

THIS DISPOSITION IS NOT
CITABLE AS PRECEDENT OF THE TTAB MARCH 31, 00

U.S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

The Procter & Gamble Company
v.
The Good Earth Corporation

Cancellation No. 26,865

Lynda E. Roesch and Michael D. Johns of Dinsmore & Shohl LLP
and Carol J. Ney for The Procter & Gamble Company.

Anthony V. Lupo and Cynthia G. Henderson of Arent Fox
Kintner Plotkin & Kahn PLLC for The Good Earth Corporation.

Before Quinn, Hairston and Rogers, Administrative Trademark
Judges.

Opinion by Hairston, Administrative Trademark Judge:

The Procter & Gamble Company has petitioned to cancel a
registration owned by The Good Earth Corporation for the
mark AIR FRIES for "cooked potatoes for consumption on and
off the premises."¹

As grounds for cancellation petitioner alleges that the
term "air fries" is the generic name for a particular kind
of cooked potatoes, namely french fries which are not cooked

¹ Registration No. 1,957,540 issued February 20, 1996.

in oil but rather cooked with air via a convection oven or some other air cooking mechanism; that alternatively, the mark AIR FRIES is merely descriptive of respondent's goods and has not become distinctive of such goods; that the involved registration is void ab initio because respondent was not the owner of the mark AIR FRIES at the time of the filing of the application which matured into the involved registration; and that to the extent respondent ever had any rights in the mark AIR FRIES it has abandoned such rights because it failed to exercise control over the use of the mark by its licensees.

Respondent, in its answer, denied the allegations of the petition to cancel.

The record consists of the pleadings; the file of the involved registration; and trial testimony, with related exhibits, taken by each party. In addition, petitioner has submitted by way of notice of reliance excerpts from printed publications, copies of patent applications, print-outs of information from the Internet, and portions of discovery depositions.² Respondent has submitted either by way of stipulation or notice of reliance documents, correspondence,

² We should note that articles downloaded from the Internet are not generally admissible into evidence by way of notice of reliance in the absence of an affidavit or declaration of the person who accessed the information. See *Raccioppi v. Apogee Inc.*, 47 USPQ2d 1368 (TTAB 1998). However, inasmuch as respondent has not objected to the Internet articles on this basis, we have considered them as properly of record.

third-party registrations for marks which include the word "AIR" for food products and portions of discovery depositions. Both parties filed briefs on the case.³

Before turning to the merits of the case, we must consider respondent's motion to strike petitioner's exhibits 186 through 230 on the ground that the documents were not produced during discovery. The exhibits, which are articles that purport to show that AIR FRIES is either descriptive or generic of respondent's goods, were submitted by way of petitioner's second notice of reliance during its rebuttal testimony period. In moving to strike the exhibits, respondent points to its Document Request No. 12 which requests "all documents referring or relating to the identification by Petitioner of the generic use of the mark AIR FRIES by any third party" and Interrogatory No. 13 which asks petitioner to "identify any person or entity other than Respondent, who has used or is using the mark AIR FRIES for any goods or services."

Petitioner, on the other hand, states that it did not obtain the documents at issue until well after its initial

³ We note that the parties marked their entire briefs, and certain entire testimony depositions, along with the exhibits, as confidential. Only the particular exhibit, deposition transcript pages, or pages of a brief which have been designated confidential should be filed under seal pursuant to a protective order. Discovery responses, exhibits, deposition transcript pages, or pages of a brief which are not confidential should not be filed under seal along with confidential ones. TMBP Section 416.06.

production of documents. In particular, petitioner states that it performed additional searches of Lexis/Nexis, Westlaw and the Internet after respondent's testimony, and thus submitted the results of these searches by way of notice of reliance during its rebuttal testimony period. Further, petitioner contends that only nine of the documents fall within the scope of the two discovery requests, that is, pertain to the mark AIR FRIES. According to petitioner, the remaining thirty-six documents pertain to third-party use of terms such as "air fried," "air-fries" as a verb, "air-frying" and "air fryer."

Fed. R. Civ. P. 26(e)(1) requires a party to supplement its discovery responses if the party learns that "in some material respect the information disclosed is incomplete or incorrect and if the additional or corrective information has not otherwise been made known to the other parties during the discovery process or in writing." The purpose of the rule is to ensure, that at the time of trial, there is no prejudice or unfair surprise to a party who has served discovery requests and received responses thereto, during the pre-trial period.

