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

Proceeding	92048172
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

1. CARDINAL HEALTH 303, INC.	:	
Opposer	:	
v.	:	Opposition No. 91-177,234
THE ALARIS GROUP, INC.	:	
Applicant	:	
2. CARDINAL HEALTH 303, INC.	:	
Opposer	:	
v.	:	Opposition No. 91-177,365
THE ALARIS GROUP, INC.	:	
Applicant	:	
3. CARDINAL HEALTH 303, INC.	:	
Opposer	:	
v.	:	Opposition No. 91-177,366
THE ALARIS GROUP, INC.	:	
Applicant	:	
4. CARDINAL HEALTH 303, INC.	:	
Opposer	:	
v.	:	Opposition No. 91-177,367
THE ALARIS GROUP, INC.	:	
Applicant	:	

5. CARDINAL HEALTH 303, INC.	:	
Petitioner	:	
v.	:	Cancellation No. 92-048,172
THE ALARIS GROUP, INC.	:	
Registrant	:	

APPLICANT'S TRIAL BRIEF

In this action, Petitioner/Opposer Cardinal Health 303, Inc. ("Cardinal Health" or "Opposer") requests that the Board cancel The Alaris Group, Inc.'s ("Alaris") registered trademark and deny a number of Alaris's pending registrations. Opposer contends that consumers will likely be confused regarding the Opposer's medical devices and Alaris's consulting and franchising services.

This is a stretch of imagination. Opposer and Alaris have both been using trademarks based on the term ALARIS in their respective fields for nearly 10 years without a single known instance of actual confusion. Alaris and Opposer sell completely different goods and services and sell to sophisticated, corporate consumers that exercise substantial care to ensure they know with whom they are doing business. Contrary to Opposer's contentions, it is highly unlikely that consumers of Alaris's and Opposer's goods and services will be confused regarding the origin of those goods and services.

Moreover, Opposer's request should be denied under the doctrine of laches. There is undue delay and prejudice, Opposer and Alaris have concurrently used the Alaris name for nearly ten years. Laches applies to bar Petitioner's action.

Opposer's request for cancellation should be denied and Alaris's pending trademark applications should be granted registration.

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I. DESCRIPTION OF THE RECORD

The following evidence is of record:

1. Opposer's U.S. Registration No. 2,371,410 for ALARIS covering electronic equipment and accessories, namely, fluid monitors; fluid flow rate meters; metered infusion pumps; ammeters; computer programs for controlling and monitoring fluid flows and detecting obstructions to fluid flows; and computer programs for capturing, storing, integrating, and presenting data in patient care management systems;

2. Opposer's U.S. Registration No. 2,279,724 for ALARIS covering medical instruments and equipment, namely, infusion pumps and controllers, including volumetric infusion pumps, syringe pumps, programmable infusion pumps, programmable syringe pumps and the resident control programs; clinical vital signs measurement instruments, namely, thermometers for medical use, disposable thermometer covers, blood pressure measurement instruments, pulse rate measurement instruments, blood pressure cuffs, pulse oximetry instruments, namely, sensors and monitors, respiration measurement instruments, and ECG instruments; medical fluid administration sets for the delivery of medical fluids, namely, drug delivery tubing, clamps, flow control devices, drug infusion connectors, adapters, injection sites, needleless connectors, needleless ports, needleless injection sites, and medical valves; medical devices for the delivery of medical fluids, namely, drug delivery tubing, clamps, flow control devices, drug infusion connectors, adapters, injection sites, needleless connectors, needleless ports, needleless injection sites, and medical valves; intravenous fluid containers,

monitors, alarms, rate meters; sphygmomanometers; enteric infusion pumps and bags therefor; medical instrument and intravenous fluid container stands and hanger devices; gastrointestinal feeding tubes; needle catheter jejunostomy kits, namely, tubing and needles; multiple specimen holders for medical use; cold and hot packs for chemically producing and absorbing heat for use in medical treatment and therapy;

