unfair competition by Defendant. Defendant's infringement of Plaintiff's prior and superior rights to use of Plaintiff's business name has resulted in continuing significant business damages to Plaintiffs.

33 [sic - should be 34]. The name and mark DEBBIE adopted by Defendant for use in promoting sale of granola cereal, and the name/mark LITTLE DEBBIE as a secondary mark on SUNBELT granola cereal, incorporates the dominant portion of plaintiffs' tradename and trademark DEBBIE'S FAMOUS GRANOLA, and such use by Defendant is irreparably damaging to plaintiffs and to plaintiffs' goodwill in their tradename and trademark.

34 [sic - should be 35]. Defendant's use of the name DEBBIE in advertising, marketing, promoting and selling granola cereal, and Defendant's use of the secondary name/mark LITTLE DEBBIE on SUNBELT granola cereal, has resulted in trademark infringement and unfair competition with Plaintiffs, in that such use is likely to cause customer and other confusion with Plaintiffs' granola cereal already being produced under the federally registered trademark DEBBIE'S FAMOUS GRANOLA.

(Exhibit A to Supplemental Declaration of Donald A. Kaul, accompanying petitioner's summary judgment reply brief.)

Finally, in respondents' reply brief in support of their cross-motion for summary judgment, respondents argue that:

[T]he likelihood of confusion does not presently exist as there is no known instance of actual trademark confusion for over five and a half years of concurrent use, however[,] confusion would likely exist **if** Petitioner was to receive registration and

use for the new marks which they seek (and have been denied three times by the TTAB).

(Respondents' reply brief, at pp. 1-2. Emphasis in original. Presumably, respondents are referring here to the Trademark Examining Operation's refusals issued in petitioner's three pending applications. See *supra* at footnote 2. The TTAB has not "denied" registration to petitioner.)

These allegations and arguments of respondents', especially the allegations of their amended complaint in the civil action, constitute respondents' judicial admissions that concurrent use of the marks LITTLE DEBBIE and DEBBIE'S FAMOUS GRANOLA on granola cereals is likely to cause confusion. Respondents' arguments to the contrary are without merit.

However, even aside from respondents' judicial admissions, we find that there are no genuine issues of material fact with respect to likelihood of confusion in this case and that petitioner is entitled to judgment as a matter of law on that issue.

In making the legal determination as to whether confusion is likely, we must take into account those of the underlying *du Pont*⁶ evidentiary factors for which evidence

⁶ *In re E.I. du Pont de Nemours and Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973).

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has been submitted and which have been shown to be pertinent to this case. See *Nina Ricci S.A.R.L. v. E.T.F. Enterprises Inc.*, 889 F.2d 1070, 12 USPQ2d 1901 (Fed. Cir. 1989).

We begin by finding that, for purposes of our likelihood of confusion analysis, the parties' respective goods are legally identical, i.e., "processed granola cereal," and that the trade channels and classes of purchasers for those goods also are legally identical.

Respondents have presented evidence and arguments in support of their contentions that their product is a premium priced, healthy "gourmet" granola cereal with high quality ingredients, marketed in upscale retail stores to discriminating customers, while petitioner's granola cereal is a low priced, less healthy product, made with lower-quality ingredients, which is primarily purchased by lower-income customers. However, even assuming that these alleged differences between the parties' respective products, trade channels and classes of purchasers exist,⁷ they are legally immaterial to the likelihood of confusion determination in this case. In view of the absence of any limitations or restrictions in the identification of goods in respondents'

⁷ In fact, there is evidence in the record which establishes that the parties' goods in fact move in some of the same retail trade channels, i.e., grocery stores. See Phillips declaration, paragraph 25, and respondents' answer to petitioner's Interrogatory No. 8 (petitioner's Exhibit No. PX46).

