Hearing:
July 22, 1997

Paper No. 31
CEW

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THE TTAB 9/18/98

U.S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board

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Redmond Products, Inc.
v.
ETS, Inc.

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Cancellation No. 22,285
to Registration Nos. 1,046,627 and 1,637,325

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David R. Fairbairn of Kinney & Lange for petitioners.[1]

Clifford W. Browning of Woodard, Emhardt, Naughton, Moriarty & McNett for respondent.

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Before Simms, Hohein and Walters, Administrative Trademark Judges.

Opinion by Walters, Administrative Trademark Judge:

Redmond Products, Inc. filed its petition to cancel two registrations owned by ETS, Inc. for the mark AUSTRALIAN

[1] While petitioner's attorney indicated in a telephone conversation with the Board that counsel for petitioner had changed, no document indicating such a change has been filed with the Board. Thus, the Board will continue to direct its correspondence to the attorney of record herein.

GOLD for, respectively, "sunscreen lotion"[2] and "skin care preparations, namely suntanning and moisturizing creams and lotions" in International Class 3.[3]

As grounds for cancellation, petitioner asserts that the *nunc pro tunc* assignment of Registration No. 1,046,627 by Dagar Products, Inc. (Dagar) to Dr. Graham O. Davies was ineffective because it "was executed more than five years after the dissolution of Dagar" and Dr. Davies "lacked corporate authority to execute such an assignment"; and that, therefore, respondent "acquired no right to Registration No. 1,046,627 or the AUSTRALIAN GOLD mark by virtue of the purported assignment from [Dr. Davies to respondent]." Petitioner asserts, further, that the mark has been abandoned due to its nonuse for "an extended period" on the identified goods by the original registrant "with an intention not to resume use and to relinquish all rights to the mark and to Registration No. 1,046,627."

Regarding Registration No. 1,637,325, petitioner asserts only that respondent "claimed its ownership of

[2] Registration No. 1,046,627, issued August 24, 1976, in International Class 3, and renewed for a period of ten years from August 24, 1996. The registration issued to Dagar Products, Inc. and the current owner of record according to PTO records is ETS, Inc. [Sections 8 and 15 affidavits accepted and acknowledged, respectively.]

[3] Registration No. 1,637,325, issued March 12, 1991, in International Class 3. The registration issued to American Tanning Systems, Inc. and the current owner of record according to Office is ETS, Inc. [Sections 8 and 15 affidavits accepted and acknowledged, respectively.] The registration includes a disclaimer of AUSTRALIAN apart from the mark as a whole.

Registration No. 1,046,627 as a means of obtaining Registration No. 1,637,325."

Respondent, in its answer, denied the salient allegations of petitioner's claims.

*The Record*

The record consists of the pleadings; the files of the involved registrations; certified status and title copies of numerous registrations owned by petitioner, all made of record by petitioner's notice of reliance; certified copies of certain documents recorded with the PTO, made of record by respondent's notice of reliance; the testimony depositions by petitioner of Graham O. Davies, the co-developer of the product identified in Registration No. 1,046,627, and Cheryl Spaulding, an officer of petitioner, both with accompanying exhibits; and the testimony deposition by respondent of Edna H. Gray, an officer of respondent, with accompanying exhibits. Both parties filed briefs[4] and were represented at the hearing held in this case.

[4] Respondent filed a motion to strike, in whole or in part, petitioner's reply brief. Respondent alleges, first, that petitioner raised issues pertaining to FDA labeling for the first time in its reply brief and that such issues were not previously raised by either party and were not pleaded in the petition to cancel. Respondent correctly notes that petitioner's argument that the involuntary corporate dissolution of Dagar Products Inc. rendered subsequent sales of Dagar's AUTRALIAN GOLD sunscreen in violation of FDA regulations was made for the first time in its reply brief. This issue pertains to lawful use in commerce and is not pertinent to the pleaded claim of abandonment, nor was it pleaded in the petition to cancel or previously tried or argued by either party. Therefore, the Board has not considered petitioner's argument pertaining to FDA labeling. Even if we had considered this argument as part of

*The Parties*

The evidence establishes that petitioner manufactures and distributes hair care products throughout the United States; and that petitioner has registered and used various marks incorporating the term AUSTRALIAN or AUSSIE in connection with its hair care and personal care products.[5]

Respondent's executive vice president, Edna H. Gray, testified that respondent's predecessor began its business in 1984 as European Tanning Systems, Inc. In 1986, Ms. Gray and her husband formed American Tanning Systems, Inc., a sub-chapter S corporation, which took over the assets of European Tanning Systems, Inc. and continued to do business under the name of the first corporation. In 1990, American

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petitioner's abandonment claim, we would not reach a different result in this case.