3. Opposer's Declaration of Eric Gilmore (hereinafter referred to as "Gilmore Testimony");
4. Opposer's Declaration of Patricia West with Exhibits (hereinafter referred to as "West Testimony");
5. Opposer's Declaration of Gary Jollon with Exhibits (hereinafter referred to as "Jollon Testimony");
6. Opposer's Declaration of Jason Woodbury with Exhibits (hereinafter referred to as "Woodbury Testimony");
7. Opposer's Declaration of B. Michael Betz (hereinafter referred to as "Betz Testimony");
8. Opposer's Declaration of Larry E. Boggs (hereinafter referred to as Boggs Testimony");
9. Opposer's Declaration of Erin N. Waltz with Exhibits (hereinafter referred to as "Waltz Testimony");
10. Opposer's Declaration of Richard Giometti with Exhibits (hereinafter referred to as "Giometti Testimony");

11. Opposer's Declaration of Cindy J. Burns with Exhibits (hereinafter referred to as "Burns Testimony");

12. Opposer's Declaration of Timothy Vanderveen with Exhibits (hereinafter referred to as "Vanderveen Testimony");

13. Nancy Caven Deposition with Exhibits (hereinafter referred to as "Caven Dep. Tr.");

14. Applicant's U.S. Application Ser. No. 78/945,352 for ALARIS covering franchise services, namely, offering technical and business management assistance in the establishment and operation of medical consulting primarily for the workers compensation industry;

15. Applicant's U.S. Application Ser. No. 78/945,025 for ALARIS ADVANTAGE covering franchise services, namely, offering technical and business management assistance in the establishment and operation of medical consulting primarily for the workers compensation industry;

16. Applicant's U.S. Application Ser. No. 78/937,067 for ALARISWARE covering computer software for the collection, editing, organizing, modifying, book marking, transmission, storage, reporting and sharing of data and information namely in the field of medical consulting;

17. Applicant's U.S. Application Ser. No. 78/754,166 for ALARIS GROUP covering franchise services, namely, offering technical and business management assistance in the establishment and operation of medical consulting primarily for the workers compensation industry;

18. Applicant's U.S. Application Ser. No. 78/744,914 for ALARIS SELECT covering medical consulting services in the field of medical and vocational rehabilitation primarily responding to the needs of the workers compensation industry;

19. Applicant's U.S. Registration No. 2,510,667 for THE ALARIS GROUP, INC covering consulting services in the fields of medical and vocational rehabilitation primarily responding to the needs of the workers compensation industry;

20. Applicant's U.S. Registration No. 2,930,177 for ALARIS covering medical consulting services in the fields of medical and vocational rehabilitation primarily responding to the needs of the workers compensation industry;

21. Applicant's Declaration of Kelly Flanagan (hereinafter referred to as "Flanagan Testimony");

22. Applicant's Declaration of Shelley K. Hawthorne (hereinafter referred to as "Hawthorne Testimony");

23. Applicant's Declaration of Nancy Caven (hereinafter referred to as "Caven Testimony");

24. Applicant's Supplemental Declaration of Nancy Caven (hereinafter referred to as "Supplemental Caven Testimony");

25. Applicant's Declaration of Scott Oslick (hereinafter referred to as "Oslick Decl.");

26. Applicant's Declaration of Kristine M. Boylan in Support of Alaris's Motion for Summary Judgment (hereinafter referred to as "Boylan Decl."); and

27. Notice of Reliance on Produced Documents of Alaris Group, specifically documents 001, 0081 to 0158, and 0700 to 0716.

II. STATEMENT OF THE ISSUES

A. Is there adequate likelihood of confusion between Applicant's ALARIS marks for consulting services and Opposer's ALARIS marks for medical devices, such that cancellation of Applicant's registered marks and denial of registration of its trademark applications is appropriate?

B. Does the doctrine of laches apply to bar Petitioner's Cancellation where there was an eight year delay and economic prejudice?