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registration, we must presume that respondents' registration encompasses all types of "processed granola cereal," including the type sold by petitioner, and that respondents' goods are sold to all normal classes of purchasers and in all normal trade channels for "processed granola cereal," including the classes of purchasers and trade channels for petitioner's granola cereal. *See, e.g., Canadian Imperial Bank of Commerce, N.A. v. Wells Fargo Bank*, 811 F.2d 1490, 1 USPQ2d 1813 (Fed. Cir. 1987).

In short, there are no genuine issues of material fact as to the identity of the parties' respective goods, trade channels and classes of customers, and these factors weigh in favor of a finding of likelihood of confusion in this case.

We further find that there is no genuine issue of material fact that the parties' respective marks are similar, rather than dissimilar, when they are viewed in their entireties as to appearance, sound, connotation and commercial impression. Thus, the first *du Pont* factor also supports a finding of likelihood of confusion.

Because the parties' goods are identical, the degree of similarity between the marks necessary to support a finding of likelihood of confusion is less than it would be in a case involving less similar goods. *See Century 21 Real Estate Corp. v. Century Life of America*, 970 F.2d 874, 23

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USPQ2d 1698, 1700 (Fed. Cir. 1992). Also, it is well-settled that although the ultimate determination of whether the marks are confusingly similar must rest on a comparison of the marks in their entireties, it is not improper when making that comparison to give, for rational reasons, more or less weight to particular features of the marks. See *In re National Data Corp.*, 753 F.2d 1056, 224 USPQ 749 (Fed. Cir. 1985).

In this case, we find that the name DEBBIE is the dominant feature of both petitioner's LITTLE DEBBIE mark and respondents' DEBBIE'S FAMOUS GRANOLA mark. This finding is based on our analysis of the marks themselves, see *infra*, and also on the fact that there is no evidence in the record of any third-party use of marks incorporating the name DEBBIE in connection with food products, from which we reasonably infer that the designation DEBBIE would be perceived as a strong indication of source for such goods.

In petitioner's LITTLE DEBBIE mark, the word LITTLE is merely an adjective which modifies and points to the proper name DEBBIE. Likewise, DEBBIE'S, the possessive form of the name DEBBIE, is the dominant feature of respondents' DEBBIE'S FAMOUS GRANOLA mark. The word DEBBIE'S commands greater weight, in the commercial impression created by respondents' mark, than the laudatory word FAMOUS and/or the generic word GRANOLA, both of which have been disclaimed by

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respondents and neither of which contributes very much to the mark's overall commercial impression. We find that the red and white checkerboard border around respondents' mark is merely a decorative device which does not detract from the dominant role played by the word DEBBIE'S in the mark's commercial impression.

Although there are points of dissimilarity between the marks, we find that those dissimilarities are insufficient to overcome the overall similarity between the marks which arises from each mark's use of the proper name DEBBIE as its dominant feature. The presence of the non-distinctive words FAMOUS GRANOLA in respondents' mark and the absence of those words in petitioner's mark is of little legal consequence in the circumstances of this case. Likewise, in view of the absence of any third-party uses of the designation DEBBIE as a mark for food products and its resulting strength as a source indicator, the parties' marks are not distinguished by the minor variations in the parties' respective uses of that designation, i.e., petitioner's addition of the adjective LITTLE to create the unitary term LITTLE DEBBIE and respondents' use of the possessive form DEBBIE'S, nor by respondents' use of a checkerboard border design.

In short, the parties' marks are not identical, but they do not have to be identical in order to be confusingly similar, especially in view of the legal identity of the

parties' respective goods. We find that the marks are confusingly similar, and that this first *du Pont* evidentiary factor weighs in favor of a finding of likelihood of confusion in this case.

Turning to the remaining relevant *du Pont* factors, we find that there is no genuine issue of material fact that processed granola cereal is a relatively inexpensive food item, costing no more than a few dollars per unit.⁸ Because the goods identified in respondents' registration generally are of a type which may be purchased on impulse without the necessity of careful, sophisticated analysis, the fourth *du Pont* factor weighs in favor of a finding of likelihood of confusion.