Petitioner is correct that thirty-six of the documents pertain to terms other than AIR FRIES and thus do not fall

within the scope of the two discovery requests.⁴ As to the other nine documents, inasmuch as they are cumulative in nature and petitioner did not uncover them until after respondent's testimony period, there is no prejudice to respondent. In view thereof, respondent's motion to strike the exhibits is denied.

Petitioner, The Procter & Gamble Company, through the testimony of its marketing director, Stephen Baggott, has established its standing to maintain this proceeding. Because Mr. Baggott's testimony in this regard is confidential in nature we have not discussed it herein.

According to the record, respondent, The Good Earth Corporation, is in the business of licensing certain trademarks for use in the operation of restaurants which feature healthy foods. Respondent has had several owners, the most recent of which are Ben Zaricor and his wife Louise Veninga who purchased the company from E. R. and Sheldon Wilson on December 1, 1993. The sale was embodied in a document entitled "Asset Purchase Agreement." The principal assets transferred in the sale were trademarks incorporating the term "Good Earth" as set forth in Schedule 1.A. of the

⁴ We note that respondent did not furnish a copy of its discovery requests with the motion to strike. Thus, we are unable to determine if, from the "definitions" section of the discovery requests, when "mark" or "AIR FRIES" is used therein, this includes similar terms such as "air fried," etc. In view thereof, we have considered the use of "AIR FRIES" in the discovery requests to mean the term per se.

agreement and all common law variations thereof as well as the license agreements with each of the restaurants.

The record shows that several of respondent's licensees offer french fries which are cooked in a hot air oven. The impetus for the creation of the product was the desire to offer a french fry product without the unhealthy aspects of traditional french fries cooked in oil. The product itself was first offered by respondent's licensee Peter Schwartz, but another licensee, John Bishop, was the first to use the term AIR FRIES for the product in 1991. The product and name were passed by word of mouth from restaurant to restaurant within the group of licensees.

Descriptiveness of AIR FRIES

At the outset, we note that petitioner's evidence establishes, and there appears to be no dispute, that the term "air fryer" describes the ovens which cook food using hot air and the term "air frying" is used to refer to this cooking process.

Petitioner has offered the testimony of Lori Brown, a private investigator. Ms. Brown testified that she visited several restaurants in Los Angeles and the surrounding area. In some cases she obtained menus from the restaurants and in others she took photographs of signs. Among the exhibits introduced during her testimony were a menu from Nancy's Healthy Kitchen which lists "Air Fries" under side dishes

Cancellation No. 26,865

and "Garden Burger with Air Fries" under sandwiches; a menu from 150 Grand Café which lists "Side of Air Fries" under starters; and a photograph of a large window sign at Pierre la Ford restaurant which reads:

"Air Fries"
A delicious new way to enjoy
fries without frying.
2.75

Also, petitioner submitted a number of excerpts from the Nexis and Lexis data bases which refer to "air fries."

The following are representative samples:

Veg a Go Go . . . This might be the most modern-looking vegetarian eatery around, but once you try an order of **air fries** (\$1.85), you'll be a convert to this low-fat, high-flavor food.
(The Orange County Register, July 14, 1997);

All Wrapped Up . . . Try the nongreasy **air fries** (waffle fries cooked by a blast of hot air).
(The Arkansas Democrat, November 28, 1997);

French fries are seasoned then baked in the oven fat-free - and called "**air fries**."
(The Indianapolis News, May 2, 1997); and

And if you want health food, eat some of the really tasty dishes here, such as delicious air-fried potatoes, which are not trying to mimic decadence. The **air fries** showcase the best in modern technology, cutting back on fat without sacrificing flavor.
(The Los Angeles Times, October 7, 1994).

Further, in support of its position with respect to the descriptiveness of AIR FRIES, petitioner points to the manner in which respondent's licensees use AIR FRIES on

their menus. In particular, the record shows that AIR FRIES appears on the menu as a product identifier rather than as a brand identifier. Also, the testimony of respondent's witnesses reveals that only one licensee ever used the "TM" designation with AIR FRIES on its menus and no licensee has used the registration symbol in connection with AIR FRIES on its menus.

Based on the record before us, we have no difficulty concluding that the term AIR FRIES describes a significant feature or characteristic of applicant's goods, namely that they are french fries cooked in hot air. This mere descriptiveness is not diminished by the notion that the mark may also suggest that the goods are "light"; i.e., low-fat or healthy.

