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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

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| Proceeding | 91177234 |
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| 1. CARDINAL HEALTH 303, INC. | : | |
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| Opposer | : | |
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| v. | : | Opposition No. 91-177,234 |
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| THE ALARIS GROUP, INC. | : | |
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| Applicant | : | |
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| 2. CARDINAL HEALTH 303, INC. | : | |
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| Opposer | : | |
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| v. | : | Opposition No. 91-177,365 |
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OPPOSER/PETITIONER'S REPLY TRIAL BRIEF

Opposer/Petitioner Cardinal Health 303, Inc. (“Cardinal” or “Opposer”), hereby submits its Reply Trial Brief in this proceeding, and respectfully contends that the ALARIS registration of The Alaris Group, Inc. (“Alaris Group” or “Applicant”) should be canceled and registration of its ALARIS, ALARIS ADVANTAGE, ALARIS SELECT and ALARISWARE applications should be refused on the grounds raised in the Notices of Opposition and Petition for Cancellation, namely, likelihood of confusion. Opposer/Petitioner further contends that the defense of laches is not applicable to these proceedings.

I. Likelihood of Confusion

The parties agree that the test for determining likelihood of confusion involves the assessment of a number of factors under the *DuPont* analysis. Cardinal’s trial brief (“Cardinal’s Brief”) set forth significant evidence on the following: (i) the similarity of the parties respective ALARIS marks; (ii) the strength of Cardinal’s ALARIS Marks; (iii) the relatedness of the goods and the overlapping channels of trade; (iv) the fame of Cardinal’s ALARIS marks within the healthcare community; and (v) the number and nature of similar marks in use on similar goods.

The Alaris Group’s trial brief (“Alaris Group Brief”) was limited to argument on the relatedness of the goods and trade channels, purchaser sophistication, and actual confusion and/or actual harm. The Alaris Group does not contest any of the following facts: the parties’ respective ALARIS marks are identical in sound, sight and overall commercial impression; Cardinal’s ALARIS marks are strong and well-known, and there are no other registrations of the term ALARIS for goods or services in the medical or healthcare industry. On these bases alone, Cardinal’s cancellation/opposition should be sustained.

The Alaris Group's remaining arguments are all entitled to little weight and are otherwise poorly supported, further justifying a finding that likelihood of confusion exists in this case.

A. The Relatedness of the Goods and Services & Overlapping Trade Channels Support a Finding of Likelihood of Confusion

Cardinal outlined the following legal principals controlling the analysis of relatedness of the goods/services and extent of overlapping trade channels in its trial brief and they are not contested by The Alaris Group. Cardinal Brief at 27-28. Each of the *Du Pont* factors may play a lesser or greater role in a given case. *Nina Ricci S.A.R.L. v. E.T.F. Enters., Inc.*, 12 USPQ 2d 1901, 1903 (Fed. Cir. 1989). Where a prior registrant's marks are strong and well-known within the relevant community and where the marks of the respective parties are highly similar, the relatedness of the goods is of less significance and a lower degree of relatedness will support a finding of likelihood of confusion. *In re Opus One Inc.*, 60 USPQ2d 1812, 1815 (TTAB 2001) ("the more similar the marks at issue, the less similar the goods need to be for the Board to find a likelihood of confusion.") "[I]t is enough that goods or services are related in some manner or that some circumstances surrounding their marketing are such that they would be likely to be seen by the same persons under circumstances which could give rise, because of the marks used or intended to be used therewith, to a mistaken belief that they originate from or are in some way associated with the same producer or that there is an association between the producers of each parties' goods or services." *In re Melville Corp.*, 18 USPQ2d 1386 (TTAB 1991); *In re Albert Trostel & Sons Co.*, 29 USPQ2d 1783 (TTAB 1993).

Moreover, in considering likelihood of confusion, the issue is not whether consumers would confuse the goods or services themselves, but rather, whether they would be confused as to the source of the goods. *See In re Rexel Inc.*, 223 USPQ 830 (TTAB 1984). Similarly, likelihood of confusion must be determined based upon an analysis of the marks as applied to the

goods/services recited in the subject application *vis-a-vis* the goods/services recited in the cited registration, regardless of what the evidence may show as to the actual nature of the goods/services, their channels of trade, and/or the classes of purchasers. *Canadian Imperial Bank of Commerce v. Wells Fargo Bank, N.A.*, USPQ2d 1813 (Fed. Cir. 1987); *In re William Hodges & Co.*, 190 USPQ 47 (TTAB 1976); *J&J Snack Foods Corp. v. McDonald's Corp.*, 18 USPQ2d 1889 (Fed. Cir. 1991). In the absence of any express limitations in the involved application(s) or registration(s), the Board assumes that the channels of trade for the goods or services are those normal for such goods or services, and that the purchasers are the same. *In re Melville Corp.*, 18 USPQ2d 1387 (TTAB 1991); *CBS Inc. v. Morrow*, 218 USPQ 198, 199 (Fed. Cir. 1983); *Octocom Systems Inc. v. Houston Computer Services Inc.*, 16 USPQ2d 1783 (Fed. Cir. 1990). Finally, in assessing whether a likelihood of confusion exists, all doubts must be resolved in favor of the prior user. *Nina Ricci S.A.R.L. v. E.T.F. Enters., Inc.*, 12 USPQ 2d 1901, 1904 (Fed. Cir. 1989).