As discussed above in connection with our finding that the parties' marks are similar under the first *du Pont* factor, there is no genuine issue of material fact as to the absence of any use by third parties of similar marks on similar goods. Thus, the sixth *du Pont* factor favors a finding of likelihood of confusion in this case.

As for the fifth *du Pont* factor, i.e., the fame of petitioner's mark, we find that there is no genuine issue of

⁸ See respondents' main brief at page 27, where respondents contend that petitioner's cereal retails at \$1.79 per 16 oz. package and that respondents' cereal retails at \$2.89 per 10 oz. package.

material fact that petitioner's LITTLE DEBBIE mark is a famous mark, at least with respect to snack cakes, in view of the undisputed evidence of petitioner's sales, advertising expenditures, and market share. Even if we assume, favorably to respondents, that LITTLE DEBBIE is a famous mark in connection with petitioner's snack cakes, as opposed to petitioner's granola products, we still must consider that fame in this case. We cannot reasonably conclude that food items such as snack cakes and granola cereals are so completely commercially unrelated that we should accord little or no weight to the fame of the LITTLE DEBBIE mark in our likelihood of confusion analysis. See generally *Electronic Data Systems Corp. v. EDSA Micro Corp.*, 23 USPQ2d 1460, 1464-65 (TTAB 1992); *Alberto-Culver Co. v. F.D.C. Wholesale Corp.*, 16 USPQ2d 1597, 1602-03 (TTAB 1990). Therefore, we find that the fame of the LITTLE DEBBIE mark is to be accorded some weight in favor of a finding of likelihood of confusion in this case.

We turn next to the seventh *du Pont* factor, i.e., the nature and extent of any actual confusion, and the eighth *du Pont* factor, i.e., the length of time during and conditions under which there has been concurrent use without evidence of actual confusion. After careful consideration of the parties' evidence and arguments, we conclude that neither of

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these factors is entitled to significant weight in our likelihood of confusion analysis.

Petitioner asserts that an instance of actual confusion occurred in June 1994. In support of that claim, petitioner relies on the declaration of petitioner's vice president Mr. Phillips, who states that James Daniel, a representative of petitioner, visited a new grocery store in Florida to set up petitioner's LITTLE DEBBIE display, and that when Mr. Daniel went to the store office to pick up the shelf tags for petitioner's LITTLE DEBBIE products, he was given shelf tags for respondent's DEBBIE'S FAMOUS GRANOLA products as well as for petitioner's LITTLE DEBBIE products. Mr. Phillips states that Mr. Daniel "called back to McKee headquarters in Tennessee on June 9, 1994 to report the incident," and that petitioner's Exhibit No. PX45 is a copy of the notes of that phone conversation.

The Board's review of the record reveals that petitioner's Exhibit No. PX45 is not a copy of the phone conversation notes referred to by Mr. Phillips, nor do those notes appear elsewhere in petitioner's exhibits. However, respondents have introduced the phone conversation notes as respondents' Exhibit No. RX37. The notes are dated June 9, 1993, suggesting that the conversation took place on that date, not on June 9, 1994 as asserted by Mr. Phillips. There is no indication in the notes themselves or elsewhere

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in the record as to the identity of the person who made the notes. Petitioner has not submitted the declaration of Mr. Daniels, of the store employee who purportedly gave Mr. Daniels the shelf tags, or of the unidentified McKee headquarters employee who received the telephone report from Mr. Daniels, nor has petitioner explained why it has not submitted any declarations from these witnesses.

The Board finds that petitioner has failed to establish that actual confusion between the parties' marks has occurred. Assuming that petitioner's evidence on this question is not inadmissible hearsay, the evidence nevertheless does not persuade us that actual confusion has occurred or that, if it has occurred, it is anything more than *de minimis*.