Additionally, in its motion to strike, respondent alleges that petitioner refers to an "Agostinelli affidavit" which was not made of record by either party. As petitioner concedes, and the record shows, the Agostinelli affidavit was not made of record during either party's testimony period; thus, the Board has disregarded petitioner's discussion of that affidavit.

[5] Respondent argues that petitioner has no standing herein. However, petitioner has submitted substantial evidence regarding the nature and extent of its hair care products business, including certified status and title copies of its numerous pleaded trademark registrations, and has alleged damage due to "confusion in trade" from the concurrent use of the parties' AUSTRALIAN marks, characterizing respondent's goods as a "natural product extension" of petitioner's goods. We find petitioner's pleading and evidence regarding the registration and use of its marks in connection with the identified goods sufficient to establish petitioner's standing. We note that petitioner did not plead, nor did either party argue, priority and likelihood of confusion in this case. Therefore, we have not considered Section 2(d) as a basis for the petition to cancel and have made no determination in this regard.

Tanning Systems, Inc. changed its name to ETS, Inc., as respondent is identified herein.

Respondent manufactures and distributes tanning supplies and tanning, fitness and relaxation equipment throughout the United States. Since 1988, respondent has marketed and sold a line of tanning products, including tanning oils and sunscreen lotions, under the trademark AUSTRALIAN GOLD. In 1995, respondent sold 3.6 million bottles of AUSTRALIAN GOLD tanning supplies, of which approximately 920,000 bottles contained sunscreen lotions.[6]

*Registration No. 1,637,325*

Registration No. 1,637,325, which is one of respondent's registrations subject to this petition to cancel, issued on March 12, 1991, to American Tanning Systems, Inc. The records of the PTO reflect the registrant's change of name to ETS, Inc., the respondent herein. The file of this registration includes the Examining Attorney's refusal to register under Section 2(d), citing Registration No. 1,046,627, which PTO records at that time indicated was owned by Dagar Products, Inc.; applicant's response requesting suspension in view of its petition to cancel Dagar's registration; and applicant's subsequent notification that the matter had been settled,

[6] Petitioner's argument that the mark in Registration No 1,046,627 is not in use because respondent does not sell products containing sunscreen lotions, the identified goods, is not supported by the evidence.

Registration No. 1,046,627 had been assigned to applicant, and the assignment had been recorded at the PTO. Following applicant's notification, the mark was passed to publication for opposition and eventually registered.

The sole basis for petitioner's claim to cancel this registration is its allegation that respondent "claimed its ownership of Registration No. 1,046,627 as a means of obtaining Registration No. 1,637,325." There is no allegation, or indication in this record, that such a claim was fraudulent. The questions of whether the assignment of Registration No. 1,046,627 to respondent was valid or whether the mark therein had been abandoned are not relevant to this proceeding as it pertains to Registration No. 1,637,325. Petitioner has not stated or proved a basis for cancellation of Registration No. 1,637,325 and, therefore, the petition to cancel Registration No. 1,637,325 is denied.

*Registration No. 1,046,627*

Registration No. 1,046,627 issued originally to Dagar Products, Inc. The records of the PTO indicate an assignment, *nunc pro tunc*, of the registration from Dagar to Dr. Graham Davies, followed by an assignment of the registration from Dr. Davies to respondent.