These uncontested legal principals severely limit the weight and relevance of the distinctions The Alaris Group now seeks to make between its goods and services and those offered by Cardinal. The Alaris Group argues that its medical case-management, medical consulting, and medical consulting franchise services “are not” Cardinal’s medical devices and leasing and repair services. Alaris Group Bf. at 10. In other words, the support Applicant provides for its contention that the goods/services are “so dissimilar” that “confusion is unlikely” is merely that these goods and services are not identical as they are actually offered by the parties in commerce. *Id.* Of course, a finding of likelihood of confusion does not require that the parties’ respective goods or services be identical. *In re Opus One Inc., supra.* In this case, where both parties’ ALARIS marks are identical in sound, meaning, and commercial impression, and

where Cardinal's ALARIS Marks are strong and well-known within the healthcare community, relatedness is a less dominant factor and a lower degree of relatedness will support a finding of likelihood of confusion. *Id.* Notably, Applicant does not and cannot dispute that both parties' goods and services are related to the medical field, have the potential to be used by the same personnel, and are likely to be used by and for the same patients. In short, there is little doubt that Applicant's services are sufficiently related to Cardinal's goods and services to support a finding of likelihood of confusion in this case.

While Applicant also argues, again in summary fashion, that differing trade channels and sophisticated purchasers render confusion unlikely (The Alaris Group Brief at 11–12), Cardinal has set forth specific and uncontroverted testimony to establish the overlapping trade channels and resulting potential for confusion. Cardinal Brief at 20-22.

For example, Timothy Vanderveen, Cardinal's Vice President for the Center for Safety and Clinical Excellence, testified that there is a potential for confusion in several areas by patients and hospital personnel due to the overlap between the services provided by the parties, including confusion leading to potentially life-threatening consequences. Cardinal Brief at 20 (citing Vanderveen Testimony at ¶ 41). The prominent online use of the identical term ALARIS by both parties in the field of nursing homes further supports the potential for confusion by patients. *Id.* at 20-21 (citing Vanderveen Testimony at ¶ 42).

Patricia West, R.N. B.S.N, Cardinal's Director of Clinical Marketing, Clinical Technologies and Services, reviewed The Alaris Group website and concluded: "there is a likelihood that [Cardinal]'s products and services could be used on the same patients who are being treated by employees of Applicant/Registrant." She elaborated: "it is very possible that

[The Alaris Group's] employees could use my [Cardinal]'s Alaris infusion pumps and other Alaris products.” *Id.* at 21–22 (West Testimony at ¶¶ 7-8, 11-13).

Even the president of The Alaris Group, Nancy Caven, acknowledged that the case managers who work for The Alaris Group have occasion to work with patients who have been discharged from the hospital and need to have care established in a non-hospital setting; that it is possible that some of her medical case managers would be working with patients who would still be receiving medical fluids following their discharge from the hospital; and that Alaris Group medical case managers sometimes need to arrange for the rental of medical equipment, as ordered by the treating physicians, including infusion pumps. *Id.* at 21 (Caven Deposition at pp. 51-55).

The Alaris Group attempts to minimize this potential overlap by arguing that the end-consumer of each party's services, the patient, does not count in the likelihood of confusion analysis. Alaris Group Brief at 12. This is a misstatement of the law. “The notion that likelihood of confusion is limited to purchaser confusion is simply not correct.” J. McCarthy, *McCarthy on Trademarks* §23:7 at 23–60 (Rel. 52, 12/2009) (quoting *In re Artic Electronics Co.*, 220 USPQ 836, 1983 WL 51896 (TTAB 1983). For example, the Trademark Board has held that a prior registration of MARS for coin-operated video games was a bar to registration of MARS for an automatic change-making machine despite the fact that owner-purchasers may not be confused. *Id.* Moreover, given the absence of any express limitation in The Alaris Group's applications and registration, the Board in this case should assume that the channels of trade for the goods or services are those normal for such goods or services, and that the purchasers are the same. *In re Melville Corp.*, 18 USPQ2d 1387 (TTAB 1991); *CBS Inc. v. Morrow*, 218 USPQ

198, 199 (Fed. Cir. 1983); *Octocom Systems Inc. v. Houston Computer Services Inc.*, 16 USPQ2d 1783 (Fed. Cir. 1990).

