

THIS DISPOSITION IS NOT
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U.S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Nabisco, Inc.

v.

Sathers Inc.

Opposition No. 101,650
to application Serial No. 74/564,574
filed on August 23, 1994

Steven H. Hartman for Nabisco, Inc.

Laurie Peard Soler for Sathers Inc.

Before Seeherman, Hanak and Hairston, Administrative
Trademark Judges.

Opinion by Seeherman, Administrative Trademark Judge:

Nabisco Inc. has opposed the application of Sathers
Inc.¹ to register, pursuant to Section 2(f) of the Trademark

¹ Applicant's witness stated at his testimony deposition that Sathers Inc. was acquired by Favorite Brands International in 1996. However, he also stated that Sathers Inc. still exists, and Office records show the application to be still in the name of Sathers Inc. Therefore, we have continued to identify Sathers Inc. as the party-in-interest.

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Act, TANGY FRUITS as a trademark for candy.² As grounds for opposition, opposer alleges that since prior to the filing of applicant's application, opposer has been engaged in making various food items, including fruit-flavored cookies, candy and gum; that the term TANGY FRUITS is merely descriptive of tangy fruit-flavored candy; that the term TANGY FRUITS is a generic name for a flavor; and that, even if capable of functioning as a trademark, the term TANGY FRUITS has not acquired secondary meaning as an indication of source.

In its answer applicant admitted that prior to applicant's filing date opposer has sold various fruit-flavored cookies, candy and gum, and denied the remaining salient allegations of the notice of opposition. Applicant also asserted as affirmative defenses that opposer is estopped from asserting that applicant's mark is merely descriptive or generic due to efforts undertaken by opposer to register the term for itself as a trademark; and that opposer is seeking to prevent registration of applicant's mark not because it believes the mark is merely descriptive or generic but because it has a reasonable basis to conclude

² Application Serial No. 74/564,574, filed August 23, 1994, alleging first use and first use in commerce as early as 1984.

that applicant is a prior user of the mark and that use by opposer violates the rights of applicant.³

The record includes the pleadings; the testimony, with exhibits, of opposer's witnesses Lori Klucker, Kathryn E. Scherb, Blair Ramey and Noelle Paschon, and applicant's witness Michael D. Halverson. Opposer has also submitted, under a notice of reliance, dictionary definitions of "tang" and "tangy"⁴, and applicant's answers to certain of its interrogatories and requests for admission, while applicant has relied on the file history of a registration for LUSCIOUS LIME, owned by one of opposer's divisions.⁵

Each party has filed a brief on the case;⁶ an oral hearing was not requested.

³ Applicant also alleged as an affirmative defense that opposer has a history of registering terms which are no less descriptive than the subject term. The Board, in deciding applicant's motion to compel, effectively dismissed this claim, stating that the question of the descriptiveness of other marks is irrelevant to this proceeding. Accordingly, this "defense" has not been considered.

⁴ Opposer's notice of reliance indicates that opposer also intended to make of record a dictionary definition of "fruit," but the page of the dictionary which it submitted does not include this word. However, the Board may take judicial notice of dictionary definitions, see **University of Notre Dame du Lac v. J. C. Gourmet Food Imports Co., Inc.**, 213 USPQ 594 (TTAB 1982), aff'd, 703 F.2d 1372, 217 USPQ 505 (Fed. Cir. 1983), and we do so in this case.

⁵ In its brief opposer has objected to this registration on the ground of relevance. That objection is overruled. The registration is relevant to show opposer's own perceptions, as well as the Patent and Trademark Office's, that a term can function as both a flavor designator and a trademark.

⁶ Scattered through its brief are objections opposer has made to various exhibits. Opposer has objected to Exhibits Nos. 7, 8 and

Opposer markets and sells, inter alia, candy, including candy marketed under the trademarks LIFE SAVERS and GUMMI SAVERS. Thus, its standing to bring this proceeding has been established.

We turn first to a consideration of applicant's affirmative defense of estoppel. On June 17, 1993 opposer filed its own application for the mark TANGY FRUITS, with the words shown in stylized form, for candy (Serial No. 74/403,633), asserting first use as of November 9, 1992. This application was refused registration on the ground that the mark was merely descriptive, and opposer argued, in both its response to the Examining Attorney and in its brief on appeal, that TANGY FRUITS was only suggestive of candy. In particular, opposer asserted that "there is no indication

19, introduced during the testimony deposition of Michael Halverson. Opposer's attorney, during the deposition, specifically stated that she had no objections to those exhibits. Accordingly, the newly raised objections are overruled.

