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

Proceeding	91177234
Party	Defendant Alaris Group, Inc., The
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Date	02/20/2008
Attachments	2008 02 20 Redacted Alaris Corrected Brief in support of motion for summary judgment.pdf (14 pages)(5076211 bytes)

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

A. The Alaris Group's Initial Adoption Of Its Mark.

On December 21, 2000, Respondent filed its original application to register THE ALARIS GROUP, INC. On August 28, 2001, the mark was published for Opposition, and the registration issued on November 30, 2001 with a stated first use date in December 1999.

B. Neither Alaris Medical Systems, Inc. nor Cardinal Health Opposed The Use or Registration of The Mark.

The Alaris Group never had reason to believe that its trademark and branding efforts would be problematic; it never faced any case of actual confusion between the marks, never experienced any overlap in customers or trade channels. (Caven Decl. at ¶¶11, 15.) Alaris Medical Systems, Inc. – the original owner of the ALARIS mark asserted here – never sent a cease and desist letter, never filed an Opposition at the Trademark Office and never sought to cancel the registration. (Caven Decl. at ¶¶2, 11.) Alaris Medical Systems, Inc. never sued The Alaris Group in a court of law over its trademark usage. *Id.*

C. The Alaris Group's Second Registration for ALARIS.

On July 3, 2003, Respondent subsequently filed an application to register the stand-alone ALARIS. It was published for Opposition on March 23, 2004 and eventually registered on March 8, 2005.

D. Neither Alaris Medical Systems, Inc. nor Cardinal Health Opposed The Use or Registration of The Mark.

Again – neither Alaris Medical Systems, Inc., nor the assignee Cardinal Health, ever sent a cease and desist letter, filed an Opposition at the Trademark Office or sought

to cancel the registration.¹ (Caven Decl. at ¶2, 11.) Neither Alaris Medical Systems, Inc. nor Cardinal Health ever sued The Alaris Group in a court of law over its trademark usage. *Id.* Again - The Alaris Group never faced any case of actual confusion between the marks, and never experienced any overlap in customers or trade channels. (Caven Decl. at ¶¶11, 15.) Not only were the publications and registrations a matter of public record to put Petitioner on constructive notice, but if Petitioner has the grounds to assert the present Cancellation and if Petitioner is indeed a full-service conglomerate in the healthcare industry as it self-describes,² Petitioner certainly should have been aware of The Alaris Group and its activities.³ Presumably such a large successful Fortune 50 company would have conducted a basic due diligence search prior to its acquisition of Alaris Medical Systems, Inc. in 2004, and even a very basic search would have shown the validly registered The Alaris Group, Inc.® mark, as well as the then pending Alaris® mark.

E. The Alaris Group's Use, Development and Growth.

Upon its inception in 1999, The Alaris Group took off as a company, with exponential growth in the last eight years.

REDACTED

The Alaris Group has

¹ Significantly, another medical device manufacturer called Alara, Inc. managed to timely submit an Extension of Time to Oppose. Alara, Inc. subsequently withdrew its Opposition process and The Alaris Group's ALARIS application matured to registration. Caven Decl. at ¶2. Ironically, even though Alara, Inc. is a medical device manufacturer, there is no evidence that Cardinal Health or Alaris Medical Systems, Inc. ever sought to prevent use of any mark owned by Alara, Inc.

² Cardinal Health represents itself as an \$87 billion global healthcare products and services company, with offerings to help healthcare providers improve revenue, close supply gaps, increase productivity and prevent errors. *See* Cardinal Overview, dated October 2004, attached as Exh. A to the Boylan Declaration.

³ To the extent that it did not, that shows that there is no overlap between the parties in the marketplace.

also experienced significant growth in people since its inception, with more than 200 people added to the ranks of the 5 original principals. See Exh. B to the Boylan Decl.

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The Alaris Group has expanded to serve nine states and future growth is predicted. (Caven Decl. at ¶8.)

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Entrepreneur.com, in fact, in 2005 named The Alaris Group as one of the Top 100 Companies to Watch.

