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U.S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Master Nurserymen's Association
v.
Star Nursery, Inc.

Opposition No. 98,988
to application Serial No. 74/543,275
filed on June 27, 1994

David Durant of Crosby, Heafey, Roach & May for Master
Nurserymen's Association.

Michael J. McCue of Quirk & Tratos for Star Nursery, Inc.

Before Simms, Cissel and Hanak, Administrative Trademark
Judges.

Opinion by Cissel, Administrative Trademark Judge:

On June 27, 1994, Star Nursery, Inc., a corporation
organized in existing under the laws of Nevada, filed an
application to register the mark shown below

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for "mulch used to plant trees and flowers," in Class 31. The basis for the application was applicant's claim of use of the mark in interstate commerce since March 15, 1994. The application was amended to state that the lining shown in the drawing is a feature of the mark, and does not indicate color.

A timely Notice of Opposition was filed on September 20, 1995 by Master Nurserymen's Association, a California corporation. As grounds for the opposition, opposer asserted that since January 1960, it had used the mark "PAYDIRT" in in connection with the sale of all-purpose soil mulches and soil conditioners; that its mark was registered in conjunction with its house mark "49'ER" in California; and that applicant's mark, as used in connection with the goods specified in the application, so resembles opposer's mark "PAYDIRT," as used in connection with opposer's products, that confusion is likely. Attached to the Notice of Opposition were a copy of opposer's California state trademark registration certificate for the mark "49'ER PAY DIRT" and a photograph of a container of opposer's "organic soil builder and top dressing with composted chicken manure." The trademark "Paydirt" is prominently displayed on the bag beneath the mark "MASTER NURSERY."

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Applicant timely filed an answer to the Notice of Opposition, denying the essential allegations set forth by opposer therein.

A trial was conducted in accordance with the Trademark Rules of Practice. Both parties filed briefs, and both presented their arguments at the oral hearing conducted before the Board.

The record before the Board in this proceeding includes the file of the opposed application, opposer's 1986 California state trademark registration referenced above for the mark "49'ER PAY DIRT," and the testimonial depositions, with exhibits, of Stephen Noonan; Betty Immer; Richard Kline; Harold Mendon, Jr.; Ron Pacinini; Mark Gill; Manuel Baeta; James Joseph; Paul Bernhard, Jr.; Robert Bateman; and Kurt Josephson.

The issues before the Board in this appeal are priority and likelihood of confusion. Based upon a careful review of the record before us, we hold that opposer has priority and that confusion is likely.

Opposer was formed in 1958 as a retail nursery cooperative. At least as early as 1963, it first used "PAY DIRT" along with its house mark, "49'ER" to identify its soil amendment product, which is a mixture of, among other things, chicken manure, peat moss and vegetable byproducts.

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This mixture is used by gardeners to enhance the quality of their soil for planting trees and flowers.

Opposer's house mark, "49'ER," was used on many of opposer's goods. On packages of opposer's soil amendment product, the mark "PAY DIRT" was used separate from the house mark, beneath it and in a different typeface. Shown below is a example of how the two marks were promoted by opposer. (Ehibit 17 to the deposition of Mr. Baeta).

Used as such, "PAY DIRT" clearly created a commercial impression separate from that of opposer's house mark.

As early as 1978, opposer was selling its soil amendment product under both of its trademarks in interstate commerce. The mark "49'ER PAY DIRT" was registered in the state of California on December 12, 1986, and that registration remains in effect.

The record shows that during 1993 and 1994, opposer's members discussed expanding from opposer's Northern California base of operations into the market in the

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southern part of that state and using a new house mark which would have more appeal in that area. The thinking behind the adoption of the "Master Nursery" house mark was that the references to "49'ER" would not create a favorable commercial impression in Southern California, where association with the San Francisco professional football team or the Northern California gold rush might not attract customers in the same way that it had for opposer's members in the north.

In May of 1994, opposer began selling its soil amendment product in Southern California under the mark "PAYDIRT" in conjunction with opposer's new house mark, "MASTER NURSERY," although in the northern part of the state, the same product continued to be marketed under the mark "PAY DIRT," used in conjunction with the "49'ER" house mark. An example of how the product was promoted under the new house mark is shown below. (Exhibit 17 to the Baeta deposition.)

Shown separately on the Master Nursery product bag as "Paydirt" in large letters in a different typeface from the

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"MASTER NURSERY" house mark, the product mark still created a separate commercial impression apart from either the house mark or the combination of the house and product marks, just as "PAY DIRT" had created a separate commercial impression apart from either the "49'ER" house mark or the combination of "49'ER" and "PAY DIRT."

At the time the trial testimony was taken in this case, opposer continued to market its soil amendment as both "PAY DIRT" with the house mark "49'ER" and as "PAYDIRT" under the house mark "Master Nursery," depending on the geographic location of the particular retail outlet where the product was being sold. Although in Southern California the term was presented with no space between "PAY" and "DIRT," the commercial impression created by "PAY DIRT" and "Paydirt" is essentially the same.