Also, while we note that since the institution of this proceeding, respondent has sent cease and desist letters to several restaurants using the term "air fries", this does not alter our conclusion regarding the descriptiveness of the term. See e.g., *Stromgren Supports Inc. v. Bike Athletic Co.*, 43 USPQ2d 1100 (TTAB 1997).

Further, respondent has not established that AIR FRIES has become distinctive of its goods. Respondent has offered no evidence of its advertising expenditures or sales figures. In this case, the fact that AIR FRIES has been used for over five years is insufficient to establish

distinctiveness. See *Yamaha International Corp. v. Hoshino Gakki Co. Ltd.*, 840 F.2d 1572, 6 USPQ2d 1001 (Fed. Cir. 1988) [The greater the degree of descriptiveness the term has, the heavier the burden to prove it has attained distinctiveness].

While we note in passing that some of the evidence shows the term "air fries" used in a generic manner, in view of our finding with respect to the descriptiveness of AIR FRIES, we need not reach the question of genericness.

Ownership of the AIR FRIES mark

We turn next to the question of whether respondent was the owner of the AIR FRIES mark at the time of filing the application which matured into the involved registration.

Petitioner contends that the AIR FRIES mark was first used by one of respondent's licensees and that such use did not inure to respondent because 1) respondent did not initiate use of the mark by the licensee and 2) the licensing agreement between respondent and its licensees, which listed other marks, did not include AIR FRIES. In addition, petitioner maintains that any purported written or oral assignments of the mark to respondent must fail because no good will was transferred therewith.

Respondent, on the other hand, contends that at the time the licensee agreements were executed, the AIR FRIES product was not in existence; that it is implied from the

license agreements and the relationship between respondent and its licensees that respondent owns the AIR FRIES mark; that alternatively, all rights in the AIR FRIES mark were assigned to respondent by its licensees; and that respondent owns all rights in the mark AIR FRIES because the mark was legitimately used by controlled licensees.

Respondent's licensees have testified that they understood that respondent was the owner of any marks that they (the licensees) developed. We note in this regard the testimony of respondent's licensee Wagih Kilani:

Q. Do you know if, according to this [licensing] agreement, you are obligated to give Good Earth any trademarks of your own?

A. Yes.

Q. What are you obligated to do?

A. Whatever. If I have a new item in the menu, I have to give it to them, they are going to be their trademarks, you know. If I have a chicken dish and I distribute it and I put it in my menu, that's going to be their trademark.

Q. So whatever name you come up with for your chicken dish, it automatically becomes Good Earth's trademark?

A. Anything I put in the menu or anything I sell in my restaurant, that's their trademark. (Kilani, at 36-37).

In addition, John Bishop, the licensee who was the first to use the AIR FRIES mark, testified as follows:

Q. Is it your position that you gave the right, any rights in the "Air Fries" mark to Good Earth?

A. Oh, absolutely.

Q. How did you do that?

A. Buy acquiesce [sic] with the whole idea.

Q. How did you acquiesce?

A. Just simply pointing out that all franchisees needed to do that, that we needed to all be selling, you know, because we all have a great number of the recipes and we're all doing the same thing. So we wanted to follow through. We saw no reason to hold onto it.

(Bishop, at 48).

Further, we note that at a meeting with its licensees in August 1994 respondent advised the licensees of its intent to register the AIR FRIES mark. Respondent subsequently sent each licensee a letter advising that it was preparing to file an application to protect the AIR FRIES mark from competitors and that any restaurant not presently offering AIR FRIES would have to request permission to do so from respondent. No licensee objected to respondent's applying to register the mark.

After careful consideration of the record herein, we find that respondent was the owner of the AIR FRIES mark at the time it filed its application. Although the licensing agreements are silent with respect to ownership of any newly developed marks, it appears from the testimony of respondent's licensees that they certainly understood that respondent was the owner of any such marks. Equally

important, not a single licensee objected when respondent advised that it was filing an application to register AIR FRIES, which serves to confirm the licensees' understanding that respondent was the owner of the mark.

Further, Mr. Bishop has testified that he gave up all rights in the AIR FRIES mark to respondent. It is not necessary that an assignment be in writing to transfer common law rights in a trademark. See: 2 J. T. McCarthy, McCarthy on Trademarks and Unfair Competition §18:4 (4th ed. 1999) and cases cited therein. [An assignment may be proven by the clear and uncontradicted oral testimony of a person in a position to have actual knowledge.]