III. RECITATION OF THE FACTS

A. Alaris Is a Rehabilitation Consulting Company.

Alaris, a Minnesota-based case-management and consulting company, was founded by five people in 1999. (Alaris Group 0136.) At all times, Alaris has focused on providing consulting services in the field of medical and vocational rehabilitation, with a focus on responding to the needs of the workers-compensation industry. (Caven Testimony ¶ 4.) After Alaris's formation, Alaris applied for and was granted U.S. Trademark Registration Number 2,510,667 for THE ALARIS GROUP, INC. and U.S. Trademark Registration Number 2,930,177 for ALARIS in connection with consulting services in the fields of medical and vocational rehabilitation primarily responding to the needs of the workers-compensation industry. (*See* U.S. Trademark Reg. Nos. 2,510,667 & 2,930,177.) Alaris does not sell medical devices or equipment in any fashion, nor does it sell any goods in connection with its ALARIS marks. (*See* Alaris Group 0096-104 (describing services offered by Alaris).)

B. Opposer Is a Medical Device Manufacturer that Only Offers Medical Devices and Medical Device Support Services under Its ALARIS Marks.

In contrast to Alaris's case-management and consulting services, Opposer sells medical devices. (*See* Opposer/Petitioner's Trial Br. (hereinafter "Opposer Br.") 9-11.) Opposer owns

U.S. Registration No. 2,279,724 for ALARIS in International Class 010 covering medical instruments and equipment.[1] Opposer also owns U.S. Registration No. 2,371,410 for ALARIS in International Class 009 covering electronic equipment and accessories.[2]

C. Relevant History of The Parties' Usage and Adoption Of The Marks.

Opposer's predecessor – Alaris Medical Systems, Inc. – adopted the ALARIS mark for use with medical devices in 1997. (Opposer Br. 9-10.) At that point, it joined an already crowded field of ALARIS marks.

Applicant Alaris adopted the ALARIS name just two-and-one-half years later (Caven Testimony ¶ 3) and thereafter filed its original application to register THE ALARIS GROUP INC. (*Id.*) The mark was not opposed and advanced to registration as U.S. Trademark Reg. No.

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[1] This goods description includes: "infusion pumps and controllers, including volumetric infusion pumps, syringe pumps, programmable infusion pumps, programmable syringe pumps and the resident control programs; clinical vital signs measurement instruments, namely, thermometers for medical use, disposable thermometer covers, blood pressure measurement instruments, pulse rate measurement instruments, blood pressure cuffs, pulse oximetry instruments, namely, sensors and monitors, respiration measurement instruments, and ECG instruments; medical fluid administration sets for the delivery of medical fluids, namely, drug delivery tubing, clamps, flow control devices, drug infusion connectors, adapters, injection sites, needleless connectors, needleless ports, needleless injection sites, and medical valves; medical devices for the delivery of medical fluids, namely, drug delivery tubing, clamps, flow control devices, drug infusion connectors, adapters, injection sites, needleless connectors, needleless ports, needleless injection sites, and medical valves; intravenous fluid containers, monitors, alarms, rate meters; sphygmomanometers; enteric infusion pumps and bags therefor; medical instrument and intravenous fluid container stands and hanger devices; gastrointestinal feeding tubes; needle catheter jejunostomy kits, namely, tubing and needles; multiple specimen holders for medical use; cold and hot packs for chemically producing and absorbing heat for use in medical treatment and therapy." Opposer's Registration is also for repair services in International Class 037, specified as "service and repair of medical instruments, equipment and accessories" and in International Class 042, specified as "leasing and rental of medical instruments, equipment, and accessories." (U.S. Trademark Reg. No. 2,279,724.)

[2] This goods description includes: "fluid monitors; fluid flow rate meters; metered infusion pumps; ammeters; computer programs for controlling and monitoring fluid flows and detecting obstructions to fluid flows; and computer programs for capturing, storing, integrating, and presenting data in patient care management systems." (U.S. Trademark Reg. No. 2,371,410.)