Notwithstanding applicant's argument to the contrary, opposer has not abandoned either "Pay Dirt" or "49'ER PAY DIRT" in connection with its soil amendment. Applicant argues strenuously that the record establishes that opposer's members voted to discontinue selling the "49'ER PAY DIRT" soil amendment, and applicant uses this argument as the basis for contending that opposer abandoned use of "PAY DIRT." While the record does show that the members indicated their willingness to replace the "49'ER" house brand with the "MASTER NURSERY" house brand, the record does

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not establish that anyone associated with opposer intended to abandon the product mark used with opposer's soil amendment. Irrespective of the conclusion one may reach with respect to whether what happened at the annual meeting of the owners of opposer constituted evidence of abandonment of the "49'ER" house mark, their actions cannot be reasonably interpreted as an indication of the intention to abandon the product mark which continues to be used on their soil amendment.

Applicant is a chain of nurseries in Nevada, Arizona and Utah. It first used the mark it seeks to register, a stylized presentation of the term "PAYDIRT," in April of 1994, the month before opposer began use of "Paydirt" in conjunction with its new house mark, "Master Nursery."

Although applicant became aware of opposer's use of "49'ER PAY DIRT" in connection with opposer's product prior to the actual introduction of applicant's "PAYDIRT" product and prior to the filing of the opposed application to register the mark, applicant maintains that it adopted its mark in good faith. In any event, applicant contends that it believed that opposer was discontinuing its use of the "49'ER PAY DIRT" trademark, although applicant did not contact opposer in order to verify what applicant asserts it had been told in this regard.

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Applicant has conceded that its "PAYDIRT" product is also a soil amendment. For purposes of our analysis, the goods of the parties are the same. They move in similar channels of trade and are sold to ordinary consumers, who use them for the same purpose, i.e., as an additive to soil in which plants are grown. Opposer's products are sold only in stores operated by opposer's members, but these independent retail nurseries are the same kinds of stores where applicant's products are also sold. If similar marks are used on both applicant's and opposer's goods, customers familiar with opposer's products are likely to be confused when they encounter applicant's goods bearing a similar mark in competing nurseries. That opposer's members do not sell applicant's goods is not determinative. Both products are promoted and sold in similar ways to the same types of consumers.

In view of opposer's priority of use and the identity of the goods involved, this case turns on whether applicant's "PAYDIRT" mark is so similar to opposer's marks that confusion is likely.

Applicant argues that we should consider opposer's mark to be "49'ER PAY DIRT," rather than simply "PAY DIRT" or "PAYDIRT," and that when this is done, the marks in their entirety are not similar. Applicant further contends that opposer's adoption of the "Master Nursery Paydirt" mark

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occurred after opposer had abandoned its "49'ER PAY DIRT" mark and subsequent to applicant's adoption of the mark it seeks to register, so that whether applicant's mark is likely to cause confusion with the "Master Nursery Paydirt" mark is irrelevant.

We cannot adopt this position, however. As noted above, opposer has used the same term, albeit in two slightly different formats ("PAY DIRT" and "Paydirt") as its trademark for its soil amendment product, and by virtue of such use, has created proprietary rights in the term separate and apart from the combination of the product mark with opposer's house marks.

As opposer points out, the test for likelihood of confusion is not whether the marks can be distinguished when they are subjected to a side-by-side comparison. The issue is whether the marks create similar overall commercial impressions, notwithstanding the existence of subordinate design elements. *Cemetron Corp. v. Morris Coupling & Clamp Co.*, 203 USPQ 537 (TTAB 1979), *Visual Information Institute, Inc. v. Vicon Industries, Inc.*, 209 USPQ 179 (TTAB 1980). Key elements in this regard are appearance, pronunciation and connotation, and similarities in these characteristics may outweigh any differences. When the products with which the marks are used are identical, as is the case here, the marks do not have to be as similar in order to be likely to

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cause confusion as would be the case if the goods were not the same. Aires Systems Corp. v. World Book Inc., 26 USPQ2d 1926 (TTAB 1993).

In the case at hand, applicant has essentially adopted and used opposer's trademark on the same goods. Moreover, even if we were to consider opposer's rights to be limited to the combination of "49'ER" and "PAY DIRT," applicant has essentially taken a key element from opposer's trademark, in fact, half of that mark, and adopted it, in a stylized presentation, as its own mark for the identical goods. Under these circumstances, confusion is clearly likely.

Applicant argues that opposer has failed to establish that it has proprietary rights in its mark, and that even if it were able to prove such rights, opposer has failed to establish that the mark is distinctive. Further, applicant argues that confusion is not likely because the marks of the parties, in their entireties, are not similar, the marketing channels are not similar, there is no evidence that actual confusion has occurred, and that opposer has failed to establish that its mark is famous. None of these arguments is well taken.

Contrary to applicant's assertions, "PAY DIRT" is not a term which is merely descriptive of opposer's goods. Rather, it is a suggestive term, as applied to the goods involved in this case, which is inherently distinctive as an

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indicator of the source of opposer's soil amendment products. In any event, applicant raised this argument for the first time in its brief. It was neither pleaded by applicant nor tried by the parties.