The record establishes, through the testimony of Dr. Graham Davies, that during the 1970's Dr. Davies, a dentist and oral surgeon, enlisted the assistance of Mr. Richard

Agostinelli, a pharmacist, and that together they developed a sunscreen lotion that acted as both a sunblock and a moisturizer. Dr. Davies and Mr. Agostinelli formed a corporation, Dagar Products, Inc., in 1975; adopted AUSTRALIAN GOLD as the name for their product and, on January 30, 1976, filed an application, as Dagar, for federal trademark registration[7]; and ordered the production of approximately 5,000 bottles of AUSTRALIAN GOLD sunscreen lotion through an FDA-approved manufacturing facility, Xitrium Pharmaceutical. This was the only production run of the product. As Dagar, they had bottles, labels and promotional materials designed and produced; and, in 1975, began marketing and selling the AUSTRALIAN GOLD sunscreen lotion. Dagar never produced or sold any other product nor did it license anyone else to make AUSTRALIAN GOLD suncare lotion.

Dr. Davies and Mr. Agostinelli invested equal amounts, totaling approximately $15,000, in Dagar and each was issued 1,000 shares of common stock, which was the total number of shares issued during the life of the corporation. Dr. Davies testified that he was the president of Dagar; that both he and Mr. Agostinelli retained their jobs as, respectively, an oral surgeon and a pharmacist; that there was no separate office or facility for Dagar's business,

[7] This application matured into subject Registration No. 1,046,627.

rather, Dagar maintained a separate phone line in Dr. Davies' oral surgery office; and that the AUSTRALIAN GOLD inventory was stored, equally, in Dr. Davies' and Mr. Agostinelli's homes.

Dr. Davies testified that once the AUSTRALIAN GOLD product had been produced and bottled, he and Mr. Agostinelli began marketing it to several national pharmacy chains, including Walgreens and Dart. However, they quickly learned that such stores would not purchase a seasonal product such as sunscreen lotion unless it was nationally advertised. The cost of a national advertising program was beyond Dagar's resources, so, instead, Dr. Davies and Mr. Agostinelli began marketing and selling the product locally, establishing a customer base consisting of both friends and business associates. For example, they sold the product, usually one to several cases at a time, to a beauty shop frequented by Mr. Agostinelli's wife; to Dr. Davies' wife's sporting apparel store[8]; to the pharmacy in Dr. Davies' office building; to several marinas and shipyards on Lake Michigan; and to several friends. On June 16, 1976, they sold a single order of approximately 20-24 cases to Marshall Field, a department store in Chicago.

Dr. Davies testified that, as the product was seasonal, most of their sales occurred during the "suntanning season."

The record includes a few invoices, usually for sales of one or two cases of the product, for various years, including 1976, 1985, 1987, 1988 and 1989. Dr. Davies explained that the record includes copies of relatively few sales invoices due to the fact that he and Mr. Agostinelli often made sales without writing invoices and, further, that he had destroyed many records of the business after he sold the mark and registration to respondent herein. Dr. Davies stated that their best years for sales were during the 1970's, at which time they may have sold as many as "a couple hundred" bottles per year. He indicated that, while sales were small, sales were seasonally steady until the mark was acquired by respondent herein. He stated that sales were made each year from 1975 through 1989, noting that in 1989 he sold approximately 150 bottles. Acknowledging that the business was not profitable, Dr. Davies stated that during the first few years "we were more aggressive, trying to push this new product . . . [then] after we found out that we couldn't sell it by the trainload, I guess our ambition kind of fell off."

In December, 1984, the State of Illinois dissolved Dagar Products, Inc. for failure "to file an annual report and pay an annual franchise tax." Dr. Davies testified that, when he and Mr. Agostinelli agreed with their

[8] Mrs. Davies also gave the product to her customers in connection with

attorney's suggestion to dissolve the corporation to save costs, the attorney allowed the corporation to be dissolved by the State. Dr. Davies testified that he and Mr. Agostinelli did not have a specific discussion about who owned the AUSTRALIAN GOLD sunscreen formula or remaining inventory; they simply continued their practice of selling their inventory of the product to their existing customer base. For some time they had not had any on-going advertising or other expenses for the business, or any plans for additional production runs. Between 1982 and 1984, when Dr. Davies closed his oral surgery office, where the AUSTRALIAN GOLD sunscreen business' telephone line was located, he and Mr. Agostinelli ceased to maintain a separate phone line for their business. Dr. Davies testified that, at some point, Mr. Agostinelli began to have serious health problems and he told Dr. Davies to take over the entire AUSTRALIAN GOLD sunscreen business.