At the very least, genuine issues of material fact exist as to the nature and extent of the purported actual confusion. On the present record, we cannot conclude that there are no reasonable alternative explanations as to why the store employee gave petitioner's representative the shelf tags for respondents' products. A finding for petitioner on this issue necessarily would be based on a mere inference that the store employee's actions were the result of actual confusion between the parties' marks. We may not draw that inference, adversely to respondents, in

deciding petitioner's summary judgment motion. See *Opryland USA, Inc., supra*.

In short, for purposes of deciding petitioner's summary judgment motion, we find that there is no evidence of actual confusion and that the seventh *du Pont* factor accordingly is to be accorded no weight in this case.

However, we also find, under the eighth *du Pont* factor, that the absence of actual confusion between the parties' marks is entitled to relatively little weight in our likelihood of confusion analysis in this case. In appropriate cases, where the evidence shows that both parties have been making substantial use of their respective marks in the same geographic areas for a long period of time, such that significant opportunities for actual confusion have existed, the absence of any evidence of actual confusion can be persuasive evidence that no likelihood of confusion exists. See generally J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* (4th Ed. 1998) at §23.18. However, this is not such a case.

Respondents have not presented any evidence as to the volume or dollar amount of their sales of goods bearing their mark, nor as to the geographic extent of such sales. It appears from the record, however, that due to the expense involved in defending this action, respondents were unable to do much advertising or marketing of their product after

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November 1992, resulting in declining sales which eventually led to the shutdown of respondents' factory in February 1995. (Declaration of Skip Singleton, at paragraphs 7-9. In these circumstances, we cannot reasonably conclude that the length of time and the conditions under which the parties have made concurrent use of their marks are such that we should accord much weight to the absence of evidence of actual confusion in this case. Additionally, because the goods involved in this case are inexpensive, the absence of evidence of actual confusion does not necessarily support a finding of no likelihood of confusion. "Purchasers are unlikely to bother to inform the trademark owner when they are confused about an inexpensive product." *Beer Nuts v. Clover Club Foods Co.*, 805 F.2d 920, 231 USPQ 913 (10th Cir. 1986); *McCarthy on Trademarks, supra*, at §23.18.

In short, although there is an absence of evidence of actual confusion, we cannot reasonably conclude from this record that there has been such an extensive opportunity for actual confusion to occur that the absence of evidence of actual confusion is legally significant in this case. Accordingly, we find that the eighth *du Pont* factor weighs in respondents' favor, but only slightly.

The ninth *du Pont* factor, i.e., "the variety of goods on which a mark is or is not used (house mark, "family" mark, product mark)," tends to weigh in petitioner's favor

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in this case. It appears from the record that petitioner uses its LITTLE DEBBIE mark on a variety of different food products, including use as a house mark on its SUNBELT granola products. See Phillips declaration at paragraphs 4, 6 and 9; respondent's Exhibit No. RX16.

Respondents argue that petitioner failed to file a notice of opposition to registration of respondents' mark when the mark was published for opposition in July 1991, and that petitioner obtained actual knowledge of respondents' mark in January 1992 yet did not file its petition to cancel until July 1992. Respondents have not pleaded laches as an affirmative defense, and the Board accordingly cannot consider that defense in deciding the parties' summary judgment motions. See TBMP §528.07(b) and cases cited therein. However, the tenth *du Pont* evidentiary factor allows us to consider "laches and estoppel attributable to owner of prior mark and indicative of lack of confusion." We will consider respondents' arguments in the context of this *du Pont* factor.

