

Blog Post

The Skinny on “Thins”

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According to the Federal Circuit, the skinny on the term “Thins” is that it may be generic for thinly cut snack crackers. *Real Foods Pty Ltd. V. Frito-Lay North America, Inc.*, (October 4, 2018 Fed. Cir.).

In 2012, Real Foods Pty. Ltd. (“Real Foods”) applied to register the trademarks CORN THINS for “crispbread slices predominantly of corn, namely popped corn cakes,” and RICE THINS for “crispbread slices primarily made of rice, namely rice cakes.” [1] The words “corn” and “rice” were disclaimed from their respective applications. Frito-Lay North America, Inc. (“Frito-Lay”) opposed registration of those marks, alleging that RICE THINS and CORN THINS were (i) generic names for the goods; (ii) so highly descriptive of the goods as to be incapable of acquiring distinctiveness; and (iii) merely descriptive of the goods, and Real Foods’ evidence of acquired distinctiveness of “Thins” was inadequate and insufficient.

The Trademark Trial and Appeal Board sustained the oppositions to registration of CORN THINS and RICE THINS, finding the marks to be merely descriptive of the goods and lacking in acquired distinctiveness. However, the Board stopped short of holding the marks or the term “Thins” to be generic and incapable of ever functioning as trademark.

On appeal, the Federal Circuit affirmed the Board’s decision that the applied-for marks were highly descriptive and that Real Foods’ evidence of

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acquired distinctiveness was insufficient. However, in a victory for Frito-Lay, the Federal Circuit disagreed with the Board's genericness analysis concerning the word "Thins" in the snack food field, and remanded the issue to the Board for further consideration consistent with the Court's analysis.

The Court reviewed the well-established spectrum of the scope of protection for trademarks. There are generic words (or "the common descriptive" words), merely descriptive terms, suggestive, and arbitrary or fanciful marks. Generic terms cannot be registered, or function, as trademarks. They are by definition incapable of indicating a particular source of the goods or services. A mark is "merely descriptive" if it immediately conveys information concerning a feature, ingredient, quality, or characteristic of the goods. Terms that are merely descriptive cannot be registered on the Principal Register, or function as trademarks, unless they acquire distinctiveness.

Moreover, the "descriptive" category is not monolithic. Some terms are only slightly descriptive and other terms may be highly descriptive. Acquired distinctiveness, required to register a descriptive mark, or for a descriptive mark to function as a trademark, "occurs when, in the minds of the public, the primary significance of a mark is to identify the source of the product rather than the product itself." The more descriptive a mark, the greater of quantum of evidence is necessary to establish acquired distinctiveness.

Substantial Evidence Supported the Board's Descriptiveness Finding.

The Court agreed with the Board that consumers would immediately understand CORN THINS and RICE THINS to refer to snacks that are thin in cross section and made primarily of corn or rice, respectively. The dictionary definitions of the words "corn," "rice," and "thin" supported the Board's view that consumers would immediately understand that

the composite whole CORN THINS and RICE THINS refer to thin crackers or cakes made of corn or rice. Indeed, Real Foods’ marketing materials described the goods as such. Moreover, there was substantial evidence in the record that the term “Thins” is used in marks for other, similar snack food products. That the marks did not also make reference to the products being “cakes” or being made with “popped or puffed ingredients” did not matter. A mark could be merely descriptive even if it does not describe the full scope and extent of the goods.

Real Foods’ argument that “Thins” was a double-entendre that conveyed the low calorie, light, and diet-friendly characteristics of the products was unavailing. The record contained substantial evidence of use of “Thins” by other manufacturers on cookies and other high calorie snack foods, such as GINGER THINS or BROWNIE THINS. Therefore, the Court found it reasonable that consumers would not understand the putative double-entendre in the applied-for marks.

The Court sustained the Board’s reliance on Frito-Lay’s third party evidence contained in its expert report, despite Real Foods’ complaints that the report failed to consider how consumers would view the applied-for marks as a whole. The Court noted that there is no requirement that an expert report provide an opinion as to the marks as a whole for the Board to rely on it. Instead, only *the Board* is required to consider the mark as a whole.