Opposer has also objected to certain statements made by Mr. Halverson as hearsay, and raised an objection to a document, "TANGY FRUITS SALES ANALYSIS," which is part of Exhibit No. 18 to Mr. Halverson's deposition. Opposer objects to this document for lack of foundation, stating that the record does not support that this is a business record, nor was there any testimony as to the circumstances under which the document was created. Opposer's objection is not well taken. Opposer specifically stated, during Mr. Halverson's testimony deposition, that it had no objection to Exhibit 18. Further, if opposer had raised its objection during the time of the deposition, Mr. Halverson might have been able to provide the information opposer now says is lacking. Accordingly, any objection as to foundation for this document is deemed to have been waived by opposer for failure to seasonably raise it. See TBMP § 718.03(c). Further, opposer's hearsay objections are in effect an attack on the foundation for Mr. Halverson's testimony as to business activities that occurred before he joined applicant's employ. Such objections should have

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from the mark in which fruit flavors the candy is offered. Therefore the mark does not describe the goods with the degree of specificity necessary to come within section 2(e)(1)." Brief, p. 2.

Opposer filed its appeal brief on August 3, 1994. On August 23, 1994 applicant sent opposer a letter advising opposer of applicant's use of TANGY FRUITS for candy since 1984. Opposer withdrew its application, and appeal, on January 20, 1995.

Applicant asserts that in view of opposer's earlier position that TANGY FRUITS was a trademark for candy, and was at most suggestive, it cannot now take the position that this term is generic or merely descriptive of these goods. Applicant also asserts that opposer changed its position that TANGY FRUITS was a mark to TANGY FRUITS being a generic or descriptive term when it learned of applicant's prior rights in the asserted mark.

The equitable defense of estoppel is not available in a proceeding brought on the grounds of genericness or descriptiveness. See **Care Corp. v. Nursecare International, Inc.**, 216 USPQ 993 (TTAB 1982). Further, opposer's statements in its own application that TANGY FRUITS is not descriptive of candy cannot be treated as an admission. The determination of whether a term is descriptive or generic is

been raised during Mr. Halverson's testimony deposition to be

a legal conclusion, and it is well-established that legal conclusions cannot be admitted by a party. See **Interstate Brands Corp. v. Celestial Seasonings, Inc.**, 576 F.2d 926, 198 USPQ 151 (CCPA 1978). That opposer took the position in connection with its application that TANGY FRUITS functions as a trademark is, however, a fact, and that fact is evidence which is "illuminative of shade and tone in the total picture confronting the decision maker." Id. at 198 USPQ 154. Thus, although applicant's affirmative defense is denied, the evidence that opposer believed during the time it filed and prosecuted its application that TANGY FRUITS is not generic or a merely descriptive term for candy is of record, and we may consider that fact in making our determination herein.

We turn then to the grounds pleaded in opposer's notice of opposition. The first ground is that TANGY FRUITS is a generic term for applicant's goods.

Applicant's goods are identified in its application as "candy." The evidence shows that applicant applies the term TANGY FRUITS to button-shaped hard candies of assorted colors and flavors, i.e., lemon, orange, watermelon, cherry, apple and peach. Applicant's witness, Mr. Halverson, describes these goods as assorted hard candies that have a high acid content. The candy is sold in clear plastic

considered seasonable.

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packaging which reveals the individually wrapped candies, and the individual wrappings have pictures of apples, lemons, oranges and watermelons. The "header" on the bag bears the term TANGY FRUITS, as shown below in reduced size.

Applicant uses TANGY FRUITS for both sugar and sugar-free versions of the candy.

Applicant, through its predecessor-in-interest, first introduced its TANGY FRUITS candy in 1984, and the candy has been sold continuously since that time. Because of the transfer of ownership in 1992, applicant's sales records for this candy go back only to 1989. It's sales from 1989 to 1994 were as follows:

YEAR	DOLLAR AMOUNT
1989	\$29,289
1990	\$13,467
1991	\$ 9,552
1992	\$17,411
1993	\$242,373
1994	\$1,600,000

Mr. Halverson also testified that sales of the TANGY FRUITS candy were continuing to increase.