The record reveals the following sequence of relevant events. Respondents' mark was published for opposition in July 1991, and was registered in September 1991. Petitioner first gained actual knowledge of respondents' mark in January 1992, when it was made aware of an article about respondents' product that appeared in the November 25, 1991

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Pensacola News Journal. Petitioner filed its application to register its LITTLE DEBBIE mark for breakfast cereals in March 1992. In July 1992, petitioner's representatives attended a trade show in Washington D.C., at which respondents were exhibiting, for the purpose of conducting market research into new products and trends in food marketing. See Respondents' Exhibit No. RX11 (petitioner's answer to respondents' Interrogatory No. 14). On July 14, 1992, petitioner filed its petition to cancel respondents' registration.

These facts provide no reasonable basis for concluding that petitioner should be charged with laches or estoppel indicative of a lack of confusion, under the tenth *du Pont* factor. Petitioner's failure to oppose registration of respondents' mark after the mark was published for opposition is of no probative value on this issue; it is undisputed that petitioner had no actual knowledge of such publication and did not learn of respondents' mark until January 1992, after the registration of the mark had issued. Likewise, the six-month delay between petitioner's first actual knowledge of respondents' mark in January 1992 and its filing of the petition to cancel in July 1992 is of no legal consequence, on this record, and is not indicative of a lack of confusion. Petitioner was not idle after it learned of respondents' registration in January 1992.

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Rather, petitioner filed its application to register the LITTLE DEBBIE mark for breakfast cereals in March 1992 and, after attending the trade show in July 1992 at which it encountered respondents and their DEBBIE'S FAMOUS GRANOLA product, filed its petition to cancel on July 14, 1992.

In short, there is no basis for attributing to petitioner any laches or estoppel which is indicative of a lack of confusion, and the tenth *du Pont* evidentiary factor accordingly does not weigh in respondents' favor in this case.

Finally, respondents argue that they adopted their mark in good faith, with no intent to trade on the goodwill of petitioner's LITTLE DEBBIE mark. However, even assuming that respondents adopted their mark in good faith, such good faith adoption is largely immaterial to the likelihood of confusion analysis in this case. See *Jewelers Vigilance Committee Inc. v. Ullenberg Corp.*, 853 F.2d 888, 7 USPQ2d 1628, 1030-31 (Fed. Cir. 1988) ("Moreover, proof of intent to trade on another's goodwill, while persuasive evidence of likelihood of confusion, is not, in any event, a requirement under Section 2(d).").

After carefully considering and balancing the relevant *du Pont* evidentiary factors in this case, we must conclude that confusion is likely. We find that the parties' marks are confusingly similar when viewed in their entirety, and

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that the parties' respective goods, trade channels and classes of customers are legally identical. These facts weigh dispositively in favor of a finding of likelihood of confusion in this case. Further supporting our conclusion are our findings that petitioner's mark is a famous mark entitled to a relatively broad scope of protection, that there are no third-party uses of similar marks on similar goods, and that petitioner uses its mark on a variety of goods.

Although there is no evidence of any instances of actual confusion, such evidence is not a prerequisite to finding a likelihood of confusion. Furthermore, on this record, the circumstances surrounding the parties' concurrent use of their marks are not such that the absence of evidence of actual confusion is statistically surprising or legally significant. Certainly, the absence of evidence of actual confusion does not outweigh the other evidence of record which overwhelmingly supports a finding that confusion is likely. *See, e.g., Gillette Canada Inc. v. Ranir Corp.*, 23 USPQ2d 1768, 1774 (TTAB 1992).

In summary, in view of our finding that petitioner has priority, and in view of our conclusion, based both on our consideration of the relevant *du Pont* factors and on respondents' judicial admissions, that confusion is likely, we find that there are no genuine issues of material fact

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and that petitioner has established its entitlement to judgment as a matter of law. Accordingly, we grant petitioner's motion for summary judgment, and deny respondent's cross-motion for summary judgment. See Fed. R. Civ. P. 56(c).

The petition to cancel is granted, and respondents' Registration No. 1,658,376 shall be cancelled in due course.

T. J. Quinn

G. D. Hohein

P. T. Hairston

Administrative Trademark Judges
Trademark Trial and Appeal Board