Finally, the Court was unpersuaded by Real Foods’ argument the Board failed to consider third party registrations of marks that contained “Thins.” The Court agreed with the Board that third party registrations are of limited value because each application must be examined on its own merits. The Court agreed that the prior registrations do not compel registration of Real Foods’ proposed marks.

Substantial Evidence Supported the Board’s
Acquired Distinctiveness Finding.

The Federal Circuit also upheld the Board's determination that Real Foods failed to demonstrate that its applied-for marks had acquired distinctiveness. The record supported the Board's determination that (1) Real Foods did little or no advertising of CORN THINS or RICE THINS; (2) Real Foods' sales figures, while not insignificant, were not high; (3) the use of THINS was not limited to Real Foods; and (4) a survey conducted by Frito-Lay's expert established "limited recognition of CORN THINS as a mark." Real Foods maintained that the Board failed to properly consider the record evidence, but the Court disagreed. Besides, Frito-Lay's expert survey established that only around ten percent of respondents associated CORN THINS with a particular company.

Second, by characterizing the applied-for marks as "highly descriptive," Real Foods argued that the Board placed an undue evidentiary burden on Real Foods with respect to a claim of acquired distinctiveness. The Circuit disagreed.

Finally, the Federal Circuit rejected Real Foods' argument that its marks were entitled to the presumption of acquired distinctiveness based on five year of continuous and exclusive use. The Court pointed out that Section 2(f) of the Lanham Act, 15 USC § 1052(f), provides that "[t]he Director [of the USPTO] may accept as prima facie evidence that the mark has become distinctive . . . proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the [previous] five years." Thus, the statutory language allows the USPTO to require more than a simple claim of five years of continuous and exclusive use.

The Board Erred in Its Genericness Analysis

As explained above, the Board had dismissed Frito-Lay's claim that the proposed marks were generic. In so doing, the Board identified the genus of the goods as "popped corn cakes" for the CORN THINS mark and "rice cakes" for the RICE THINS mark. Since

consumers would refer to rice cakes or popped corn cakes using those terms, the Board reasoned that “RICE THINS” and “CORN THINS” cannot be understood to be the common descriptive term for those goods.

The test for genericness involves a “two-step inquiry” that asks: (1) what is the genus of goods at issue, and (2) is the term sought to be registered understood by the relevant public primarily to refer to that genus of goods? The Federal Circuit noted that a term can be generic for a genus of goods if the relevant public understands the term to refer to a key aspect of that genus.

The Court criticized the Board for improperly narrowing the genus of the goods at issue. The applications initially identified the goods as “crispbread slices predominantly of [corn or rice].” During the opposition proceedings, Real Foods amended the goods as “crispbread slices predominantly of [corn/rice], namely [popped corn cakes/rice cakes].” The Board defined the genus of the goods strictly by reference to the newly added portion of the amended language. Disagreeing, the Court read the first part of the description — crispbread slices predominantly of [corn/rice] — as the genus, and the “popped corn cakes” and “rice cakes” as the species. In other words, the goods are defined as *crispbreads* and “popped corn cakes” or “rice cakes” are just the kind of crispbreads they are. Thus, the Board’s error in identifying the proper genus at step one of the genericness analysis affected its analysis at step two — that is, whether is the term sought to be registered was understood by the relevant public primarily to refer to that genus of goods. Accordingly, the issue was remanded to the Board for proper analysis.

* * *

Snack food manufacturers no doubt accept that they cannot have exclusive rights to the clearly generic word “chips” for their snacks. As a result, they try to

register marks such as CORN THINS, RICE THINS, or as Frito-Lay previously successfully opposed, PRETZEL CRISPS. Sometimes the United States Patent and Trademark Office allows those marks to register, and sometimes it does not. A final decision on the registrability of “thins” (or “crisps”) will bring additional clarity to branding in the snack food field.

[1] As amended during the pendency of the opposition.

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