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

Proceeding	91184978
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

McNEIL-PPC, INC.,)	
)	
Opposer,)	Opposition No. 91184978
)	Serial No. 76/682,070
v.)	
)	
WALGREEN CO.,)	
)	
Applicant.)	

**TRIAL BRIEF
OF APPLICANT WALGREEN CO.**

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I. INTRODUCTION

Walgreen Company (“Walgreens”) is the number one drugstore business in the United States, whose 8,000 stores across the U.S. and Puerto Rico sell prescription medications and self-service goods, including food products, seasonal items, over-the-counter (“OTC”) medications, and beauty products. Each day, several million customers visit Walgreens stores across the country. Walgreens wants to help these millions of customers shop smarter, shop faster, and save money. To that end, Walgreens sells a variety of over-the-counter medications under its own private label. In the over-the-counter health area, Walgreens uses the prefix “WAL-” to assist consumers in recognizing that the “WAL-” product is Walgreens’ private label form of an over-the-counter national brand.

In anticipation of the production and sale of a new over-the-counter antihistamine product, on September 19, 2007, Walgreens applied to register the mark WAL-ZYR on an intent-to-use basis for “pharmaceuticals, namely, allergy medications.” The WAL-ZYR product contains the same active ingredient as the ZYRTEC product – cetirizine HCl – and is a value-priced alternative that gives consumers a choice and allows consumers to buy the same active ingredient as the national brand.

Well after the September 19, 2007, filing date of the WAL-ZYR application, McNeil-PPC began using the trademark ZYRTEC under an alleged license. McNeil-PPC (without joining the owner of the ZYRTEC mark or other licensees) has now opposed Walgreens’ application in an attempt to stretch its own rights and influence beyond that to which it is legally entitled. As will be shown below, McNeil does not have priority over Walgreens, there is no likelihood of confusion or likelihood of dilution between the ZYTREC mark and Walgreens’ WAL-ZYR mark, and ZYRTEC is not “famous” under the statute for purposes of a dilution claim. In fact, the ZYRTEC mark had very little market recognition on September 19, 2007, the

filing date of the WAL-ZYR application. When viewing the totality of the evidence, it is clear that Walgreens is entitled to a registration of the WAL-ZYR mark and the present opposition must be dismissed.

II. DESCRIPTION OF EVIDENCE OF RECORD

By operation of Trademark Rule 2.122, 37 C.F.R. § 2.122, the record includes the pleadings in this proceeding and the file history of the opposed application. In addition, Walgreens offered the following evidence during its testimony period:¹

Testimony Depositions

- Affidavit of Dr. Alex Simonson, presented as Trial Testimony for Walgreen Co. pursuant to 37 C.F.R. § 2.123(b) and stipulation by the parties, with Exhibit 1, filed with the Board February 23, 2011. Excerpts from Dr. Simonson's discovery deposition were submitted to the Board by stipulation of the parties in place of cross- and re-examination of Dr. Simonson, by a filing submitted to the Board May 10, 2011.
- Testimony Deposition of Robert Tompkins, Divisional Vice President and General Merchandise Manager of Health & Wellness, Walgreen Company, with Exhibits 2-25, held March 28, 2011, and served on Opposer McNeil and filed with the Board April 27, 2011.

Notices of Reliance

- Notice of Reliance on Discovery Deposition Transcripts, with excerpts from the March 27, 2009 deposition of Rohonish Hooda pursuant to a Rule 30(b)(6) deposition of McNeil-PPC; the August 10, 2009, deposition of Rohonish Hooda; and the April 16, 2009, deposition of Robert Tompkins pursuant to 37 C.F.R. 2.120(f)(4).
- Notice of Reliance on Discovery Responses, with excerpts from Opposer's response to Applicant's Interrogatories, and the general objections lodged to Opposer's definitions and instructions pursuant to 37 C.F.R. § 2.120(j)(5).
- Applicant's Notice of Reliance on Official Records, with copies of certified registration certificates for Reg. Nos. 2,754,305, 2,704,550, 2,704,551, 2,695,665, 3,284,281, 3,281,366, 3,281,365, 3,232,266, 3,291,406, 3,087,133, 3,087,132,

¹ McNeil has objected to some of the evidence submitted by Walgreens. Walgreens responds to these objections, and submits its own objections to some of the evidence submitted by McNeil, in a separately filed Statement of Objections.

3,216,181, 2,803,476, 2,807,947, 2,167,644, 2,167,644, 2,167,642, and 2,167,641; and copies of the certificates of registration for Reg. Nos. 2,978,561, 3,126,676, 2,909,394, 3,191,090, 3,347,447, 3,329,286, 3,439,551, 3,474,084, 3,176,416, 3,105,898, and 3,226,650.

McNeil offered the following additional evidence during its direct and rebuttal testimony periods:

Testimony Depositions

- Testimony Deposition of Rohonish Hooda, Vice-President of U.S. Sales and Marketing for Ethicon, Inc., a subsidiary of Johnson & Johnson, with Exhibits 1-101.
- Affidavit of Giselle Woo, presented as trial testimony by stipulation of the parties, with Exhibits 102-106 thereto.
- Transcript of the discovery deposition of James Donohue, submitted by stipulation of the parties, with Exhibits 1-7 thereto.

Notices of Reliance

- Notice of Reliance on Printed Publications, dated January 24, 2011.
- Notice of Reliance on Deposition Testimony, dated January 24, 2011.
- Notice of Reliance on Official Records, dated January 24, 2011.
- Notice of Reliance on Discovery Responses, dated January 24, 2011.
- Rebuttal Notice of Reliance on Discovery Responses, dated May 13, 2011.
- Rebuttal Notice of Reliance on Internet Materials, dated May 13, 2011.
- Rebuttal Notice of Reliance on Deposition Testimony, dated May 13, 2011.
- Rebuttal Notice of Reliance on Discovery Responses, dated May 13, 2011.
- Rebuttal Notice of Reliance on Official Records, dated May 13, 2011.

III. STATEMENT OF FACTS

A. Walgreen Company and Its Efforts to Assist Consumers

Walgreen Company (“Walgreens”) has approximately 8,000 drugstores across all 50 states of the U.S. and in Puerto Rico. (Tompkins Test. Dep. 4:2-3, 7:5-11, Mar. 28, 2011.) Its stores sell prescription medications and self-service goods, including food products, seasonal items, over-the-counter (“OTC”) medications, and beauty products. (Tompkins Dep. 4:2-9.) Each day, several million customers visit Walgreens stores across the country. (Tompkins Dep. 7:12-18.) The sales revenue for Walgreens in 2010 was approximately \$70 billion. (Tompkins Dep. 7:23-8:1.) In fact, Walgreens is the number one drugstore business in the United States. (Tompkins Dep. 8:5-7.) Walgreens sells ZYRTEC branded products, as well as its own private label WAL-ZYR product. (Tompkins Dep. 10:20-11:12.)

Walgreens sells many private label or store brand equivalents of name brand over-the-counter (“OTC”) medicines. Walgreens uses a “WAL-” naming program for these private label products, to indicate these products originate from Walgreens. These products are value-priced alternatives for name brand products that offer the price-conscious consumer a less expensive option. Examples of “WAL-” marks are WAL-ZAN (equivalent to Zantac), WAL-DRAM (equivalent to Dramamine), WAL-FOUR (equivalent to 4-Way Nasal Spray), WAL-DRYL (equivalent to Benadryl), and WAL-ITIN (equivalent to Claritin). (Tompkins Dep. 63:7-9; Ex. 18.) Walgreens has obtained several trademark registrations for its “WAL-” marks, which evidence Walgreens’ ownership of the marks. These marks include:

Mark	Registration No.	Citation to the Record
WAL-FOUR	2,754,305	Appl. Ex. 106
WAL-FLU	2,704,550	Appl. Ex. 107
WAL-PROFEN	2,704,551	Appl. Ex. 108
WAL-MINIC	2,695,665	Appl. Ex. 109
WAL-DRAM	3,284,281	Appl. Ex. 110

Mark	Registration No.	Citation to the Record
WAL-ZAN	3,281,366	Appl. Ex. 111
WAL-SOM	3,281,365	Appl. Ex. 112
WAL-PHOSPHATE	3,232,266	Appl. Ex. 113
WAL-BORN	3,291,406	Appl. Ex. 114
WAL-PROXEN	3,087,133	Appl. Ex. 115
WAL-FINATE	3,087,132	Appl. Ex. 116
WAL-MUCIL	3,216,181	Appl. Ex. 117
WAL-ITIN	2,803,476	Appl. Ex. 118
WAL-TAP	2,807,947	Appl. Ex. 119
WAL-PHED	2,167,644	Appl. Ex. 120
WAL-HIST	2,167,644	Appl. Ex. 121
WAL-DRYL	2,167,642	Appl. Ex. 122
WAL-TUSSIN	2,167,641	Appl. Ex. 123

In choosing the names for its “WAL-” private label brands, Walgreens will “generally try to pick a name that’s the easiest sounding to the customer . . . [One that] communicates that it’s the national brand equivalent.” (Tompkins Dep. 69:24-70:3.)

Walgreens has been using the “WAL-” naming program since at least as early as 1984. (See, e.g., Tompkins Dep. Ex. 19 (some Roto excerpts dating back to 1984, such as on page 19-160).) It advertises its numerous products under this program in a variety of ways, including a Sunday circular (called a “Roto”) inserted in Sunday newspapers nationwide, on the Walgreens.com website, MegaSavers, in-store radio, and coupons distributed through the Catalina system. (Tompkins Dep. 72:10-79:4; Exs. 19-21.) In just eighteen months, from February 2009 through July 2010, Walgreens sold over **Redacted** units of “WAL-” branded products, accounting for nearly **Redacted** in sales. (Tompkins Dep. 83:5-11; Ex. 22.) The evidence is overwhelming that Walgreens has been using the “WAL-” naming program for its private label OTC medications consistently for many years, and that its “WAL-” named products enjoy a good level of success with consumers.

B. The WAL-ZYR Name and Product

In keeping with Walgreens' tradition of offering value-priced alternatives to OTC medications, Walgreens entered the private label cetirizine HCl market. It chose the name WAL-ZYR because it "felt that it was a name that conveyed what the product was to the customer in offering a value proposition tied into the Walgreens heritage." (Tompkins Dep. 12:10-13.) The name WAL-ZYR, it was felt, conveyed that the product "is national brand equivalent. It offers really a value proposition to the customer. It really conveys the equivalency, but also conveys the unique availability of the product at Walgreens." (Tompkins Dep. 12:24-13:4.)² Reflecting its decision to enter the private label cetirizine HCl market once cetirizine HCl was no longer patented and the product would be made available over-the-counter, on September 19, 2007, Walgreens filed an intent-to-use trademark application for the WAL-ZYR mark in connection with "pharmaceuticals, namely, allergy medications." (Serial No. 76/682,070, made of record in this proceeding by 37 CFR § 2.122.)

Walgreens takes efforts to ensure its products are of a good quality for consumers. (Tompkins Dep. 14:3-5.)

Walgreens currently sells at least 14 different item codes, or "WICs," for the WAL-ZYR product. (Tompkins Dep. 22:1-4; Ex. 5.) The WAL-ZYR product is sold in a couple of different forms – some in a child-safe blister pack, other pill counts in a bottle – all for the convenience of the customer. (Tompkins Dep. 26:3-24; Exs. 4, 6, 7.) Walgreens' product packaging for the WAL-ZYR product looks like this:

² McNeil attempts to twist Mr. Tompkins' words in its brief on p. 17. There, McNeil uses the phrase "conveying a connection" to suggest what it thinks Walgreens intended to do. However, Mr. Tompkins actually said "I believe this is supposed to communicate the ability of the name to convey equivalence." (Opp. Ex. 107 at 66:3-5.) Thus, as is evident from the discovery deposition testimony cited by McNeil and the testimony deposition offered by Walgreens in this matter, the name is intended to convey *equivalence* to the ZYRTEC product, not a connection. *See also* Opp. Ex. 107 at 140:22-141:10.



In designing the product packaging, Walgreens has included material and verbiage to provide the consumer information on the product. Walgreens includes such elements as:

- “Compare to Zyrtec active ingredient”
- “All Day Allergy”
- “Indoor & Outdoor Allergies”
- “24 Hour Relief of: runny nose, itchy, watery eyes, sneezing, itchy throat or nose”
- A clock
- The generic name of the active ingredient – cetirizine HCl
- “Antihistamine”
- Directions for taking the product
- The WALGREENS mark
- The Walgreens’ W Stylized trademark
- www.walgreens.com

(Tompkins Dep. 17:8-21:19; Exs. 4, 6, 7.) These elements are on the packaging to make it clear to the consumer what the product does, and what it is intended for. (Tompkins Dep. 18:18-19.)

The packaging also uses the color green. This coloring is used to indicate an active ingredient equivalency to the ZYRTEC product, as well as to make the consumer shopping experience easier, as consumers tend to look for color blocks to find the products they are looking for—green is a common color used within the allergy category, so consumers looking for allergy medication will seek out green packaging. (Tompkins Dep. 21:1-14.)

The WAL-ZYR target consumer is a consumer looking for relief from their allergy symptoms for themselves or their families, and are often value-ended (or price conscious) shoppers. (Tompkins Dep. 61:18-23.)

C. Advertising and Selling WAL-ZYR

In-store, the WAL-ZYR product is located in the allergy section and on shelves above, below, or next to the ZYRTEC product. (Tompkins Dep. 47:21-50:23; Exs. 14-16.) This is similar to the placement of other “WAL-” brand products, which are placed next to or otherwise very close to their national brand equivalents. (*Id.*) In many cases, there is a “Compare and Save” sign placed next to the Walgreens brand product to show the savings for the Walgreens brand product as compared to the national brand. (Tompkins Dep. 51:19-52:3; Exs. 14-16; *see, e.g.*, Ex. 14 p. 11 or W5424.) Consumers thus are presented with shelves in the respiratory health aisle showing the WAL-ZYR product adjacent to the ZYRTEC product, giving consumers a visual impression similar to the following images:



The WAL-ZYR product is advertised in a variety of ways, including a Sunday newspaper insert (called the “Roto” or “circular”), in-store closed circuit radio advertisements, and in-store discount programs. (Tompkins Dep. 24:7-19.) The Sunday circulars, or “Rotos,” are inserted into Sunday newspapers across the country. (Tompkins Dep. 27:15-21; Ex. 8.) The weekly Sunday distribution of the Roto is approximately 50-60 million. (Tompkins Dep. 28:13-17.) The WAL-ZYR product is advertised approximately every other week in a Walgreens Roto. (Tompkins Dep. 28:18-24.) Sometimes in these Rotos, the WAL-ZYR product is advertised next to other “WAL-” branded products; other times, the WAL-ZYR product is advertised next to a ZYRTEC product and/or with “Compare to ZYRTEC language.” (Tompkins Dep. 29:1-31:15; Ex. 8.)

The WAL-ZYR product is also advertised in-store in a number of ways, including, but not limited to, through the in-store radio, (Tompkins Dep. 32:9-33:16; Ex. 9), through an in-store coupon book distributed in Walgreens stores and offered to customers near the front of the store, (Tompkins Dep. 34:1-17; Ex. 10), and through the Walgreens Mega-Saver. The Mega-Saver is a promotional event held in stores, where the price of an item is reduced. The reduced price is communicated to consumers through a shelf tag that is placed on the shelf directly in front of the product on sale. (Tompkins Dep. 39:17-41:11; Ex. 12.) Walgreens also advertises the WAL-ZYR product through an in-store Catalina ad, or a coupon that prints out at the register via a special Catalina coupon machine. (Tompkins Dep. 41:18-42:6.)

The WAL-ZYR product is also advertised online, through the Walgreens.com website. (Tompkins Dep. 37:20-39:11; Ex. 11.) Through its online advertisements, and other promotions such as Rotos, Mega-Savers, and other coupons, the WAL-ZYR product is advertised regularly across the country. (Tompkins Dep. 42:15-18; 46:1-3; Ex. 13.)

D. Sales of WAL-ZYR Products

While the application at issue is still based on an intent-to-use, and thus has a priority date of September 19, 2007, the mark has since been used on products sold in the United States. The WAL-ZYR product is sold only in Walgreens stores and online through the Walgreens.com website. (Tompkins Dep. 56:2-6.) Walgreens has sold the WAL-ZYR product without interruption from the week ending January 15, 2008 to the present. (Tompkins Dep. 61:10-12.) From the week ending January 15, 2008, through October 16, 2010, alone, Walgreens sold [REDACTED] [REDACTED] units of WAL-ZYR products, which account for [REDACTED] in sales. (Tompkins Dep. 59:1-61:2; Ex. 17.) Walgreens has continued to sell the WAL-ZYR product since October 16, 2010. (Tompkins Dep. 61:10-12.)

E. The ZYRTEC Mark

According to studies surveying only allergy sufferers and conducted at the time the ZYRTEC product launched as an OTC product, January 2008, the unaided awareness of the ZYRTEC mark was [REDACTED]. (Hooda Test. Dep. 182:18-22, Jan. 13, 2011.) The survey universe for these studies was [REDACTED] [REDACTED]. (Hooda Dep. 183:8-10.) [REDACTED] [REDACTED] (*Id.*) No evidence has been presented as to the unaided awareness of the ZYRTEC mark by the “general consuming public of the United States” as of September 19, 2007. *See, e.g.*, 15 U.S.C. § 1125(c) (definition of a “famous” mark).

Currently, the ZYRTEC product has a 22% market share. (Hooda Dep. 71:7-9.) The number one allergy medicine, Claritin, has a 27% market share. (Hooda Dep. 71:14-15.) The number three allergy medication, Benadryl, has a 9% market share. (Hooda Dep. 71:10-13.)

The owner of the ZYRTEC word mark is UCB Pharma, S.A. (Opp. Ex. 110.)³ At some point in the past, Pfizer, Inc. began using the ZYRTEC mark in connection with a prescription allergy product. In February 2006, UCB Inc. (not UCB Pharma, S.A.) entered into a license with Warner-Lambert to promote and distribute the ZYRTEC product as an over-the-counter medicine. (Opp. Ex. 1.)

Redacted

. At all times, Pfizer (not a party to this opposition) appears to have maintained its rights in advertising and distributing the prescription ZYRTEC product given the wording of these agreements and as evidenced by Pfizer's continued advertising and distributing of the prescription ZYRTEC product for more than a year after the signing of these agreements. (*See, e.g.*, Opp. Ex. 77 (showing sales by Pfizer continuing into 2007).) The record does not indicate that Warner-Lambert ever sold ZYRTEC product in either OTC or prescription form.⁴

³ McNeil's Notice of Reliance on Official Records, dated January 24, 2011, indicates the ZYRTEC mark is owned by UCB Inc. However, as is seen from the USPTO records (*See* Opp. Exs. 110-112), the true owner of record is UCB Pharma, S.A., an apparent separate entity whose relation to UCB Inc. is overlooked by McNeil and unknown in this matter.

⁴ The record also includes Opp. Ex. 80, which is an amendment to the February 2006 license between UCB Inc. and McNeil-PPC. This license is not relevant to the present discussion of chain of rights, as the agreement was signed in 2010 (well after this opposition began), is not retroactive, and essentially serves to show McNeil is a licensee of UCB Inc.

Walgreens includes below what it believes to be a graphical representation of the licenses and rights in the ZYRTEC mark as shown through the documents of record in this matter for the Board's convenience:

Redacted

F. ZYRTEC at Walgreens

Walgreens has continuously sold the OTC ZYRTEC product since its over-the-counter launch in January 2008 to the present. (Tompkins Dep. 61:13-15.) Currently Walgreens sells over 10 different WICs ("Walgreen Inventory Code" – an internal Walgreens code corresponding to an item) for the ZYRTEC product. (Tompkins Dep. 23:9-21.) In the time period from the week ending January 15, 2008 through October 16, 2010, Walgreens has sold **Redacted** units of ZYRTEC products, which account for approximately **Redacted** in sales. Walgreens has continued to sell the ZYRTEC product since October 16, 2010. (Tompkins

Dep. 61:13-15.) Walgreens also engages in advertising for the ZYRTEC product, as shown in its Rotos, for example. (*See, e.g.*, Ex. 8, p. 25 or W1429.)

McNeil has continued to sell and advertise ZYRTEC in Walgreens stores since this proceeding began. (Appl. Ex. 101, p. 101-6, 63:15-21.) In most cases, the ZYRTEC product has been and continues to be sold side by side or otherwise very near the WAL-ZYR product in Walgreens stores. (Tompkins Dep. 47:21-50:23; Exs. 14-16.)

G. A Lack of Consumer Confusion Despite the Coexistence of the Marks

1. Walgreens' Records

Walgreens tracks consumer comments received through its customer hotline, email or through the mail.⁵ (Tompkins Dep. 84:6-9; 85:4-10.) These comments are “closely” tracked, and “accurately record[ed].” (Tompkins Dep. 84:8-9, 22-23.) After a review of all comments it is aware of which mention WAL-ZYR and/or ZYRTEC, Walgreens is not aware of any instance where a customer has been confused. (Tompkins Dep. 90:13-17; 91:20-23; 92:2-8.) In fact, many comments evidence a recognition that the WAL-ZYR product is different from the ZYRTEC product, such as:

Comment	Citation to the Record
“Cmr purchased Walgreens version of Zyrtec last week Cmr prefers the Wal-Zyr to the Zyrtec as it is less expensive and just as effective. Unfortunately she purchased the Zyrtec yesterday...”	Ex. 23, p. 3 or W1645 also located at Ex. 24 p. 13 or W1709
“Walgreens now carries a generic form of LIQUID Zyrtec...”	Ex. 23, p. 16 or W1658 also located at Ex. 24 p. 139 or W1983
“Cmr was glad to see that Walgeens is selling Wal-Zyr/Zyrtec equivalent at prices substantially less than brand name...”	Ex. 23, p. 17 or W1659 also located at Ex. 24 p. 146 or W1741

⁵ It is true that Walgreens does not necessarily track every comment overheard in a Walgreens store. With 8,000 stores nationally and several million customers daily, to have such a system would simply be too burdensome on store employees. However, every comment coming into Walgreens through the hotline, email, or mail, including some phone calls from store employees, is carefully tracked and recorded. (Tompkins Dep. 84:6-9; 85:4-10.)

Comment	Citation to the Record
“recently purchased Wal-ZYR D because its [sic] better priced than [sic] Zyrtec-D...” Also, this customer recognized the WAL-ZYR product as a “Walgreens product[.]”	Ex. 25, p. 15 or W5758

In light of the above, Walgreens is aware of no instances of actual confusion.

2. McNeil’s Records

[REDACTED] Redacted

[REDACTED] (Appl. Ex. 101, p. 101-5, 56:3-10.) [REDACTED]

[REDACTED] Redacted

[REDACTED] (Appl. Ex. 102, p. 102-5, 124:4-9.) Moreover, in discovery responses, made of record in Applicant’s Notice of Reliance, McNeil acknowledged that it was “not aware of any specific instances of consumers being confused.” (Appl. Ex. 104, pp. 104-2 through 104-3.)

[REDACTED] Redacted

McNeil submitted voluminous consumer comments regarding ZYRTEC, and some regarding WAL-ZYR in its testimony period. These compilations of comments are the “best” that McNeil has about the ZYRTEC product. (Hooda Dep. 163:16-21.) McNeil made vague references to comments it argues evidence confusion, but has not indicated specifically which comments it believes evidence consumer confusion. To the best of its ability, Walgreens submits that these comments read as follows: [REDACTED] Redacted

Redacted

(Opp. Ex. 83, at McNEIL_001535,

1540.) Other consumer comments presented by McNeil are also relevant, such as

Redacted

3. Simonson Survey⁶

In connection with these proceedings, Walgreens commissioned a likelihood of confusion survey conducted by Simonson Associates, Inc. (Aff. of Dr. Simonson and Ex. 1 thereto.) The survey utilized an “Ever-Ready” type design in the manner normally employed in TTAB cases (showing cards with names and product categories). (Simonson Aff. p. 2, ¶6.) It was limited to a relevant universe of allergy sufferers, and employed a screening quota based on census data. (Simonson Aff., Ex. 1 pp. 6, 8.) For further detail on the survey methodology, *see infra* Section IV.B.4.ii.

In this survey, after being deemed qualified to participate, respondents in the test cell were shown a card with the WAL-ZYR name and the category “allergy medications.” (Simonson Aff., Ex.1 pp. 9, 105.) Qualified respondents in the control cell were shown a card with the name WAL-ZEE and the category “allergy medications.” (*Id.* pp. 9, 106.) These respondents were then asked a series of questions to gauge confusion. (*Id.* pp. 10-11.)

⁶ McNeil has objected to various elements of the Simonson survey, in an effort to discredit the survey. Walgreens submits that the survey was conducted according to industry standard practices and formats and should be accepted. Walgreens submits a longer explanation for why the survey is proper in a separately, and concurrently, filed Response to McNeil’s Objections.

A total of 404 interviews were conducted. (*Id.* p. 12.) Of these, 267 respondents (66%) were re-contacted, a very high rate of re-contact. (*Id.*) The results of the survey indicate that there is a low percentage of confusion between WAL-ZYR and ZYRTEC – in fact, only approximately 3% of respondents, net of noise, confused WAL-ZYR and ZYRTEC. (Aff. of Dr. Simonson, p. 3.)

H. Consumer Care

The WAL-ZYR consumer takes their time shopping, since the product in question is a medicine. (Tompkins Dep. 62:13-19.) Consumers look at various factors when purchasing OTC medications, including the brand, what symptoms it relieves, what the price of the product is, whether or not the product will make the consumer drowsy, whether or not a consumer can consume alcohol while taking the medication, and how long the medication will be effective. (Appl. Ex. 101, p. 101-11 through 101-12, 139:25-141:13.)

In 2006, Pfizer Consumer Healthcare commissioned a shopper insight study, which was passed to McNeil in the course of its acquisition of Pfizer’s consumer healthcare business. (Appl. Ex. 101, p. 101-15, 161:4-8, and Exhibit 16 thereto, contained in Appl. Ex. 101, pp. 101-21 through 101-98.) According to the study, consumers spend an average of **Redacted** **Redacted** shopping in the upper-respiratory aisle. (Appl. Ex. 101, pp. 101-17 through 101-19, 172:11-174:7, and Exhibit 16 thereto, contained in Appl. Ex. 101, p. 101-52, McNeil 000873.)

McNeil asserts that it is a “general belief of consumers that store brands of OTC medicines are made by the same companies that manufacture the national brand versions.” (Opp. Br. p. 23.) McNeil cites to the deposition of Robert Tompkins to support this statement, but in fact Mr. Tompkins said he had “heard [rumors that] consumers state a belief that the same folks that make private brand also make national brand. [However,] I personally haven’t heard

that.” (Opp. Ex. 107, 236:8-12.) McNeil’s own testimony witness, Rohonish Hooda, admitted that he has not seen any studies supporting the idea that consumers as a whole think “the national brand makes the product for the private label competitor.” (Hooda Dep. 215:8-17.) While he claims that studies exist, he has not himself seen any “systematic scientific research [studies] showing that many consumers believe that the company that makes the brand name also makes the private label that competes with it.” (Hooda Dep. 176:16-177:2.) Moreover, Mr. Hooda has seen *ad hoc* comments indicating that consumers understand that store brands are different than private label brands. (Hooda Dep. 177:3-6.)