F. The Alaris Group's Family of Marks.

Committed to the development of a stellar reputation around a single-brand name, The Alaris Group built its ALARIS mark by adding a tagline PERSONALITY, VOICE AND EXPERIENCE WORKING WITH YOU and the graphic that was registered as U.S. Trademark Registration No. 2868931. (Caven Decl. at ¶5.) There was no reason to think it could not. (Caven Decl. at ¶¶11, 15.)

On November 1, 2005, The Alaris Group filed an application to register ALARIS SELECT for medical consulting services.

On July 25, 2006, The Alaris Group filed an application to register ALARIS*ware* for computer software to support the consulting services.

On August 4, 2006, The Alaris Group filed an application to register ALARIS and ALARIS ADVANTAGE for franchise services and medical consulting services. These

applications easily proceeded through the Trademark Office; no Examiner ever raised Petitioner's registration as a basis for refusal.

G. Petitioner Finally Raised Opposition To The Alaris Group's Use and Registration Of ALARIS After More Than Five Years' Delay.

It was not until the latter four applications were published for Opposition - on February 15, 2007 – that Cardinal Health voiced any issue with The Alaris Group's use of the mark. *This was five years and almost three months after the first registration issued.*⁴

**I. Legal Argument -
Summary Judgment On The Laches Defense Is Proper**

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 was undue or unreasonable delay by a petitioner in asserting its rights, and prejudice to a respondent resulting from the delay. *See Christian Broad. Network, Inc. v. ABS-CBN Int'l*, 84 U.S.P.Q.2d (BNA) 1560 (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, 58 U.S.P.Q.2d (BNA) 1460, 1462-63 (Fed.Cir. 2001) (discussing the elements of laches and reversing Board ruling because laches should have been applied to dismiss the case below))); *Chattanooga*

⁴ That period of silence makes sense, as Petitioner's mark and use have always related narrowly to medical instruments and equipment. According to public sources, Petitioner Cardinal Health purchased Alaris Medical Systems, but there is no evidence that Cardinal Health ever expanded its offerings after the purchase. The goods and services listed with the registration are highly specific and a June 2004 press release discussing the ALARIS mark confirms that Petitioner used the ALARIS name narrowly. *See Boylan Decl. Exh. C.* The December 2004 Section 8 and 15 filing by Joan B. Stafslie, Assistant General Counsel at Alaris Medical Systems confirms the scope of use. *See Boylan Decl. Exh. D.*

Trademark Office records from the USPTO do not show any other trademark application filings for Petitioner's ALARIS, and there is no evidence provided from Petitioner through discovery here to demonstrate a wider scope of usage.

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); *Tillamook Country Smoker, Inc. v. Tillamook County Creamery Ass'n*, 465 F.3d 1102, 1109, 80 U.S.P.Q.2d (BNA) 1460 (9th Cir. 2006) (finding that laches barred plaintiff's claims and dismissing action); *Black Diamond Sportswear, Inc. v. Black Diamond Equip., Ltd.*, No. 06-3508-cv, 2007 U.S. App. LEXIS 23515, at *8, 84 U.S.P.Q.2d (BNA) 1758 (2nd Cir. Oct. 5, 2007) (affirming district court's ruling of summary judgment on the laches defense to dismiss the case); *Theodosakis v. Contract Pharmacal Corp.*, No. 05-15491, 172 Fed. App'x. 772, 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).

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, 58 U.S.P.Q.2d (BNA) at 1462-63 (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 to support finding of laches), but five years or more between the date of constructive notice and a cancellation action is an unreasonable delay. *See e.g. Christian Broad. Network*, 84 U.S.P.Q.2d (BNA) at 1572 (five years delay amounted to unreasonable delay), *Turner v. Hops Grill & Bar, Inc.*, 52 U.S.P.Q.2d (BNA) 1310, 1312 (T.T.A.B. 1999) (five year delay amounted to unreasonable delay).

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. *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); *Bridgestone/Firestone Research*, 245 F.3d at 1363, 58 U.S.P.Q.2d (BNA) at 1463 (considering economic prejudice to be significant in the laches analysis).