Also regarding the AUSTRALIAN GOLD sunscreen business after dissolution of the corporation, the record includes the affidavit of Dr. Davies, executed on August 30, 1991, wherein Dr. Davies made, *inter alia*, the following statement:

> Dagar Products, Inc. closed its doors as a formally structured corporation and all of the assets . . . were transferred to me as the owner

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sales of sporting apparel.

> of Dagar Products, Inc. and the successor-in-interest of that entire corporate business.

While the exact time period is unclear in this record, Dr. Davies testified that he became aware of respondent's use of AUSTRALIAN GOLD in connection with its sun care products when friends reported seeing T-shirts bearing the mark while on vacation in Florida. At his request, his attorney sent respondent a letter dated November 1, 1989, demanding that respondent "cease and desist the use of our copyrighted name."

Meanwhile, respondent had filed an application to register its mark, AUSTRALIAN GOLD, on May 11, 1989, which matured into Registration No. 1,637,325. During the prosecution of the application, the Office refused registration, under Section 2(d), in view of Registration No. 1,046,627. At that time, the PTO records indicated that the owner of the registration was Dagar Products, Inc. Edna H. Gray, executive vice president of respondent, testified that, in view of the refusal, respondent conducted an unsuccessful search to locate Dagar Products, Inc. On November 2, 1989, respondent filed a petition to cancel Registration No. 1,046,627 for the mark AUSTRALIAN GOLD on the ground of abandonment.

Ms. Gray testified that, upon receiving the aforementioned cease and desist letter, respondent contacted Dr. Davies' attorney, who subsequently sent respondent a

copy of the registration, noting that it had been assigned from Dagar to Graham Davies, along with photographs of the AUSTRALIAN GOLD product and copies of several invoices reflecting sales of the product; and that, in view of this evidence of the existence of a product and sales activity, respondent directed its attorneys to pursue with Dr. Davies a settlement of the petition to cancel.

The record reflects the recordation with the PTO of the assignment, *nunc pro tunc* as of July 4, 1984, of the mark AUSTRALIAN GOLD, "together with the good will of the business symbolized by the mark and the registration [no. 1,046,627] thereof" from Dagar Products, Inc. to Graham Davies. The document, dated March 2, 1990, is executed by Graham Davies, as president of Dagar. The record also reflects the recordation with the PTO of the subsequent assignment of the mark AUSTRALIAN GOLD, "together with the good will of the business symbolized by the mark and the registration [no. 1,046,627] thereof" from Graham Davies to American Tanning Systems, Inc. The document is dated April 4, 1990.

Dr. Davies and Ms. Gray both testified that the consideration for the assignment to respondent was $4500. Dr. Davies testified that respondent did not want to acquire his remaining inventory and, in fact, he agreed, as part of the transfer, to destroy all remaining inventory of

AUSTRALIAN GOLD sunscreen lotion. He turned over to respondent all invoices in his possession, but not customer lists. However, Mr. Davies confirmed that he is no longer in the business of manufacturing or selling sunscreen products or any skin lotions or creams.

*Issues*

The three questions before us with respect to this registration are (1) did Dagar Products Inc./Dr. Davies abandon the AUSTRALIAN GOLD mark prior to the assignment to respondent; (2) if the mark is not abandoned, is the *nunc pro tunc* assignment of the mark and the registration from Dagar to Dr. Davies valid; and (3) if the mark is not abandoned and the *nunc pro tunc* assignment is valid, is the assignment of the mark and registration from Dr. Davies to respondent an assignment in gross which renders the assignment invalid?[9]

*Abandonment*

Petitioner contends that the AUSTRALIAN GOLD mark was abandoned by respondent's predecessors because Dagar "never commercialized the AUSTRALIAN GOLD mark"; that Dagar "never sold AUSTRALIAN GOLD sunscreen other than to sporadically dispose of very limited quantities of inventory from the one and only small production run by 'wholesale sale' or

[9] While this third question was not pleaded by petitioner, we find sufficient evidence in the record addressing this particular question to conclude that the question was tried by implicit agreement of the parties and we have considered it in our determination.

giveaways to friends of the two founders"; that the business was never profitable; and that, in 1984, the corporation was dissolved with no intent to resume operations.