IV. ARGUMENT

A. McNeil Does Not Have Priority in This Matter

McNeil asserts that Walgreens “cannot dispute priority in this case.” (Opp. Br. p. 25.) It is McNeil’s burden to establish facts showing that it has priority in the mark at issue in order to succeed on its likelihood of confusion claim. *See, e.g., Life Zone Inc. v. Middleman Group Inc.*, 87 U.S.P.Q.2d 1953 (T.T.A.B. 2008). McNeil admits that it is not the record owner of the registrations at issue in this proceeding, and that instead McNeil is no more than a licensee. (Opp. Br. pp. 5-7.) McNeil has not introduced evidence establishing its priority, and in fact, by its own statements has established Walgreens’ priority.

Priority is necessary to prevail on claims of likelihood of confusion and dilution. *Threshold.TV Inc. v. Metronome Enters. Inc.*, 96 U.S.P.Q.2d 1031, 1039 (T.T.A.B. 2010); *Gen. Motors Corp. v. Aristide & Co.*, 87 U.S.P.Q.2d 1179, 1187 (T.T.A.B. 2008) (TTAB dismissed claims for dilution, as well as likelihood of confusion, because opposer did not establish a priority date before applicant’s priority date). It is well-settled that where an opposer does not own the trademark registrations on which it relies, but is rather a licensee, the opposer must establish its own priority over the applicant. *Chem. N.Y. Corp. v. Conmar Form Sys., Inc.*, 1

U.S.P.Q.2d 1139, 1142 (T.T.A.B. 1986) (holding opposer could not rely on priority established by a joint opposer, even though the opposer was a wholly-owned subsidiary and licensee of the joint opposer); *see also Hunt Control Sys. Inc. v. Koninklijke Philips Elecs. N.V.*, 98 U.S.P.Q.2d 1558, 1562-63 (T.T.A.B. 2011) (where opposer did not own the registration, it could not simply rely on the registration for priority; opposer separately established its own prior common law rights in the mark at issue).

McNeil claims it has proven use dating as early as November 2007, through launching the zyrtecotc.com website and taking orders from Walgreens for the ZYRTEC over-the-counter product. (Opp. Br. pp. 25-26 n.11.)

Redacted

(Hooda Dep. 14:14-18.) Walgreens' application is afforded a September 19, 2007 priority date, as acknowledged by McNeil in its trial brief. (Opp. Br. p. 26.) Even if McNeil is given the benefit of its supposed "analogous" use prior to its actual first use date, McNeil fails to establish priority prior to Walgreens' filing date. Thus, there can be no question that McNeil has not established priority in this opposition and its claim of likelihood of confusion must fail as a matter of law.

McNeil claims it is entitled to the benefit of the use of the ZYRTEC mark by its predecessor-in-interest. (Opp. Br. p. 25, n.11.) This is contrary to the well-settled rule of law explained above. In addition, McNeil fails to clarify who its predecessor-in-interest is that supposedly grants McNeil prior rights. According to the documents submitted as evidence in this matter,

Redacted

(Indeed, in its brief, McNeil

asserts this license was between UCB and Pfizer, *see* Opp. Br. p. 5, but this is patently wrong from the face of the document itself. (Opp. Ex. 1.)) This agreement was subsequently assigned down to McNeil.

While it is true that a third party, Pfizer, sold the prescription ZYRTEC product (presumably under a different license; *see* Hooda Dep. 13:9-13), there is no evidence of Pfizer's rights to market or sell the ZYRTEC product being passed to McNeil, and Pfizer continued to use the ZYRTEC mark for more than a year after the signing of the documents referred to by Opposer (Opp. Exs. 1-3).

Thus, McNeil's only predecessor-in-interest, when following the trail of documents in evidence, must be Warner-Lambert, which never used the ZYRTEC mark (Hooda Dep. 16:4-7) and thus could not transfer any rights in a priority date to McNeil. *See Gen. Motors v. Aristide*, 87 U.S.P.Q.2d 1179 at 1185-86 (holding that licensing, by itself, is not use and does not establish priority). There is no predecessor-in-interest with use of the ZYRTEC mark on which McNeil can rely.⁷

Finally, the owner of the ZYRTEC registration in the U.S. is UCB Pharma, S.A. The licensor on the documents submitted by McNeil is UCB Inc. McNeil has not submitted any evidence (or even arguments) establishing that UCB Inc. is a licensee of UCB Pharma, S.A., the record owner of the ZYRTEC mark, and that UCB Inc. has the right to sublicense to McNeil. Thus, the rights of any of these parties to market and use the ZYRTEC mark is not in evidence.

Regardless of the various complicated and heavily redacted licenses involved in this matter, McNeil admits:

⁷ This information, of course, is the best Walgreens can decipher from the complicated web of licenses, and heavy redactions thereof. Any confusion about the ownership rights in the ZYRTEC mark must be a result of the heavy redaction of the licensing documents offered in evidence in this case, and thus the failure to provide full and useful

- that it is no more than a licensee of the ZYRTEC mark;
- it did not sell ZYRTEC product until January 2008;
- its earliest “analogous” use took place in November 2007;
- Walgreens is entitled to a priority date of September 19, 2007, the filing date of the WAL-ZYR application.

Regardless of what prior licensees of the ZYRTEC mark may or may not have done, it is clear that McNeil does not have priority in this matter and its claim must fail.

B. Even if McNeil Could Establish Priority, There is No Likelihood of Confusion

As established above, McNeil’s claim of a likelihood of confusion under Section 2(d) fails for a failure to establish priority. The Board need not even analyze the likelihood of confusion factors. *See, e.g., Threshold.TV Inc. v. Metronome Enters. Inc.*, 96 U.S.P.Q.2d 1031 (T.T.A.B. 2010). However, even if the Board continues its analysis, it is clear that there is no likelihood of confusion between Walgreens’ use of WAL-ZYR and McNeil’s use under license of the very different mark ZYRTEC.

When considering whether a likelihood of confusion exists between two marks, the Board must consider the factors outlined in *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 U.S.P.Q. 563 (C.C.P.A. 1973), which, among others, include the following:

- a. the fame of the prior mark and scope of protection provided same;
- b. the similarity or dissimilarity of the marks in their entities as to appearance, sound, connotation, and commercial impression;
- c. the conditions under which and buyers to whom sales are made;
- d. whether the relevant goods are bought on impulse or are the subject of careful, sophisticated purchasing;
- e. the length of time during and conditions under which there has been concurrent use without evidence of actual confusion;
- f. the market interface between applicant and the owner of a prior mark; and
- g. the applicant’s intent in adopting the mark.

information to Walgreens and to this Board. It is, of course, McNeil’s burden to prove priority. *See, e.g., Life Zone Inc. v. Middleman Group Inc.*, 87 U.S.P.Q.2d 1953 (T.T.A.B. 2008).

Id. at 476 F.2d 1360-62, 177 U.S.P.Q.2d at 567. Walgreens acknowledges the parties' respective goods are sold to the same consumers and under identical or similar conditions. In addition, there is no market interface between Walgreens and McNeil or the owner of the ZYRTEC mark or any of the owner's other licensees, aside from the fact that McNeil continues to sell the ZYRTEC product to Walgreens for resale in Walgreens stores. Walgreens addresses the remaining factors in turn below.

1. There are Significant Differences between Applicant's WAL-ZYR mark and Opposer's ZYRTEC

McNeil would have the Board view the mark WAL-ZYR, focus only on the "ZYR" portion of the mark disregarding the "WAL-" portion entirely, and find confusing similarity between that mark and ZYRTEC (again only focusing on the "ZYR" portion and ignoring the "TEC" portion). However, marks cannot be dissected and important portions of the marks simply ignored because it is more convenient for the opposer. *Leading Jewelers Guild Inc. v. LJOW Holdings LLC*, 82 U.S.P.Q.2d 1901 (T.T.A.B. 2007) (holding LEADING JEWELERS OF THE WORLD when compared in its entirety to MEMBER LEADING JEWELERS GUILD offers a different commercial impression and therefore is not so similar as to cause confusion).

In addition to ignoring the inconvenient (for McNeil) differences between the marks, McNeil would have the Board believe that the more prominent portion of the WAL-ZYR mark is the second half. To the contrary, typically the beginning of a mark is the most important or prominent in the eyes of consumers. *See, e.g., Citigroup Inc. v. Capital City Bank Group, Inc.*, 94 U.S.P.Q.2d 1645, 1664 (T.T.A.B. 2010), *aff'd*, 637 F.3d 1344 (Fed. Cir. 2011) (various CAPITAL CITY BANK marks held not likely to be confused with CITIBANK where the term "Capital City" was the dominant and most distinguishing element of the applicant's marks, due to its appearance at the beginning); *Re/MAX Int'l Inc. v. Singh*, No. 91175272, 2008 WL

5256414, at *4 (T.T.A.B. 2008), available at <http://ttabvue.uspto.gov/ttabvue/v?pno=91175272&pty=OPP&eno=37> (and cases cited therein) (finding REMAX and SAVEMAX “obviously different” in appearance and pronunciation because of the different beginnings of the marks, and reasoning that if consumers put more emphasis on one part of the applicant’s mark, it would be on SAVE because it is the first part of the mark); see also *Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*, 73 U.S.P.Q.2d 1689, 1692-93 (Fed. Cir. 2005); *Klein-Becker USA, LLC v. Prod. Quest Mfg., Inc.*, 429 F. Supp. 2d 1248, 1252-53 (D. Utah 2005) (copy attached as Exhibit A) (finding no likelihood of confusion between STRIVECTIN-SD and NUVECTIN). Moreover, McNeil recognizes this truth when it asserts the “ZYR” portion of the ZYRTEC mark is the dominant portion. There is no reason for “ZYR” to be more dominant than “TEC” aside from the fact that it is the first portion of the mark.⁸ McNeil thus recognizes the importance of the first portion of the mark when it relates to ZYRTEC, but ignores this importance with respect to the WAL-ZYR mark.

McNeil is upset because the WAL-ZYR mark serves its purpose well. It does “suggest[] to consumers that the brand is the cheaper, Walgreens version of ZYRTEC.” (Opp. Br. p. 33.) McNeil then twists this very truth by asserting this must mean that consumers will believe the WAL-ZYR product is made by the same company as ZYRTEC or that the WAL-ZYR product is authorized by McNeil. To the contrary, the WAL-ZYR mark conveys just what McNeil said first – the WAL-ZYR product is the cheaper, *Walgreens version* of the ZYRTEC product. It does this effectively and without being confusingly similar to the ZYRTEC mark, so that consumers are better informed, not confused. See, e.g. *Jacobs v. Int’l Multifoods Corp.*, 212

⁸ Indeed, Walgreens has submitted evidence of third party registrations on the Federal Register which include “ZYR” or its phonetic equivalent in connection with goods in Class 5. (See Appl. Exs. 124-134.)

U.S.P.Q. 641 (C.C.P.A. 1982) (“the fact that one mark may bring another to mind does not in itself establish likelihood of confusion as to source.”); *Am. Express Co. v. Payless Cashways, Inc.*, 222 U.S.P.Q. 907 (T.T.A.B. 1984) (“The concept of likelihood of confusion means more than the likelihood that the public will recall a famous or well known mark [which Walgreens contends is not even the case here] upon seeing the same or similar mark used by another.”).

McNeil asserts that the “WAL-” portion of Walgreens’ mark “goes mainly unnoticed,” which is in direct contradiction to the case law outlined above and common sense. Even without this case law, the “WAL-” portion is not invisible, but instead indicates to consumers that it is a Walgreens brand product. As explained above, Walgreens initiated this line of marks which incorporate “WAL-” so that consumers can walk into a Walgreens store, quickly identify the Walgreens brand over-the-counter medications, and be able to identify their name brand equivalents. (Tompkins Dep. 12:10-13; 12:24-13:4.) The “WAL-” portion thus has a clear and distinct meaning to consumers that would not be ignored. To the contrary, the “WAL-” portion of the mark stands out to consumers as the portion of the mark that identifies the manufacturer or retailer.⁹

McNeil also argues that Walgreens’ choice of “ZYZR” in WAL-ZYZR is against its standard naming practices. However, this is simply not the case. (Tompkins Dep. 12:10-13; 12:24-13:4.) McNeil in its positioning, notably in its brief on page 16 note 5, effectively outright calls Mr. Tompkins a liar and all but accuses Walgreens’ counsel of suborning perjury. If McNeil truly had evidence to support its claims of fraud on this Board and unethical conduct by Walgreens’ counsel, it should bring an appropriate motion or other action. Otherwise, its inflammatory and downright nasty commentary is inappropriate for this forum and should be

⁹ That consumers would recognize and assign weight to the “WAL-” portion of the mark is further evidenced through the prominent use of the Walgreens’ name and other trademarks on product packaging. (Appl. Exs. 4, 6, 7.)

stricken. *See* TBMP § 539; Fed. R. Civ. Pro. 11(b). Mr. Tompkins simply was mistaken when he asserted in testimony that the WAL-SOM product was a private label version of the SOMINEX branded product – and with several thousands of different kinds of products to keep straight in his position as Divisional Vice President and General Merchandise Manager of Health and Wellness, making an error on one product is hardly a punishable offense. Even with this correction, Walgreens’ policy on naming its products is not deceptive, but instead is done with an eye towards assisting the consumer in making informed value-priced purchases. Walgreens does not always take the last portion of the name brand product name, but creates its own mark that will help the consumer recognize the brand differences and effectively comparison shop. (Tompkins Dep. 12:10-13; 12:24-13:4 (including WAL-ZAN (equivalent to ZANTAC), WAL-DRAM (equivalent to DRAMAMINE), WAL-DRYL (equivalent to BENADRYL), and WAL-ITIN (equivalent to CLARITIN)).)

The mark WAL-ZYR does not look like the mark ZYRTEC. The WAL-ZYR mark contains a hyphen, separating two portions of the mark from one another. The ZYRTEC mark contains no such hyphen and is seen as one continuous word. The WAL-ZYR mark does not sound like the ZYRTEC mark when pronounced. The marks as a whole present strong aural and visual differences that could be easily remembered by a consumer. Overall, the marks are very different and easily distinguished by consumers.

2. Opposer’s Mark is Not Strong¹⁰

McNeil claims the ZYRTEC mark is strong and entitled to a broad scope of protection. (Opp. Br. pp. 28-31.) However, the contrary is actually true. McNeil relies on its consumer

¹⁰ Walgreens notes that McNeil submitted into the record voluminous “hit” printouts from searches done on Westlaw without citing the full article or its context, through the declaration of Giselle Woo. Walgreens submits its objection to this evidence in its separately filed Statement of Objections. Walgreens also notes McNeil did not rely on these so-called references in its brief, and thus does not address them herein as irrelevant and immaterial.

surveys showing awareness of the ZYRTEC mark. (Opp. Br. p. 29.) McNeil asserts that “[c]onsumer awareness levels for the ZYRTEC brand [in February 2009] were [REDACTED].” (*Id.*) However, McNeil fails to clarify that this is actually the *aided* awareness of the ZYRTEC mark. The *unaided* awareness – that is, the awareness of consumers who are not prompted to identify whether or not they have heard of ZYRTEC and instead just come up with ZYRTEC on their own – is actually around [REDACTED] currently. (Hooda Dep. 79:16-18.) At the time of the OTC switch, which was after Walgreens’ priority date, the *unaided* awareness of the ZYRTEC mark was [REDACTED]. (*Id.*) While McNeil may prefer to rely on aided awareness levels, it is the *unaided* awareness – this [REDACTED] **Redacted** [REDACTED] unaided awareness at the time of Walgreens’ application for WAL-ZYR or [REDACTED] currently – that is a crucial factor when determining the fame of a mark in the marketplace. *See, e.g., Carefirst of Md. Inc. v. FirstHealth of Carolinas Inc.*, 77 U.S.P.Q.2d 1492, 1507 (T.T.A.B. 2005) (“One should not be permitted to so heavily rely on aided awareness, that is, awareness after the brand has been prompted...”). Moreover, the survey universe for these studies is [REDACTED] **Redacted** [REDACTED] **Redacted** [REDACTED]. (Hooda Dep. 183:8-10.) [REDACTED] **Redacted** [REDACTED] **Redacted** [REDACTED]. (*Id.*) Even giving McNeil the benefit of the doubt, [REDACTED] unaided awareness of a mark is hardly strong. Moreover, ZYRTEC is not the market leader in allergy over-the-counter sales – the market leader is CLARITIN, with a 27% market share, whereas ZYRTEC comes in second, with a 22% market share. (Hooda Dep. 71:7-15.)

McNeil also attempts to show strength by relying on the efforts of entirely unrelated third parties to market and advertise the ZYRTEC mark. McNeil points to money spent on advertising and sales for the prescription ZYRTEC product, which was sold and advertised by Pfizer. However, the amount spent by Pfizer is unknown. McNeil relies on the testimony of Mr. Hooda,

an employee of Ethicon (and former employee of McNeil), to support its assertion that Pfizer spent **Redacted** per year to advertise the ZYRTEC product. While Mr. Hooda was once an employee of Pfizer, Mr. Hooda was not at that time in charge of advertising the ZYRTEC product. (Hooda Dep. 10:20-11:2 (“Zyrtec was a prescription drug, but it was not a part of my responsibility. It was being managed by the pharmaceutical division of Pfizer”).) The only documentary evidence of the amount spent by Pfizer to advertise the ZYRTEC product in this matter is documents showing *planned* advertising spend, attested to by Mr. James Donohue, a current employee of Pfizer and the individual who would have been in charge of advertising the ZYRTEC product when it was sold as a prescription product by Pfizer. (Donohue Dep. 25:22-24; 50:15-17; 63:12-16; 69:22-25; 110:21-23, Dec. 8, 2010.) In these documents, there is no indication of how much money was actually spent. (*Id.*)¹¹ In fact, these plan documents show **Redacted** **Redacted** (Donohue Dep. Exs. 2-6.) This is far less than the **Redacted** annually claimed by Mr. Hooda.

Moreover, in terms of advertising, the numbers referenced by McNeil include advertisements sent directly to doctors and health professionals, not just the general public. (Hooda Dep. 188:12-19.) This by definition inflates the advertising spend numbers beyond those that would have an impact on the general purchasing public. Strength of a mark is measured by the impact that the advertising has on the minds of the consumers at issue. *See King-Size, Inc. v. Frank's King Size Clothes, Inc.*, 547 F. Supp. 1138, 1156-7, 216 U.S.P.Q. 426 (S.D. Tex. 1982) (though advertising expenditures are relevant, the key inquiry is the effectiveness of advertising);

¹¹ In fact, reports detailing actual spend on advertising exist, but McNeil has not made them of record in this proceeding. (Donohue Dep. 116:10-21.)

Aloe Cream Labs, Inc. v. Milsan, 165 U.S.P.Q. 37, 41 (5th Cir. 1979) (“ . . .it must be remembered that the question is not the extent of the promotional efforts, but their effectiveness. . .”); *cf. Blue Man Prods. Inc. v. Tarmann*, 75 U.S.P.Q.2d 1811 (T.T.A.B. 2005) (Board stated there was no evidence showing “any impact on or recognition by the public of the mark for such goods”).

McNeil also points to sales revenue for the ZYRTEC product. It is true that the ZYRTEC product has had some sales success. However, the numbers upon which McNeil relies – especially when relying upon sales by unrelated third parties such as Pfizer – are necessarily inflated. A prescription product is, as a general rule, more expensive than an over-the-counter product. It is no different with the ZYRTEC product. (Hooda Dep. 29:4-24 (prescription Zyrtec cost a patient approximately \$40 co-pay, whereas the Zyrtec product had an average price of \$25-28 for 30 pills, “which was significantly lower than what the consumers were used to paying as a prescription”).) Thus, the raw sales revenue for the ZYRTEC product is necessarily higher – as every pill costs more money when coming from a pharmacy than when coming over-the-counter.

The sales revenues should also be taken in context. While the sales revenues asserted by McNeil evidence some success, Mr. Hooda testified that the ZYRTEC product has a 22% market share currently, and it is not the market leader. (Hooda Dep. 71:7-9.) The raw revenues, while they are strong, pale in comparison to the size of the overall market – 78% of purchases in this category by consumers are of someone else’s product.

Altogether, the ZYRTEC mark can hardly be considered strong. That the ZYRTEC mark does not enjoy a very strong position in the marketplace is most evident through its unaided awareness levels— [REDACTED] in 2007-08 and [REDACTED], at most, in January 2009. No matter how much

money was spent, the ZYRTEC mark simply does not enjoy a high level of commercial renown even among allergy sufferers.

3. The Goods at Issue Are Purchased With Care and Consideration, and With a Knowledge of Private Label or House Brands

i. *Consumer Care in Purchasing*

McNeil would have the Board believe that all purchasers of ZYRTEC and WAL-ZYR products are purchased only by harried consumers “in the haze of allergy symptoms” who will just grab the first package they see off the shelf and take the medication therein without thinking or considering about what to purchase and ingest. (Opp. Br. pp. 20, 35, 41.) However, McNeil’s own evidence is directly contrary to that premise. Contrary to McNeil’s brief, McNeil’s own surveys show that consumers take care in making allergy medication decisions. McNeil’s survey and analysis shows that there is a “lengthy” decision process for shoppers in the upper-respiratory category. (Hooda Dep. 210:17-211:10; Opp. Ex. 82.) By McNeil’s own evidence, shoppers spend approximately **Redacted** carefully considering their upper-respiratory OTC medicine needs. (Appl. Ex. 101, pp. 101-17 through 101-19, 172:11-174:7, and Exhibit 16 thereto, contained in Appl. Ex. 101, p. 101-52, McNeil 000873.) A “lengthy” decision is not one made in haste and without forethought. To the contrary, a “lengthy” decision is one that it made with care and consideration – and one in which the consumer is not likely to be confused.

Consumers who exercise careful consideration in purchasing are less likely to be confused. *Magnaflux Corp. v. Sonoflux Corp.*, 109 U.S.P.Q. 313, 315 (C.C.P.A. 1956). While the products at issue here are not particularly expensive, products do not need to be expensive to be the subject of extra care. *Precision Foods, Inc. v. Major Prods. Co.*, 2001 WL 1131865, at *4 (T.T.A.B. Sept. 20, 2001), *aff’d*, 49 Fed. Appx. 308 (Fed. Cir. 2002) (attached as Exhibit B) (finding that relevant consumers, including the ordinary public, would engage in a more

informed and thoughtful decision-making process when purchasing relatively inexpensive non-prescription food thickener from drugstores because it is used to treat a medical condition). *See, e.g., Smithkline Beckman Corp. v. Proctor & Gamble Co.*, 223 U.S.P.Q. 1230, 1241 (N.D.N.Y. 1984), *aff'd*, 755 F.2d 914 (2d Cir. 1985) (finding that “a reasonably prudent purchaser would be somewhat more careful when purchasing over-the-counter medications than when purchasing other houseware or grocery items” because “[m]ost consumers are aware that medications can be dangerous if taken incorrectly and would, therefore, be reasonably careful when purchasing them.”). McNeil cites to *Eli Lilly & Co. v. Natural Answers, Inc.*, 86 F. Supp. 2d 834 (S.D. Ind. 2000) to assert “there is no reason to expect ordinary consumers to exercise great care...” (Opp. Br. p. 35.) However, as shown above, Walgreens’ position is not that consumers exercise “great” care (*e.g.*, a very long research process prior to purchase), but that they are more careful than an ordinary purchaser of a low-cost item, instead taking care in their decisions (*e.g.*, [REDACTED] **Red.** in the store aisle reading packages prior to purchase). With the care consumers take, they are less likely to be confused and this factor favors Walgreens.

ii. Careful Consumers Know the Private Label / Store Brand Marketplace

Consumers not only take care when making their purchasing decisions, they make those decisions with a knowledge of the private label or store brand marketing scheme. Even as early as 1994, the Federal Circuit acknowledged that direct competition between national brands and private label store brands within the same stores “has become commonplace and well-known in the marketplace,” and that it is counter-intuitive to assume that a manufacturer would sell both a national brand and a private label equivalent to compete with each other. *Conopco, Inc. v. May Dep’t Stores Co.*, 32 U.S.P.Q.2d 1225, 1231 (Fed. Cir. 1994).

McNeil argues that it is a “general belief of consumers that store brands of OTC medicines are made by the same companies that manufacture the national brand versions.”

(Opp. Br. p. 23.) However, the Federal Circuit in 1994 stated that such a position would be “counter-intuitive.” *Conopco*, 32 U.S.P.Q.2d at 1230. Further, McNeil fails to support this argument with anything more than anecdotes. McNeil cites to the deposition of Robert Tompkins to support this statement, but in fact Mr. Tompkins said he had “heard [rumors that] consumers state a belief that the same folks that make private brand also make national brand. [However,] I personally haven’t heard that.” (Opp. Ex. 107, 236:8-12.) McNeil’s own testimony witness, Rohonish Hooda, admitted that he has not seen any studies supporting the proposition that consumers as a whole think “the national brand makes the product for the private label competitor.” (Hooda Dep. 215:8-17.) While he claims that studies exist, he has not himself seen any “systematic scientific research [studies] showing that many consumers believe that the company that makes the brand name also makes the private label that competes with it.” (Hooda Dep. 176:16-177:2.) Indeed, Mr. Hooda acknowledges he has seen *ad hoc* comments indicating that consumers understand that store brands are different than private label brands. (Hooda Dep. 177:3-6.) McNeil’s own position is belied by the facts in evidence and against the case law of the Federal Circuit.¹²

Courts repeatedly recognize that consumers are used to seeing (and in fact expect to see) private label products, and that despite the identity of goods, consumers, channels of trade and marketing, this recognition of the private labeling marketplace means that consumers would not be confused. *See, e.g. McNeil Nutritionals, LLC v. Heartland Sweeteners LLC*, No. 06-5336, 2007 WL 1520101 (E.D. Pa. 2007) (attached as Exhibit C); *Pfizer, Inc. v. Perrigo Co.*, 988 F.

¹² Even if it might be true that a small percentage of consumers believe the name brand manufacturer produces private label products to directly compete with its own name brand, this would not impact the present case. These consumers would hold the belief regardless of the names of the products at issue. Thus, any such confusion would stem not from the use of similar or dissimilar names, but from the consumer’s belief that all products are manufactured by a single entity. Using a name other than WAL-ZYR would not serve to eliminate or reduce this type of confusion.