Opposer has presented, in support of its claim of genericness, the testimony of Lori Klucker, who is a brands manager for Hershey Foods, and of Kathryn E. Scherb, a self-employed dietitian/consultant who, to a large extent, writes

package copy for food products for various food manufacturers.

Ms. Klucker testified that if her company's non-chocolate group or new products group could not use the term "tangy fruits" it could inhibit growth, although she did concede during cross-examination that "tangy fruit flavor" would be a good alternative to "tangy fruits." She also said that in consumer research studies interviewees had volunteered the phrase "tangy fruits" as a descriptor for some products. On cross-examination she said that she had heard consumers use "tangy fruit flavor" in describing products.

Ms. Scherb said that to a "food communicator" "tangy fruit" is used to describe a heightened flavor or intensely flavored, particularly for a fruit, that "tangy fruit" typically relates to citrus fruits and also some berries and pineapple. In her view as a professional food communicator, consumers would understand TANGY FRUITS, as used on applicant's packaging, to describe what's in the package, namely a candy with an intense or heightened fruit flavor. As an exhibit to Ms. Scherb's testimony opposer made of record a compilation of excerpts from 215 stories, taken from the NEXIS database, in which the phrases "tangy fruit" or "tangy fruits" appear. Most of these stories appear to us to be totally irrelevant to the issue of whether TANGY

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FRUITS is generic or even merely descriptive for candy. For example, the first story states that "[b]leef goes well with a tangy fruit, such as an orange"; the second story includes, in a reference to strawberries, that "[a]verage yields provide about 5,000 quarts per acre of the tangy fruit"; and the third story, about wine, discusses "[t]he characteristics, almost 'stony' mineral note tempers the tangy fruit and honey." Although opposer asserts in its brief that "the Nexis stories buttress the conclusion that TANGY FRUITS, as applied to candy, is understood by the buying public to refer to candy that comes in assorted tangy fruit flavors," brief, p. 37, opposer has not pointed to any stories in the NEXIS excerpts which use "tangy fruits" in a generic manner with respect to candy. We have found a few stories where "tangy" is used in a descriptive manner in connection with candy, see, e.g., Story #6, about the closing of a Fanny Farmer store: "Dark chocolate maple walnut creams, creamy nonpareil mints in sherbet colors, tangy fruit slices, hearty black licorice..." these stories do not show that "tangy fruit" is used as a generic term for candy. In fact, in the Story #6, "tangy" appears to be used in the same manner as "hearty" is used in describing licorice.

Opposer has also made of record the following dictionary definitions:

"tang"--"a sharp distinctive often lingering flavor

"tangy"--having or suggesting a tang⁷

"fruit"--a product of plant growth (as grain, vegetables, or cotton) ,the ~s of the field>; a succulent plant part used chiefly in a dessert or sweet course; a dish, quantity, or diet of fruits <please pass the ~>⁸

In determining whether TANGY FRUITS is generic, we follow the test set out by our primary reviewing Court in **H. Marvin Ginn Corp. v. International Ass'n of Fire Chiefs, Inc.**, 782 F.2d 987, 228 USPQ 528 (Fed. Cir. 1986):

First, what is the genus of goods or services at issue?

Second, is the term sought to be registered... understood by the relevant public primarily to refer to that genus of goods or services?

Opposer concedes that if the relevant genus of applicant's candy is defined as hard candy or fruit flavored hard candy, then TANGY FRUITS is not generic. Brief, p. 35. Opposer, however, argues that the relevant genus is candy in assorted tangy fruit flavors, that is, that applicant's candy forms its own genus, because "applicant has chosen for the name of its candy the two words that best describe the

⁷ Webster's Collegiate Dictionary, © 1981.

⁸ We take judicial notice of these definitions, as indicated in footnote 4, supra.

taste characteristics that distinguish its candy from the candies of other producers." Brief, p. 29.

We cannot agree with opposer's reasoning. If a plaintiff could meet the first part of the test set out in Ginn by simply defining the genus as the defendant's goods, that would seem to make the first part of the test superfluous. Opposer has not provided any evidence that "tangy fruit-flavored candies" are a genus of goods. Rather, applicant has shown that its product is a hard candy, while the testimony of Ms. Klucker, the Hershey Foods employee, indicates that candy may be divided into chocolate and non-chocolate groups. There is simply no evidence, however, to support a claim that "tangy-fruit" or "tangy fruits" is a genus of candy.