2,510,667.[3] Following registration of THE ALARIS GROUP INC., Alaris filed an application to register the stand-alone mark ALARIS. (Caven Testimony ¶ 5.) Over the years, Alaris enhanced and developed its marketing and use of the name. (*Id.* at ¶ 11.) To that end, Alaris adopted and applied to register ALARIS SELECT for the same consulting services.[4] When Alaris later decided to franchise its consulting and case-management business, it applied to register the marks ALARIS, ALARIS GROUP, and ALARIS ADVANTAGE for franchise services.[5] (Caven Testimony ¶ 8.) Finally, Alaris developed custom software for use in connection with its consulting and case-management services. (*Id.*) In an effort to brand this software, Alaris applied to register the mark ALARISWARE for computer software.[6]

Alaris has experienced great success. It has grown significantly since its inception, with more than 200 people added to the ranks of the 5 original principals. (*See* Boylan Decl. Ex. B (depicting Alaris's corporate organization); Alaris Group 0136.) It serves insurance companies on a nationwide basis, and its office locations have grown from two states to nine states. (Caven

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[3] The goods /services description lists: "consulting services in the fields of medical and vocational rehabilitation primarily responding to the needs of the workers compensation industry." (U.S. Trademark Reg. No. 2,510,667.)

[4] *See* U.S. Trademark App. Ser. No. 78/744,914, filed November 1, 2005, in International Class 044, for medical consulting services in the field of medical and vocational rehabilitation primarily responding to the needs of the workers compensation industry.

[5] *See* U.S. Trademark App. Ser. No. 78/754,166, for the mark ALARIS GROUP, filed November 15, 2005, in International Class 035 for franchise services, namely, offering technical and business management assistance in the establishment and operation of medical consulting primarily for the workers compensation industry.

Alaris also applied to register the mark ALARIS ADVANTAGE in International Classes 035 and 044 August 4, 2006, covering franchise services, namely, offering technical and business management assistance in the establishment and operation of medical consulting primarily for the workers compensation industry and medical consulting services in the field of medical and vocational rehabilitation primarily responding to the needs of the workers compensation industry. (U.S. Trademark App. Ser. No. 78/945,025.)

[6] *See* U.S. Trademark App. Ser. No. 78/937,067, filed July 25, 2006, in International Class 009 for computer software for the collection, editing, organizing, modifying, book marking, transmission, storage, reporting and sharing of data and information namely in the field of medical consulting.

Testimony ¶ 7.) From 2000 to 2006, profits grew from $292,327 to $1,012,005. (Alaris Group 0148.) This growth is based in large part on the success of Alaris's branding and the commitment to excellence in the insurance industry. (Caven Testimony ¶ 9.) The company anticipates continuing and future growth, particularly through its newly-introduced franchise concept. (*Id.* at ¶ 8.) In 2005, Entrepreneur.com named Alaris one of the Top 100 Companies to Watch. (*See* Alaris Group 0136-37.)

Alaris's marks have also been in regular, ongoing, systematic use on the company website, in the news, and on press releases. (Caven Testimony ¶ 6 and attachments.) Over the past ten years, Alaris has spent nearly $2 million on marketing and promoting its ALARIS mark. (Caven Testimony ¶ 10.) The Company's marketing budget has increased by approximately forty percent (40%) every year, all of which has been devoted to building the ALARIS mark and brand reputation. (*Id.*) Its marks have routinely appeared on all company marketing materials. (*Id.* at ¶ 6 and attachments.) The Alaris mark was in widespread use.

D. The Examiners Never Rejected Alaris's Applications Based on Likelihood of Confusion.

When Alaris filed for its new ALARIS marks, its applications always proceeded to the Principal Register for publication without any rejection from any Examiner under 15 U.S.C. § 1052(d). No Examiner ever identified a likelihood of confusion between Alaris's ALARIS marks and Opposer's ALARIS marks.