Supp. 686, 699 (S.D.N.Y. 1997) (attached as Exhibit D). In fact, in *Klein-Becker USA, LLC v. Product Quest Mfg., Inc.*, 429 F. Supp. 2d 1248 (D. Utah 2005) (attached as Exhibit A), the court held that, despite the identity of goods and use of the VECTIN suffix, Defendant's NUVECTIN mark as used on a private label version of the STRIVECTIN-D skin cream was not so likely to be confused with that name brand equivalent as to support a preliminary injunction. *Klein-Becker*, 429 F. Supp. 2d at 1258. The court focused on the differences between the marks themselves – the distinctly different “STRI” and “NU” prefixes – and further held that any similarity was belied by “compare to” language in the defendant's advertising and on the product packaging. *Id.* at 1253. That defendant intended to create a “value brand alternative” to the STRIVECTIN-D product did not imply there was an intent to confuse consumers, who would be looking for that value based alternative. *Id.* Just as in *Klein-Becker*, here consumers easily recognize the differences between the WAL-ZYR and ZYRTEC marks in light of the differences in the marks, methods of advertising, and recognition of the private label or store brand marketplace.

4. Despite the Opportunity in the Marketplace, the Absence of Actual Confusion Belies Any Notion of Likelihood of Confusion

Walgreens acknowledges that the goods sold under the WAL-ZYR mark are directly competitive with, and sold in the same trade channels as, those sold under the ZYRTEC mark. Walgreens has, in fact, sold **Redacted** units of WAL-ZYR products. Walgreens has also sold **Redacted** units of ZYRTEC products, off shelves directly adjacent to the WAL-ZYR product. Despite these **Redacted** sales to what is likely millions of consumers, there is no evidence of actual confusion in this case.

i. There is No Direct Evidence of Confusion

As noted above, the WAL-ZYR goods and the ZYRTEC goods are sold side-by-side on the same shelves in Walgreens stores. These marks have been seen by consumers side-by-side since their introduction to the marketplace in January 2008 – or over 3.5 years. In many other cases where goods were sold side-by-side, the TTAB found the absence of actual confusion evidence highly probative, particularly where marks were concurrently used for many years. *See, e.g., Toro Co. v. Grassmasters, Inc.*, 66 U.S.P.Q.2d 1032, 1037 (T.T.A.B. 2003) (finding no actual confusion evidence probative where the parties’ products were sold virtually side-by-side in some of the same stores for five years); *see also Pignons S.A. de Mecanique de Precision v. Polaroid Corp.*, 212 U.S.P.Q. 246, 253 (1st Cir. 1981) (where marks have been displayed side-by-side for a substantial period of time in same market, yet no confusion evidence has come to light, a “strong presumption” arises that there is little likelihood of confusion). Not only have the WAL-ZYR goods and ZYRTEC goods been sold side-by-side for well over three years, the evidence also indicates both products have been relatively successful in terms of overall sales. *See, e.g., Master Builders, Inc. v. Polymerica, Inc.*, No. 92030392, 2004 WL 407353, at *22 (T.T.A.B. Feb. 24, 2004), *available at* <http://ttabvue.uspto.gov/ttabvue/v?pno=92030392&pty=CAN&eno=10> (finding the lack of actual confusion evidence favored the respondent particularly because of the length of concurrent use and the relative success of the parties’ products).

McNeil has presented no probative evidence of consumer confusion. McNeil attempts to rely on to an undefined number of questions that supposedly are from confused consumers. Mr. Hooda testified that these compilations of comments are the “best” that McNeil has about the ZYRTEC product. (Hooda Dep. 163:16-21.) From this, its “best” compilation of consumer questions, McNeil makes vague references to comments it argues evidence confusion, but has

not indicated specifically which comments it believes evidence consumer confusion. To the best of its ability, Walgreens submits that these comments read as follows:

Redacted

(Opp. Ex. 83, at McNEIL 001535, 1540.) Contrary to McNeil’s brief, however, both of these comments actually show no confusion.¹³ Indeed, these comments show that consumers recognize the products are distinct. Consumers are trying to investigate those differences and comparison shop – the precise purpose for the WAL-ZYR product and its marketing strategy.

Moreover, Walgreens has also looked through its own files to see if there are consumer comments evidencing confusion. It has found none. (Tompkins Dep. 90:13-17; 91:20-23; 92:2-8.) Instead, like McNeil, Walgreens found comments evidencing consumers’ awareness that the WAL-ZYR product and the ZYRTEC product are distinct. (*see, e.g.*, Ex. 23, p. 16; Ex. 23, p. 17; Ex. 25, p. 15.) While McNeil argues that Walgreens has “failed to put in place” a system to track confusion, the comments identified above establish a reasonable system is in place yet no confusion can be found.

ii. The Simonson Survey Shows Confusion is Not Likely

Not only is there no direct evidence of consumer confusion, Walgreens went the extra step and commissioned a survey. One may argue that due to the Walgreens naming system, knowledge of the private label scheme, prominent use of the WALGREENS name and mark, and

¹³ Other consumer comments presented by McNeil evidence a similar thought process, such as

Redacted

other factors on the packaging for the WAL-ZYR mark, that actual confusion in the marketplace is not likely – and this is why McNeil cannot point to evidence of actual confusion. Walgreens acknowledges that the WAL-ZYR application does not require house marks on the packaging, disclaimers, or the like.

The survey, by Dr. Alex Simonson, sought to evaluate whether there is a likelihood of confusion between the word marks WAL-ZYR and ZYRTEC for the goods covered by the trademark filings, and without reference to other factors such as packaging, use of house marks, use of “Compare to” advertising and the like. Dr. Simonson’s survey employed the “Ever-Ready” survey format, a format that has been approved and routinely accepted by the TTAB and other federal courts. *See, e.g., Union Carbide Corp. v. Ever-Ready Inc.*, 188 U.S.P.Q. 623 (7th Cir. 1976), *superseded by rule on other grounds*, Fed. R. Civ. P. 52(a); *Anheuser-Busch, Inc. v. Mambo Seafood #1, Inc.*, No. 91160250, 2008 WL 4674603, at *9 (T.T.A.B. Sept. 22, 2008), *available at* <http://ttabvue.uspto.gov/ttabvue/v?pno=91160250&pty=OPP&eno=68>.

Dr. Simonson’s survey defined the relevant universe as adult males and females 18 years of age and older who purchased in the past 6 months, or were likely to purchase in the coming 6 months, an over-the-counter allergy relief medication. (Simonson Aff., Ex. 1 p. 6.) The survey used shopping malls as a means of identifying relevant consumers. (*Id.* p. 7.) Twelve markets were selected, three in each of the four U.S. census regions. (*Id.*) The survey employed a screening quota, approaching age groupings proportionate to their presence in the population, based on census data. (*Id.* p. 8.) A total of 400 respondents was the target sample size. (*Id.*)

The survey utilized an “Ever-Ready” type design in the manner normally employed in TTAB cases (showing cards with names and product categories). (Simonson Aff. p. 2, ¶6.) This design has long been accepted and relied upon by the TTAB and Federal Courts. (*Id.*) *See, e.g.,*

Union Carbide Corp. v. Ever-Ready Inc., 188 U.S.P.Q. at 642-43; *Anheuser-Busch, Inc.*, 2008 WL 4674603, at *9. The survey followed generally accepted standards and practices, including the use of a control group. (Simonson Aff. p. 2, ¶6.)

In this survey, the WAL-ZYR mark was specifically tested in a vacuum – away from the WALGREENS house mark, packaging, presentation, and other marketplace factors.

Respondents were first asked a series of questions to qualify for the survey. (Simonson Aff. Ex. 1 p. 8.) Qualified respondents were then split into two groups – a test cell, and a control cell.

(*Id.* p. 9.) Qualified respondents in the test cell were shown a card with the WAL-ZYR name and the category “allergy medications.” (*Id.* pp. 9, 105.) Respondents in the control cell were shown a card with the name WAL-ZEE and the category “allergy medications.” (*Id.* pp. 9, 106.)

All respondents were then asked a series of questions, relating to the card they saw:

1. Though you may or may not have seen or heard of this specific brand name before, do you have an opinion as to what company makes or puts out the products using the name shown on this card?
2. Do you believe that the company that makes or puts out the products using the name shown on this card makes or puts out any other products or brands, or not?
3. Do you believe that the company that makes or puts out the products using the name shown on this card is affiliated with or authorized by any other company or brand, or not affiliated with or authorized by any other company or brand?

(*Id.* pp. 10-11.) If a respondent answered yes, she/he was asked follow-up, open-ended questions asking which company or brand and what made the respondent answer that way. (*Id.*)

A total of 404 interviews were conducted. (*Id.* p. 12.) Of these, 267 respondents (66%) were re-contacted, a very high rate of recontact. (*Id.*)¹⁴

In this vacuum, the Simonson survey indicated there is only a 3-3.5% rate of confusion among survey participants. (Simonson Aff. p. 3, Ex.1.) This rate demonstrates that confusion is

¹⁴ This percentage of validation is far in excess of the 10-15% used in marketing research studies for commercial purposes. (Simonson Aff. Ex. 1. p. 12.)

not likely. *See, e.g.*, 6 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 32:189 (2011) (survey results evidencing less than 10% confusion can be evidence that confusion is not likely).

The evidence that, despite ample opportunity and 3.5 years of successful sales, there have been no incidents of actual confusion, and the survey which shows the vast majority of consumers are not confused between the marks WAL-ZYR and ZYRTEC in a vacuum, strongly establishes that confusion is not likely.

5. Applicant Did Not Act In Bad Faith

Walgreens did not act in bad faith when it selected and applied for the mark WAL-ZYR. In fact, the record shows that Walgreens has made every effort to create its own trademark, one that assists consumers in identifying the origin of the product (Walgreens) and the name brand equivalent (ZYRTEC) while ensuring that consumers who view the mark will not be confused and will instead understand that this is the value-priced alternative to the ZYRTEC product. Walgreens' intention, as is evident from the record, is not to confuse consumers. It is to assist consumers in making their own purchasing decisions and to assist consumers in understanding the options available to them. *See, e.g., Klein-Becker USA, LLC v. Prod. Quest Mfg., Inc.*, 429 F. Supp. 2d 1248, 1253 (D. Utah 2005) (although the common use of the suffix "VECTIN" was "intentional," there was "no evidence of intent to deceive" and "no evidence of intent to confuse consumers") (attached as Exhibit A).

Walgreens has, as part of its marketing of private label products, shown that it has no bad faith intent in the selection and use of the WAL-ZYR mark. It chose a name that is quite different from the ZYRTEC mark, using WAL-ZYR instead. It used the "WAL-" prefix, which serves to distinguish the marks and identifies the WAL-ZYR product as one sold by Walgreens. It places the WALGREENS name, website, and/or stylized mark on the product box at least 5

times. It also uses other Walgreens trademarks, such as the stylized “W,” on the box. It invites consumers through language on the box to *compare* the product to the ZYRTEC active ingredient and thus recognize the same active ingredients with a price difference. It uses shelf tags or other in-store advertisements to place the WAL-ZYR product next to – and directly comparative to – the ZYRTEC product. In print advertisements, it places the WAL-ZYR product next to the ZYRTEC product or otherwise invites consumers to shop and compare. It informs consumers directly on the product packaging that the product is not manufactured by or distributed by McNeil Consumer Healthcare, a division of McNeil-PPC, distributor of ZYRTEC. These are all factors that Walgreens currently employs to allow consumers to compare and make value-based purchasing decisions. All these factors show that Walgreens has no intent to confuse – in fact, it has the opposite intent of aiding consumers in making their own purchasing decisions.

Consumers have an array of options when shopping for OTC medications. (*See, e.g.*, App. Exs. 14-16, which illustrate the number of products sold in the allergy and respiratory health aisle.) With several million customers daily, Walgreens is merely trying to help its customers understand the equivalent products available in the marketplace and not be confused when making their purchases. Its naming program and other advertising methods are all designed to inform and assist the consumer in making the right purchasing decision for them in a crowded field of products.

Establishing bad faith requires a showing, by a preponderance of the evidence, that Walgreens intentionally sought to trade on the goodwill or reputation associated with the

ZYRTEC mark. *Tea Board of India v. Republic of Tea Inc.*, 80 U.S.P.Q.2d 1881 (T.T.A.B.

2006). As a whole, it is very hard to infer bad faith where:¹⁵

- the WAL-ZYR mark is different in look, sound, and feel from the ZYRTEC mark;
- the trademark contains “WAL-” to signify Walgreens;
- the product packaging contains Walgreens’ name or house trademarks at least 5 times;
- the product packaging invites consumers to compare the WAL-ZYR product to the ZYRTEC product;
- Walgreens uses shelf-talkers and other in-store signage to invite consumers to compare and see the differences between the WAL-ZYR and ZYRTEC products;
- advertisements invite consumers to compare the WAL-ZYR product to the ZYRTEC product;
- the product packaging informs consumers directly that the WAL-ZYR product is not manufactured or distributed by McNeil Consumer Healthcare, a division of McNeil-PPC;

It would be hard to infer any intent other than an intent to offer consumers an informed choice.

The evidence establishes Walgreens did not act with any bad faith intent.

C. McNeil Cannot Succeed On Its Dilution Claim

1. ZYRTEC Was Not Famous Prior to Walgreens’ Priority Date

McNeil must prove that the ZYRTEC mark was famous prior to Walgreens’ priority date, September 19, 2007. *See Nat’l Pork Board v. Supreme Lobster & Seafood Co.*, 96 U.S.P.Q.2d 1479, 1494-95 (T.T.A.B. 2010). While McNeil attempts to confuse the issue by presenting information out of context, when looking at McNeil’s evidence it simply cannot be said that the ZYRTEC mark was famous prior to September 19, 2007.

As of September 19, 2007, McNeil was not using the ZYRTEC mark. It does not explain how Walgreens could be diluting a mark that McNeil was not even using as of Walgreens’ filing date. By September 19, 2007, McNeil had spent no money to advertise the mark, it had not sold

¹⁵ McNeil points to “a number” of Walgreens stores that placed WAL-ZYR product inside dump bins designed for ZYRTEC product. (Opp. Br. p. 20.) McNeil’s brief is purposefully vague as to the number of stores, but in Mr. Hooda’s deposition he was only able to point to two stores (out of 8,000) in which this occurred. (Hooda Dep. 49:25-52:20, 63:22-64:12.) He mentions that this was brought to the attention of Walgreens, but did not indicate the conclusion. (Hooda Dep. 64:8-9.)

any ZYRTEC product, and in fact it did not even have the rights to market or distribute the ZYRTEC product at that time. *See* Section IV.A., *supra*. Thus, McNeil cannot have priority necessary to bring a dilution claim against the WAL-ZYR mark. *Gen. Motors Corp. v. Aristide & Co.*, 87 U.S.P.Q.2d 1179, 1187 (T.T.A.B. 2008) (TTAB dismissed claims for dilution, as well as likelihood of confusion, because opposer did not establish a priority date before applicant's priority date).

Even assuming that McNeil could bring a claim for dilution, however, McNeil simply cannot show that the ZYRTEC mark was "famous" as of September 19, 2007. The "most significant" determiner of fame is the extent of actual public recognition of a mark. *Nike, Inc. v. Maher*, No. 91188789, *slip op.* at 16 (T.T.A.B. Aug. 9, 2011), *available at* <http://ttabvue.uspto.gov/ttabvue/v?pno=91188789&pty=OPP&eno=32> (survey showed 79% unaided awareness of the JUST DO IT mark). The unaided awareness of the ZYTREC mark prior to the over-the-counter launch of the ZYRTEC product, which in fact took place after September 19, 2007, was approximately [REDACTED]. This was of a survey universe of [REDACTED].

[REDACTED] **Redacted** [REDACTED]. McNeil fails to offer any evidence of the awareness of the ZYRTEC mark by the general consuming public as of September 19, 2007. *See, e.g., Carefirst of Md. Inc. v. FirstHealth of Carolinas Inc.*, 77 U.S.P.Q.2d 1492, 1507 (T.T.A.B. 2005) ("If a mark were 'famous,' as contemplated under the law, among the class of relevant customers and potential customers, it would, in all likelihood, garner much higher numbers on unaided brand awareness than did opposer's mark that scored only in the single digits, even behind some of opposer's other brands."); *compare Nat'l Pork Board v. Supreme Lobster & Seafood Co.*, 96 U.S.P.Q.2d 1479, 1489-1492, 1495 (T.T.A.B. 2010) (Northwestern survey conducted among the general consuming public, rather than a subset thereof, and the survey format was found to be

not leading nor using inherently suggestive questioning; survey found an 80% awareness of the mark among the general adult population).

McNeil points specifically to two cases dealing with prescription or health care products wherein marks were determined to be famous based on a high level of sales and a long history of use. Both cases, *Eli Lilly & Co. v. Natural Answers Inc.* and *McNeil Consumer Brands, Inc. v. U.S. Dentek Corp.*, were decided in 2000 – prior to the enactment of the Trademark Dilution Revision Act of 2006 which redefined a “famous” mark making it a requirement that marks be famous relative to the national U.S. population. McNeil attempts to rely on the Seventh Circuit appeal in the *Eli Lilly* case, but in that case the fame of the PROZAC mark was not contested. *Eli Lilly & Co. v. Natural Answers Inc.*, 56 U.S.P.Q.2d 1942 (7th Cir. 2000). Even in the district court opinion, the court found the PROZAC mark was “unusually strong,” had “massive publicity,” and thus has “achieved recognition among an extraordinarily wide public.” *Eli Lilly & Co. v. Natural Answers, Inc.*, 86 F. Supp. 2d 834, 843, 849, 850 (S.D. Ind. 2000). In the *McNeil Consumer Brands* case, again the fame of the TYLENOL mark was not in dispute. *McNeil Consumer Brands, Inc. v. U.S. Dentek Corp.*, 56 U.S.P.Q.2d 1758, 1760 (E.D. Pa. 2000).

As shown above, the unaided awareness of the ZYRTEC mark at the time of Walgreens’ priority date was nowhere near [REDACTED] – it was instead closer to [REDACTED] Redacted [REDACTED]. Despite the sales and advertising efforts of unrelated third parties, ZYRTEC simply was not a famous mark on September 19, 2007.

2. WAL-ZYR Is Not Likely to Dilute the ZYRTEC Mark

Even if the Board found that the ZYRTEC mark was famous, the WAL-ZYR mark is not likely to dilute the ZYRTEC mark. In a claim of dilution by blurring, as is present here, the Board may consider all relevant factors to determine whether or not dilution is likely, including

(i) the degree of similarity between the mark and the famous mark; (ii) the degree of inherent or acquired distinctiveness of the famous mark; (iii) the extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark; (iv) the degree of recognition of the famous mark; (v) whether the user of the mark intended to create an association with the famous mark; and (vi) any actual association between the mark and the famous mark. *See* 15 U.S.C. § 1125(c)(2)(B)(i-vi).

While the marks need not be identical, the degree of similarity is a factor. In this instance, the use of “ZYZR” by both parties does not outweigh the obvious and clear differences between the marks. As explained above, the WAL-ZYZR mark and ZYZRTEC mark are quite distinct. *See* Section IV.B.1, *supra* page 26. Thus, the degree of similarity is quite low – and this factor favors Walgreens.

The fourth factor, the degree of recognition of the famous mark, is particularly interesting here. McNeil fails to acknowledge to the Board that the ZYZRTEC mark that it uses under license was only subject to a (at the time of Walgreens’ priority date) [REDACTED] unaided awareness amongst

[REDACTED]
Redacted

[REDACTED]. Even if we were to consider the aided awareness amongst [REDACTED] – those [REDACTED] who, at the time of Walgreens’ priority date, could recognize the ZYZRTEC mark when it was placed in front of them – the aided awareness was only [REDACTED]. As of September 19, 2007, there simply was not a high degree of recognition of the ZYZRTEC mark.

The fifth and sixth factors – whether Walgreens intended to create an association and whether such an association exists – also weigh in favor of Walgreens. McNeil continually attempts to twist Walgreens’ position to say that Walgreens intends to “convey a connection” (*See* Opp. Br. p. 46), but as explained above this is simply untrue. Walgreens intends to create a

value-priced alternative to the ZYRTEC product that consumers can quickly and easily recognize as such. Consistent with its “WAL-” formative marketing strategy and its other “WAL-” formative marks, the WAL-ZYR name conveys *equivalence* not *identity* or *association*. That the WAL-ZYR mark itself does not convey a connection is supported by the evidence shown in the Simonson survey. In that survey, it was shown that consumers viewing the WAL-ZYR mark overwhelmingly did not link the product as made by the makers of ZYRTEC, but instead as links to Walgreens **Redacted**. (Simonson Aff. Ex. 1, pp. 11-12.)

McNeil’s argument that Walgreens’ marketing practices also convey and establish a connection must fail as well. (Opp. Br. pp. 46-47.) Walgreens’ marketing practices, as explained above, necessarily show consumers the distinctions and offer alternatives. There is no “association” to speak of – only a recognition of the alternative options available. The “compare to” language on the packaging and in advertisements, placement of the WAL-ZYR product next to the ZYRTEC product in advertisements and on store shelves, and Walgreens’ other marketing practices all communicate an equivalence and allow the consumer to more quickly and effectively understand his or her available options when searching for OTC medicines. Such practices do not dilute the ability of the ZYRTEC mark to distinguish its product from others, but enhance that ability.

All of Walgreens’ practices, from using “WAL-” in its mark to “compare to” language, to other marketing techniques allow consumers to distinguish between products. This necessarily does not dilute the ZYRTEC mark, but enhances the ability of that mark to identify only those products distributed by McNeil under license. Thus, there can be no finding of dilution in this matter.

V. CONCLUSION

As explained above, Walgreens in the selection and adoption of its WAL-ZYR mark attempts to provide the consumer with a valuable service – offering less expensive alternatives to name brand medications while still giving the consumer a way to readily identify the store brand product equivalent so that the consumer can more easily make a side-by-side comparison and decision with less confusion. Such actions support competition, rather than stifle it.

As explained above, Walgreens has priority in its WAL-ZYR mark over McNeil's earliest priority date under current law. Moreover, the WAL-ZYR mark is not likely to be confused with the ZYRTEC mark. The ZYRTEC mark is not "famous" under the statute, and the WAL-ZYR mark does not dilute the distinctive quality of the ZYRTEC mark. The evidence submitted in this matter, and case law applicable thereto, clearly requires that both of McNeil's claims fail. Accordingly, Walgreens respectfully requests that this opposition be dismissed and registration granted to Application Serial No. 76/682,070.

Date: August 29, 2011



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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the attached TRIAL BRIEF OF APPLICANT WALGREEN CO. was served on August 29, 2011, via first class mail and email to the following:

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CERTIFICATE OF ELECTRONIC FILING

I hereby certify that a copy of the attached TRIAL BRIEF OF APPLICANT WALGREEN CO. was electronically filed with the Trademark Trial and Appeal Board's "Electronic System for Trademark Trials and Appeals ("ESTTA") on the date shown below:

Dated: August 29, 2011


Michelle L. Calkins

429 F.Supp.2d 1248
(Cite as: 429 F.Supp.2d 1248)

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United States District Court,
D. Utah,
Central Division.
KLEIN-BECKER USA, LLC, Plaintiff,
v.
PRODUCT QUEST MANUFACTURING, INC., and
Vital Science, Corp., Defendants.

No. 2:04CV 01146 DS.
June 2, 2005.

Background: Manufacturer of “StriVectin-SD” skin cream brought trademark and trade dress infringement action against manufacturer of private label “NuVectin” skin cream. Plaintiff moved for preliminary injunction.

Holdings: The District Court, [Sam](#), Senior District Judge, held that:

(1) plaintiff was not likely to prevail on the merits of its trademark infringement claim, and
(2) plaintiff was not likely to prevail on the merits of its trade dress infringement claim.

Motion denied.

West Headnotes

[1] Injunction 212 138.1

[212](#) Injunction
[212IV](#) Preliminary and Interlocutory Injunctions
[212IV\(A\)](#) Grounds and Proceedings to Procure
[212IV\(A\)2](#) Grounds and Objections
[212k138.1](#) k. In general. [Most Cited Cases](#)

To obtain a preliminary injunction, a party must clearly establish the following: (1) a substantial likelihood of success on the merits; (2) irreparable injury to the movant if the injunction is denied; (3) the threatened injury to the movant outweighs the injury to the other party; and (4) the injunction is not adverse to the public interest.

[2] Injunction 212 133

[212](#) Injunction
[212IV](#) Preliminary and Interlocutory Injunctions
[212IV\(A\)](#) Grounds and Proceedings to Procure
[212IV\(A\)1](#) In General
[212k133](#) k. Mandatory injunction. [Most Cited Cases](#)

Injunction 212 138.1

[212](#) Injunction
[212IV](#) Preliminary and Interlocutory Injunctions
[212IV\(A\)](#) Grounds and Proceedings to Procure
[212IV\(A\)2](#) Grounds and Objections
[212k138.1](#) k. In general. [Most Cited Cases](#)

Injunction 212 138.3

[212](#) Injunction
[212IV](#) Preliminary and Interlocutory Injunctions
[212IV\(A\)](#) Grounds and Proceedings to Procure
[212IV\(A\)2](#) Grounds and Objections
[212k138.3](#) k. Preservation of power to effectuate remedy; status quo. [Most Cited Cases](#)

Injunction 212 147

[212](#) Injunction
[212IV](#) Preliminary and Interlocutory Injunctions
[212IV\(A\)](#) Grounds and Proceedings to Procure
[212IV\(A\)4](#) Proceedings
[212k147](#) k. Evidence and affidavits. [Most Cited Cases](#)

Preliminary injunction requests that are disfavored at law and are subject to a heightened burden include: (1) a preliminary injunction that disturbs the status quo; (2) a preliminary injunction that is mandatory as opposed to prohibitory; and (3) a preliminary injunction that affords the movant substantially all the relief he may recover at the conclusion of a full trial on the merits.

[3] Trademarks 382T 1081

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[382T Trademarks](#)

[382TIII](#) Similarity Between Marks; Likelihood of Confusion

[382Tk1081](#) k. Factors considered in general. [Most Cited Cases](#)

Factors to be considered as an interrelated whole in determining whether a likelihood of confusion exists between similar marks include: (1) degree of similarity between the marks; (2) intent of the alleged infringer in adopting its mark; (3) evidence of actual confusion; (4) similarity of products and manner of marketing; (5) degree of care likely to be exercised by purchasers; and (6) strength or weakness of the marks.

[4] Trademarks 382T 1704(9)

[382T Trademarks](#)

[382TIX](#) Actions and Proceedings

[382TIX\(F\)](#) Injunctions

[382Tk1701](#) Preliminary or Temporary Injunctions

[382Tk1704](#) Grounds and Subjects of Relief

[382Tk1704\(9\)](#) k. Similarity; likelihood of confusion. [Most Cited Cases](#)

Manufacturer of “StriVectin-SD” skin cream was not likely to prevail on merits of its trademark infringement claim against manufacturer of private label “NuVectin” skin cream, as required for preliminary injunctive relief; only common element in the marks was the word “vectin,” which had been used on a variety of products by others, any similarity in the marks was disavowed by a “compare to” statement and by a disclaimer of affiliation used with the private label product, and evidence failed to demonstrate actual consumer confusion.