Opposer relies heavily on cases from other circuits, **A. J. Canfield Co. v. Honikman**, 808 F.2d 291, 1 USPQ2d 1364 (3d Cir. 1986) and **Genesee Brewing Co. v. Stroh Brewing Co.**, 124 F.3d 137, 43 USPQ2d 1734 (2d Cir. 1997), in support of its position. Those cases, however, dealt with new products that differed from established product classes. Fruit-flavored hard candies, and in particular citrus fruit-flavored hard candies, are not new products. See **In re The American Fertility Society**, __F.3d__, __USPQ2d__ (Fed. Cir. Aug. 19, 1999).

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Based on the evidence of record, we find that the genus of goods is fruit-flavored hard candies. As noted previously, opposer has conceded that if this is the genus, TANGY FRUITS cannot be considered a generic term. Accordingly, we need not discuss the second portion of the Ginn genericness test. We would add, though, that the evidence which has been submitted falls far short of establishing that the public perceives TANGY FRUIT as a generic term for fruit-flavored hard candies.

Since opposer has failed to prove that TANGY FRUITS is generic, we address the other pleaded grounds for opposition. With respect to the issue of descriptiveness, applicant has effectively admitted that the term TANGY FRUITS is, in and of itself, merely descriptive of candy by seeking registration pursuant to Section 2(f) of the Act. Thus, we proceed to a consideration of whether applicant's mark has acquired distinctiveness. Because seeking registration under Section 2(f) is not unlike an affirmative defense to a concession by applicant that it otherwise is not entitled to a trademark registration on the ground of mere descriptiveness, the burden is on applicant to prove acquired distinctiveness. **Yamaha International Corporation v. Hoshino Gakki Co., Ltd.**, 840 F.2d 1572, 6 USPQ2d 1001 (Fed Cir. 1988).

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Opposer asserts that even if TANGY FRUITS is not a generic term for candy, it is highly descriptive and therefore requires a high degree of evidence to demonstrate acquired distinctiveness. We disagree that TANGY FRUITS is so highly descriptive. Certainly the evidence shows that "tangy fruits" indicates an intense or distinctive flavor of fruits and, as used for hard candies, would immediately convey to consumers that the candies have such flavors. However, in determining the degree of descriptiveness of this term, we can consider the fact that opposer believed, when it filed and prosecuted its own application for TANGY FRUITS for candy, that TANGY FRUITS was an inherently distinctive trademark for candy, and was only suggestive of the goods.

Further, the record shows that it is relatively common in the candy industry to treat as trademarks the flavors for candies, and to use as trademarks for the flavors terms that are, at the very least, highly suggestive of the products. For example, opposer has used, and applied to register as a trademark for candy, TANGY FRUIT SWIRLS, and has registered WILD SOUR BERRIES, with the words "sour" and "berries" disclaimed, as trademarks for candy. The specimens showing these marks show that they are used as flavor designators. In addition, Hershey Foods has registered, and uses as trademarks, AMAZIN' FRUIT for gummy candies and SPECIAL DARK

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for a candy bar. Because consumers are used to seeing and treating as trademarks highly suggestive terms which are used as flavor designations, they are more prone to recognize that even a descriptive term may serve a trademark function.

In view of opposer's own (previous) view that TANGY FRUITS is not descriptive of candy, and the general context in which applicant's mark is viewed, we find that TANGY FRUITS, while merely descriptive of candy, is not highly descriptive of such goods. Accordingly, the degree of evidence to prove acquired distinctiveness is not as great in this case as it would be with a highly descriptive mark. See **Yamaha International Corporation v. Hoshino Gakki Co., Ltd.**, supra.

Turning then to the evidence of acquired distinctiveness, applicant has used TANGY FRUITS as a trademark for its candy continuously since 1984. From the evidence of record it appears that applicant's use of the mark was exclusive from 1984 until 1992, when opposer introduced its TANGY FRUITS candy in a roll package. Applicant's sales figures, as indicated above, show steady but relatively modest sales until 1993, when they jump from low double digits to \$242,000, and then to \$2.6 million in 1994, and the record indicates subsequent sales continuing at the latter rate. Since 1994 applicant has continued to

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expand the brand into other trade classes, with the largest growth in sugar-free candy and, for the sugar candy, as part of applicant's KIDDIE MIX package. Because the TANGY FRUITS candy was a product of the Powell Candy Company, and applicant did not acquire this company until 1992, applicant has limited information about its predecessor's marketing activities. TANGY FRUITS is now sold through wholesale clubs such as Sam's Club and mass merchandise stores such as Kmart.