A party is entitled to summary judgment on a laches defense when it has demonstrated that there are no genuine issues as to any material fact, and that it is entitled to judgment as a matter of law. Fed.R.Civ.P. 56(c); *Celotex Corp. v. Catrett*, 477 U.S. 317 (1987); *Tillamook Country Smoker, Inc.*, 465 F.3d at 1109, 80 U.S.P.Q.2d (BNA) at 1464; *Black Diamond Sportswear*, 2007 U.S. App. LEXIS 23515 at *8, 84 U.S.P.Q.2d (BNA) at 1760-61; *Theodosakis*, 2006 U.S. App. LEXIS 7770 at *4.

In this case, an Order of summary judgment dismissing Petitioner’s Cancellation action is appropriate. The Alaris Group 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. It registered in November 30, 2001. It was not until February 15, 2007 that Petitioner indicated it would take issue with The Alaris Group’s mark. The period of delay was over five years – five years and nearly three months after notice. This delay is unreasonable.

During that half-decade of use and registration, The Alaris Group seriously worked to develop its business and generated exponential growth.

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All development and growth have been centered around consistent use and development of the brand ALARIS. (Caven Decl. at ¶6.)

There was never any indication to The Alaris Group, or reason to believe, that the ALARIS brand would ever be challenged by any organization, including an assignee of Alaris Medical Systems, Inc. Today, the Alaris Group's ALARIS mark has great goodwill, signifies a strong reputation and symbolizes The Alaris Group's high quality consulting services.

REDACTED

The Alaris Group 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.

Summary judgment in Respondent's favor is proper on these facts.

II. LEGAL ARGUMENT

**In the Alternative,
Should This Tribunal Allow Any Part Of Petitioner's Case To Proceed,
The Alaris Group Formally Moves To Compel Discovery and
Seeks Leave To File An Amended Answer and Counterclaim.**

A. An Order Compelling Discovery Is Appropriate.

Pursuant to Trademark Rule 2.120(e), a motion to compel discovery should be made when a party has refused to cooperate in providing timely and sufficient discovery

answers. *See* 37 CFR 2.120(e); *HighBeam Marketing, LLC v. Highbeam Res. , LLC*, Opposition No. 91162372, 2008 TTAB LEXIS 2, *3 (Jan. 23, 2008). In this case, it is appropriate to enter an Order compelling Petitioner to:

- A. Produce a privilege log (for documents already produced);
- B. Provide a party-signature attesting to the veracity of the Answers to Applicant's First and Second Set of Interrogatories.
- C. Provide Answers to Applicant's Second Set of Interrogatories.

The Alaris Group also hereby respectfully requests:

- A. an Order precluding Petitioner from relying upon any objection(s) posed to the Second Set of discovery; or
- B. Striking Petitioner's Opposition pleadings in their entirety.⁵

CH's discovery conduct warrants an Order compelling compliance. Discovery is set to close in less than two months - on April 12, 2008. At this point, CH has never produced a privilege log and to the extent that CH answered the first set of discovery, CH's responses and production were woefully deficient. *See* Boylan Decl. Exh. E. With only two months remaining in the discovery period, CH still has yet to identify even one person with information relevant to the claims and defenses in this action.⁶ CH did not even identify an obvious individual with information - Joan B. Stafslie, the Assistant General Counsel at Alaris Medical Systems, Inc. - who signed submissions to the PTO that appear in the file history.

CH may contend that its delays were excused by the filing of a Motion for Enlargement of Time seeking a thirty day extension, but the mere filing of that Motion

⁵ Proposed orders are attached to the Boylan Decl. as Exh. I.

⁶ There was no party-signature on the Answers to Interrogatories, and even despite a request to provide one, CH has never produced a signature. *See* Boylan Decl. Exh. F.

The proposed amended pleadings also state a counterclaim for cancellation of Petitioner's U.S Trademark Registration No. 2279724. Settled law provides for the cancellation of a registered mark when it has been procured by fraud. *Medinol Ltd v. Neuro Vasx, Inc.*, 67 U.S.P.Q.2D (BNA) 1205, 1208-09 (TTAB 2003), citing *Torres v. Cantine Torresella S.r.L.*, 808 F.2d 46, 1 U.S.P.Q.2d (BNA) 1483, 1484-85 (Fed.Cir. 1986) (stating that a trademark applicant commits fraud in procuring a registration when it makes material representations of fact in its declaration which it knows or should know to be false or misleading).