The record shows that "49'ER" is a house mark used by opposer on many of its products. The combination of this house mark with the term "PAY DIRT" results in a trademark that suggests that opposer's goods, which are added to soil, will make that "dirt" richer, as the miners who took part in the gold rush of 1849 became when they hit paydirt. Opposer points to a dictionary definition of "paydirt" as "earth, ore, or gravel with a metal content rich enough to make mining profitable." Even if this suggestive word, or, for that matter, even if the suggestive combination of the word with "49'ER," were not inherently distinctive (which we do not believe to be the case), opposer's use and promotion of the mark in connection with opposer's goods for over thirty years has clearly resulted in it becoming distinctive of opposer's soil amendment product. Contrary to applicant's argument, opposer was not obligated to plead either that its mark is distinctive or that it has become famous, nor was opposer required to prove such claims, in view of the fact that its mark is inherently distinctive.

Applicant argues that opposer's use of the term "49'ER" in its mark renders the mark sufficiently different from

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applicant's mark to obviate the possibility of confusion as to the source of the products on which the marks are used. Applicant emphasizes that its mark is presented in a stylized, distinctive typeface which includes gradations of shading in the lettering and a depiction of lines weaving around the letters, whereas opposer's mark is "49'ER PAY DIRT," which is used along with several other indicators of source all on opposer's packaging. Applicant argues that "49'ER" is the dominant portion of opposer's mark, in that it is less descriptive than "PAY DIRT," and that, in any event, the combination of terms used by opposer is sufficiently different from applicant's stylized presentation of "PAYDIRT" that when the marks are considered in their entireties, confusion is unlikely.

As noted above, however, we disagree. Opposer uses the "PAY DIRT" mark and has rights in it separate and apart from the mark "49'ER." Moreover, with respect to the combination of the two marks, for those who are familiar with opposer's use of the combination of its house mark with this product mark, the "PAY DIRT" portion of "49'ER PAY DIRT" would clearly have significance at least equal to that of the "49'ER" component. Even if "49'ER" had not been shown to be a house mark used with other product marks on a number of different goods, applicant's mark, by incorporating a significant portion of opposer's combination mark, creates a

similar commercial impression. Whether the planting soil additive is referred to as "49'ER PAY DIRT," "PAY DIRT," "Paydirt" or "PAYDIRT," the connotation is essentially the same because of the clever association between soil and paydirt. This similarity is not eliminated by applicant's use of various design elements in the way the word is presented.

Additionally, we note that applicant's trade dress is evocative of the Gold Rush era, in that the bag in which the goods are sold features an illustration of half a dozen miners dressed in clothing from that period, holding shovels and other mining tools. The connection with opposer's "49'ER PAY DIRT" as it appears on opposer's bags is unmistakable. The trade dresses of the parties provide further evidence that the word marks create similar commercial impressions. See *Specialty Brands, Inc. v. Coffee Bean Distributors, Inc.*, 748 F.2d 669, 223 USPQ 1281 (Fed. Cir. 1984).

Applicant further argues that "[t]he most critical factor in determining the likelihood of confusion is whether there is any evidence of actual confusion." (brief, p.24). The issue is whether or not confusion is likely. It is well settled that proof of actual confusion is not required in order to show that confusion is likely. *Bandag, Inc., v. Al*

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Bolser's Tire Stores, Inc., 750 F.2d 903, 223 USPQ 982 (Fed. Cir. 1984).

Similarly unpersuasive is applicant's argument that the potential for confusion is de minimis. Applicant contends that "...it is hard to imagine that a consumer will go into a Star Nursery looking for '49'er Pay Dirt' or now 'Master Nursery Paydirt' and purchase Star Nursery PAYDIRT on the mistaken belief that the product is from the same source. Indeed, the more likely scenario is that consumers will purchase their soil amendment products regardless of brand wherever they purchase their plants." (brief, p. 24). The logical extension of this argument is that the trademarks used on these products make no difference at all and that even identical marks on identical products will not be likely to cause confusion because the customers will know with whom they are dealing. To reach such a conclusion would be to disregard the marks altogether, a proposition which is contrary to the fundamental principles upon which the law of trademarks is founded.

In summary, applicant has adopted essentially the same term, "PAYDIRT," and applied it to the same product that opposer had been selling under that mark for years. Even if we consider opposer's mark to be the combination of its product mark with its first house mark, when this mark is considered in its entirety and is compared to applicant's

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mark, the marks create similar commercial impressions and their use on identical goods is likely to cause confusion. Purchasers aware of opposer's "49'ER PAY DIRT" mulch, who then encounter applicant's "PAYDIRT" mulch, are likely to believe, mistakenly as it would turn out, that these identical goods emanate from the same source.

Accordingly, in view of opposer's priority of use, the opposition is sustained and registration to applicant is refused.

R. L. Simms

R. F. Cissel

E. W. Hanak
Administrative Trademark Judges,
Trademark Trial & Appeal Board