[5] Trademarks 382T 1097

[382T Trademarks](#)

[382TIII](#) Similarity Between Marks; Likelihood of Confusion

[382Tk1093](#) Relationship Between Marks

[382Tk1097](#) k. Examination and comparison; construction as entirety. [Most Cited Cases](#)

Trademarks 382T 1102

[382T Trademarks](#)

[382TIII](#) Similarity Between Marks; Likelihood of Confusion

[382Tk1100](#) Relationship Between Goods or Services Underlying Marks

[382Tk1102](#) k. Similarity or dissimilarity in general. [Most Cited Cases](#)

Court evaluating degree of similarity between marks in trademark infringement case must determine whether the allegedly infringing mark will confuse the public when singly presented, rather than when presented side by side with the protected trademark; in making the comparison, similarities are weighed more heavily than differences, particularly when the competing marks are used in virtually identical products packaged in a similar manner.

[6] Trademarks 382T 1610

[382T Trademarks](#)

[382TIX](#) Actions and Proceedings

[382TIX\(C\)](#) Evidence

[382Tk1601](#) Presumptions and Burden of Proof

[382Tk1610](#) k. Knowledge, intent, and motive; bad faith. [Most Cited Cases](#)

Proof that a defendant chose a mark with the intent of copying the plaintiff's mark may, standing alone, justify an inference of likelihood of confusion in trademark infringement case.

[7] Trademarks 382T 1086

[382T Trademarks](#)

[382TIII](#) Similarity Between Marks; Likelihood of Confusion

[382Tk1083](#) Nature of Confusion

[382Tk1086](#) k. Actual confusion. [Most Cited Cases](#)

To be relevant to trademark infringement claim, evidence of consumer confusion should demonstrate actual confusion among consumers within the marketplace.

[8] Trademarks 382T 1102

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[382T](#) Trademarks

[382TIII](#) Similarity Between Marks; Likelihood of Confusion

[382Tk1100](#) Relationship Between Goods or Services Underlying Marks

[382Tk1102](#) k. Similarity or dissimilarity in general. [Most Cited Cases](#)

Trademarks 382T 1110

[382T](#) Trademarks

[382TIII](#) Similarity Between Marks; Likelihood of Confusion

[382Tk1107](#) Nature and Circumstances of Use of Marks

[382Tk1110](#) k. Trade channels; sales, advertising, and marketing. [Most Cited Cases](#)

Similarity of products and manner of marketing factor is analyzed in trademark infringement case by separately considering (1) the similarity of products and (2) the similarity in the manner of marketing the products.

[9] Trademarks 382T 1112

[382T](#) Trademarks

[382TIII](#) Similarity Between Marks; Likelihood of Confusion

[382Tk1112](#) k. Persons confused; circumstances of sale. [Most Cited Cases](#)

Trademarks 382T 1118

[382T](#) Trademarks

[382TIII](#) Similarity Between Marks; Likelihood of Confusion

[382Tk1117](#) Trade Dress

[382Tk1118](#) k. In general. [Most Cited Cases](#)

Generally, the more sophisticated and careful the average consumer of a product is, the less likely it is that similarities in trade dress or trade marks will result in confusion concerning the source or sponsorship of the product.

[10] Trademarks 382T 1033

[382T](#) Trademarks

[382TII](#) Marks Protected

[382Tk1033](#) k. Levels or categories of distinctiveness in general; strength of marks in general.

[Most Cited Cases](#)

To assess the relative strength of a mark, one must consider the two aspects of strength, (1) “Conceptual Strength”: the placement of the mark on the distinctiveness or fanciful-suggestive-descriptive spectrum; and (2) “Commercial Strength”: the marketplace recognition value of the mark.

[11] Trademarks 382T 1033

[382T](#) Trademarks

[382TII](#) Marks Protected

[382Tk1033](#) k. Levels or categories of distinctiveness in general; strength of marks in general.

[Most Cited Cases](#)

The categories of trademarks in ascending order of relative strength are: (1) generic; (2) descriptive; (3) suggestive; (4) arbitrary; or (5) fanciful.

[12] Trademarks 382T 1038

[382T](#) Trademarks

[382TII](#) Marks Protected

[382Tk1038](#) k. Suggestive terms or marks.

[Most Cited Cases](#)

Trademarks 382T 1039

[382T](#) Trademarks

[382TII](#) Marks Protected

[382Tk1039](#) k. Arbitrary or fanciful terms or marks. [Most Cited Cases](#)

Suggestive, fanciful, and arbitrary marks are considered inherently distinctive and entitled to trademark protection.

[13] Trademarks 382T 1062

[382T](#) Trademarks

[382TII](#) Marks Protected

[382Tk1061](#) Form, Features, or Design of Product as Marks; Trade Dress

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[382Tk1062](#) k. In general. [Most Cited Cases](#)

Trade dress features are those comprising a product's look or image.

[\[14\]](#) Trademarks 382T 1436

[382T](#) Trademarks

[382TVIII](#) Violations of Rights

[382TVIII\(A\)](#) In General

[382Tk1436](#) k. Trade dress. [Most Cited](#)

[Cases](#)

Trademarks 382T 1611

[382T](#) Trademarks

[382TIX](#) Actions and Proceedings

[382TIX\(C\)](#) Evidence

[382Tk1601](#) Presumptions and Burden of

Proof

[382Tk1611](#) k. Trade dress. [Most Cited](#)

[Cases](#)

To prevail on trade dress infringement claim, plaintiff must demonstrate (1) that its trade dress is inherently distinctive or has become distinctive through secondary meaning; and (2) likelihood of confusion; in addition, the party asserting trade dress infringement bears the burden of demonstrating that the trade dress is not functional.

[\[15\]](#) Trademarks 382T 1704(10)

[382T](#) Trademarks

[382TIX](#) Actions and Proceedings

[382TIX\(F\)](#) Injunctions

[382Tk1701](#) Preliminary or Temporary Injunctions

Relief

[382Tk1704](#) Grounds and Subjects of

[382Tk1704\(10\)](#) k. Trade dress. [Most](#)

[Cited Cases](#)

Manufacturer of “StriVectin-SD” skin cream was not likely to prevail on merits of its trade dress infringement claim against manufacturer of private label “NuVectin” skin cream, as required for preliminary injunctive relief; many of the plaintiff's trade dress features, such as size, shape, color and graphics were generic or commonplace, other features, such as

a flip-top tube and rectangular box, appeared to be functional, and there was only minimal evidence of actual consumer confusion. Lanham Trade-Mark Act, § 43(a), [15 U.S.C.A. § 1125\(a\)](#).

[\[16\]](#) Trademarks 382T 1063

[382T](#) Trademarks

[382TII](#) Marks Protected

[382Tk1061](#) Form, Features, or Design of Product as Marks; Trade Dress

[382Tk1063](#) k. Distinctiveness; secondary meaning. [Most Cited Cases](#)

A trade dress is inherently distinctive if its intrinsic nature serves to identify a particular source; such trade dresses almost automatically tell a customer that they refer to a brand and immediately signal a brand or product source.

[\[17\]](#) Trademarks 382T 1063

[382T](#) Trademarks

[382TII](#) Marks Protected

[382Tk1061](#) Form, Features, or Design of Product as Marks; Trade Dress

[382Tk1063](#) k. Distinctiveness; secondary meaning. [Most Cited Cases](#)

A trade dress which is not inherently distinctive may acquire distinctiveness through secondary meaning; in other words, over time customers may associate the primary significance of a dress feature with the source of the product rather than the product itself.

Trademarks 382T 1800

[382T](#) Trademarks

[382TXI](#) Trademarks and Trade Names Adjudicated

[382Tk1800](#) k. Alphabetical listing. [Most Cited Cases](#)

NuVectin.

Trademarks 382T 1800

[382T](#) Trademarks

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[382TXI](#) Trademarks and Trade Names Adjudicated

[382Tk1800](#) k. Alphabetical listing. [Most Cited Cases](#)

StriVectin-SD.

***1250** [Richard S. Mitchell](#) and [James C. Scott](#) of the law firm Roetzel & Andress, LPA, Cleveland, OH, for Defendants.

[Blake D. Miller](#) from the law firm Miller, Guymon P.C., for Plaintiff.

MEMORANDUM OPINION AND ORDER RE:
PLAINTIFF'S MOTION FOR PRELIMINARY INJUNCTION

[SAM](#), Senior District Judge.

I. INTRODUCTION

Plaintiff Klein-Becker usa, LLC (“Klein-Becker” or “Plaintiff”) brings this lawsuit against Defendants Product Quest Manufacturing, Inc. (“Product Quest”) and Vital Science, Corp. (“Vital Science”) for, among other things, infringement of its trademark and trade dress. Pursuant to [Fed.R.Civ.P. 65](#), Plaintiff has moved the court for a preliminary injunction against Defendants seeking to enjoin their alleged infringement. An evidentiary hearing was held, followed by post-hearing briefing. For the reasons set forth below, Plaintiff’s Motion for Preliminary Injunction is DENIED.

Plaintiff is the exclusive licensee for a cosmetic product by the name of StriVectin-SD® (Striadril™) (sometimes hereafter “StriVectin”). Striadril™ is a proprietary ingredient of StriVectin. StriVectin-SD® is a registered trademark in both the United States and Canada. StriVectin-SD®, introduced in July of 2002, was originally sold as a stretch mark cream. However, after women started to use the product on their faces and noticed positive results, Plaintiff repositioned it as an anti-wrinkle cream in February of 2003. StriVectin-SD® is sold for \$135.00 per 6 oz. tube on the internet, at high-end department stores, at GNC stores and at spas and salons. Plaintiff expends significant resources advertising its product and has gained some national attention.

Defendant Product Quest is in the business of manufacturing private label products for various retail chains. It manufactures the compound that goes

into the container and has the packaging made. It also acts as a contract manufacturer. In that role, it makes the product that goes inside the container, but provides no other services. In January of 2004, Todd Kwait (“Kwait”) of Product Quest first learned about StriVectin-SD® and began to consider doing a value brand alternative. Kwait has a history in the anti-wrinkle skin care products. After a period of research, Product Quest began to manufacture and distribute NuVectin™ as a therapy for wrinkles. NuVectin™ is sold for \$24.99 per 6 oz. tube at retail outlets such as drug stores and supermarkets.

Defendant Vital Science is a Canadian company that purchases the compound that goes inside the tube from Product ***1251** Quest. Vital Science markets its product in Canada as Dermaglow NuVectin. Vital Science does not market its product in the United States and has taken affirmative steps to prevent sales in the United States. Dermaglow NuVectin sells for \$120.00 Canadian.

II. STANDARD FOR INJUNCTIVE RELIEF

[\[1\]\[2\]](#) To obtain a preliminary injunction, a party must clearly establish the following: (1) a substantial likelihood of success on the merits; (2) irreparable injury to the movant if the injunction is denied; (3) the threatened injury to the movant outweighs the injury to the other party; and (4) the injunction is not adverse to the public interest. [Kikumura v. Hurley, 242 F.3d 950, 955 \(10th Cir.2001\)](#). Certain preliminary injunction requests, however, are disfavored at law and are subject to a heightened burden. They include: “(1) a preliminary injunction that disturbs the status quo; (2) a preliminary injunction that is mandatory as opposed to prohibitory; and (3) a preliminary injunction that affords the movant substantially all the relief he may recover at the conclusion of a full trial on the merits.” [SCFC ILC, Inc. v. Visa USA, Inc., 936 F.2d 1096, 1098-99 \(10th Cir.1991\)](#). The heightened burden was recently modified in [O Centro Espirita Beneficente Uniao do Vegetal v. Ashcroft, 389 F.3d 973, 975-976 \(10th Cir.2004\)](#)(emphasis added), *cert. granted*, [73 U.S.L.W. 3498, 544 U.S. 973, 125 S.Ct. 1846, 161 L.Ed.2d 723 \(2005\)](#).

With one important alteration, a majority of the *en banc* court has voted to affirm the core holding of [SCFC ILC](#).... Thus, **if a movant seeks a preliminary injunction that falls into one of the three**

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categories identified in [SCFC ILC](#), the movant must satisfy a heightened burden. The *en banc* court does, however, jettison that part of [SCFC ILC](#) which describes the showing the movant must make in such situations as “heavily and compellingly.” [SCFC ILC, 936 F.2d at 1098](#). Instead, the *en banc* court holds that courts in this Circuit must recognize that any preliminary injunction fitting within one of the disfavored categories must be more closely scrutinized to assure that the exigencies of the case support the granting of a remedy that is extraordinary even in the normal course. Furthermore, because a historically disfavored preliminary injunction operates outside of the normal parameters for interim relief, **movants seeking such an injunction are not entitled to rely on this Circuit’s modified likelihood-of-success-on-the-merits standard. Instead, a party seeking such an injunction must make a strong showing both with regard to the likelihood of success on the merits and with regard to the balance of harms**, and may not rely on our modified likelihood-of-success-on-the-merits standard.

Plaintiff moves the Court to enjoin Defendants from, among other things, continuing to use the name NuVectin™ or any cosmetic product utilizing a vectin suffix, and from selling products “which bear Klein–Becker’s trade dress or any confusingly similar variation thereof”. Compl. at 19. Because the relief sought would alter the status quo and is mandatory, Plaintiff must meet the heightened burden, as set forth above, for a preliminary injunction to issue.

III. DISCUSSION

Plaintiff seeks to enjoin Defendants from infringing in any way on either its trademark or trade dress.

A. Likelihood of Success on the Merits.

As noted above, Plaintiff must make a strong showing with regard to the likelihood*1252 of success on the merits. Having considered all the relevant factors as a whole, the Court, for the reasons that follow, concludes that Plaintiff has failed to meet its burden of a strong showing of likelihood of success on the merits as to either its trademark infringement claim or its trade dress infringement claim.

1. Trademark Infringement

[3][4] A trademark includes “ any word, name,

symbol, or device or any combination thereof ... to identify and distinguish ... goods ... from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown”. [15 U.S.C. § 1127](#). Unauthorized use or imitation of a registered mark in commerce in a way that is likely to cause confusion is prohibited. *Id.* at § 1114. “The key inquiry in a trademark infringement case is the likelihood of confusion between two similar marks.” [Team Tires Plus, Ltd. v. Tires Plus, Inc., 394 F.3d 831, 832 \(10th Cir.2005\)](#). The Tenth Circuit has identified a non-exhaustive list of factors to be considered as an interrelated whole in determining whether a likelihood of confusion exists between similar marks: “(1) the degree of similarity between the marks; (2) the intent of the alleged infringer in adopting its mark; (3) evidence of actual confusion; (4) similarity of products and manner of marketing; (5) the degree of care likely to be exercised by purchasers; and (6) the strength or weakness of the marks.” [Sally Beauty Co., Inc. v. Beautyco, Inc., 304 F.3d 964, 972 \(10th Cir.2002\)](#).

a. similarity of marks

[5] “The degree of similarity between marks rest on sight, sound, and meaning. This court must determine whether the allegedly infringing mark will confuse the public when singly presented, rather than when presented side by side with the protected trademark.” *Id.* at 972 (citations omitted). In making the comparison, “similarities are weighed more heavily than differences, particularly when the competing marks are used in virtually identical products packaged in a similar manner.” *Id.*

Plaintiff asserts that both StriVectin and NuVectin™ are three syllable words that share the root vectin which is set off from the prefix with a capital V; when pronounced, the marks sound similar; and, the marks look similar and are presented on the packaging with similar font. Defendants urge, and the court agrees, that any comparison must be to Plaintiff’s mark in its entirety as encountered in the marketplace. [King of the Mountain Sports, Inc. v. Chrysler Corp., 185 F.3d 1084, 1090 \(10th Cir.1999\)](#). Although after Product Quest filed its trademark application for NuVectin™, Plaintiff filed an “intent to use” application for the trademark StriVectin (without the “-SD”), it is uncontroverted that Plaintiff does not use StriVectin as a mark on any of its products. Plaintiff’s registered mark is StriVectin–SD®

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which is consistently, but not exclusively, used with the mark StriadrilTM. For purposes of determining likelihood of confusion, therefore, the comparison of Defendants' NuVectinTM mark is to StriVectin-SD® or StriVectin-SD® (StriadrilTM). The only common element in the marks is the word vectin which has been used on a variety of products by others. Before marketing NuVectinTM Product Quest ordered a Thompson & Thompson trademark availability report on the name vectin. That report identified products called AdVectin, AlloVectin-7, AlloVectin, LeuVectin, and EuVectin, as well as numerous products with names that sound like vectin. When the designations "Stri" and "-SD", and/or "StriadrilTM" are added to the word Vectin, the court is not persuaded that Plaintiff has met its burden of establishing that either StriVectin-SD® or StriVectin-SD®*1253 (StriadrilTM) is so similar to NuVectinTM or Dermaglow NuVectin that the consuming public will be confused. Moreover, any similarity in the marks is disavowed by a "compare to" statement and by a disclaimer of affiliation with Klein-Becker which appear on the NuVectinTM point-of-sale displays, shelf talkers, store banners, and since March 7, 2005, on the NuVectinTM box. *See, e.g., Pfizer, Inc. v. Perrigo Co.*, 988 F.Supp. 686 (S.D.N.Y.) (considering "compare to" language in ruling that products were not similar). This factor weighs in favor of Defendants.

b. intent to copy

[6] "Proof that a defendant chose a mark with the intent of copying the plaintiff's mark may, standing alone, justify an inference of likelihood of confusion." *Sally Beauty Co., Inc.*, 304 F.3d at 973. "The proper focus under this factor is 'whether defendant had the intent to derive benefit from the reputation or goodwill of plaintiff.'" *King of the Mountain Sports, Inc.* 185 F.3d at 1091 (citation omitted).

Plaintiff contends that Defendants' choice of the name NuVectinTM illustrates their intent to copy and "was chosen because it utilized the dominant root of the StriVectin trademark name—Vectin". Pl[is] Post-Hearing Mem. at 11. Mr. Kwait of Product Quest acknowledges that after seeing StriVectin-SD® advertised in a magazine, he was drawn to the idea of doing a value brand alternative to the product because of its \$135.00 price, and because it was marketed at exclusive stores. However, Product Quest denies any intent to deceive or confuse consumers. Before selecting the name NuVectinTM, Product

Quest states that it took care in selecting and checking its product name. It conducted a search on the U.S. Patent and Trademark site and found no conflict. It ordered a Thompson & Thompson trademark availability search report on the name vectin. That report identified products called AdVectin, AlloVectin-7, AlloVectin, LeuVectin, and EuVectin, as well as numerous products with names that sound like vectin. Kwait learned that AlloVectin is used for the treatment of [skin cancer](#). In its Complaint, Plaintiff claims that "StriVectin is an arbitrary word chosen by Klein-Becker as its trademark in part due to its uniqueness." Compl. At ¶ 16. With regard to the term vectin, the evidence presented suggests otherwise. In sum, the court finds that, although Defendants use of the word Vectin appears to be intentional, there is no evidence of intent to deceive, nor in terms of the key inquiry to be made by the Court, no evidence of intent to confuse consumers. On balance, therefore, the Court weighs this factor in favor of Defendants.

c. evidence of actual confusion

"Although not necessary to prevail on a trademark infringement claim, evidence of actual confusion in the marketplace may be the best indication of likelihood of confusion." *Sally Beauty Co., Inc.*, 304 F.3d at 974. As evidence of confusion, Plaintiff points to an email from the Vice President of Worldwide Marketing for Mrs. America and Mrs. World brands regarding promotional opportunities and apparently confusing Plaintiff as the maker of NuVectinTM. Plaintiff also cites reports of store employees confusing StriVectin-SD® with NuVectinTM when asked for StriVectin, inquires to Vital Science about StriVectin, and an isolated newspaper story in Canada describing Dermaglow NuVectin as the equivalent of StriVectin-SD®.

[7] "To be relevant ... evidence should demonstrate actual confusion among consumers within the marketplace." *Heartsprings, Inc. v. HeartSpring, Inc.*, 143 F.3d 550, 557 (10th Cir.), cert. denied, *1254525 U.S. 964, 119 S.Ct. 408, 142 L.Ed.2d 331 (1998). The evidence presented appears to fall short of that standard. Moreover, Plaintiff's evidence of confusion is *de minimis*. *See Sally Beauty Co., Inc.*, 304 F.3d at 974 ("Evidence of actual confusion does not create a genuine issue of fact regarding likelihood of confusion if it is *de minimis*"); *King of the Mountain Sports, Inc.*, 185 F.3d at 1092 ("handful of anecdotal evidence is *de minimis* and does not support a finding

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of a genuine issue of material fact as to the likelihood of confusion”). This factor weighs in favor of Defendants.

d. similarity of products and manner of marketing

[8] “The greater the similarity between the products ... the greater the likelihood of confusion.” ” [Universal Money Ctrs., Inc. v. Am. Tel. & Tel. Co., 22 F.3d 1527, 1532 \(10th Cir.\), cert. denied, 513 U.S. 1052, 115 S.Ct. 655, 130 L.Ed.2d 558 \(1994\)](#) (citation omitted). This factor is analyzed by “separately considering (1) the similarity of products and (2) the similarity in the manner of marketing the products.” [Sally Beauty Co., Inc., 304 F.3d at 974.](#)

Both StriVectin–SD® and NuVectin™ are marketed as anti-wrinkle creams, although the packaging for StriVectin–SD® specifically identifies it as intended for stretch marks. Plaintiff uses the marketing theme “Better than Botox®?” on its point-of-sales displays and on its product insert. The price differential in the United States is significant. And notwithstanding that Plaintiff asserts that it has not foreclosed any sales channels, it concedes that its product is not sold in the same channels as Defendants' products. On balance this factor weighs in favor of Defendants.

e. degree of care exercised by consumers

[9] “A consumer exercising a high degree of care in selecting a product reduces the likelihood of confusion.... The relevant inquiry focuses on the consumer's degree of care exercised at the time of purchase.” [Sally Beauty Co., Inc., 304 F.3d at 975.](#) A January 20, 2005 NPD Press Release reports that the consumer of StriVectin–SD® is 45 years old or older, affluent and educated. “Generally, the more sophisticated and careful the average consumer of a product is, the less likely it is that similarities in trade dress or trade marks will result in confusion concerning the source or sponsorship of the product.” [Bristol-Myers Squibb Co. v. McNeil-P.P.C. Inc., 973 F.2d 1033, 1046\(2d Cir.1992\).](#) Because StriVectin–SD® sells in the United States for \$135.00 per 6 oz. tube, more than five times the retail price of NuVectin™ at \$24.99, it is reasonable to conclude that customers exercise a significant amount of care when they purchase Plaintiff's product. Defendant Vital Science affirmatively prevents sales of Dermaglow NuVectin in the United States. This factor weighs in favor of Defendants.

f. strength of the StriVectin–SD® mark

[10] “The stronger the mark, the greater the likelihood that encroachment on the mark will cause confusion.” [Sally Beauty Co., Inc., 304 F.3d at 975–976.](#) “To assess the relative strength of a mark, one must consider the two aspects of strength, (1) ‘Conceptual Strength: the placement of the mark on the [distinctiveness or fanciful-suggestive-descriptive] spectrum;’ and (2) ‘Commercial Strength: the marketplace recognition value of the mark.’ ” [King of the Mountain Sports, Inc., 185 F.3d at 1093.](#)

*1255 [11][12] “The categories of trademarks in ascending order of relative strength are:(1)generic;(2)descriptive;(3)suggestive; (4) arbitrary: or (5) fanciful.” [Sally Beauty Co., Inc., 304 F.3d at 975–976.](#) These marks have been defined as follows:

A generic term is a term used to describe the relevant type or class of goods. It is the weakest mark and cannot become a trademark under any circumstances. A descriptive term describes a characteristic of a product or service.... The third, and stronger, mark is the suggestive mark, which suggests rather than describes a characteristic of the product and requires the consumer to use imagination and perception to determine the product's nature. Finally, the arbitrary or fanciful mark is the strongest mark. An arbitrary mark has a common meaning unrelated to the product for which it has been assigned, such as APPLE when applied to computers, while a fanciful mark, such as KODAK or EXXON, signifies nothing but the product.

[First Sav. Bank v. First Bank Sys., Inc., 101 F.3d 645, 654–55 \(10th Cir.1996\)](#) (citation omitted). “Suggestive, fanciful, and arbitrary marks are considered inherently distinctive and entitled to trademark protection.” [Sally Beauty Co., Inc., 304 F.3d at 976.](#)

Plaintiff claims that because StriVectin–SD® is a coined or fanciful mark it is a strong mark. Plaintiff also claims entitlement to a rebuttable presumption that the mark is inherently distinctive because its mark was accepted for federal registration. At the very least, Plaintiff claims that its mark is suggestive and, therefore, requires no evidence of secondary meaning. Product Quest, on the other hand, asserts that Plaintiff's mark is descriptive, and therefore

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weak, because it describes the product as a stretch mark cream and because the mark describes the key ingredient in the product.

The Court is not persuaded based on the evidence and testimony presented that StriVectin–SD® is a coined or fanciful mark. The Court agrees with Defendants that Plaintiff's Gina Gay was not forthcoming in her testimony regarding how the StriVectin–SD® name was developed. The evidence suggests that vectin, or words sounding similar to vectin, were in use prior to Plaintiff's "coining" of StriVectin. See, e.g., *Universal Money Ctrs.*, 22 F.3d at 1532 (quoting *Exxon Corp. v. Texas Motor Exch.*, 628 F.2d 500, 504 (5th Cir.1980)) (" 'The greater the number of identical or more or less similar trademarks already in use on different kinds of goods, the less is the likelihood of confusion' between any two specific goods incorporating the weak mark."). Although Plaintiff may have been the first to adopt the prefix "Stri" for a cosmetic product, it was not the first to use the term vectin in commerce in connection with a skin product. Similarly, the court is not persuaded by the testimony and evidence presented that the mark is suggestive as urged by Plaintiff or merely descriptive as Defendants suggest. Although, Plaintiff acknowledges that "SD" stands for Striadril™, one of the ingredients of StriVectin–SD®, which suggests a descriptive quality, the court agrees with Plaintiff that the general public will not recognize the meaning of SD. Likewise, even if Plaintiff had not denied that "Stri" or "SD" are intended to refer to stretch marks, the general public is not likely to recognize the meaning of those designations.

Plaintiff touts the commercial strength of its mark and its acquisition of secondary meaning by pointing to its sales success, dollars spent on advertising and unsolicited media coverage as well as to the number of so called knock-offs coming to market. Based on the foregoing, Plaintiff asserts that "[c]learly, StriVectin is a well *1256 known phenomenon in the cosmetic industry". Pl[']s Post–Hearing Mem. at 34. Defendants counter that the NPD Report relied upon by Plaintiff to show consumer recognition found that fewer than five percent of the target market was even aware of StriVectin–SD®. Five percent name recognition, Defendants contend, simply is inconsistent with any claim of strong name and trade dress recognition. Defendants also note that Plaintiff presented no consumer surveys, studies,

evaluations or reports regarding recognition of the StriVectin–SD® trademark.

After considering both the conceptual and commercial strength of StriVectin–SD® the court finds the evidence and testimony presented inconclusive. Therefore, the strength of mark factor favors neither Plaintiff or Defendants for purposes of the present motion.