Respondent contends, on the other hand, that petitioner has not established abandonment of the mark. In this regard, respondent contends that sales of the product by Dagar and, subsequently, by Dr. Davies and Mr. Agostinelli, were continuous from 1975 to the date of the assignment to respondent; that the nature and extent of such sales were consistent with the nature of this small seasonal business; that the dissolution of the corporation was "a non-event with respect to the issue of abandonment"; and that there was no intention to abandon the mark.

A mark is deemed to be abandoned, for purposes of the Trademark Act, when the course of conduct of the owner of the mark causes the mark to lose its significance as an indication of origin. Section 45 of the Trademark Act. This course of conduct includes acts of omission as well as acts of commission. The prevailing view is that since abandonment is in the nature of a complete forfeiture, it carries a strict burden of proof. *P.A.B. Produits et Appareils de Beaute v. Santinine Societa*, 670 F.2d 1031, 196 USPQ 801 (CCPA 1978); *Girard Polly-Pig, Inc. v. Polly-Pig by Knapp, Inc.*, 217 USPQ 1338 (TTAB 1983); and *The Nestle*

*Company Inc. v. Nash-Finch Co.*, 4 USPQ2d 1085, 1089 (TTAB 1987). Moreover, petitioner bears the ultimate burden of proof of abandonment by a preponderance of the evidence. *See, Cerveceria Centroamericana S.A. v. Cerveceria India Inc.*, 892 F.2d 1021, 13 USPQ2d 1307, 1309 (Fed. Cir. 1989). Only upon such a showing does the burden of persuasion shift to respondent to come forward with evidence. *Id*. at 1312.

Particularly relevant to the case before us is the case of *Persons Co. Ltd. v. Christman*, 900 F.2d 1565, 14 USPQ2d 1477 (Fed. Cir. 1990), *affirming* 9 USPQ2d 1477 (TTAB 1988), wherein the appellant argued that abandonment was established by Christman's intermittent sales during a four-year period, the paucity of orders to replenish the inventory during that period, and the lack of significant sales to commercial outlets. However, the court found that such circumstances do not necessarily imply abandonment and that appellant did not establish abandonment. The court stated (at 1477) that "there is no rule of law that the owner of a trademark must reach a particular level of success, measured either by the size of the market or by its own level of sales, to avoid abandoning a mark." *See also, Wallpaper Manufacturers Ltd. v. Crown Wallpapering Corp.*, 680 F.2d 755, 759, 214 USPQ 327, 329 (CCPA 1982).

There is no question that the business involved in the case before us was a small operation which, although

initially incorporated, was run by the two principal shareholders as a sideline to their primary occupations; that these parties commercialized their product in a manner consistent with the nature and level of their sales; that sales of AUSTRALIAN GOLD sunscreen lotion were seasonal and relatively small, although the majority of such sales were bona fide sales in the ordinary course of business; and that the business was not profitable. The evidence also clearly establishes that this small business was continued unchanged by the principals after the dissolution of the corporation and that sales were continuous over the years from 1975 through 1989, when the mark and registration were sold to respondent and Dr. Davies ceased his sales and destroyed his inventory. The fact that Dagar and Dr. Davies did not have more than one production run of the product sold under the mark is not dispositive. Due to the requirements of the FDA-approved facility where Dagar had its product manufactured, the minimum order was for a substantial number of bottles of lotion. Given the steady, but small, rate of sales of the product, it appears reasonable that no additional production runs were necessary during Dagar and Dr. Davies' ownership of the business and the mark herein. This evidence indicates an on-going, albeit small, business.

Petitioner has failed to establish that respondent's predecessors abandoned the mark which is the subject of

Registration No. 1,046,627. In particular, petitioner has not established that Dagar "never commercialized the AUSTRALIAN GOLD mark"; that Dagar "never sold AUSTRALIAN GOLD sunscreen other than to sporadically dispose of very limited quantities of inventory from the one and only small production run by 'wholesale sale' or giveaways to friends of the two founders"; or that, in 1984, the corporation was dissolved with no intent to resume operations.