E. There Has Never Been a Reason to Believe that There Could Be a Trademark Dispute.

Alaris never had reason to believe that its trademark and branding efforts could be the subject of a trademark dispute; it never faced any case of actual confusion between the marks or any overlap in customers or channels of trade. (*See* Caven Testimony ¶¶ 2 & 11 (stating that Alaris believed its rights in the ALARIS marks were uncontested).) Its client base of insurance

companies and its referral network never had any relation to Opposer's customers and products. (*See* Hawthorne Testimony ¶ 4 (stating that Ms. Hawthorne had never heard of Opposer or its products in 11 years of working in the insurance industry).) Alaris never received a cease and desist letter and no one ever sued Alaris based on its trademark usage. (Caven Testimony ¶¶ 2 & 11.) There was no reason to believe that the use of ALARIS would be at issue.

It was not until the four most-recent applications were published for Opposition – on February 15, 2007 – that Cardinal Health voiced any issue with Alaris's use of the mark. (*See id.* at ¶ 15 (indicating that Alaris had no indication that Opposer objected to Alaris's use of the ALARIS marks).) This was more than five years after the first registration had issued. The applicable statute of limitations has passed with respect to U.S. Trademark Registration No. 2,510,667, so only U.S. Trademark Registration Number 2,930,177 is subject of Opposer's Cancellation action.

IV. ARGUMENT

A. There Is No Likelihood of Confusion to Sustain Petitioner's Action.

The Lanham Act precludes registration of a mark if the mark resembles another registered or used mark such that use of the mark is likely "when used on or in connection with the goods of the Registrant, to cause confusion, or to cause mistake, or to deceive." 15 U.S.C. § 1052(d). The Board determines the likelihood of confusion on a case-by-case basis applying the factors set out in *In re E.I. DuPont DeNemours & Co.*, 476 F.2d 1357, 1361 (C.C.P.A. 1973). The relevant factors in this case include:

1) Strength of the prior mark;

2) Similarity of the marks;

3) The number and nature of similar marks in use on similar goods;

4) The similarity of the channels of trade;

5) The similarity of the nature of the services;

6) The sophistication of consumers; and

7) Evidence of actual confusion.

Id.

The Board need not consider every *DuPont* factor when determining whether confusion is likely. *See Han Beauty, Inc. v Albert-Culver Co.*, 236 F.3d 1333, 1336 (Fed. Cir. 2001). Some factors – such as the relatedness of the goods and services – may alone be dispositive. *Id.*

1. Opposer's Action Should Be Dismissed because Opposer's Goods and Services Are Vastly Different from those of Alaris.

Petitioner's requested relief should be denied because the parties' goods and services are completely different. Alaris's medical-consulting and franchise services are specific and narrow. These services are distinct from Opposer's medical-device leasing and repair services, and from Opposer's medical devices themselves. None of Opposer's hospital customers are likely to be confused by Alaris's ALARIS marks. No potential insurance-company customer is likely to be confused.

Case-management, consulting, and franchising services are not installation services or scientific services. Similarly, case-management, consulting, and franchising services are not medical devices. A consumer interested in purchasing a medical device or in receiving repair services on its medical device is not likely to be an insurance company or an attorney interested in consulting services in the workers-compensation industry. Because the services of Opposer and Alaris are so dissimilar, confusion is unlikely.

2. Petitioner's Position Should Be Rejected because the Parties' Channels of Trade Are Completely Different, with Sophisticated Purchasing Consumers.

Opposer's primary customers, health-care providers, are sophisticated purchasers. *See, e.g.*, *In re Team Health*, Inc., 2002 TTAB 653, at *4 (T.T.A.B. Oct. 8, 2002) (permitting registration of ACCESS NURSE even though ACCESS NURSING SERVICES was already registered to another party because there was no overlap in customers and because health care providers are "a highly intelligent and discriminating public.") Likewise, Alaris's primary customers, insurance companies, are sophisticated consumers. *See Martinez v. Lewis*, 969 P.2d 213, 222 (Colo. 1998) (discussing the sophistication of a particular insurance company, State Farm, as a consumer).