2. Trade Dress Infringement.

[13][14][15] Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), provides a federal cause of actions for unprivileged imitation, including a claim for trade dress infringement. "Trade dress features are those comprising a product's look or image." *Vornado Air Circulation Systems, Inc., v. Duracraft Corp.*, 58 F.3d 1498, 1502 (10th Cir.1995), cert. denied, 516 U.S. 1067, 116 S.Ct. 753, 133 L.Ed.2d 700 (1996). To prevail on this claim, Plaintiff must "demonstrate (1) that its trade dress is inherently distinctive or has become distinctive through secondary meaning; and (2) likelihood of confusion.... In addition, the party asserting trade dress infringement bears the burden of demonstrating that the trade dress is not functional." *Sally Beauty Co., Inc.*, 304 F.3d at 977.

a. distinctiveness and secondary meaning

[16][17] "A trade dress is inherently distinctive if its 'intrinsic nature serves to identify a particular source.' ... Such trade dresses 'almost automatically tell a customer that they refer to a brand and immediately signal a brand or product source.' " *Id.* (citation omitted). Similar to trademarks, "the inherent distinctiveness of a trade dress is categorized along the generic-descriptive-suggestive-arbitrary-fanciful spectrum." *Id.* "A trade dress which is not inherently distinctive, however, may acquire distinctiveness through secondary meaning.... In other words, over time customers may associate the primary significance of a dress feature with the source of the product rather than the product itself." *Id.*

Plaintiff asserts that its trade dress is inherently distinctive or has become distinctive through acquisition of secondary meaning. In support of its position, Plaintiff cites what it claims to be the substantial sales of StriVectin–SD® and Defendants' intentional copying of its trade dress.

As the Tenth Circuit observed in *Sally Beauty*, dis-

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tinctiveness can be shown by “(1) a history of successful sales; (2) evidence of intentional copying by [Defendants]; and (3) long use of the [Plaintiff's] trade dress”. [304 F.3d at 978](#). Here, the remarkable and substantial sales of Klein–Becker's StriVectin product are uncontroverted.... The evidence of Defendants' intentional copying includes their own admission of adopting Klein–Becker's trade dress as their own working template, as well as their admitted adoption of identical and identically dimensioned packaging, the same (pink and white) color scheme, the same ornamental pink band, the same ornamental open circle, and even the same POS display, speak volumes about Defendants' intent.

Pl[']s] Post–Hearing Mem. at 35.

Plaintiff claims to have sold millions of dollars worth of product, although no specific*1257 sales figures for StriVectin–SD® were introduced into evidence. Therefore, it is difficult to discern what level of sales success Plaintiff has achieved. In any event, it appears to the Court that many of Plaintiff's trade dress features, such as size, shape, color and graphics are generic or commonplace. Several features, such as the flip-top tube and the rectangular box appear to be functional. Plaintiff's Ms. Gay acknowledged that Klein–Becker was not the first to use 6 oz. squeeze tubes, white tubes, tubes sealed at one end, plastic flip tops, dark lettering, product information, pink accents or borders on a white tube, circular graphics or a rectangular box. Additionally, although Plaintiff claims to use the same trade dress features on all of its family of products “so as to inform consumers that each product is part of the Klein Becker family”, *id.* at 36, Ms. Gay conceded during cross-examination that the size, shape and other color schemes for each of Klein–Becker's products are not consistent with one another.

Product Quest concedes that “[t]o achieve the private label industry goal of providing less expensive but similar alternatives, the private label industry always creates a physical resemblance between a private label product and the name brand product with which it competes. The resemblance between these types of products serves to alert consumers to the functional equivalence between the two.” Post–Hearing Mem. at 5. That this is a common practice was effectively demonstrated to the Court by means

of Product Quest's slide presentation at the hearing of this matter illustrating numerous competing brand and private label products, as well as the numerous photographic examples of the same attached to its post-hearing memorandum. *See, e.g., Conopco, Inc. v. May Dept. Stores Co.*, [46 F.3d 1556, 1565 \(Fed.Cir.1994\)](#), *cert. denied*, [514 U.S. 1078, 115 S.Ct. 1724, 131 L.Ed.2d 582 \(1995\)](#) (where “retailer packages its product in a manner to make it clear to the consumer that the product is similar to the national brand, and is intended for the same purposes” and “[w]hen such packaging is clearly labeled and differentiated ... such competition [is not presumed] unlawful”). Notwithstanding the resemblance between Plaintiff's and Defendants' trade dress, Product Quest notes, and the Court acknowledges, the following differences. Product Quest does not use the “Better than Botox® ?” slogan as the central theme for its advertising campaign, nor does it use the “KD” logo, nor does it use the Klein–Becker name except to disclaim affiliation. Klein–Becker has its name and “KB” logo on its box. Product Quest's name is on its box. Vital Science's name is on its box. The StriVectin–SD® packaging refers to itself as therapy for stretch marks. The largest print on the NuVectin™ box says “Wrinkle Therapy” and does not mention stretch marks. NuVectin™ is in a white box, whereas StriVectin–SD® is in an olive-greenish box. The NuVectin™ box has a “top band” in a gray color whereas Plaintiff's box does not have such a top band. The font sizes on both are different. The decorative circle on each is a different style and color. The decorative band on each is positioned differently and a different color. The NuVectin™ tube emulates the NuVectin™ box.

As noted, Plaintiff relies on what it characterizes at its substantial sales of StriVectin–SD® and Defendants' alleged intentional copying to establish secondary meaning. Sales volume alone is not sufficient to show secondary meaning, but when combined with other evidence such as intentional copying, may indicate secondary meaning. [Sally Beauty Co. Inc.](#), [304 F.3d at 978](#). Gay's general testimony that StriVectin–SD® has enjoyed significant sales growth since its inception is essentially uncontroverted, although no *1258 specific sales figures were introduced. However, as discussed above, Plaintiff has not met its burden for purposes of the present motion that Defendants unlawfully copied its trade dress. The court also notes that Plaintiff's trade dress has been in use only since July or August of 2002. The NPD report

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relied upon by Plaintiff found that fewer than five percent of the target market was aware of StriVectin-SD®. Also as noted, many of Plaintiff's trade dress features appear to be commonplace, and several can be characterized as functional. In sum, based on the evidence and testimony presented, the court concludes that Plaintiff has failed in its burden of showing that its trade dress is either inherently distinctive or has acquired secondary meaning.

b. likelihood of confusion

“In the trade dress context, the relevant inquiry is ‘whether there is a likelihood of confusion resulting from the total image and impression created by the defendant's product or package on the eye and mind of an ordinary purchaser.’ ” Sally Beauty Co., Inc., 304 F.3d at 979 (quoting J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 8:15 (4th ed.)) The same factors analyzed in a trademark infringement context also apply in a trade dress context. *Id.*

Without belaboring the matter further, the court concludes that Plaintiff has not met its burden of showing a likelihood of confusion. Evidence of actual customer confusion is absent or at best *de minimis*. Plaintiff's packaging appears to be commonplace. While Plaintiff's and Defendants' trade dress have common elements and, therefore, are similar, the Court is not persuaded that the ordinary purchaser is likely to be confused. The products are marketed through different channels and in the United States at significantly different prices. The point-of sale display states that NuVectin™ is a cheaper version of StriVectin-SD®, “Compare to the price of StriVectin-SD® at \$135.00 in Department Stores”. The displays also feature a disclaimer stating: “This product is not manufactured or distributed by Klein-Becker USA LLC, the licensed owner of the registered trademark StriVectin-SD®”. Additionally, “starting on March 7, 2005, all of the Nuvectin™ product that is now being shipped has a yellow sticker on the box stating ‘A Superb Value Alternative to StriVectin-SD®*’. The asterisk takes the customer to an explicit disclaimer of any affiliation with Klein-Becker: ‘This product is not manufactured or distributed by Klein-Becker™ USA, LLC, the exclusive licensee of the registered trademark StriVectin-SD®.’ ” *Kwait Aff.* ¶ 5. Authority supports the use of “compare to” statements, finding such statements avoid customer confusion. *See, e.g., Pfizer, Inc. v. Perrigo Co.*, 988

F.Supp. 686, 686 (S.D.N.Y.1997) (“the labels in Group C urge the consumer to ‘Compare to PLAX®.’ This admonition would surely help reduce or eliminate any potential confusion as to whether the product was a Pfizer product”); Warner Lambert Co. v. McCrory's Corp., 718 F.Supp. 389, 398–99 (D.N.J.1989) (“prominent use of ‘compare and save’ signs on shelves ... further distinguish the two products from each other in the minds of prospective consumers”); Matrix Essential, Inc. v. Emporium Drug Mart, Inc. 756 F.Supp. 280, 282 (W.D.La.1991), *aff'd*, 988 F.2d 587 (5th Cir.1993) (“a disclaimer expressly declaring that the seller is ‘not affiliated’ with the owner of the trademark has been held to be an effective means of preventing confusion in the minds of consumers as to affiliation with the owner of the trademark in question).

B. Irreparable Injury

Asserting that it has shown a likelihood of confusion, Plaintiff claims that irreparable*1259 harm is presumed. Because the Court is not persuaded that Plaintiff has established a likelihood of customer confusion, a presumption of irreparable harm does not arise.

C. Balance of Harms

As noted earlier, Plaintiff must make a strong showing with regard to the balance of harms. Plaintiff simply claims that injury to it “outweighs any possibility of harm to Defendants because the requested relief does nothing more than return the parties to the status quo as it existed before Defendants engaged in unlawful acts.” Pl[is] Mem. Supp. at 25. Because Plaintiff has not established that Defendants engaged in unlawful acts, it has failed in its burden of proof on this issue.

D. Public Interest

Plaintiff urges that the public interest favors protection of intellectual property rights. Defendants counter that the public interest is best served by competition and the availability of lower priced alternative products. Without more, the Court is not persuaded that Plaintiff has carried its burden on this issue.

III. CONCLUSION

For the reasons stated as well as generally for those reasons set forth by Defendants in their pleadings, the Court concludes that Plaintiff has failed to

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meet its burden of proof for a preliminary injunction to issue.

THEREFORE IT IS ORDERED that Plaintiff Klein-Becker's Motion for a Preliminary Injunction is **DENIED**.

D.Utah,2005.
Klein-Becker USA, LLC v. Product Quest Mfg., Inc.
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2001 WL 1131865 (Trademark Tr. & App. Bd.)

THIS DISPOSITION IS NOT CITABLE AS PRECEDENT OF THE T.T.A.B.

Trademark Trial and Appeal Board
Patent and Trademark Office (P.T.O.)PRECISION FOODS, INC.
v.
MAJOR PRODUCTS CO., INC.Opposition No. 109,500
application Serial No. 75/252,641 filed on March 6, 1997

September 20, 2001

[Thomas P. Arden](#) of McBride Baker & Coles for Precision Foods, Inc.[James C. Simmons](#) of The Law Office of James C. Simmons for Major Products Co., Inc.Before [Walters](#), Bottorff and [Holtzman](#)
Administrative Trademark Judges.
Opinion by [Holtzman](#)
Administrative Trademark Judge:

An application has been filed by Major Products Co., Inc. to register the mark MAKE IT THICK for a “food thickeners.”^[FN1]

Registration has been opposed by Precision Foods, Inc. As its ground for opposition, opposer asserts that applicant's mark when applied to applicant's goods so resembles opposer's previously used and registered mark THICK-IT for “food thickener” as to be likely to cause confusion under Section 2(d) of the Trademark Act.

Applicant, in its answer, has denied the salient allegations in the opposition.

The record includes the pleadings; the file of the involved application; and opposer's notice of reliance on evidence including a status and title copy of its pleaded registration, opposer's unanswered admission requests including an admission that the goods are competitive, and applicant's responses to interrogatories and document requests. Opposer also submitted the testimony (with exhibits) of opposer's vice-president Ronald M. Kirshbaum.^[FN2] Applicant did not take any testimony or introduce any other evidence.

Both parties filed briefs and an oral hearing was held on June 7, 2001.

Opposer, Precision Foods, Inc., manufactures a “health care” food thickener under the mark THICK-IT which is designed for people who have a swallowing impairment called dysphagia. (Kirshbaum dep. p. 10). Opposer estimates that there are somewhere between ten and fifteen million people in the United States with this condition. The THICK-IT product was first introduced in the market in 1985 and at that time, it was the first of its type in any market, that is, an instant food thickener in powdered form where the consistency of the food could be easily controlled. Mr. Kirshbaum states that the product “revolutionized” the health care industry with regard to dysphagia and re-

ceived “great acceptance” in the market. (Dep. pp. 23-24).

Mr. Kirshbaum explains that there are two primary markets for its food thickener, the food service market and the retail market. The food service market includes food service distributors and food service operator accounts. The operator accounts include hospitals, nursing homes, and convalescent centers. In this market, the product can be sold to distributors for subsequent sale to the health care facilities or directly to the facilities themselves. On the retail side, the product is sold either to national drug wholesalers who in turn sell to their branch drug stores, or directly to drug stores by telephone, or by telephone directly to consumers. While some drugstores may sell the product off the shelf, that manner of sale, according to Mr. Kirshbaum, “is not the predominant situation.” (Dep. p. 35). Mr. Kirshbaum states that it is more likely that the product would be recommended to the consumer by a pharmacist or health care professional and that the pharmacist would then place a special order for the product from his wholesaler. The product is sold in a variety of container sizes. When it is sold off the retail shelf to consumers, it usually appears in an eight-ounce container costing \$6.

*2 During its first couple of months on the market, the product was promoted with “a lot of word-of-mouth advertising through [health care professionals] personal letters and trade letters and trade journals...” (Kirshbaum dep. p. 24). Opposer has subsequently advertised the THICK-IT product to both the food service and retail markets by print advertisements in consumer and trade magazines, and promotional literature. Opposer has also been promoting the THICK-IT product at trade shows two to five times a year since 1985 and, for an unspecified period of time, has promoted the product on the Internet. Opposer has submitted reports of two university or hospital studies determining the effectiveness of certain food thickeners including THICK-IT food thickener.

Following two years of exclusivity, competitive products were introduced in the food service market. Mr. Kirshbaum estimates that there are now twelve such competitors in that market and he has identified Sysco, Diamond Crystal, and Thicken Up, as the main competitive products. According to Mr. Kirshbaum, opposer's product has no competitors in the retail market.

Mr. Kirshbaum testified that sales of THICK-IT food thickener experienced “triple-digit increases” the first couple of years on the market followed by “strong double-digit increases” in subsequent years. (Dep. p. 24). Opposer has submitted, subject to a protective order, sales figures for the years 1995 to 1999, advertising figures for 1999, and proposed expenditures for the year 2000. Mr. Kirshbaum estimates additional expenditures which are not reflected in those figures and media expenses for the “five to ten” years preceding 1999. (Kirshbaum dep. p. 58).

The discovery responses made of record by opposer indicate that applicant manufactures food products, including food thickener for dysphagia conditions. Applicant decided in late 1996 or early 1997 to “check on the feasibility of using the mark” and became aware of opposer's registration in February, 1997. (Rev. ans. int. 3). Applicant then filed its intent-to-use application for the mark MAKE IT THICK on March 6, 1997 and began using the mark on food thickener on or about May 22, 1998. Applicant has not yet advertised or promoted its food thickener but applicant intends to sell the product through food distributors to hospitals and nursing homes. Applicant, in fact, has already made one sale of its product consisting of 12 eight ounce cans totaling \$6,490 to a potential customer of opposer.

As indicated above, opposer has made of record a status and title copy of its pleaded registration. Thus, there is no issue with respect to opposer's priority. [King Candy co. v. Eunice King's Kitchen, Inc., 496 F.2d 1400, 182 USPQ 108 \(CCPA 1974\).](#)

We turn then to a consideration of likelihood of confusion. Our determination under Section 2(d) is based on an analysis of all of the probative facts in evidence that are relevant to the factors bearing on the likelihood of confusion issue, including the similarity of the marks and the similarity of the goods. [In re E. I. du Pont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563 \(CCPA 1973\).](#) The factors deemed pertinent in this proceeding are discussed

below.

***3** The parties' goods are both identified as food thickeners. In view of the directly competitive nature of the goods, the channels of trade and classes of purchasers for the respective goods are deemed to be the same. See [In re Smith & Mehaffey, 31 USPO2d 1531 \(TTAB 1994\)](#). Indeed applicant has admitted that the products are competitive (adm. req. ans. 5) and the evidence shows that the products are in fact identical, that they are used for the same purpose, and that they are sold in the same food service market.

We turn then to the marks. Opposer argues that the marks are similar in sound, appearance and connotation in that applicant's mark MAKE IT THICK comprises the same words in opposer's mark THICK-IT arranged differently. Applicant, however, maintains that the different arrangement of the shared words plus the additional word MAKE in its mark results in significant differences in the sound and appearance of the marks. Applicant further argues that the marks' shared elements are "such common words" (brief, p. 12) and that opposer's mark is suggestive and entitled to only a narrow scope of protection.

The mere fact that applicant's mark incorporates the component words of opposer's mark does not necessarily mean that the two marks are similar. In determining the similarity or dissimilarity of the marks, we must consider the marks in their entirety, as to appearance, sound, connotation and commercial impression. [Cunningham v. Laser Golf Corp., 55 USPO2d 1842 \(Fed. Cir. 2000\)](#). We find that the marks THICK-IT and MAKE IT THICK when considered in their entirety, are not similar in sound, appearance or commercial impression. The marks are visually different. Opposer's mark consists of two words either joined or separated by a hyphen with the word THICK preceding the word IT. Applicant's mark includes the additional word MAKE and the order of THICK and IT are reversed in its three-word mark. The differences in the two marks are even more pronounced when the words are spoken. The marks do not have the same cadence or number of words. Moreover, the term THICK-IT is virtually identical in sound to the familiar dictionary word "thicket" whereas MAKE IT THICK would be articulated as three separate words sounding nothing like "thicket."

The transposition of THICK and IT also changes the commercial impressions conveyed by the marks. The word THICK in opposer's mark THICK-IT is used in the uncharacteristic manner of a verb, resulting in a somewhat unusual overall expression. The mark MAKE IT THICK, on the other hand, is an ordinary sentence where the words, including THICK, are used in their traditional, ordinary sense. In addition, because THICK-IT is an unfamiliar expression, it may call to mind the more familiar term "thicket," thereby further distinguishing the commercial impressions created by the two marks.

The marks have a similar overall meaning, but that meaning is highly suggestive of food thickener. The term "IT," common to both marks, is a suggestive reference to the food product to be thickened. The other shared word "THICK" is highly descriptive of one of the most important characteristics of food thickener and there is no doubt that the word is intended to convey this descriptive meaning in both marks.

***4** It is settled that highly suggestive marks are weak and are generally accorded a more limited scope of protection than an arbitrary mark. See The [Drackett Company v. H. Kohnstamm & Co., Inc., 160 USPQ 407 \(CCPA 1969\)](#) ["The scope of protection afforded such highly suggestive marks is necessarily narrow and confusion is not likely to result from the use of two marks carrying the same suggestion as to the use of closely similar goods."]; and [Sure-Fit Products Company v. Saltzson Drapery Company, 117 USPQ 295 \(CCPA 1958\)](#).

While, as opposer points out, there is no evidence of other third parties using the words THICK or IT on food thickeners, a primary competitor of opposer is using a variation of THICK in its mark, THICKEN UP, further indicating the relative weakness of opposer's own mark in relation to its goods.

In view of the weakness of THICK-IT and MAKE IT THICK, we find that the distinct differences in the marks,

particularly in sound and appearance, are sufficient to distinguish one mark from another.

Opposer contends, however, that its mark is strong “due to opposer’s dominance in the health care food thickening market and general market acceptance” of the product. (Brief, p. 11). The evidence shows that THICK-IT has been used on food thickener for approximately fifteen years and at least steady increases in sales volume since the introduction of the product on the market, nearly doubling in volume over the period 1995 to 1999. However, there is no information as to, for example, opposer’s relative share of the food service market or opposer’s proportionate number of operator accounts, and the sales figures themselves, including number of units sold, do not seem particularly impressive on their face considering the vast number of people who, according to opposer, have this disorder. Nevertheless, Mr. Kirshbaum has testified essentially that THICK-IT food thickener is a leading brand in the food service market (dep. p. 25) and applicant admits that the product is successful in the marketplace.^[FN3] (Brief, p. 10). Opposer also points to the unsolicited use of THICK-IT food thickener in two professional studies and it appears that, according to Mr. Kirshbaum, such studies tend to focus on leading brands.^[FN4]

The evidence demonstrates that opposer’s mark has attained some, but not necessarily a tremendous degree of recognition in the field. Under the circumstances, and considering the highly suggestive nature of opposer’s mark in connection with its goods, we remain convinced that opposer’s mark is entitled to a more limited scope of protection. This scope of protection should not, in any event, extend to applicant’s mark which, in all important respects, is dissimilar to opposer’s mark.

Opposer also argues that “food products sold at retail” and “less expensive items” are not purchased with great care. (Brief, p. 16). The primary customers for the parties’ goods, including operators of nursing homes and other health care facilities, are sophisticated professionals who would exercise a high degree of care in purchasing these products. Nevertheless, there is no restriction in the respective identifications as to purchasers, and it seems that at least some of opposer’s customers are ordinary members of the public. While food thickener is a relatively low cost product, it is not an impulse product such as shampoo or a package of chewing gum. Given the seriousness of the disorder for which the food thickener is used and the fact that it would probably be recommended by a doctor or pharmacist rather than purchased off the shelf, the purchase of this product by the consumer would involve a more informed and thoughtful decision.

*5 Finally, opposer maintains that applicant adopted its MAKE IT THICK mark in bad faith. In particular, opposer claims that applicant adopted a mark comprising opposer’s mark with knowledge of opposer’s incontestable registration, thereby raising an inference that applicant intended to trade on opposer’s good will. Opposer claims that the inference is made stronger because opposer’s mark “is the leading brand in the market.” Opposer points to the mixing instructions on applicant’s product label which use the same consistency designations, i.e., “nectar,” honey,” and “pudding,” as opposer uses on its own labels.^[FN5] Mr. Kirshbaum claims that opposer “invented” these designations and has long used these terms to designate the three levels of consistency for its products. (Dep. p. 72).

Applicant, aside from misconstruing the issue as one of trade dress violation, admits that it knew of opposer’s registration at the time of filing its application, denies that the mark was adopted in bad faith, and maintains further that regardless of its intent, there is no likelihood of confusion in this case. Applicant contends that it is entitled to use those consistency designations arguing that the words are standard in the industry and are “functional characteristics which Applicant should now be free to use.” (App. brief, p. 7).

The Board in [Roger & Gallet S.A. v. Venice Trading Co. Inc., 1 USPQ2d 1829 \(TTAB 1987\)](#), stated that intent may, and ought to, be taken into account when resolving the issue of likelihood of confusion when that issue is not free from doubt. If confusion is not likely to result from the use of the marks, the motive of applicant cannot affect its right to the registrations sought. [Steak N Shake, Inc. v. Steak and Ale, Inc., 171 USPQ 175 \(TTAB 1971\)](#).

In this case, we have no doubt concerning the likelihood of confusion. Even if we did have doubt, the evidence sub-

mitted by opposer would not assist us in resolving this issue. Establishing bad faith requires a showing that applicant intentionally sought to trade on opposer's good will or reputation. See [Big Blue Products Inc. v. International Business Machines Corp.](#), 19 USPQ2d 1072 (TTAB 1991). While such intent may be inferred from surrounding circumstances such as the copying of a competitor's product packaging, opposer is under the heavy burden to prove by clear and convincing evidence that applicant is guilty of bad faith. See, for example, [LaBounty Manufacturing Inc. v. United States International Trade Commission](#), 958 F.2d 1066, 22 USPQ2d 1025 (Fed. Cir. 1992) and [Scripps Clinic & Research Foundation v. Genentech, Inc.](#), 927 F.2d 1565, 18 USPQ2d 1001 (Fed. Cir. 1991).

The evidence relied on by opposer in this case is far from sufficient to meet that burden.^[FN6] In fact, a visual comparison of both labels makes it hard to believe that this is the part of opposer's label that applicant would choose to copy if applicant intended to create confusion or deception. Moreover, applicant has offered a very plausible "good faith" explanation for its use of those designations. We note that this identical wording is used generically in the hospital study report. The study, appearing on (unnumbered) page 2 of opposer's exhibit no. 33, is entitled *Using A Multidisciplinary Monitor To Assess Accuracy of Thickened Liquids For Hospital Patients With Dysphagia*. The report describes the protocol for the study as follows (emphasis added):

*6 Our initial protocol for thickening liquids included the following: 1) Adhering to recommendations by the speech-language pathologists regarding thickness level (**nectar, honey, pudding**)...

For the foregoing reasons, we conclude that notwithstanding the identity of the products in this case, the sophistication and/or care taken by purchasers of opposer's product together with the dissimilarities in the marks as well as the relative weakness of opposer's mark and the narrow scope of protection to which it is entitled makes confusion unlikely.

Decision: The opposition is dismissed.

FN1. Application Serial No. 75/252,641, filed March 6, 1997, alleging a bona fide intention to use the mark in commerce.

FN2. Applicant did not attend this deposition.

FN3. Because opposer has no competitors in the retail industry, it is understandable that the THICK-IT product would be, as described by opposer, *the* leading brand in the retail field. However, there is no indication as to, for example, what portion of opposer's sales relate to that market.

FN4. One other article relied on by opposer mentions opposer's company and the fact that it offers "various products for people with dysphagia, including... thickeners..." However, there is no mention of opposer's mark in this article.

FN5. Opposer, based on Mr. Kirshbaum's testimony, refers generally in its brief to applicant's adoption of "verbiage and instructions long used by opposer" in its packaging. (Brief, p. 14). However, opposer specifically addresses only applicant's alleged appropriation of the above consistency designations. In any event, opposer has failed to establish, and we do not find, that the other alleged similarities in packaging mentioned by Mr. Kirshbaum such as package size and generic language including "instant food thickener," "desired consistency," and "do not overmix" (which does not even appear on opposer's label as far as we can determine) are persuasive of wrongful intent. In fact, the labels are otherwise strikingly different.

FN6. The question of intent is heavily dependant on the particular facts and the facts in this case are distinguishable from those in cases such [Broadway Catering Corp. v. Carla Inc.](#), 215 USPQ 462 (TTAB 1982) and [Roger & Gallet S.A. v. Venice Trading Co., Inc.](#), 1 USPQ2d 1829 (TTAB 1987) on which opposer has relied. In *Broadway Catering*, for example, the finding of wrongful intent was not based on an allegation of similar trade dress copying but rather applicant's failure to provide any credible explanation for its adoption of a mark which was identical to op-

poser's mark of "notoriety and renown."

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United States District Court,
E.D. Pennsylvania.
McNEIL NUTRITIONALS, LLC

v.

HEARTLAND SWEETENERS LLC, and Heartland
Packaging Corp.

Civil Action No. 06-5336.
May 21, 2007.