Therefore, the Board should conclude that the relatedness of the goods/services and overlapping trade channels support a finding of likelihood of confusion or, at most, are neutral factors in this case. A high degree of relatedness and/or overlapping trade channels is unnecessary for a likelihood of confusion to exist, especially in light of the established identity of the marks, the strength of Opposer's marks, and the lack of other relevant registrations. Given that potential patient confusion is relevant, Applicant's arguments regarding the claimed sophistication of the direct purchasers are similarly unavailing.

B. Actual Confusion And/Or Actual Harm Are Neutral Factors in This Case

The Alaris Group further relies upon the lack of evidence of actual confusion or actual damages in support of its contention that "confusion is not likely to occur in the future." The Alaris Group Brief at 12–13. This familiar argument is extraordinarily weak and is frequently rejected or given little weight. Cardinal has established sufficient standing to oppose Applicant's marks. Cardinal Brief at 23. Thus, proof of actual confusion and/or actual harm is not necessary.

"The test of infringement is the *likelihood* of confusion, not the proof of *actual* confusion. To prove liability, the plaintiff is not required to prove any instances of actual confusion." J. McCarthy, *McCarthy on Trademarks* §23:12 at 23–102.4 (Rel. 52, 12/2009) (citing, among other authorities, *Schering-Plough Health Care Prods. Inc. v. Ing-Jing Huang*, 84 U.S.P.Q.2d 1323, 2007 WL 1751193 (T.T.A.B. 2007) (In an *inter partes* proceeding: "[T]he test here is likelihood of confusion, not actual confusion.")). As explained in the McCarthy treatise:

Recognizing that it is very difficult, and often impossible, to obtain reliable evidence of actual confusion of buyers, the courts often make statements to the effect that: "Actual confusion or deception of purchasers is not essential to a finding of trademark infringement or unfair competition, it being recognized

that reliable evidence of actual confusion is practically almost impossible to secure.” Similarly, “[t]he law recognizes that random instance of confusion often go unreported or unrecorded.” Persons who are truly confused will often never be aware of the deception. Others who were confused and later learned of their deception will often not bother to report the fact. Therefore, it is error for a court to find that plaintiff failed to prove injury caused by actual confusion and conclude that plaintiff has failed to prove a violation of the Lanham Act. “[T]he elements necessary to establish a *violation* of section 43(a) of the Lanham Act do not include any involving actual injury to actual confusion. . . . [T]he district court confused a Lanham Act violation with a Lanham Act remedy.”

Id. at 23–102.8 (internal citations omitted).

Therefore, the Board should consider the lack of evidence of actual confusion and/or actual harm as no more than neutral factors in the overall likelihood of confusion analysis.

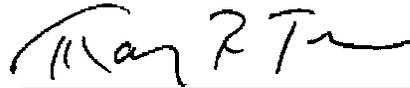
II. Cardinal’s Two and a Half Year Delay Does Not Preclude Relief Under the Doctrine of Laches

In its trial brief, The Alaris Group re-hashes the same arguments it lost at summary judgment. The Board has previously concluded that March 8, 2005 is the operative date for measuring the period of delay in this case and that Cardinal brought its petition to cancel “just two and a half years later, including purported settlement attempts...” *September 3, 2008 Summary Judgment Order* at 12. The Board also noted that The Alaris Group itself submitted evidence concerning its expansion, including additional employees, gross revenues, and marketing figures and that Cardinal argues that much of the expansion occurred in the years 2005 and 2006, just before it became aware of defendant’s registration. *Id.* at 13. For the same reasons that the Board denied Applicant’s Motion for Summary Judgment on its laches defense, the Board should now deny Applicant’s renewed attempt to assert this defense based upon the same evidence and the same arguments.

CONCLUSION

On balance, considering all of the evidence on all of the above-listed relevant factors, giving each such factor its appropriate weight in the circumstances of this case, and resolving all doubts in Cardinal's favor, The Alaris Group's ALARIS marks so closely resemble Cardinal's prior used and registered ALARIS marks as to be likely, when used on or in connection with Alaris Group's goods and services, to cause confusion, or to cause mistake, or to deceive, and hence, Alaris Group's ALARIS registration should be canceled and registration of its ALARIS, ALARIS ADVANTAGE, ALARIS SELECT and ALARISWARE applications should be refused under Section 2(d) of the Lanham Act; 15 U.S.C. §1052(d).

Respectfully submitted,



Date: January 25, 2010

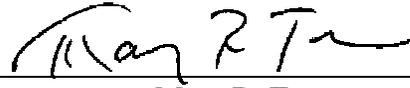
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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing was served upon the following attorney
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