*Nunc Pro Tunc Assignment*

We consider, next, the validity of the *nunc pro tunc* assignment from Dagar, by Dr. Davies as president thereof, to Dr. Davies, as an individual.[10] The Board, in *Hotel Corporation of America v. Inn America, Inc.*, 153 USPQ 574, 578 (TTAB 1967), has previously stated the following regarding such assignments.

> "Nunc pro tunc", literally speaking, means now for then. A nunc pro tunc assignment in practice and as meant in law is an assignment made now of something which was previously done, to have effect as of the former date. The purpose of such an assignment is to make the record show something which actually occurred, but has been omitted from the record through inadvertence or mistake. See: 67 Corpus Juris Secundum, pages 1 and 2; and Black's Law Dictionary, Third Edition (1933). . . While these assignments were executed only nine days before the taking of applicant's testimony, this is not controlling if, in fact, they reflect what actually occurred or was intended to occur on those past dates.

[10] To consider the narrow question of the validity of the *nunc pro tunc* assignment, we assume continuous use of the mark in connection with an on-going business and consider the question of abandonment separately herein.

In this case, while Dr. Davies and Mr. Agostinelli's sunscreen products business was organized as a corporation, there is no question that this small business was operated solely by these two individuals. When the corporation was dissolved, the business, such as it was, was continued in an unchanged manner by, at least, Dr. Davies.[11] Thus, there is nothing in the record to contradict the reasonable conclusion that, upon dissolution of the corporation, the assets of this on-going business, including the trademark, in fact, devolved to Dr. Davies.

Thus, in this case, the *nunc pro tunc* assignment document merely reflects what actually occurred at that time. It is immaterial that, at the time Dr. Davies executed the document as president of the corporation, the corporation no longer existed.

There is no requirement that a formal assignment is necessary to pass a trademark or trade name from a predecessor to a successor and, when the business with which marks and a trade name were associated is transferred, the presumption is that rights to the marks and name were transferred with the business. *Stagecoach Properties, Inc.*

[11] Dr. Davies testified that no formal partnership between himself and Mr. Agostinelli was formed upon the dissolution of the corporation. Further, it would appear from the evidence of record that Dr. Davies was, at all times, the principal "business manager" of their sunscreen product business and that, at a certain point after dissolution of the corporation, Mr. Agostinelli's failing health removed him entirely from the business.

*v. Wells Fargo & Company*, 199 USPQ 341, 347 (TTAB 1978), and cases cited therein. Certainly, the execution of a *nunc pro tunc* assignment was necessary to establish, in writing, a chain of title from Dagar to respondent herein for recordation with the PTO. While there is no requirement in Section 10 of the Act for recordation of assignments, an assignee cannot take action to maintain that registration or change the records of the PTO to reflect its ownership of that registration unless and until the assignments or transfers of interest are duly recorded in the PTO. *See, Hotel Corp. of America, supra*.

*Assignment to Respondent*

Having decided that the mark was not abandoned by Dagar or Dr. Davies and that the *nunc pro tunc* assignment from Dagar to Dr. Davies is valid, we address the question of whether the assignment of the mark and registration from Dr. Davies to respondent[12] is an assignment in gross which renders the assignment invalid. It is a well established principle, both at common law and under Section 10 of the Trademark Act, 15 U.S.C. 1060, that a trademark cannot be sold or assigned apart from the good will it symbolizes. *Ph. Schneider Brewing Co. v. Century Distilling Co.,* 107 F.2d 699, 43 USPQ 262 (10th Cir. 1939); *Warner-Lambert*

[12] The assignment is from Dr. Davies to American Tanning Systems, Inc., which is respondent prior to its change of name to ETS, Inc., as indicated herein.

*Pharmaceutical Co. v. General Foods Corp.,* 164 USPQ 532 (TTAB 1970). The sale of a trademark apart from its good will is an "assignment in gross" and such an assignment confers no rights on the assignee. *See, McCarthy on Trademarks and Unfair Competition* (4th ed. 1997), Sections 18.2, 18.3.