Background: Marketer of national-brand artificial sweetener brought action against marketer of store-brand sweeteners alleging Lanham Act violations, dilution of trade dress and trademark, unfair competition, and misappropriation of advertising idea. Plaintiff moved for preliminary injunction.

Holdings: The District Court, [Padova](#), J., held that: (1) plaintiff was not likely to succeed on merits of its trade dress infringement claim, and (2) trade dress dilution claim required showing of actual dilution.

Motion denied.

West Headnotes

[1] Injunction 212 138.1

[212](#) Injunction

[212IV](#) Preliminary and Interlocutory Injunctions
[212IV\(A\)](#) Grounds and Proceedings to Procure

[212IV\(A\)2](#) Grounds and Objections
[212k138.1](#) k. In general. [Most Cited](#)

[Cases](#)

Party seeking preliminary injunction must demonstrate that: (1) it is likely to succeed on merits of its claim, (2) it will suffer irreparable harm if injunction is denied, (3) granting preliminary relief will not result in even greater harm to nonmoving party, and (4) public interest favors such relief.

[2] Injunction 212 132

[212](#) Injunction

[212IV](#) Preliminary and Interlocutory Injunctions
[212IV\(A\)](#) Grounds and Proceedings to Procure

[212IV\(A\)1](#) In General

[212k132](#) k. Nature and scope of provisional remedy. [Most Cited Cases](#)

Preliminary injunctive relief is extraordinary remedy and should be granted only in limited circumstances.

[3] Trademarks 382T 1436

[382T](#) Trademarks

[382TVIII](#) Violations of Rights

[382TVIII\(A\)](#) In General

[382Tk1436](#) k. Trade dress. [Most Cited Cases](#)

To prove claim of trade dress infringement under Lanham Act, plaintiff must establish that: (1) trade dress is distinctive, either because it is inherently distinctive or because it has acquired secondary meaning; (2) trade dress is nonfunctional; and (3) defendant's use of plaintiff's trade dress is likely to cause consumer confusion. Lanham Act, § 43(a)(1)(A), [15 U.S.C.A. § 1125\(a\)\(1\)\(A\)](#).

[4] Trademarks 382T 1704(10)

[382T](#) Trademarks

[382TIX](#) Actions and Proceedings

[382TIX\(F\)](#) Injunctions

[382Tk1701](#) Preliminary or Temporary Injunctions

[382Tk1704](#) Grounds and Subjects of Relief

[382Tk1704\(10\)](#) k. Trade dress. [Most Cited Cases](#)

Marketer of national-brand artificial sweetener was not likely to succeed on merits of its claim that marketer of store-brand sweeteners infringed upon its trade dress, in violation of Lanham Act, and thus was not entitled to preliminary injunction prohibiting store-brand marketer from selling or distributing store-brand products in packaging that was confusingly similar to national-brand's trade dress, even though both national-brand and store-brands were all in yellow packages, national-brand's trade dress was

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very strong, sweeteners' costs were relatively low, there was some evidence of actual confusion, and products were marketed through same channels, where lettering, logos, and images on packets, boxes, and bags were different, store-brands did not contain national-brand's name or slogan, consumers bought sweeteners based on for health, fitness, and dietary considerations, there was no evidence of intent to confuse consumers, and consumers were highly aware of existence of store-brand products. Lanham Act, § 43(a)(1)(A), [15 U.S.C.A. § 1125\(a\)\(1\)\(A\)](#).

[5] Trademarks 382T 1118

[382T](#) Trademarks

[382TIII](#) Similarity Between Marks; Likelihood of Confusion

[382Tk1117](#) Trade Dress

[382Tk1118](#) k. In general. [Most Cited Cases](#)

Plaintiff may prevail in trade dress infringement action only if it shows that appreciable number of ordinarily prudent consumers of type of product in question are likely to be confused as to goods' source. Lanham Act, § 43(a)(1)(A), [15 U.S.C.A. § 1125\(a\)\(1\)\(A\)](#).

[6] Trademarks 382T 1118

[382T](#) Trademarks

[382TIII](#) Similarity Between Marks; Likelihood of Confusion

[382Tk1117](#) Trade Dress

[382Tk1118](#) k. In general. [Most Cited Cases](#)

In evaluating trade dress infringement claim, court should consider: (1) degree of similarity between owner's trade dress and alleged infringing trade dress; (2) strength of owner's trade dress; (3) price of goods and other factors indicative of care and attention expected of consumers when making purchase; (4) length of time defendant has used trade dress without evidence of actual confusion arising; (5) defendant's intent in adopting trade dress; (6) evidence of actual confusion; (7) whether goods are marketed through same channels of trade and advertised through same media; (8) extent to which parties' sales efforts are same; (9) relationship of goods in consumers' minds because of similarity of function; and (10) other factors suggesting that consuming public

might expect prior owner to manufacture product in defendant's market, or that he is likely to expand into that market. Lanham Act, § 43(a)(1)(A), [15 U.S.C.A. § 1125\(a\)\(1\)\(A\)](#).

[7] Trademarks 382T 1118

[382T](#) Trademarks

[382TIII](#) Similarity Between Marks; Likelihood of Confusion

[382Tk1117](#) Trade Dress

[382Tk1118](#) k. In general. [Most Cited Cases](#)

Similarity of trade dress is paramount consideration in product packaging trade dress infringement cases, and unless allegedly infringing trade dress is substantially similar to plaintiff's trade dress, it is highly unlikely that consumers will confuse product sources. Lanham Act, § 43(a)(1)(A), [15 U.S.C.A. § 1125\(a\)\(1\)\(A\)](#).

[8] Trademarks 382T 1118

[382T](#) Trademarks

[382TIII](#) Similarity Between Marks; Likelihood of Confusion

[382Tk1117](#) Trade Dress

[382Tk1118](#) k. In general. [Most Cited Cases](#)

In evaluating trade dress infringement claim, likelihood of confusion cannot be assessed by side-by-side comparison of competing product unless that is way that products are encountered in marketplace. Lanham Act, § 43(a)(1)(A), [15 U.S.C.A. § 1125\(a\)\(1\)\(A\)](#).

[9] Trademarks 382T 1118

[382T](#) Trademarks

[382TIII](#) Similarity Between Marks; Likelihood of Confusion

[382Tk1117](#) Trade Dress

[382Tk1118](#) k. In general. [Most Cited Cases](#)

In analyzing whether overall impression of allegedly infringing trade dress is similar, court must put itself into consumer's mind. Lanham Act, § 43(a)(1)(A), [15 U.S.C.A. § 1125\(a\)\(1\)\(A\)](#).

[10] Trademarks 382T 1118

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[382T](#) Trademarks

[382TIII](#) Similarity Between Marks; Likelihood of Confusion

[382Tk1117](#) Trade Dress

[382Tk1118](#) k. In general. [Most Cited Cases](#)

In assessing trade dress infringement claim, likelihood of consumer confusion decreases as care and attention expected of consumers when making purchase increases. Lanham Act, § 43(a)(1)(A), [15 U.S.C.A. § 1125\(a\)\(1\)\(A\)](#).

[\[11\]](#) Trademarks [382T](#)  [1118](#)

[382T](#) Trademarks

[382TIII](#) Similarity Between Marks; Likelihood of Confusion

[382Tk1117](#) Trade Dress

[382Tk1118](#) k. In general. [Most Cited Cases](#)

Proof of actual confusion is not required for successful claim of trade dress infringement under Lanham Act. Lanham Act, § 43(a)(1)(A), [15 U.S.C.A. § 1125\(a\)\(1\)\(A\)](#).

[\[12\]](#) Trademarks [382T](#)  [1118](#)

[382T](#) Trademarks

[382TIII](#) Similarity Between Marks; Likelihood of Confusion

[382Tk1117](#) Trade Dress

[382Tk1118](#) k. In general. [Most Cited Cases](#)

To establish trade dress infringement claim under post-sale confusion theory, plaintiff must show that consumers: (1) mistakenly believed that allegedly infringing product was plaintiff's product, (2) found allegedly infringing product to be inferior, and (3) refused to deal with plaintiff in future, as result of inferiority of allegedly infringing product. Lanham Act, § 43(a)(1)(A), [15 U.S.C.A. § 1125\(a\)\(1\)\(A\)](#).

[\[13\]](#) Trademarks [382T](#)  [1472](#)

[382T](#) Trademarks

[382TVIII](#) Violations of Rights

[382TVIII\(B\)](#) Dilution

[382Tk1472](#) k. Trade dress. [Most Cited Cases](#)

Under Pennsylvania law, trade dress dilution claim required showing of actual dilution, not merely likelihood of dilution. [54 Pa.C.S.A. § 1124](#).

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MEMORANDUM

[PADOVA](#), District Judge.

Plaintiff McNeil Nutritionals ("McNeil") has brought this action against Defendants Heartland Sweeteners LLC and Heartland Packaging Corp. (collectively "Heartland") alleging violations of Section 43(a)(1)(A) of the Lanham Act, [15 U.S.C. § 1125](#); dilution of trade dress and trademark under *[220](#) Pennsylvania state law, [54 Pa. Cons.Stat. Ann. § 1124](#); unfair competition under Pennsylvania common law; and misappropriation of an advertising idea under Pennsylvania common law. Currently before the Court is McNeil's Motion for a Preliminary Injunction pursuant to [Federal Rule of Civil Procedure 65](#). For the reasons detailed below, McNeil's motion is denied.

I. BACKGROUND

McNeil markets Splenda®, the leading artificial sweetener in the United States in terms of dollar sales. Heartland packages, sells, and distributes to a number of retail chains store-brand artificial sweetener products that compete with Splenda. McNeil filed a Complaint against Heartland on December 5, 2006, alleging that Heartland's packaging of the store-brand products is confusingly similar to the Splenda trade dress.^{FNI} Shortly after filing its Complaint, McNeil filed a Motion for Preliminary Injunction seeking an order enjoining Heartland from selling or distributing store-brand products in packaging that is confusingly similar to the Splenda trade dress, using or distributing any advertising or sales material depicting such packaging, and directing Heartland to

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recall from distribution and destroy all such packaging and sales material depicting such packaging. An evidentiary hearing was held on January 26, 2007 and February 7, 2007. At the conclusion of the hearing, the Court directed the parties to file proposed findings of fact and conclusions of law. Oral argument was heard on the motion on March 13, 2007.

FN1. Trade dress is defined as “the total image or overall appearance of a product, and includes, but is not limited to, such features as size, shape, color, or color combinations, texture, graphics, or even a particular sales technique.” *Rose Art Indus., Inc. v. Swan-son*, 235 F.3d 165, 171 (3d Cir.2000).

II. LEGAL STANDARD

[1][2] A party seeking a preliminary injunction must demonstrate that (1) it is likely to succeed on the merits of its claim, (2) it will suffer irreparable harm if the injunction is denied, (3) granting preliminary relief will not result in even greater harm to the nonmoving party, and (4) the public interest favors such relief. *Rogers v. Corbett*, 468 F.3d 188, 192 (3d Cir.2006) (citing *Child Evangelism Fellowship of New Jersey, Inc. v. Stafford Twp. Sch. Dist.*, 386 F.3d 514, 524 (3d Cir.2004)). Preliminary injunctive relief is an “extraordinary remedy” and “should be granted only in limited circumstances.” *American Tel. & Tel. Co. v. Winback & Conserve Program, Inc.*, 42 F.3d 1421, 1427 (3d Cir.1994) (quotation omitted). Only if the movant produces evidence sufficient to demonstrate that all four factors favor preliminary relief should the injunction issue. *Opticians Ass’n of Am. v. Indep. Opticians of Am.*, 920 F.2d 187, 192 (3d Cir.1990).^{FN2}

FN2. The parties disagree as to whether the relief requested by McNeil constitutes a mandatory or a prohibitory injunction. Heartland contends that McNeil seeks a mandatory injunction and, therefore, must satisfy a heightened standard, i.e., it must demonstrate that it is *substantially* likely to succeed on the merits. See *Acierno v. New Castle County*, 40 F.3d 645, 653 (3d Cir.1994) (“A party seeking a mandatory preliminary injunction that will alter the status quo bears a particularly heavy burden in demonstrating its necessity.” (citing *Punnett v. Carter*, 621 F.2d 578, 582 (3d

Cir.1980)). Given our finding that McNeil has not satisfied the non-heightened “likelihood of success” standard, we need not address the issue of whether a heightened standard is applicable in this case.

III. FINDINGS OF FACT

We make the following findings of fact:

*221 Sugar Substitutes

1. American consumers spend between \$600 to \$700 million yearly on sugar substitutes, also known as artificial sweeteners. No-calorie sweeteners are a subset of artificial sweeteners that do not have any calories. (Sandler, 1/26/07 Tr. at 38–39, Gelov Decl. ¶ 17.)

2. Sugar substitutes are purchased by consumers for a variety of reasons including: blood-sugar disorders, including [diabetes](#); [obesity](#); weight loss; fitness; and [tooth decay](#). (Canaan Decl. ¶ 24, Gelov Decl. ¶ 18.)

3. The market for no-calorie sweeteners is dominated by products that contain one of three sweetening ingredients: saccharin, aspartame, and sucralose. (Sandler, 1/26/07 Tr. at 38–39.)

4. Saccharin was first marketed in the United States in 1957 and was the first artificial sweetener to be introduced in the United States. The leading artificial sweetener containing saccharin is Sweet’N Low®. (*Id.* at 39.)

5. Aspartame was approved by the U.S. Food and Drug Administration for sale in the United States in 1982. The leading artificial sweetener containing aspartame is Equal®. (*Id.* at 38–39.)

6. Sucralose was approved by the U.S. Food and Drug Administration in 1998 for use as a food additive, and in 1999 for use as a general purpose sweetener. Sucralose is an artificial sweetener that is manufactured through a process in which the molecular structure of sugar is modified by replacing three of eight hydroxyl (i.e. hydrogen and oxygen) groupings on the sucrose molecule with three chlorine atoms. Therefore, sucralose is essentially a chlorinated sucrose molecule. Sucralose has no calories because it is passed through the body without being metabolized. Because sucralose is more heat-resistant than

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saccharin and aspartame, it is often marketed not only in individual packets, but also in loose or granular form to be used in cooking and baking. (Sandler Decl. ¶¶ 5–6, Sandler, 1/26/07 Tr. at 39–40.)

7. In September 2000, McNeil introduced Splenda, the first artificial sweetener in the United States made from sucralose. Sales of Splenda have grown more than tenfold in just six years, from approximately \$32 million in 2001 to approximately \$410 million in 2006. Within a year of its introduction, Splenda captured 14% of the total U.S. market for low-calorie sweeteners (based on dollar volume). Splenda's market share has increased over the last five years, and in 2006, Splenda captured approximately 60% of the no-calorie sweetener market, compared to approximately 15% for Equal and 14% for Sweet'N Low. (*Id.* at 39–40, 42:12–45:10, Sandler Decl. ¶ 23–27.)

Color Coding in the Sugar Industry

8. As the number of sugar and sugar substitutes has increased, color-coding in packaging has developed as a means of differentiating products and quickly identifying the active ingredient in a given product. The leading artificial sweeteners are each sold in distinctive packaging that helps consumers identify and distinguish them from other products in the market. (Sandler, 1/26/07 Tr. at 85:23–25; Gelov, 2/7/07 Tr. at 51:7–9.)

9. Sweet'N Low, the leading saccharin brand, is marketed in predominately red and pink packaging. Individual packets of Sweet'N Low are pink. The recognized industry standard for saccharine-based products is for the *222 product to be sold in red and/or pink packaging. This practice informs consumers that the particular product is made primarily with saccharin and, in the case of store-brand products, that the item competes with Sweet'N Low. (Gelov Decl. ¶¶ 23, 25.)

10. Equal, the leading aspartame brand, is marketed in packaging that is primarily blue. Individual packets of Equal are blue. Aspartame-based sweeteners are primarily sold in blue packaging. (*Id.* ¶¶ 28, 30, Sandler, 1/26/07 Tr. at 91:16–17.)

11. The primary color used in the packaging of Splenda, the leading sucralose brand, is yellow, and the individual packets of Splenda are primarily yellow. (*Id.* at 51., Pl. Exs. 1(a), 1(b), 1(c), 2(a) and

2(b).)

Private-Label and Store-Brand Products

12. Private-label products are typically products manufactured or provided by one company for offer under another company's name. Such products are generally made with the same active ingredient as, or otherwise are similar to, the particular name-brand or national-brand product with which the private-label product competes. (Canaan, 1/26/07 Tr. at 182:12–14, Gelov Decl. ¶ 7.)

13. Private-label products are available in a wide range of industries and are often positioned as lower cost alternatives to national-brand products. Private-label products generally are about 25 percent less expensive than national-brand products. (Canaan Decl. ¶¶ 13, 15.)

14. As of 2005, private-label sales represented 20 percent of all U.S. supermarket, drug chain, and mass merchandiser sales and totaled \$50 billion. (*Id.* ¶ 14.)

15. Store-brand products are a type of private-label products, in which the store name, such as Giant, Safeway, or Food Lion, is the brand name. Store-brand products have been used by retailers since 1883, when they were first introduced by the supermarket pioneer, Barney Kroger. (Canaan, 1/26/07 Tr. at 190:8–9, Canaan Decl. ¶ 22.)

16. Consumers have become highly aware of store-brand products. The Private Label Manufacturers Association (PLMA), in a study conducted by the Gallup organization, reported that in 2005, more than 90 percent of consumers polled were familiar with store-brands and 83 percent bought them regularly. (*Id.* ¶ 22.)

17. Store-brands are typically found on store shelves next to the analogous national-brand product. The packaging of store-brand products often includes reference points to invite the consumer to compare the store-brand product to the national-brand product. These reference points often include similar product packaging and “compare to” statements on the packaging. Stores also employ tags on store shelves that explicitly invite consumers to compare the store-brand product with a national-brand product. (Def. Exs. A19–A30, Gelov Decl. ¶¶ 14–16.)

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18. Stores develop private-label products for several reasons, including, enhancing the retailer's image, strengthening its relationship with consumers, and inspiring consumer loyalty. (Canaan Decl. ¶ 19.)

19. In the artificial sweetener market, there are a number of private label products that compete with Sweet'N *223 Low and Equal. Nearly all grocery store chains sell private-label saccharin and aspartame sweeteners that compare to the national-brand products. (Gelov Decl. ¶¶ 31, 37.)

Splenda Trade Dress^{FN3}

^{FN3}. For reference, images of the packages at issue in this case are reproduced in the Appendix to this Memorandum.

20. McNeil has devoted substantial resources to market and promote Splenda products. McNeil has spent nearly \$250 million to promote and publicize the brand to consumers. Through its branding campaign, McNeil has highlighted the yellow Splenda packaging which includes the Splenda trademark in gradated blue italicized lettering on a white cloud. A Splenda package has been featured in nearly every Splenda television commercial and print advertisement since its launch. (Sandler, 1/26/07 Tr. at 54:18–56:24.)

21. McNeil began selling boxes of individual Splenda packets in 2000. The boxes come in 100 and 200 count sizes and are identical except for the size of the box. The box is oriented horizontally. The background is yellow with a mottled effect, while the lettering on the box is primarily blue. The trade name “Splenda” appears at the top-center of the front of the box in italicized blue lettering that increases in intensity from light to dark blue. The trade name is also surrounded by a white, oval-shaped cloud, and is underlined by a blue half-circle and the words “No Calorie Sweetener.” On the front, lower-right side of the box, there is a photograph of a white cup of coffee and saucer, with an individual Splenda packet resting on the saucer. On the front, left side of the box, there is a photograph of a glass and pitcher of iced tea with slices of lemon. In the bottom-left corner is a circular element that contains the words, “Made From Sugar, Tastes Like Sugar.” (Def. Ex. K, Pl. Ex 1(a).)

22. The individual Splenda packets are also primarily yellow. The packets contain the trade name “Splenda” in blue, italicized font, underlined by a blue half-circle and the words “No Calorie Sweetener.” The following words appear in red on the packet: “Made From Sugar So It Tastes Like Sugar.” A border, either in gold or blue, frames the packet. (Pl.Ex. 1(b); Def. Ex. N.)

23. McNeil also sells Splenda in its granular form packaged in bags. The bag has a mottled yellow background. The trade name “Splenda” appears in the top-center of the bag in italicized blue lettering that increases in intensity from light to dark blue. The trade name is also surrounded by a white, oval-shaped cloud, and is underlined by a blue half-circle and the words “No Calorie Sweetener.” On the lower half of the bag, there is a photograph of a piece of pie on a white plate, a bowl of cereal with raspberries, and a white scoop containing the Splenda product in its granular form. (Pl.Ex. 1(c).)

Heartland Products

24. In mid-2006, private-label or store-brand sucralose products began to appear in the market. Heartland manufactures a number of store-brand artificial sweetener products for retailers including Giant, Stop & *224 Shop, Tops, Food Lion, Safeway, Albertson's, and Wal-Mart.^{FN4} (Gelov Decl. ¶¶ 43–44.)

^{FN4}. This lawsuit is only concerned with the Heartland sucralose products that are packaged and distributed to Giant, Stop & Shop, Tops, Food Lion, and Safeway.

25. Giant, Stop & Shop, and Tops are all owned by Ahold,^{FN5} and the packaging of the store-brand sucralose products sold by each of these stores is identical except that the packaging contains the respective store's name or logo. (Sandler, 1/26/07 Tr. at 60:17–21.)

^{FN5}. These stores, and the store-brand products from these three stores, are referred to generally as “Ahold.”

26. The Ahold store-brand box of individual sucralose packets is oriented horizontally. The box has a yellow background color that is more intense at the

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top than at the bottom. The lettering on the box is either blue or white. The product name, “Sweetener,” appears at the top center, in italicized blue font that increases in intensity from light blue to dark blue. The product name is outlined in white. There is a banner below the product name that contains the text, “Calorie Free.” The store logo appears at the top-center above the product name. On the lower-right corner there is a photograph of a white cup of coffee and saucer, a glass of an iced beverage (possibly lemonade) with a lemon slice, and several lemons. There is a white rectangular border on the front of the box. The 100 and 200 count boxes are identical except for their size. (Pl.Ex. 3(a), Def. Ex. TTT.)

27. The Food Lion store-brand box of individual sucralose packets is oriented horizontally. The box has a yellow background with a mottled effect. The lettering on the box is blue. The product name, “Sweet Choice,” appears on the bottom center, in italicized font that increases in intensity from light blue to dark blue. The product name is underlined in blue with the words “No Calorie Sweetener” in the underline. The front of the box contains a vertical design element that divides the front into two portions. The left portion is darker than the right, and includes the Food Lion logo and store name at the top. Food Lion uses this vertical element design feature in its other store-brand packaging. The right portion contains a photograph of a white cup of coffee, saucer, and teaspoon, and a photograph of a pitcher of lemonade, two glasses containing lemonade, and sliced lemons. (Pl.Ex. 7(a), Gelov, 2/7/07 Tr. at 26:9–16.)

28. The Safeway store-brand box of individual sucralose packets is oriented horizontally with a yellow background. The lettering on the box is blue. The product name, “Sucralose,” appears on the bottom-left, in italicized font with a shadow effect. Each individual letter in the product name is also surrounded by a white cloud. The words “No Calorie Sweetener” appear just below the product name. The front of the box contains a white “S”-shaped design element that divides the front of the packaging. This “S”-shaped element is found in other packaging for Safeway store-brand products. The Safeway box displays the Safeway name and logo on the bottom-right. On the left side of the box there is a photograph of a white cup of coffee, a white bowl of strawberries, a white packet *225 caddy containing individual packages of

“Sucralose,” and an individual package of “Sucralose” leaning against the packet caddy. The 100 and 200 count boxes are identical except for their size. (Pl.Ex. 6(a), Def. Exs. JJJ, U., V.)

29. The individual packets contained in the Ahold “Sweetener” boxes are yellow. The packets are oriented horizontally, with blue lettering. The product name “Sweetener” appears in the center of the packet, with the words “Calorie Free” in a blue banner and the words “contains Sucralose” below the product name. (Pl.Exs.3(b), 4(b), and 5(b).)

30. The individual packets contained in the Food Lion “Sweet Choice” boxes are yellow. The packets are oriented horizontally, with black lettering. The Food Lion name/logo is printed on the top-center of the packet in black. The product name “Sweet Choice” appears at the bottom-center, and is underlined in black. The underline contains the words “No Calorie Sweetener.” (Def.Ex. NNN.)

31. The individual packets contained in the Safeway “Sucralose” boxes are yellow. The packets are oriented horizontally, with blue lettering. The Safeway name/logo appears in the bottom-left. The product name “Sucralose” appears in the upper-center. Below the product name are the words “No Calorie Sweetener.” A blue border frames the entire packet. (Pl.Ex. 6(b).)

32. The Ahold stores also sell a store-brand granular sucralose product packaged in bags. The bag has a yellow background that increases in intensity from light yellow on the top, to a darker yellow on the bottom. Lettering on the bag is primarily blue and white. The product name “Sweetener” appears on the front of the bag at the top-center in a blue italicized font that increases in intensity from light to dark. The product name is also outlined in white. The store name/logo appears at the top-center of the bag, above the product name. Below the product name is a blue banner containing the words “Calorie Free.” The front of the bag displays a photograph of a slice of cheesecake on a white plate, a bowl of cereal with raspberries, and cup of coffee and saucer, and also includes a white rectangular frame. (Pl.Exs.3(c), and 4(c).)

33. Food Lion also sells a store-brand granular sucralose product packaged in bags. The bag has a yellow

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background. Lettering on the packaging is blue. The product name “Sweet Choice” appears on the front of the bag at the bottom-center in blue italicized font that increases in intensity from light to dark. The product name is underlined in blue with the words “No Calorie Sweetener” in the underline. The front of the bag contains a vertical design element that divides the front into two portions. The left portion is darker than the rest of the bag, and includes the Food Lion logo and store name at the top. Food Lion uses this vertical element design feature in its other store-brand packaging. The front of the bag includes a photograph of a loaf of banana nut bread, a container of granular sucralose with a scoop, and a bowl of mixed fruit. (Pl.Ex. 7(c), Gelov, 2/7/07 Tr. at 26:9–16.)

34. Safeway does not sell a store-brand granular sucralose product. (*Id.* at 43:23.)

***226 Refreshed Splenda Trade Dress**

35. Manufacturers occasionally refresh their trade dress to make their product look more contemporary. This refreshing of a trade dress tends not to consist of major changes, but rather includes evolutionary changes in order to keep the good will of the product's consumer base. (Sandler, 1/26/07 Tr. at 46:23–47:16.)

36. McNeil refreshed the Splenda trade dress in late–2006. Changes were made to the packaging for the 100 and 200 count boxes, the individual packets, and the packaging of the granular sucralose product. (*Id.* at 53:3–4, 121:22–24.)