Opposer sells its medical devices and medical-device services to hospitals. Alaris, on the other hand, markets its consulting and case-management services to insurance companies, attorneys, and employers. Alaris receives a significant portion of business from word-of-mouth referrals from current clients. Alaris also provides its consulting services through a franchise model and provides support for its services with a computer software program.

Accordingly, Opposer and Alaris sell to very different and sophisticated customers. Alaris's clients are in the insurance industry while Opposer's customers deliver health care services. Opposer's potential customers are health-care organizations interested in purchasing and using highly-specialized – and expensive – medical equipment. A customer whose job is to buy expensive medical equipment is sophisticated and exercises a high degree of care in the purchase.

Alaris's customers are similarly sophisticated. Insurance companies are highly bureaucratic organizations. Alaris's services, like Opposer's goods, are expensive. Thus the

insurance companies purchasing Alaris's services are likely to exercise a high degree of care when purchasing these services. These insurance companies will know with whom they are doing business and are unlikely to confuse Alaris's services with Opposer's goods.

There is no legitimate reason to think that Alaris's and Opposer's customers and users ever overlap.[7] Opposer's arguments to the contrary (*see* Opposer Br. 28) are unpersuasive and demonstrate a misunderstanding of the facts. Opposer suggests that consumers might be confused as to the source of Alaris's services because Opposer sells significant products in the home healthcare market and Alaris's services include in-home medical consulting. (*Id.*) This argument ignores the fact that, in such settings, Alaris's customer is not the individual receiving such consulting services, but rather is an employer or insurance company. Such customers are unlikely to ever purchase Opposer's goods and are adequately sophisticated to understand from whom they are purchasing consulting services. Contrary to Opposer's arguments, the parties' channels of trade are completely different, with sophisticated purchasing consumers.

3. There Is No Confusion.

There has never been a known instance of actual confusion. Indeed, there is unlikely to ever be any confusion – Alaris has been using its ALARIS family of marks in commerce in connection with its consulting and case-management services since 2000. Opposer's ALARIS medical devices and medical-device services have been offered since mid-1997. Both of these sets of goods and services have co-existed in the public domain for more than eight years and Opposer cannot recount any incident of actual confusion during these eight years. The reality of this co-existence alone is highly indicative that confusion is not likely.

[7] See Supplemental Caven Testimony ¶ 4, discussing the disparities in the parties channels of trade identified during discovery.

4. Opposer Will Not Be Damaged if Applicant's Application Registers.

Registration of Alaris's ALARIS marks will not damage Opposer. There is no evidence as to any damage from Alaris's ALARIS marks. Instead, despite the fact that Opposer and Alaris have both been using ALARIS marks for approximately 10 years, Opposer can only point to a hypothetical potential for future confusion without pointing out a single instance in which actual confusion has occurred in that time. If confusion has not already occurred, even after the market was saturated with these marks, confusion is not likely to occur in the future.

B. Laches Applies to Bar the Cancellation.

1. Laches Is Applicable, As There Is Delay And Prejudice.

The Trademark Trial and Appeal Board, and courts of law around the nation, will apply the equitable doctrine of laches to bar a Cancellation or enforcement action when there is undue or unreasonable delay by a petitioner in asserting its rights and prejudice to a respondent resulting from the delay. *See Black Diamond Sportswear, Inc. v. Black Diamond Equip., Ltd.*, No. 06-3508-cv, 2007 U.S. App. LEXIS 23515, at *8 (2nd Cir. Oct. 5, 2007) (affirming district court's ruling of summary judgment on the laches defense to dismiss the case); *Tillamook Country Smoker, Inc. v. Tillamook County Creamery Ass'n*, 465 F.3d 1102, 1109 (9th Cir. 2006) (finding that laches barred plaintiff's claims and dismissing action); *Theodosakis v. Contract Pharmacal Corp.*, No. 05-15491, 2006 U.S. App. LEXIS 7770, at *4 (9th Cir. March 28, 2006) (affirming district court's ruling of summary judgment on the laches defense to dismiss the case); *Chattanooga Mfg. v. Nike, Inc.*, 140 F. Supp. 2d 917, 930-31 (N.D. Ill. 2001) (finding that laches barred plaintiff's claims and dismissing action); *Christian Broad. Network, Inc. v. ABS-CBN Int'l*, 84 U.S.P.Q.2d (BNA) 1560, 1572 (T.T.A.B. 2007) (dismissing cancellation claim on a