Several points raised by petitioner need to be addressed. First, petitioner contends that the oral assignment of the mark from Mr. Bishop to respondent is of no effect because no good will was assigned. However, Mr. Bishop indicated in his testimony that he provided respondent with the suggested ovens and potatoes to use in preparing the AIR FRIES product. In addition, there is no question that products of the same nature and quality continued to be produced. Thus, we find that the good will associated with the AIR FRIES product was transferred.

Second, petitioner contends that in order for respondent to claim ownership by way of assignment, it must be able to demonstrate that all of the other licensees who

used the AIR FRIES mark assigned their interests to respondent as well. However, inasmuch as Mr. Bishop was the first to use the AIR FRIES mark and none of the other licensees claimed any rights in the mark, it does not appear that these licensees had any ownership interest to assign.

The third point concerns the Asset Purchase Agreement which transferred ownership of respondent Good Earth from E. R. and Sheldon Wilson to the current owners Ben Zaricor and his wife Louise Veninga. Although the AIR FRIES mark was in use at the time of this transfer, it was not included among the list of marks set forth in the agreement. However, we note that the marks listed in the agreement were all registered marks and AIR FRIES was not registered at the time of the agreement.

The fourth point relates to an assignment clause in an agreement terminating the licensee relationship between Peter Schwartz and respondent. As indicated previously, Mr. Schwartz was the first licensee to offer french fries cooked in hot air, although he was not the first licensee to use the AIR FRIES mark. The clause assigns to respondent all intellectual property, including trademarks, which Mr. Schwartz may have created, authored, or used during the operation of his business as a licensee.

It is petitioner's position that the inclusion of an assignment clause in the termination agreement can not be

reconciled with respondent's belief that it already had rights in the mark based upon the licensee agreements. However, we find plausible respondent's explanation that this was simply an appropriate cautionary measure.

Abandonment

We turn next to the question of whether respondent has abandoned the AIR FRIES mark as a result of its failure to exercise adequate quality control over its licensees. Petitioner points out that there are no specific quality control measures relating to the AIR FRIES mark in the licensing agreements; that the licensees did not use the "TM" designation or the registration symbol in connection with AIR FRIES as directed by respondent; and that the licensees did not submit copies of their menus as requested by respondent.

Petitioner is correct that the licensing agreements contain no quality control provisions concerning the AIR FRIES product. Of course, as noted previously, the AIR FRIES product was not in existence at the time the agreements were executed.

It is not necessary that a licensor's quality control efforts be comprehensive or extensive. *Woodstock's Enterprises Inc. (California) v. Woodstock's Enterprises Inc. (Oregon)*, 43 USPQ2d 1440, 1446 (TTAB 1997); *aff'd*, No. 97-1580 (Fed. Cir. March 5, 1998). Also, abandonment does

not automatically result from the absence of quality control provisions. Rather, if the licensor exercises actual quality control, there will be no abandonment. See: McCarthy, McCarthy on Trademarks and Unfair Competition, supra at 18:59.

In this case, the record shows that all licensees use the same process for cooking the AIR FRIES product; that all licensees use one of three convection ovens recommended by respondent; that respondent's director of restaurant operations has inspected the licensee's restaurants; and that no complaints have been received by respondent concerning the product.

Keeping in mind that the AIR FRIES product involves no recipe and is easy to prepare, we find that respondent has exercised adequate quality control over the product. The fact that respondent was lax in requiring its licensees to use the "TM" designation and registration symbol is not evidence of a lack of adequate quality control. The purpose behind quality control is to prevent public deception that would ensue from varying quality standards for products sold under the same mark. The public will not be so deceived in as a result of respondent's licensees' failure to use the "TM" designation or registration symbol. Rather, such failure on the part of the licensees harms respondent with respect to how AIR FRIES is perceived by the public.

Cancellation No. 26,865

Decision: The petition to cancel is granted on the ground that AIR FRIES is merely descriptive of respondent's goods; the petition to cancel is denied on the grounds that respondent was not the owner of the mark at the time of filing the application and abandonment.

T. J. Quinn

P. T. Hairston

G. F. Rogers
Administrative Trademark Judges
Trademark Trial and Appeal Board