37. The refreshed Splenda 100 and 200 count box is still yellow, but the yellow is brighter, and does not have the mottled effect that appeared on the original Splenda packaging. The product name “Splenda” is now outlined in white. Stars appear above the product name and on the left side of the box. The photograph of the white coffee cup and saucer has been moved to the bottom center, and a teaspoon has been added. The photograph of a pitcher and glass of iced tea was replaced with a photograph of a glass of iced tea with a lemon wedge, and several raspberries. The refreshed package also depicts two individual packets of Splenda to the right of the coffee cup and saucer. (Pl.Ex. 2(a).)

38. The refreshed Splenda bag of granular sucralose is still yellow, but the yellow is brighter, and does not

have the mottled effect that appeared on the original Splenda packaging. The product name “Splenda” is now outlined in white and stars appear above the product name and on the front, left side of the bag. The photographic elements have been altered. In the refreshed packaging, it now contains a photograph of a slice of mixed berry pie, a bowl of mixed fruit, and a cup of coffee. (Pl.Ex. H.)

Common Features of Sugar and Sugar Substitute Packages

39. The majority of sugar and sugar substitute packages contain pictures of foods and/or drinks that are made with sweetener, into which sweetener is added, or onto which sweetener is sprinkled. For example, packages depict hot and cold beverages, such as coffee, tea, iced tea, or lemonade; fruit; cereal; and baked goods, such as cake, bread, or pie. (Gelov Decl. ¶ 36; Def. Exs. AA, BB, KK, CC 1, CC2, and UUU; Gelov Decl. Ex. A8–9; Fletman Decl. Ex. B9; Hubbs Decl. Ex. D7–9.)

Other Findings of Fact

40. Consumers are generally aware of the name of the store in which they are shopping. (Gelov, 2/7/07 Tr. at 33:6–7.)

41. Consumers are aware that stores have private-label brands that in most cases are merchandised next to the national-brand products. The Heartland store-brand products are merchandised next to the Splenda products. (*Id.* at 33:8–11, Pl. Exs. 140(e), 140(f).)

42. Prices for products are typically prominently displayed. Consumers can, therefore, see the cost difference between store-brands and national-brands. (Gelov, 2/7/07 Tr. at 33:12–14.)

43. Stores use shelf-extenders or shelf-talkers, tags that extend below store aisle shelves and contain promotional messages, to indicate differences between*227 store-brand products and national-brand products. (*Id.* at 33:13–15.)

44. Heartland did not design any of the packaging at issue in this matter. Food Lion designed its own packaging, Ahold designed the Giant, Stop & Shop, and Tops packaging, and Safeway designed its own packaging. Heartland supplied only the net weight, nutritional facts, ingredient statement, and, on the Ahold boxes, the sugar conversion chart. (*Id.* at 8:9–

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12:12.)

45. A 100 count box of Splenda cost approximately \$5.00, while the comparable store-brand sucralose products vary in price and can range from approximately \$4.00 to \$4.60. (Sandler Decl. ¶ 36, Sandler, 1/26/07 Tr. at 68:5–8.)

46. Margaret Grossman, a consumer from Pasadena, California, mistakenly purchased Safeway's "Sucralose" product during a shopping trip in December 2006 during which she intended to purchase Splenda. When Mrs. Grossman purchased the Safeway "Sucralose" product, she was "just buzzing through the market" She did not look at pricing, but rather, she just grabbed the box of "Sucralose" and ran. Mrs. Grossman is a self-described "surgical strike" shopper, intending to shop at a faster rate than other shoppers. She is aware that store-brand products exist; however, she is not aware that they are less expensive than national brand products, and she is not a comparison shopper. Her yearly household income exceeds \$300,000, far above the national median income. She was not wearing her reading glasses during the shopping trip in which she inadvertently purchased the Safeway "Sucralose" product. (Grossman Dep. Tr. at 6:16–22, 7:17–22, 11:23–24, 12:3–5, 13:4–6, 20:8–19, 22:5–21, 34:18–24.)

IV. CONCLUSIONS OF LAW

A. Lanham Act Claim

[3][4] McNeil seeks a preliminary injunction against Heartland pursuant, in part, to its claim brought under Section 43(a)(1)(A) of the Lanham Act. McNeil, therefore, must demonstrate that it is likely to succeed on the merits of this claim. Section 43(a)(1)(A) of the Lanham Act, [15 U.S.C. § 1125\(a\)\(1\)\(A\)](#), provides a private right of action against any person who:

uses in commerce any word, term, name, symbol, or device ... [that] is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person.

[15 U.S.C. § 1125\(a\)\(1\)\(A\)](#). The Lanham Act protects not only words and symbols, but also trade dress. [Rose Art Indus., Inc. v. Swanson](#), 235 F.3d 165, 171 (3d Cir.2000) (citing [Two Pesos, Inc. v. Taco Cabana, Inc.](#), 505 U.S. 763, 765 n. 1, 112 S.Ct. 2753, 120 L.Ed.2d 615 (1992)). To prove a claim of trade dress infringement, a plaintiff must establish the following elements: "[1] the trade dress is distinctive, either because it is inherently distinctive or because it has acquired secondary meaning; [2] the trade dress is nonfunctional; and [3] the defendant's use of plaintiff's trade dress is likely to cause consumer confusion." *Id.* at 172 (quoting [Duraco Prods. v. Joy Plastic Enters.](#), 40 F.3d 1431, 1439 (3d Cir.1994)). Based on the analysis below, we find that McNeil has failed to demonstrate that Heartland's packaging is likely to cause consumer confusion,*228 and consequently, it has failed to establish a likelihood of success on the merits on its Lanham Act claim.

[5][6] The United States Court of Appeals for the Third Circuit has instructed that "a plaintiff may prevail in a trade dress infringement action only if it shows that an appreciable number of ordinarily prudent consumers of the type of product in question are likely to be confused as to the source of the goods." [Versa Prods. Co., Inc. v. Bifold Co. \(Mfg.\) Ltd.](#), 50 F.3d 189, 200 (3d Cir.1995). The Third Circuit has adopted a non-exhaustive test consisting of ten factors, commonly referred to as the *Lapp* factors, to determine the likelihood of consumer confusion between two competing products. [Freedom Card, Inc. v. JPMorgan Chase & Co.](#), 432 F.3d 463, 470–71 (3d Cir.2005) (referring to [Interpace Corp. v. Lapp, Inc.](#), 721 F.2d 460 (3d Cir.1983)).^{FN6} The *Lapp* factors to be used in a trade dress infringement case are:

FN6. The *Lapp* test was developed for "cases of alleged trademark infringement and unfair competition by a producer of a non-competing product." [Fisons Horticulture, Inc. v. Vigoro Indus. Inc.](#), 30 F.3d 466, 473 (3d Cir.1994). The Third Circuit subsequently held that the *Lapp* test "is to be employed when examining both competing and non-competing goods." [A & H Sportswear Inc. v. Victoria's Secret Stores, Inc.](#), 237 F.3d 198, 213 (3d Cir.2000). The Third Circuit has also employed the *Lapp* factors in trade dress infringement actions. [Versa Prods. Co.](#), 50 F.3d at 202–209; see also

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Warner Lambert Co. v. McCrory's Corp., 718 F.Supp. 389, 398 (D.N.J.1989) (applying the Lapp factors in a trade dress infringement case involving allegations that a private-label product's packaging infringed upon the trade dress of a national-brand product).

- (1) the degree of similarity between the owner's [trade dress] and the alleged infringing [trade dress];
- (2) the strength of the owner's [trade dress];
- (3) the price of goods and other factors indicative of the care and attention expected of consumers when making a purchase;
- (4) the length of time the defendant has used the [trade dress] without evidence of actual confusion arising;
- (5) the intent of the defendant in adopting the [trade dress];
- (6) the evidence of actual confusion;
- (7) whether the goods are marketed through the same channels of trade and advertised through the same media;
- (8) the extent to which the parties' sales efforts are the same;
- (9) the relationship of the goods in the minds of consumers because of the similarity of function;
- (10) other factors suggesting that the consuming public might expect the prior owner to manufacture a product in the defendant's market, or that he is likely to expand into that market.

Id. at 171 (quoting Lapp, Inc., 721 F.2d at 463); see also, A & H Sportswear, Inc., 237 F.3d at 211. The Third Circuit has recognized that all Lapp factors may not be relevant in all cases; consequently, the district courts are expected to use the factors that seem appropriate to a given situation. Freedom Card, Inc., 432 F.3d at 471 (quoting A & H Sportswear, 237 F.3d at 215).

1. Factor 1: Similarity of trade Dress

[7][8][9] The similarity of a trade dress is the paramount consideration in product packaging trade dress infringement cases, and “unless the allegedly infringing [trade dress] is substantially similar to the [plaintiff's trade dress], it is highly unlikely that consumers will confuse the product sources” Versa Prods. Co., 50 F.3d at 202. In the trade dress context, “it is the overall physical appearance of the defendant's trade dress which is critical.” *229 CIBA-GEIGY Corp. v. Bolar Pharm. Co., Inc., 747 F.2d 844, 851 (3d Cir.1984) (quotation omitted). The likelihood of confusion cannot be assessed by a side-by-side comparison of the competing product unless that is the way the products are encountered in the marketplace. A & H Sportswear Inc., 237 F.3d at 216 (holding that in trade mark cases “side-by-side comparison of the two marks is not the proper method of analysis when the products are not usually sold in such a fashion”); CIBA-GEIGY Corp., 747 F.2d at 851 (affirming the district court's reasoning that “[r]ealistically the likelihood of confusion cannot be assessed by a side-by-side comparison of the plaintiff's and defendant's products” (quotation omitted)). In this case, consumers encounter Splenda and the Heartland products next to one another on grocery store shelves, and thus, a side-by-side comparison is appropriate. Additionally, in analyzing whether the overall impression of the allegedly infringing trade dress is similar, the court must put itself into the mind of the consumer. CIBA-GEIGY Corp., 747 F.2d at 851.

a. Individual sucralose packets^{FN7}

^{FN7}. (Pl.Exs.1(b), 2(b), 3(b), 6(b); Def. Exs. N, NNN.) See also Appendix to this Memorandum.

We find that each of the Heartland individual packets and the Splenda individual packets are not similar. The individual packets supplied by Heartland to Food Lion, Safeway, and the Ahold stores are yellow like the Splenda individual packets. However, the lettering on the Food Lion package is black, not blue and red like the Splenda packet. Furthermore, the Food Lion packet includes the Food Lion name/logo and has no border, and the product name “Sweet Choice” is in a location different from where the trade name “Splenda” appears on its packets. The

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Safeway packet does contain blue lettering and a blue border like the Splenda packet; however, the packet also prominently displays the product name “Sucralose” and contains the Safeway store name and logo. Finally, the Ahold packet does contain blue lettering like the Splenda packet; however, the packet prominently displays the product name “Sweetener,” does not include a border like the Splenda packet, and includes a banner with the words “Calorie Free.” In addition to the differences just described, none of the store-brand individual packets supplied by Heartland include the slogan “Made From Sugar So It Tastes Like Sugar” that appears on the individual Splenda packets. Because the overall impression of these Heartland products is that they are not similar to the Splenda individual packet, this factor weighs in favor of finding that they are not likely to cause consumer confusion.

b. 100 and 200 count boxes of individual sucralose packets^{FN8}

^{FN8}. (Pl.Exs.1(a), 2(a), 3(a), 6(a), 7(a); Def. Exs. K, L, JJJ, TTT.) See also Appendix to this Memorandum.

As an initial matter, the 200 count box for each of the Heartland products is indistinguishable in size and shape from the 200 count Splenda box, while the 100 count Heartland box is slightly shorter and less deep than the 100 count Splenda box. Additionally, the trade dresses of each store-brand's 100 and 200 count boxes are identical with the exception that the 200 count box is larger in size than the 100 count box.

Both the original Splenda box and the Food Lion box have a yellow background in a mottled effect, contain text in a blue font that increases in intensity from light to dark, include the words “No Calorie *230 Sweetener” beneath the product name, and depict a cup of coffee, pitcher, and glasses of an iced beverage. However, the Food Lion product name “Sweet Choice” is significantly different from the name Splenda, and it is positioned at the bottom of the front panel of the Food Lion box, whereas on the Splenda box, the trade name “Splenda” appears at the top. The positioning of the graphical elements is different on the two boxes. The Food Lion box also contains a vertical element that divides the front of the box into two portions. The left portion is darker than

the right portion, and includes the Food Lion logo and store name at the top. Finally, unlike the Splenda box, the Food Lion box does not depict its product name surrounded by a large white cloud, nor does it contain a circular element with the words “Made From Sugar, Tastes Like Sugar.” Due to these significant differences, we find that both the 100 and 200 count Food Lion “Sweet Choice” boxes are not similar to the comparable Splenda boxes, and therefore, this factor weighs in favor of finding that they are not likely to cause consumer confusion.

The Safeway box, like the Food Lion box, is significantly different from the Splenda box. The background color on the Safeway box is yellow, but there is significantly less yellow on the front of the Safeway box than the Splenda box, and the yellow on the Safeway box is not mottled as it is on the original Splenda box. Like the Splenda box, the Safeway box has lettering primarily printed in blue, contains the words “No Calorie Sweetener” beneath the product name, and depicts a cup of coffee and some individual packets. However, the Safeway product name “Sucralose” is significantly different from the name Splenda, and is positioned at the bottom of the front panel of the Safeway box, whereas on the Splenda box, the trade name “Splenda” appears at the top. Unlike the Splenda box, the Safeway box depicts a bowl of strawberries and a packet caddy containing individual “Sucralose” packets and does not depict an iced beverage of any kind. Additionally, unlike the Splenda box, the Safeway box contains a “S”-shaped element that divides the front of the box, and includes the Safeway name and logo at the bottom of this graphical element. Finally, unlike the Splenda box, the Safeway box does not depict its product name surrounded by a large white cloud, nor does it contain a circular element with the words “Made From Sugar, Tastes Like Sugar.” Due to these significant differences, we find that both the 100 and 200 count Safeway “Sucralose” boxes are not similar to the comparable Splenda boxes, and therefore, this factor weighs in favor of finding that they are not likely to cause consumer confusion.

The Ahold box, like the original Splenda box, has a yellow background, but does not have a mottled effect. The Ahold box also contains lettering primarily printed in blue, and depicts a white coffee cup and saucer, and an iced beverage with slices of lemon, like the Splenda box. Moreover, like the Splenda box,

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the product name on the Ahold box is located at the top-center, in a blue italicized font that increases in intensity from light to dark. However, unlike the Splenda box, the product name on the Ahold box is “Sweetener,” and the store name/logo appears directly above the product name at the top-center. In addition, the store names/logos of the three Ahold stores contain the color red, and stand out among the otherwise yellow and blue color scheme. The placement of the graphical elements is also different on the Ahold box. Finally, unlike the Splenda box, the Ahold box does not depict its product’s name surrounded by a large white cloud, nor does it contain a circular element with the words “Made From Sugar,*²³¹ Tastes Like Sugar.” Though there are several differences between the Ahold and the Splenda boxes, we find that the overall impression of these boxes is that they are similar. We find, therefore, that this factor weighs in favor of finding that they are likely to cause consumer confusion.

c. Bags of granular sucralose^{FN9}

^{FN9}. (Pl.Exs.1(c), 3(c), 7(c); Def. Ex. H.)
See also Appendix to this Memorandum.

The Food Lion bag of granular sucralose, like the original Splenda bag, has a yellow background, contains text in blue font that increases in intensity from light to dark, and includes the words “No Calorie Sweetener” beneath the product name. The front of the Food Lion bag includes a photograph of a bowl of mixed fruit, similar to the refreshed Splenda bag; however, the Food Lion bag depicted a bowl of fruit prior to the launch of the refreshed Splenda bag. The Splenda bag and the Food Lion bag are virtually identical in terms of size and shape; the Food Lion bag is only slightly taller. The Food Lion product name “Sweet Choice” is significantly different from the trade name “Splenda,” and it is positioned at the bottom of the front of the Food Lion bag, whereas the trade name “Splenda” appears at the top of the Splenda bag. Moreover, the Food Lion bag depicts a loaf of banana nut bread, whereas the original Splenda bag depicts a slice of peach pie, and the refreshed Splenda bag contains a slice of mixed berry pie. In addition, unlike the Splenda original bag, the Food Lion bag does not depict a bowl of cereal. The Food Lion bag also contains a vertical design element that divides the front of the bag into two portions. The left portion is darker than the right portion, and includes

the Food Lion logo and store name at the top. Finally, unlike the Splenda bag, the Food Lion bag does not depict its product name surrounded by a large white cloud, nor does it contain a circular element with the words “Made From Sugar, Tastes Like Sugar.” Due to the significant differences between the Food Lion bag of granular sucralose and the Splenda bag of granular sucralose, we find that the overall impression of these bags is that they are not similar, and therefore, this factor weighs in favor of finding that the Food Lion bag is not likely to cause consumer confusion.

The Ahold bag of granular sucralose, like the Splenda bag, has a yellow background, contains text in blue font that increases in intensity from light to dark, and depicts a dessert, and a bowl of cereal with raspberries. The Ahold bag also depicts a cup of coffee similar to that depicted on the refreshed Splenda bag; however, the Ahold bag depicted a cup of coffee prior to the launch of the refreshed Splenda bag. In addition, the Ahold bag, like the Splenda bag, contains a blue banner or flag element that extends from the left edge of the package and contains text in white. The Splenda bag and the Ahold bag are virtually identical in terms of size and shape; the Ahold package is only slightly taller. The product name on the Ahold bag appears at the top-center, like the product name on the Splenda bag; however, the Ahold product name “Sweetener” is significantly different from the trade name “Splenda” and the Ahold store name/logo appears directly above the product name at the top-center. Finally, unlike the Splenda bag, the Ahold bag does not depict its product’s name surrounded by a large white cloud and the Ahold bag does not contain a circular element with the words “Made From Sugar, Tastes Like Sugar.” Although there are several differences between the Ahold and Splenda bags of granular sucralose, we find that the overall impression of these ^{*232} two products is that they are similar, and we conclude that this factor weighs in favor of finding that the Ahold bag is likely to cause consumer confusion.

In summary, we find that the similarity of trade dress factor weighs in favor of finding that there is no likelihood of consumer confusion for all of Heartland’s products except the Ahold 100 and 200 count boxes of individual packets, and the Ahold bag of granular sucralose.

2. Factor 2: Strength of the Splenda trade dress

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The stronger the trade dress, the greater the likelihood there will be consumer confusion when a second comer adopts a substantially similar trade dress. *Versa Prods. Co.*, 50 F.3d at 203. “Strength includes both ‘distinctiveness on the scale of [trade dresses]’ and ‘commercial strength, or marketplace recognition.’ ” *Id.* (quoting *Fisons Horticulture, Inc. v. Vigoro Indus. Inc.*, 30 F.3d 466, 479 (3d Cir.1994)). We find that this factor weighs in favor of McNeil. Splenda has been a remarkable commercial success. In just six years, it has become the leading no-calorie sweetener with approximately 60% of the market and 2006 sales totaling approximately \$410 million. (Sandler, 1/26/07 Tr. at 42:12–45:10.) McNeil has invested \$250 million in promoting and advertising its product in both print and television advertising campaigns. (*Id.* at 54:18–56:24.) McNeil has also provided testimony that the Splenda trade dress appears in all of its television and print advertisements. Contrary to Heartland’s argument, we find that the fact that McNeil has also focused in its advertising campaigns on the slogan “Made From Sugar, Tastes Like Sugar” does not diminish the strength of the Splenda trade dress. Additionally, we find that the strength of Splenda’s trade dress is not diminished by the fact that other sugar and sugar-substitute products in the marketplace use a yellow and blue color scheme, like the color scheme used by Splenda, or that the Splenda trade dress uses certain elements that are common to the trade dress of other sweetener products, such as a cup of coffee, fruit, or baked goods.

3. *Factor 3: The price of goods and other factors indicative of the care and attention expected of consumers in making a purchase*

[10] The likelihood of consumer confusion decreases as the care and attention expected of consumers when making a purchase increases. *Fisons Horticulture, Inc. v. Vigoro Indus. Inc.*, 30 F.3d 466, 476 n. 12 (3d Cir.1994). When items are generally inexpensive, consumers are less likely to devote much time to the purchasing decision. See *Versa Prods. Co.*, 50 F.3d at 204 (“Inexpensive goods require consumers to exercise less care in their selection than expensive ones.”); *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 248 (3d Cir.2005) (Fisher, J., dissenting) (“The cheaper the goods or the less sophisticated the consumers, the more likely that a use may confuse.”); see also *McCarthy on Trademarks and Unfair Competition* § 23:95 (same). In this case, the price of a 100 count Splenda box is approx-

imately \$5.00 dollars, and the price of the store-brand 100 count boxes ranges from \$4.00 to \$4.60. McNeil relies solely on the relatively low cost of the Splenda and Heartland products to argue that this factor weighs in its favor. However, when considering this factor, we utilize other indicators of the care and attention that consumers use when making a purchase in addition to price. For example, the Third Circuit has instructed that “[t]he more important the use of the product, the more care that must be exercised in its selection.” *Versa Prods. Co.*, 50 F.3d at 204. *233 Sugar substitutes are purchased by consumers for a variety of reasons including: blood-sugar disorders, including [diabetes](#); [obesity](#); weight loss; fitness; and [tooth decay](#). (Canaan Decl. ¶ 24, Gelov Decl. ¶ 18.) Because consumers choose to purchase no calorie sweeteners for health, fitness, and dietary considerations, we find that the level of care and attention a consumer would use when making a purchase of the products at issue in this case is heightened. Consequently we find that McNeil has failed to demonstrate that this factor weighs in its favor even though these items are relatively inexpensive.

4. *Factors 4 & 6: The length of time without evidence of actual confusion; and evidence of actual confusion*

[11] The fourth and sixth factors are related and are often examined together. See *Kos Pharms., Inc. v. Andrx Corporation*, 369 F.3d 700, 717 (3d Cir.2004); *Versa Prods. Co.* 50 F.3d at 205. When considering the fourth factor, we examine whether the allegedly infringing product has been in the marketplace “for a sufficient period of time without evidence of consumer confusion about the source of the product.” *Kos Pharms., Inc.*, 369 F.3d at 717. When considering the sixth factor, we examine “evidence of actual confusion.” *Id.* “[P]roof of actual confusion is not required for a successful claim of trade dress infringement under the Lanham Act.” *Versa Prods. Co.*, 50 F.3d at 205 (citing *Ford Motor Co. v. Summit Motor Products, Inc.*, 930 F.2d 277, 292 (1991)). “If a defendant’s product has been sold for an appreciable period of time without evidence of actual confusion, one can infer that continued marketing will not lead to consumer confusion in the future. The longer the challenged product has been in use, the stronger this inference will be.” *Id.* Conversely, “lack of evidence of actual confusion (at least where the time period that the two products have been in competition is short ...) does not raise the inference that there is no likelihood of confusion.” *Id.* (internal citation omitted). In cases where the products at issue are

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relatively inexpensive, consumers may not be willing to take the time to report incidents of actual confusion. See *Fisons*, 30 F.3d at 476 n. 12 (“Because the products at issue represent a small investment for the consumer, this may not be a case in which actual confusion would readily manifest itself to a manufacturer.”); *Beer Nuts v. Clover Club Foods Co.*, 805 F.2d 920, 928 (10th Cir.1986) (“Purchasers are unlikely to bother to inform the trademark owner when they are confused about an inexpensive product.”). A plaintiff seeking to protect its trade dress does not need to wait for there to be evidence of actual confusion before seeking to protect its rights under the Lanham Act. See *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867, 875 (2d Cir.1986) (explaining that, in cases where an infringing product has been on the market for only a short period of time, and there has been little chance for actual confusion, “[i]t would be unfair to penalize [a plaintiff] for acting to protect its trademark rights before serious damage has occurred”); see also *DeCosta v. CBS, Inc.*, 520 F.2d 499, 514 (1st Cir.1975) (holding that, in a trademark infringement case, “plaintiff should not be expected to stand by and await the dismal proof”).

In this case, McNeil asserts that it has produced evidence of actual consumer confusion. McNeil presented the testimony of Margaret Grossman, a consumer from Pasadena, California. Mrs. Grossman testified that, in December 2006, during a shopping trip in which she intended to purchase Splenda, she mistakenly purchased Safeway’s “Sucralose.” (Grossman *234 Dep. Tr. at 6:16–22.) She continued to use the product for three weeks before noticing that the product was Safeway’s “Sucralose.” (*Id.* at 7:17–21.) We find that Mrs. Grossman’s testimony fails to demonstrate that the ordinarily prudent consumer would be confused by Heartland’s packaging. Mrs. Grossman testified that when she mistakenly purchased the Safeway “Sucralose” product she was “just buzzing through the market ...,” and further stated, “I bought what I thought was a Splenda box ... I did not look at pricing. I just grabbed the box and ran.” (*Id.* at 11:23–24, 12:3–5.) She described herself as a “surgical strike” shopper, intending to shop at a faster rate than other shoppers. (*Id.* at 20:8–19.) While Mrs. Grossman is aware that the store-brand products exist, she is not aware that they are less expensive than national brand products, and she is not a comparison shopper. (*Id.* at 13:4–6; 22:18–21; 20:9–10.) Mrs. Grossman’s yearly household income exceeds \$300,000, far above the national me-

dian income. (*Id.* at 22:5:12.) Finally, it is unclear from the record how good Mrs. Grossman’s eyesight is without her reading glasses, which she was not wearing during the shopping trip in which she inadvertently purchased the Safeway “Sucralose” product. (*Id.* at 34:18–24.) ^{FN10} McNeil has produced no evidence of actual consumer confusion, other than Mrs. Grossman’s testimony. Thus, factor six weighs in favor of finding that the Heartland products are not likely to cause consumer confusion.

^{FN10} Mrs. Grossman testified that it would have been difficult in the supermarket for her to read the pricing information on the store shelf without her reading glasses. (Grossman Dep. Tr. at 35:7–7–8.) Additionally, in preparation for her deposition, Mrs. Grossman purchased a 400 count box of Splenda because she thought her usual 200 count box was not available. However, during a deposition, when looking at a picture she herself took of the shelf on which the 400 count box was located, she noticed for the first time that the 200 count box was on the shelf and available for purchase. (*Id.* at 39:14–21.)

Heartland’s allegedly infringing products were introduced in mid–2006. This relatively short period of time and the fact that the products at issue are inexpensive, may explain why McNeil has not been able to produce credible evidence of actual consumer confusion. Therefore, even though McNeil has not produced any evidence of actual consumer confusion, we find it inappropriate to draw an inference that it is unlikely to be able to do so. Consequently, we find that factor four does not favor Heartland or McNeil.