Applicant advertises its TANGY FRUITS candy through a catalog which is shown by applicant's sales force to wholesale and retail purchasers. It has been part of applicant's trade advertising, and has been displayed in trade shows that applicant attends. Consumer advertising includes featuring the product on some of the fleet of 300 trailers which distribute applicant's products, using the trucks as a moving billboard. TANGY FRUITS candy is also shown in a television commercial which airs on Nick at Night.

Applicant has also provided representative samples of letters from consumers inquiring where they could purchase TANGY FRUITS candy. In most of these letters the initial letters of TANGY FRUITS was capitalized or the term was otherwise used in a manner that implied the writers regarded TANGY FRUITS as a trademark.

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We acknowledge that the information applicant has provided about its sales and advertising of the TANGY FRUITS candy is rather limited. For example, although applicant's witness testified generally as to the channels of trade for applicant's products, he provided relatively little information about the stores where TANGY FRUITS candy in particular is sold. Nor did applicant provide any figures on the amount it spent advertising its TANGY FRUITS candy. Although Mr. Halverson provided general information about promotional activities, he did not, for example, indicate the number of catalogs featuring TANGY FRUITS candy which were distributed; identify the trade shows or state the number which were attended; or submit a copy of the television commercial which included the TANGY FRUITS product, or otherwise indicate how long it has aired on Nick at Nite.

Despite the omissions in the evidence applicant has provided, we find that the record as a whole demonstrates that TANGY FRUITS has acquired distinctiveness as a trademark of applicant's, and did so prior to opposer's first use of this term in 1992. We base our finding, in particular, on the fact that applicant used TANGY FRUITS continuously since 1984 in the manner of a trademark on its products, in a large and distinctive type font, such that consumers would recognize that it was intended to function

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as a trademark. Moreover, although sales were relatively limited until 1993, it must be remembered that the packages of the TANGY FRUITS candy were sold for 99 cents, or in a 2 for \$1.00 package. Because of the very low cost of the candies, even the limited number of sales represented many bags of candy sold, and therefore a large number of consumer impressions of the mark on the packaging.

Opposer asserts that applicant has been able to show only three years of exclusive use of TANGY FRUITS, and thus cannot establish a prima facie case of distinctiveness. Opposer bases this argument on the fact that opposer introduced its own TANGY FRUITS candy in 1992 (with sales of \$1.1 million in that year), and the apparent claim that because applicant provided no sales figures prior to 1989, no sales should be presumed prior to that date. However, we find Mr. Halverson's testimony credible to establish continuous sales since the product's introduction by applicant's predecessor-in-interest from 1984.⁹ Moreover,

⁹ As indicated in footnote 6, in its brief opposer has asserted that Mr. Halverson's testimony as to usage by applicant's predecessor-in-interest is hearsay, and that Mr. Halverson had no personal knowledge of the predecessor's use of the mark. This is essentially an objection based on foundation. Mr. Halverson testified that he was the Director of Marketing for Sathers Inc. before its acquisition by Favorite Brands International, and now has overall responsibility for, inter alia, marketing the Sather brands of candies. Opposer was represented by counsel at the deposition, and if opposer had any concerns about the basis for Mr. Halverson's testimony about the continuous use of TANGY FRUITS since 1984, counsel could have objected at the time, when applicant's counsel would have had an opportunity to try to

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our finding of acquired distinctiveness does not rest on the provision of Section 2(f) of the Trademark Act that the Commissioner may accept as prima facie evidence that the mark has become distinctive ... proof of substantially exclusive and continuous use thereof..., but on the evidence of acquired distinctiveness provided by applicant.

In conclusion, we find that opposer has failed to prove that TANGY FRUITS is generic for fruit-flavored hard candy, and that applicant has established that its mark has acquired distinctiveness.

Decision: The opposition is dismissed.

E. J. Seeherman

E. W. Hanak

P. T. Hairston
Administrative Trademark Judges
Trademark Trial and Appeal Board

overcome such objections. By not seasonably raising its objection, opposer is deemed to have waived its right to object.