laches affirmative defense (citing *Bridgestone/Firestone Research, Inc. v. Auto. Club de l'Ouest de la France*, 245 F.3d 1359, 1361-63 (Fed. Cir. 2001))).

The Board recognizes that registration on the Principal Register is constructive notice of the registrant's claim of ownership of the trademark. *Bridgestone/Firestone*, 245 F.3d at 1362 (citing 15 U.S.C. § 1072). The Board also considers a period as short as three years and eight months from the date of constructive notice to the assertion of a claim to qualify as unreasonable delay. *See Teledyne Techs., Inc. v. W. Skyways, Inc.*, 78 U.S.P.Q.2d (BNA) 1203, 1210 (T.T.A.B. 2006) (delay of three years and eight months was unreasonable and supported a finding of laches).

Here, it was *eight years ago* that Alaris started using ALARIS, *seven years ago* that Alaris first filed for an ALARIS trademark registration, and *six years ago* that Alaris's first trademark application was registered.

The Board construes "prejudice" as economic prejudice, which arises from investment in and development of the trademark, continued commercial use, and economic promotion of a mark. *Bridgestone/Firestone Research*, 245 F.3d at 1363 (considering economic prejudice to be significant in the laches analysis); *Christian Broad. Network*, 84 U.S.P.Q.2d (BNA) at 1573 (finding prejudice based on a Respondent's development of a mark during the period of delay); *Teledyne Techs.*, 78 U.S.P.Q.2d (BNA) at 1211 (evaluating economic prejudice to the defendant and finding that laches applied).

The Cancellation should be dismissed. Alaris registered the mark, used the mark, promoted the mark, and developed its business around its goodwill and reputation. For more than five years, Petitioner and its predecessor silently stood by in unreasonable delay. Respondent filed its original application on December 21, 2000. The mark registered on

November 30, 2001. It was not until February 15, 2007, that Petitioner indicated it would take issue with Alaris's mark. The period of delay was over five years after notice. This delay is unreasonable.

During that half-decade of use and registration, Alaris diligently worked to develop its business and generated exceptional growth. Five principals started the organization as a Minnesota company in 1999 and have grown it to a 200+ person, nine-state organization in 2007 with revenues in 2006 totaling over $15 million. All development and growth have been centered on consistent use and development of the brand ALARIS. (Caven Testimony ¶ 6.)

There was never any indication to Alaris, or reason to believe, that the ALARIS brand would ever be challenged by any organization, including an assignee of Alaris Medical Systems, Inc. Today, Alaris's ALARIS mark has great goodwill, signifies a strong reputation, and symbolizes Alaris's high-quality consulting services. Sales referrals and repeat customers account for a significant portion of Alaris's revenue, and a sister company was formed using the ALARIS name to serve as a franchisor. (Caven Testimony ¶ 11-13 and attached documents.) Alaris has engaged in economic promotion of its mark and has experienced significant expansion and growth such that it suffers the type of prejudice that supports the laches defense.