In this case, petitioner complains, essentially, that the assignment from Dr. Davies to respondent did not involve the transfer of any assets, noting that no advertising materials, product lists or customer lists were transferred to respondent; that the assignment was effected by respondent for the sole purpose of overcoming the Section 2(d) refusal in its then-pending application which matured into Registration No. 1,637,325; and, thus, that the assignment constitutes a "naked" transfer of the trademark to respondent, which is invalid as an assignment in gross.

Applicant's arguments are not well-taken. First, it is not necessary to the continuing validity of the mark that tangible assets of the assignor pass to the assignee. The court stated the following in *VISA, U.S.A., Inc. v. Birmingham Trust National Bank*, 696 F.2d 1371, 216 USPQ 649 (Fed. Cir. 1982), *cert. denied*, 464 U.S. 826, 78 L. Ed. 2d 104, 104 S. Ct. 98, 220 USPQ 385 (1983):

> The key objective of the law of trademarks is protection of the consumer against being misled or confused as to the source of the goods or services he acquired. The rule against assignment of a

> mark in gross thus reflects the need, if consumers are not to be misled from established associations with the mark, that it continue to be associated with the same or similar products after the assignment. *(citation omitted.)*

*See also, The Money Store v. Harriscorp Finance, Inc.*, 689 F.2d 666, 216 USPQ 11 (7th Cir. 1982), *and cases cited therein*. In this case, the assignee used, and continues to use, the assigned mark in connection with essentially the same goods. While the goods are not identical (*i.e.,* some of respondent's products identified by the mark are tanning products rather than sunscreen products), the transfer of good will does not require that the goods be identical. It is only necessary that they be sufficiently similar to prevent consumers of the goods under the mark from being "misled from established associations with the mark." *VISA U.S.A., Inc. v. Birmingham Trust National Bank, supra*. Further, the assignor assigned the mark along with a recitation of goodwill and, based on the facts herein, gave up the right to sell AUSTRALIAN GOLD sunscreen products. This right had been a part of his business and the giving up of this right represents a valid transfer of good will.

Second, we find no merit to petitioner's claim that the assignment is essentially a sham transaction initiated for the sole purpose of obtaining registration in its pending application. As the court pointed out in *The Money Store v. Harriscorp Finance, Inc.*, *supra*, it would be naïve to

conclude that respondent's knowledge that, in this case, its pending application was blocked by the assignor's registration was irrelevant to respondent's decision to seek an assignment of the mark and registration. The court went on to conclude that "an assignment motivated at least in part by sound business judgment should [not] be set aside as a sham transaction." Such reasoning is equally applicable herein.

Thus, we find that the assignment from Dr. Davies to respondent is not an assignment in gross. Rather, the record does not establish that it is other than a valid assignment of the trademark and the good will associated therewith.

In conclusion with respect to Registration No. 1,046,627, neither Dagar Products Inc. nor Dr. Davies abandoned the AUSTRALIAN GOLD mark prior to the assignment to respondent; the *nunc pro tunc* assignment of the mark and the registration from Dagar to Dr. Davies is valid; and the assignment of the mark and registration from Dr. Davies to respondent is not an assignment in gross which renders the assignment invalid.

*Decision*: The petition to cancel is dismissed as to both Registration No. 1,046,627 and Registration No. 1,637,325.

R. L. Simms

G. D. Hohein

C. E. Walters
Administrative Trademark Judges,
Trademark Trial and Appeal Board

AUSTRALIAN HAIR SALAD for “hair remoisturizer and finishing rinse” - Registration No. 1,284,879, issued July 10, 1984. Sections 8 and 15 affidavits accepted and acknowledged, respectively. The registration includes a disclaimer of AUSTRALIAN and HAIR apart from the mark as a whole.

AUSSIE MOIST for “hair shampoo” - Registration No. 1,354,878, issued August 20, 1985. Sections 8 and 15 affidavits accepted and acknowledged, respectively. The registration includes a disclaimer of MOIST apart from the mark as a whole.

AUSSIE SPRUNCH SPRAY for “non-aerosol hair spray” Registration No. 1,390,466, issued April 22, 1986. Sections 8 and 15 affidavits accepted and acknowledged, respectively. The registration includes a disclaimer of AUSSIE and SPRAY apart from the mark as a whole.