Here, the goods and services description lists a litany of items:

IC 010. US 026 039 044. G & S: 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

does not equate to meeting its obligation to answer the discovery due. The Motion was opposed and this tribunal never granted the requested extension. Significantly - even if the Motion had been granted, the thirty day extension period would have run on February 13, 2008 and Petitioner failed to produce discovery, written responses or a privilege log by that date.⁷

An order compelling discovery is required. Additionally, an order providing discovery abuse sanctions is appropriate based on Petitioner's flagrant failure to comply with its discovery obligations; such an order would: (i) strike Petitioner's Oppositions in their entirety; or, alternatively, (ii) preclude Petitioner from relying upon any objection(s) posed to the Second Set of discovery.

**Also In The Alternative, The Alaris Group Seeks
Leave to file an Amended Answer To Raise The "Morehouse defense"
As An Additional Affirmative Defense
And To State A Counterclaim For Cancellation Due To Fraud On The PTO.**

Leave to amend is freely given by the Board when justice so requires, unless entry of the proposed amendment would violate settled law or be prejudicial to the adverse party. *See* TBMP § 507.02. The Boylan Declaration includes at Exh. G a signed copy of the proposed amended pleadings. They raise an affirmative defense based on Applicant's prior registrations – the "Morehouse defense." The defense is proper where the existing registration or registrations relied upon are for the same or substantially identical mark and the same or substantially identical goods and/or services as the challenged registration. *See, e.g., O-M Bread, Inc. v. U.S. Olympic Comm.*, 65 F.3d 933, 36 U.S.P.Q.2d (BNA) 1041 (Fed. Cir. 1995).

⁷ Cardinal Health did untimely produce documents on **February 15, 2008**, however, this production still failed to include a privilege log or the Answers to the Second Set of Interrogatories.

absorbing heat for use in medical treatment and therapy.
FIRST USE: 19970724. FIRST USE IN COMMERCE:
19970724

IC 037. US 100 103 106. G & S: service and repair of
medical instruments, equipment and accessories. FIRST
USE: 19970724. FIRST USE IN COMMERCE: 19970724

IC 042. US 100 101. G & S: leasing and rental of medical
instruments, equipment, and accessories. FIRST USE:
19970724. FIRST USE IN COMMERCE: 19970724

U.S. Trademark Registration No. 2279724

There is reason to suspect that the ALARIS mark subject of this Registration was not used continuously with the many goods listed in the description. For example, Petitioner never responded to discovery seeking documents showing continuous use of the ALARIS mark in connection with goods and services. In addition, the 2004 and 2001 press releases discussing Petitioner's ALARIS mark list fewer goods offered in connection with the mark than appear in the Registration. See Exhs. C and H attached to the Boylan Decl. (defining the Company's principal line of business as "the design, manufacture and marketing of intravenous infusion therapy products).

Should Petitioner's claims survive the present summary judgment, The Alaris Group should be allowed to pursue this counterclaim. There is no prejudice to CH in allowing the counterclaim.

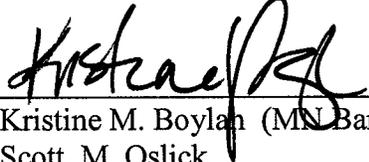
Conclusion

For these reasons, Petitioner's action should be dismissed in its entirety, with prejudice. In the alternative, Respondent respectfully requests leave to file the proposed amended pleadings attached to the Boylan Declaration as Exh. G and an Order

compelling discovery like the proposed order attached as Exh. I to the Boylan Declaration.

Respectfully submitted,

Dated: February 20, 2008



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*Attorneys for the Applicant and Registrant
The Alaris Group, Inc.*

CERTIFICATE OF FILING

I hereby certify that THE ALARIS GROUP'S BRIEF IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT is being filed electronically through on-line TTAB filing systems, ESTTA on February 20, 2008.



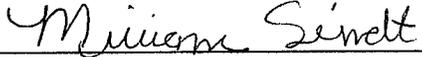
By: Kristine M. Boylan

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing THE ALARIS GROUP'S BRIEF IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT has been served on counsel for Applicant by first class mail, postage prepaid, this 20th of February, 2008 as follows:

Mary True
Bricker & Eckler LLP
100 S. Third Street
Columbus, OH 43215-4291

Date: 2/20/08



Miriam Sindt