2. The Doctrine of Progressive Encroachment Does Not Apply.

Opposer's delay cannot be excused by the doctrine of progressive encroachment, as argued in its response to Alaris's motion for summary judgment. Alaris's services have never changed,[8] and Opposer's delay cannot be excused on its assertion that it did not become aware of

[8] In the context of the summary judgment motion, Opposer pointed to the different classification of the recitation of Alaris's consulting services – from International Class 42 (in Registration No. 2,510,667) to International Class 44 (in the challenged registration and applications) – as significant evidence showing an expansion and change in Alaris's goods and services (Cardinal Health 303, Inc.'s Mem. in Opp. to the Alaris Group, Inc.'s Mot. for Summ. J. (hereinafter

Alaris's registrations and applications until approximately March 2007. First, the standard under which delay is judged does not depend on a date of actual knowledge. Registration on the Principal Register is constructive notice of the registrant's claim of ownership of the trademark. *Bridgestone/Firestone*, 245 F.3d at 1362 (citing 15 U.S.C. §1072). Second, the application for Alaris's now-registered ALARIS mark (U.S. Trademark Reg. No. 2,930,177) was published for Opposition on March 23, 2004 – within a few months of the purchase of ALARIS by Cardinal Health. Delay based on this claimed ignorance is inexcusable and insufficient.

Plainly put, Opposer has made an after-the-fact decision to try to claim trademark rights it does not possess.[9] The multitude of discrepancies and inconsistencies Opposer proffers are astonishing and do little to help its case-in-chief. There has been no change to the goods and services Alaris offers to indicate that Alaris's applications to register ALARIS ADVANTAGE, ALARIS SELECT, ALARISWARE and ALARIS bring Alaris "more squarely into conflict with Cardinal." (*See* Opp. Br. 9.) This is particularly clear when one sees that the other descriptions

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"Opposer Summ. J. Br.") 14), but this argument was based on a defective premise. The reclassification of Applicant's consulting services in the subsequent registration and applications was not the result of a change in the actual nature of Alaris's consulting services. Rather, the reclassification was solely the result of a change in the International Classification system under the Nice Agreement. Had the original application to register THE ALARIS GROUP, INC. been filed after January 1, 2002, the consulting services in that registration would also have been classified in International Class 44 – the subject of those consulting services is, was, and always has been medical and vocational rehabilitation. (Oslick Decl. ¶ 8.)

[9] The policy underlying the doctrine of progressive encroachment in no way applies here. The services are exactly the same as they were in 1999. The doctrine recognizes that the rule of encroachment "allows a plaintiff to tolerate *de minimus* or low-level infringements" and that "a reasonable businessman should be afforded some latitude to assess both the impact of another's use of an allegedly infringing trademark as well as the wisdom of pursuing litigation on the issue." (Opposer Summ. J. Br. 8). But this is not the case here, where Opposer has claimed that it had no "actual knowledge" of Alaris's ALARIS mark until March 2007. (*Id.* at 6-7.) The delay was not the result of a "reasoned assessment" as contemplated by the progressive encroachment doctrine, but rather a wholesale failure to adequately police its mark. It was not the product of prudent business judgment, but rather inexcusable neglect. The progressive encroachment doctrine is inapplicable.

(franchise services and computer software) in the challenged applications are even further from Opposer's goods (medical instruments, equipment and accessories) than Alaris's original registration and rights for consulting services. Opposer's delay is unreasonable and supports a ruling for Alaris.

V. CONCLUSION

Applicant's existing mark should not be cancelled, and the pending applications should be allowed to proceed to registration. The evidence overwhelmingly points against a finding of a likelihood of confusion. And, as an equitable matter, the doctrine of laches bars Petitioner's action. A decision dismissing the Opposition and the Cancellation is appropriate.

Respectfully submitted,

The Alaris Group, Inc.
By its Attorneys,

Date: January 4, 2010

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CERTIFICATE OF FILING

I hereby certify that APPLICANT'S TRIAL BRIEF is being filed electronically through on-line TTAB filing systems, ESTTA on January 4, 2010.

By: Kristine M. Boylan

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing APPLICANT'S TRIAL BRIEF has been served on counsel for Applicant by first class mail, postage prepaid, this 4th day of January, 2010 as follows:

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Date: 1/4/10

Amy Reuter