AUSSIE GOLD for “tea tree oil for use in treating cuts, stings, burns, abrasions, toothaches, colds and sinusitis” - Registration No. 1,440,412, issued May 26, 1987, to Jason Natural Products, Inc. Sections 8 and 15 affidavits accepted and acknowledged, respectively. The registration includes a disclaimer of AUSSIE apart from the mark as a whole.

AUSTRALIAN HAIR CITRIFIER for “hair care preparations, namely shampoos” - Registration No. 1,455,998, issued September 8, 1987. Section 8 affidavit accepted. The registration includes a disclaimer of AUSTRALIAN HAIR apart from the mark as a whole.

AUSSIE HAIR INSURANCE for “hair care preparations, namely shampoos” - Registration No. 1,460,543, issued October 13, 1987. Section 8 affidavit accepted. The registration includes a disclaimer of HAIR apart from the mark as a whole.

AUSSIE MEGA SHAMPOO for “non-medicated hair shampoo” - Registration No. 1,664,669, issued November 19, 1991. Sections 8 and 15 affidavits accepted and acknowledged, respectively. The registration includes a disclaimer of SHAMPOO apart from the mark as a whole.

AUSSIE INSTANT FREEZE for “non-medicated hair care preparations, namely, hair spray” - Registration No. 1,677,286, issued March 3, 1992. Sections 8 and 15 affidavits accepted and acknowledged, respectively.

AUSSIE for “non-medicated hair care preparations, namely, shampoos, conditioners, hair sprays, styling gels, and baby shampoos” - Registration No. 1,677,287, issued March 3, 1992. Sections 8 and 15 affidavits accepted and acknowledged, respectively.

GRAMMA REDMOND’S AUSSIE NATURAL for “baby shampoo” - Registration No. 1,684,988, issued May 5, 1992. Sections 8 and 15 affidavits accepted and acknowledged, respectively. The registration includes a disclaimer of NATURAL apart from the mark as a whole and a statement that Gramma Redmond is a living individual whose consent is of record.

AUSSIE INSTANT for “hair care preparations, namely, hair conditioners” - Registration No. 1,685,914, issued May 12, 1992. Sections 8 and 15 affidavits accepted and acknowledged, respectively.

AUSSIE MANGO SHAMPOO for “non-medicated hair care preparations, namely, shampoo” - Registration No. 1,724,892, issued October 20, 1992. The registration includes a disclaimer of MANGO SHAMPOO apart from the mark as a whole.

AUSSIE HOT CURING OIL TREATMENT for “non-medicated hair care preparations, namely, hair conditioner” - Registration No. 1,730,548, issued November 10, 1992.

AUSSIE GLOSS for “non-medicated hair care preparations, namely, conditioning laminents” - Registration No. 1,760,540, issued March 23, 1993.

AUSSIE CURING MUDDY for “hair conditioners” - Registration No. 1,768,356, issued May 4, 1993.

AUSSIE NATURAL for “hair styling gel” - Registration No. 1,796,708, issued October 5, 1993.

AUSSIE CITRIFIER for “non-medicated hair care preparations, namely, hair shampoo” - Registration No. 1,797,460, issued October 12, 1993.

AUSSIE CUSTARD APPLE for “hair shampoo” - Registration No. 1,831,811, issued April 19, 1994. The registration includes a disclaimer of APPLE apart from the mark as a whole.

AUSSIE COLORWISE SHAMPOO for “non-medicated hair care preparations, namely, hair shampoo” - Registration No. 1,841,610, issued June 28, 1994. The registration includes a disclaimer of SHAMPOO apart from the mark as a whole.

AUSSIE PERMANENT WAVE INSURANCE for “hair shampoo” - Registration No. 1,842,608, issued July 5, 1994. The registration includes a disclaimer of PERMANENT WAVE apart from the mark as a whole.

THE AUSTRALIAN 3 MINUTE MIRACLE for “hair conditioner” - Registration No. 1,845,301, issued July 19, 1994. The registration includes a disclaimer of 3 MINUTE apart from the mark as a whole and a claim under Section 2(f) as to AUSTRALIAN.