5. Factor 5: Intent of the defendant in adopting the trade dress

“A defendant’s intent to confuse or deceive consumers as to the product’s source may be highly probative of likelihood of confusion.” *Versa Prods. Co.*, 50 F.3d at 205 (citing cases). McNeil argues that Heartland’s intent to mimic the Splenda trade dress can be inferred from the “striking similarity” between Heartland’s packaging and the Splenda trade dress. However, courts do not focus on the defendant’s intent to mimic, but rather on whether the defendant had an intent to confuse. *Id.* While it is obvious that the trade dress of the store-brand sucralose products

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is intended to suggest the Splenda trade dress, McNeil presents no evidence that Heartland intended to confuse consumers into buying the store-brand products because they thought it was Splenda. Heartland notes that, in the private-label industry, manufacturers of private-label products use reference points (i.e. tools for making comparisons such as similar color, shapes, and sizes to the comparable national-brand product, and “compare to” statements) on their private-label products in order to inform consumers *235 about the existence of the alternative store-brand products. Heartland argues that this was the intent behind the packaging of the store-brand sucralose products, and that it did not intend to confuse consumers. (Gelov Decl. ¶¶ 14, 46.) Heartland also presented testimony that the intention of the stores in developing store-brand products is not to confuse consumers, but rather is to enhance the retailer's image, to strengthen its relationship with consumers, and to build consumer loyalty to a particular store. (Canaan Decl. ¶ 19, Canaan, 1/27/07 Tr. at 205:10–14.) In light of this evidence, we are not persuaded that we should infer an intent to confuse from the fact that the store-brand's trade dress suggests the Splenda trade dress. Consequently, we find that this factor weighs in favor of finding that there is no likelihood of consumer confusion.

6. Factors 7, 8 & 9: Channels of trade and advertising; targets of the parties' sales efforts; similarity of the function of the goods

Under the seventh factor, we examine “whether the goods ... are marketed through the same channels of trade and advertised through the same media.” [Versa Prods. Co., 50 F.3d at 208](#). Under the eighth factor, we examine “[t]he extent to which the targets of the parties' sales efforts are the same.” *Id.* Under the ninth factor, we examine “the relationship of the goods in the minds of the public because of the similarity of function.” *Id.* We find that these factors weigh in favor of finding a likelihood of confusion. Splenda and the comparable store-brand sucralose products are marketed through the same channels. They appear next to each other on grocery store shelves, and are even sometimes interspersed. (Pl.Exs.140(e), 140(f).) Considering that the products appear side-by-side, we find that McNeil and the relevant stores are targeting the same consumers, namely consumers seeking a sugar substitute. We find unpersuasive Heartland's claim that the store-brand sales efforts target only consumers who are willing to buy store-brand products because they be-

lieve they are as good as national-brand products and/or they wish to save money. Finally, the two products are functionally equivalent. We find, therefore, that these factors weigh in favor of finding that the Heartland products are likely to cause consumer confusion.

7. Factor 10: Other factors suggesting that the consuming public might expect the prior owner to manufacture a product in the defendant's market, or that he is likely to expand into that market

This factor is “highly context-dependant,” [Kos Pharms., Inc., 369 F.3d at 724](#), and in assessing this factor, we look at “the nature of the products or the relevant market, the practices of other companies in the relevant fields, or any other circumstances that bear on whether consumers might reasonably expect both products to have the same source.” *Id.* (citing cases).

McNeil contends that, because of the similarities between the Heartland packaging and the Splenda trade dress, there is likely to be confusion as to affiliation or sponsorship. McNeil contends that there are numerous examples of partnerships and cross-promotions in today's marketplace, and a consumer seeing the Heartland's store-brand sucralose products may believe that Splenda is making a store-brand sucralose product on behalf of the retailer, or that McNeil is sponsoring or is in some way associated with the Heartland products. McNeil has presented no evidence that consumers, when they see the Heartland products, actually believe that the product is associated through some sort of affiliation or sponsorship with *236 McNeil's Splenda product. For this reason, we believe that this contention is speculative, and fails to support McNeil's argument that there is a likelihood of consumer confusion.

McNeil also maintains that consumers encountering Heartland's store-brand sucralose products are likely to experience initial interest confusion. Initial interest confusion occurs “ ‘when a consumer is lured to a product by its similarity to a known mark, even though the consumer realizes the true identity and origin of the product before consummating the purchase.’ ” [Checkpoint Sys. Inc. v. Check Point Software, 269 F.3d 270, 294 \(3d Cir.2001\)](#) (quoting [Eli Lilly & Co. v. Natural Answers, Inc., 233 F.3d 456, 464 \(7th Cir.2000\)](#)). The Third Circuit has stated that “initial interest confusion is probative of a Lanham

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Act violation.” *Id.* As discussed above, even though there are some Heartland products that have a similar appearance to a comparable Splenda product, there are significant distinctions between the Heartland products and the Splenda products. There are also other factors that dispel the likelihood of initial interest confusion between Splenda and the store-brand products in this case. Consumers are highly aware of the existence of store-brand products; when they are shopping in a particular store they are aware of the store's name; each of the Heartland products on sale in grocery stores displays the store name/logo; the Heartland and Splenda products typically appear next to each other; and there are other signals to the consumer on grocery store shelves, such as price differentials and shelf-talkers inviting consumer to compare and save, that indicate to the consumer that the Heartland and Splenda products are not the same.^{FN11} Additionally, McNeil has failed to produce any evidence of a consumer who experienced initial interest confusion or any other evidence from which we can infer that initial interest confusion is likely to occur. For these reasons, we find that McNeil has failed to demonstrate that the Heartland products are likely to cause initial interest confusion.

^{FN11} McNeil argues that the Lanham Act provides no exception for private-label products. We agree that there is no exception for private-label products in the Lanham Act or in cases interpreting it. Makers of private-label products are subject to the same standard as makers of generally available products. This standard is that the defendant's trade dress, among other requirements, must not be likely to cause consumer confusion. *Rose Art Indus.*, 235 F.3d at 171. However, although there is no exception for the private-label industry, consumers' awareness and experiences with the private-label industry influences whether they are likely to be confused when they encounter a private-label product in the marketplace. See *Warner Lambert Co. v. McCrory's Corp.*, 718 F.Supp. 389, 398–99 (D.N.J.1989) (stating in its analysis of the likelihood of consumer confusion that “[t]he Court takes cognizance of the fact that a McCrory's shopper, as with any shopper in such a retail store chain, has likely been exposed to generic and discount house brands before, and when walking through a McCrory's store and ob-

serving the many ‘compare and save’ signs, is not likely to be misled by the McCrory's mouthwash brand.”).

[12] Finally, McNeil argues that Heartland's individual packets are likely to cause post-sale confusion. The post-sale confusion theory “presumes that ‘the senior users potential purchasers or ongoing customers might mistakenly associate the inferior quality work of the junior user with the senior user and, therefore, refuse to deal with the senior user in the future.’ ” *Gucci Am. Inc. v. Daffy's, Inc.*, 354 F.3d 228, 234 (3d Cir.2003) (quoting *Axiom Corp. v. Axiom, Inc.*, 27 F.Supp.2d 478, 497 (D.Del.1998)). Therefore, the post-sale confusion theory requires consumers (1) to mistakenly believe that the allegedly infringing product is the plaintiff's*237 product, (2) to find the allegedly infringing product to be inferior, and (3) to refuse to deal with the plaintiff in the future, as a result of the inferiority of the allegedly infringing product. As discussed above, we find that the store-brand individual packets are not similar to the individual Splenda packets. McNeil has not presented any other evidence that the Heartland packets have confused consumers, nor has it offered evidence that consumers have found Heartland's products to be inferior to Splenda. Therefore, we find that McNeil has failed to present evidence demonstrating that it is likely to succeed on the merits under this theory.

8. Conclusion

Even though some of the packaging of the Heartland products is similar to the comparable Splenda product, after carefully considering the various factors discussed above, we find that McNeil has failed to demonstrate that the Heartland packaging of any of the products at issue in this case is likely to cause consumer confusion in an appreciable number of ordinarily prudent consumers. Because McNeil has not demonstrated the likelihood of consumer confusion, we need not address the remaining elements of a Lanham Act violation. We conclude that McNeil has failed to satisfy its burden of demonstrating that it is likely to be successful on the merits of its Lanham Act claim, and therefore, we deny McNeil's Motion for a Preliminary Injunction with respect to this claim.

B. Pennsylvania Anti-Dilution Claim

McNeil also seeks a preliminary injunction pursuant to its claim brought under the Pennsylvania

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anti-dilution statute, [54 Pa. Cons.Stat. Ann. § 1124](#). The Pennsylvania anti-dilution statute provides in pertinent part:

The owner of a mark which is famous in this Commonwealth shall be entitled, subject to the principles of equity ... to an injunction against another person's commercial use of a mark or trade name if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark and to obtain such other relief as is provided in this section

[54 Pa. Cons.Stat. Ann. § 1124](#). The wording of the Pennsylvania anti-dilution statute is taken almost verbatim from the federal anti-dilution statute. [Strick Corp. v. Strickland](#), 162 F.Supp.2d 372, 378 n. 10 (E.D.Pa.2001). The United States Supreme Court has interpreted the federal anti-dilution statute as requiring evidence of actual dilution. [Moseley v. V Secret Catalogue, Inc.](#), 537 U.S. 418, 433, 123 S.Ct. 1115, 155 L.Ed.2d 1 (2003). Following the Supreme Court decision in [Moseley](#), Congress amended the Federal Trademark Dilution Act (FDTA), effective October 6, 2006, (the "amendment") so that an owner of a famous mark can obtain an injunction against the user of a mark that is "likely to cause dilution" of the famous mark. [15 U.S.C. § 1125\(c\)\(1\)](#); see also [Starbucks Corp. v. Wolfe's Borough Coffee, Inc.](#), 477 F.3d 765, 766 (2d Cir.2007).

[13] McNeil argues that because the federal law has been modified to require only a showing that the infringing mark is *likely* to cause dilution, we should interpret the Pennsylvania anti-dilution statute as similarly requiring only a showing of a likelihood of dilution and not actual dilution. We find this argument to be without merit. While the Pennsylvania Supreme Court has not ruled on whether actual dilution must occur in order to establish a claim under the Pennsylvania anti-dilution statute, numerous courts have found the requirements for establishing a dilution *238 claim under the Pennsylvania and federal law (prior to the amendment) to be identical, [Scott Fetzer Co. v. Gehring](#), 288 F.Supp.2d 696, 702 n. 9 (E.D.Pa.2003); [Strick Corp.](#), 162 F.Supp.2d at 378; [World Wrestling Fed'n Entm't, Inc. v. Big Dog Holdings](#), 280 F.Supp.2d 413, 443 (W.D.Pa.2003), and that the Pennsylvania anti-dilution law, like the federal law (prior to the amendment) requires a showing of actual dilution. [Scott Fetzer Co.](#), 288 F.Supp.2d at

[702 n. 9](#). No amendment to the Pennsylvania anti-dilution statute corresponding to the federal amendment to the FDFTA has been enacted. Consequently, to succeed on a claim under the Pennsylvania anti-dilution statute, a plaintiff must still demonstrate actual dilution. In this case, McNeil has not presented any evidence of actual dilution. Consequently, we find that McNeil has failed to demonstrate that it is likely to succeed on the merits of this claim and its request for a preliminary injunction with respect to this claim is also denied.

An appropriate order follows.

ORDER

AND NOW, this 21st day of May 2007, upon consideration of Plaintiff's Motion for Preliminary Injunction (Docket No. 5), Defendants' response thereto, the evidentiary hearing held on January 26, 2007 and February 7, 2007, oral argument held on March 13, 2007, and all papers filed in connection therewith, **IT IS HEREBY ORDERED** that Plaintiff's Motion is **DENIED**. **IT IS FURTHER ORDERED** that Defendants' Motion for Leave to File Supplementation to the Record (Docket No. 49) is **DISMISSED AS MOOT**.

E.D.Pa., 2007.
McNeil Nutritionals, LLC v. Heartland Sweeteners LLC
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H

United States District Court,
S.D. New York.

PFIZER INC., Plaintiff,
v.
PERRIGO COMPANY and L. Perrigo Company,
Defendants.

No. 95 Civ. 5072(DC).
Dec. 19, 1997.

Manufacturer of pre-brushing dental rinse brought action for patent infringement and trade dress infringement against competitor. Following return of jury verdict for manufacturer in part and for competitor in part, manufacturer moved for permanent injunctive relief. The District Court, Chin, J., held that: (1) patent was valid; (2) manufacturer was entitled to injunction against patent infringement; and (3) manufacturer was not entitled to injunctive relief on claim of trade dress infringement.

Motion for permanent injunctive relief granted in part and denied in part.

West Headnotes

[1] Patents 291 312(4)

[291 Patents](#)
[291XII Infringement](#)
[291XII\(B\) Actions](#)
[291k312 Evidence](#)
[291k312\(3\) Weight and Sufficiency](#)
[291k312\(4\) k. Degree of proof; prima facie case. Most Cited Cases](#)

Challenger has burden of proving invalidity of patent by clear and convincing evidence. [35 U.S.C.A. § 282](#).

[2] Patents 291 16(3)

[291 Patents](#)
[291II Patentability](#)
[291III\(A\) Invention; Obviousness](#)
[291k16 Invention and Obviousness in Gen-](#)

eral

[291k16\(3\) k. View of person skilled in art. Most Cited Cases](#)

Patents 291 16.5(1)

[291 Patents](#)
[291II Patentability](#)
[291III\(A\) Invention; Obviousness](#)
[291k16.5 State of Prior Art and Advancement Therein](#)
[291k16.5\(1\) k. In general. Most Cited Cases](#)

Patents 291 36(1)

[291 Patents](#)
[291II Patentability](#)
[291III\(A\) Invention; Obviousness](#)
[291k36 Weight and Sufficiency](#)
[291k36\(1\) k. In general. Most Cited Cases](#)

In determining obviousness of invention for which patent is sought, court is to consider such factors as: (1) scope and content of prior art; (2) level of ordinary skill in the art; (3) differences between claimed subject matter and prior art; and (4) objective evidence of nonobviousness. [35 U.S.C.A. § 103](#).

[3] Patents 291 36.1(2)

[291 Patents](#)
[291II Patentability](#)
[291III\(A\) Invention; Obviousness](#)
[291k36 Weight and Sufficiency](#)
[291k36.1 Secondary Factors Affecting Invention or Obviousness](#)
[291k36.1\(2\) k. Imitation or copying. Most Cited Cases](#)

Patents 291 36.1(3)

[291 Patents](#)
[291II Patentability](#)
[291III\(A\) Invention; Obviousness](#)
[291k36 Weight and Sufficiency](#)
[291k36.1 Secondary Factors Affecting Invention or Obviousness](#)

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[291k36.1\(3\)](#) k. Longstanding need and solution to problems. [Most Cited Cases](#)

Patents 291  **36.1(4)**

[291](#) Patents

[291III](#) Patentability

[291III\(A\)](#) Invention; Obviousness

[291k36](#) Weight and Sufficiency

[291k36.1](#) Secondary Factors Affecting Invention or Obviousness

[291k36.1\(4\)](#) k. Failure of others.

[Most Cited Cases](#)

Patents 291  **36.2(1)**

[291](#) Patents

[291III](#) Patentability

[291III\(A\)](#) Invention; Obviousness

[291k36](#) Weight and Sufficiency

[291k36.2](#) Commercial Success

[291k36.2\(1\)](#) k. In general. [Most](#)

[Cited Cases](#)

“Objective”-or secondary-evidence of nonobviousness of patent includes evidence of copying, commercial success, failure of others, and long felt but unresolved need for product. [35 U.S.C.A. § 103](#).

[4] Patents 291  **16.25**

[291](#) Patents

[291III](#) Patentability

[291III\(A\)](#) Invention; Obviousness

[291k16.25](#) k. Chemical compounds. [Most](#)

[Cited Cases](#)

Patent for pre-brushing dental rinse was not invalid for obviousness; none of the prior art references disclosed rinse that included both lauryl sulfate and tetrasodium pyrophosphate, none of the prior art references addressed problem of low temperature instability or low temperature precipitation or flocculation, alleged infringer resorted to copying patented rinse, patented rinse was a commercial success, and other companies had tried but failed to develop comparable product. [35 U.S.C.A. § 103](#).

[5] Patents 291  **101(6)**

[291](#) Patents

[291IV](#) Applications and Proceedings Thereon

[291k101](#) Claims

[291k101\(6\)](#) k. Ambiguity, uncertainty or indefiniteness. [Most Cited Cases](#)

To determine whether patent claim is indefinite, court must consider whether one skilled in the art would understand bounds of claim when read in light of specification. [35 U.S.C.A. § 112](#).

[6] Patents 291  **101(6)**

[291](#) Patents

[291IV](#) Applications and Proceedings Thereon

[291k101](#) Claims

[291k101\(6\)](#) k. Ambiguity, uncertainty or indefiniteness. [Most Cited Cases](#)

Patent for pre-brushing dental rinse was not invalid for indefiniteness, even though rinse's pH range could have been broader than that claimed. [35 U.S.C.A. § 112](#).

[7] Patents 291  **99**

[291](#) Patents

[291IV](#) Applications and Proceedings Thereon

[291k99](#) k. Description of invention in specification. [Most Cited Cases](#)

[Most Cited Cases](#)

Patent for pre-brushing dental rinse met enablement requirement; inventors had not eliminated disodium pyrophosphate from formula, as claimed by alleged infringer. [35 U.S.C.A. § 112](#).

[8] Patents 291  **97.11**

[291](#) Patents

[291IV](#) Applications and Proceedings Thereon

[291k97.7](#) Unenforceability of Patent; Inequitable Conduct or Fraud on Office

[291k97.11](#) k. Misrepresentation of material fact. [Most Cited Cases](#)

(Formerly 291k97)

Patents 291  **97.12**

[291](#) Patents

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[291IV](#) Applications and Proceedings Thereon
[291k97.7](#) Unenforceability of Patent; Inequitable Conduct or Fraud on Office
[291k97.12](#) k. Failure to disclose material information. [Most Cited Cases](#)
(Formerly 291k97)

Patent for pre-brushing dental rinse was not invalid on ground of inequitable conduct during prosecution; patentee did not intentionally withhold material information, did not intentionally submit any material false information, and did not at any time act with intent to deceive.

[9] Patents 291  **317**

[291](#) Patents
[291XII](#) Infringement
[291XII\(B\)](#) Actions
[291k317](#) k. Permanent injunction. [Most Cited Cases](#)

Patentee was entitled to permanent injunction against infringement of its patent for pre-brushing dental rinse, even though infringer reformulated its product to make it less similar to claimed product.

[10] Jury 230  **14.5(2.1)**

[230](#) Jury
[230II](#) Right to Trial by Jury
[230k14.5](#) Multiple Parties or Issues
[230k14.5\(2\)](#) Joinder of Legal and Equitable Issues
[230k14.5\(2.1\)](#) k. In general. [Most Cited Cases](#)

Where party asserts both legal and equitable claims that have common issues of fact, and jury trial has been properly demanded, parties are entitled to have legal claims tried to jury.

[11] Federal Civil Procedure 170A  **2197**

[170A](#) Federal Civil Procedure
[170AXV](#) Trial
[170AXV\(H\)](#) General Verdict
[170Ak2197](#) k. Construction and operation. [Most Cited Cases](#)

In trying equitable claims after jury has decided legal claims, court may not reject jury's determination of facts essential to both legal and equitable claims.

[12] Federal Civil Procedure 170A  **2197**

[170A](#) Federal Civil Procedure
[170AXV](#) Trial
[170AXV\(H\)](#) General Verdict
[170Ak2197](#) k. Construction and operation. [Most Cited Cases](#)

Where jury renders what amounts to general verdict, evidence is to be construed and reasonable inferences drawn in favor of prevailing party, at least with respect to facts essential to jury's verdict.

[13] Trademarks 382T  **1696**

[382T](#) Trademarks
[382TIX](#) Actions and Proceedings
[382TIX\(E\)](#) Trial and Judgment
[382Tk1696](#) k. Findings. [Most Cited Cases](#)
(Formerly 382k706 Trade Regulation)

General jury verdict in favor of alleged trade dress infringer did not preclude court, in considering motion for injunctive relief, from finding likelihood of confusion.

[14] Trademarks 382T  **1714(6)**

[382T](#) Trademarks
[382TIX](#) Actions and Proceedings
[382TIX\(F\)](#) Injunctions
[382Tk1712](#) Permanent Injunctions
[382Tk1714](#) Grounds and Subjects of Relief
[382Tk1714\(6\)](#) k. Trade dress. [Most Cited Cases](#)
(Formerly 382k620 Trade Regulation)

To obtain injunctive relief in action for trade dress infringement, plaintiff need only prove likelihood of confusion, not actual confusion.

[15] Trademarks 382T  **1063**

[382T](#) Trademarks

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[382TII](#) Marks Protected
[382Tk1061](#) Form, Features, or Design of Product as Marks; Trade Dress
[382Tk1063](#) k. Distinctiveness; secondary meaning. [Most Cited Cases](#)
(Formerly 382k43 Trade Regulation)

Trade dress is protectible if it is inherently distinctive or has acquired secondary meaning.

[16] Trademarks 382T 1065(2)

[382T](#) Trademarks
[382TII](#) Marks Protected
[382Tk1061](#) Form, Features, or Design of Product as Marks; Trade Dress
[382Tk1065](#) Particular Cases or Products
[382Tk1065\(2\)](#) k. Distinctiveness; secondary meaning. [Most Cited Cases](#)
(Formerly 382k43 Trade Regulation)

Trade dress of pre-brushing dental rinse was arbitrary and fanciful and was thus entitled to protection; manufacturer chose design that combined vertical logo, stippling, small colored blocks, blue, yellow and white color scheme, and clear rectangular flask-like bottle with white cap.

[17] Trademarks 382T 1065(2)

[382T](#) Trademarks
[382TII](#) Marks Protected
[382Tk1061](#) Form, Features, or Design of Product as Marks; Trade Dress
[382Tk1065](#) Particular Cases or Products
[382Tk1065\(2\)](#) k. Distinctiveness; secondary meaning. [Most Cited Cases](#)
(Formerly 382k478 Trade Regulation)

Trade dress of pre-brushing dental rinse had acquired secondary meaning and was thus entitled to protection; rinse had been widely advertised, manufacturer spent over \$100,000 on redesign of trade dress, manufacturer embarked on advertising campaign that highlighted new trade dress, millions of bottles had been sold, and competitor sought to mimic manufacturer's trade dress.

[18] Trademarks 382T 1118

[382T](#) Trademarks
[382TIII](#) Similarity Between Marks; Likelihood of Confusion
[382Tk1117](#) Trade Dress
[382Tk1118](#) k. In general. [Most Cited Cases](#)
(Formerly 382k334.1 Trade Regulation)

In trade dress infringement action, likelihood of confusion exists when appreciable number of ordinarily prudent purchasers are likely to be misled, or indeed simply confused, as to source of goods in question.

[19] Trademarks 382T 1118

[382T](#) Trademarks
[382TIII](#) Similarity Between Marks; Likelihood of Confusion
[382Tk1117](#) Trade Dress
[382Tk1118](#) k. In general. [Most Cited Cases](#)
(Formerly 382k334.1 Trade Regulation)

Factors usually used to evaluate likelihood of confusion in trade dress case are: (1) strength of plaintiff's trade dress; (2) degree of similarity between the two competing trade dresses; (3) proximity of the products in market place; (4) likelihood senior user will bridge gap between the two products; (5) evidence of actual confusion; (6) junior user's good faith in adopting trade dress; (7) quality of junior user's product; and (8) sophistication of relevant consumer group.

[20] Trademarks 382T 1704(10)

[382T](#) Trademarks
[382TIX](#) Actions and Proceedings
[382TIX\(F\)](#) Injunctions
[382Tk1701](#) Preliminary or Temporary Injunctions
[382Tk1704](#) Grounds and Subjects of Relief
[382Tk1704\(10\)](#) k. Trade dress. [Most Cited Cases](#)
(Formerly 382k621.1 Trade Regulation)

Manufacturer of pre-brushing dental rinse failed to show likelihood of confusion with competitor's products and was thus not entitled to injunctive relief on claim of trade dress infringement, even though

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competitor's business was to mimic national brand products; competitor's trade dress was similar but did use some different features, differences in trade dress were apparent when compared side by side, there was no credible evidence of actual confusion, and competitor did not act in bad faith. Lanham Trade-Mark Act, § 34(a), [15 U.S.C.A. § 1116\(a\)](#).

Patents 291 328(2)

[291](#) Patents

[291XIII](#) Decisions on the Validity, Construction, and Infringement of Particular Patents

[291k328](#) Patents Enumerated

[291k328\(2\)](#) k. Original utility. [Most Cited Cases](#)

[5.338.538](#). Valid and infringed.

*[688](#) Hopgood, Calimafde, Kalil & Judlowe by [Stephen B. Judlowe](#), [William G. Todd](#), [Porter F. Fleming](#), [Eve Kunen](#), [Jason A. Lief](#), [Scott J. Bornstein](#), New York City and [Paul H. Ginsburg](#), [Grover F. Fuller, Jr.](#), [Arthur A. Silverstein](#), Pfizer Inc., New York City, for plaintiff.

Carella, Byrne, Baine, Gilfillan, Cecchi, Stewart & Olstein by [John G. Gilfillan III](#), Roseland, NJ, Price, Heneveld, Cooper, DeWitt & Litton by [Randall G. Litton](#), [James A. Mitchell](#), [Harold W. Reick](#), [Barry C. Kane](#), Grand Rapids, MI, Serchuck & Zelermyer by [Wesley Chen](#), New York City, for defendants.

OPINION

CHIN, District Judge.

After a three-week trial in this case, the jury returned a verdict in favor of plaintiff Pfizer Inc. (“Pfizer”) on its claim that defendants Perrigo Company and L. Perrigo Company (together, “Perrigo”) infringed its [patent no. 5,338,538 \(the “’538 Patent”\)](#) under the “doctrine of equivalents.” The jury awarded Pfizer compensatory damages in the amount of \$1,500,000. The jury also returned a verdict in favor of Perrigo finding that Pfizer had failed to prove either “literal infringement” of [the ’538 Patent](#) or infringement of the trade dress of Pfizer's Advanced Formula PLAX® product.

Certain claims were reserved for decision by the Court following the jury's verdict. These are Perrigo's

claims that [the ’538 Patent](#) is invalid and unenforceable and Pfizer's request for permanent injunctive relief with respect to both patent and trade dress infringement.

For the reasons that follow, Perrigo's defenses of invalidity and unenforceability are rejected. Pfizer's request for permanent injunctive relief is granted as to its patent infringement claim but denied as to its trade dress infringement claim. Pursuant to [Fed.R.Civ.P. 52](#), the following constitute my findings of fact and conclusions of law on the non-jury issues.

THE FACTS

A. The Parties

Pfizer manufactures and sells national brand non-prescription personal care products, including Advanced Formula PLAX®, a pre-brushing dental rinse that loosens plaque on teeth. Pfizer engages in extensive research*[689](#) to develop and improve its products, and it supports its products-including PLAX®)-with substantial advertising.

Perrigo produces and sells private label personal care products, including its own version of a plaque-loosening pre-brushing dental rinse, called “Anti-Plaque.” Perrigo's products are sold to supermarket and drug store chains as well as independent stores and pharmacies under private labels. These private labels sometimes bear the name of the store or chain (*e.g.*, Revco, Food Lion, Price Chopper) and sometimes they bear a house brand name (*e.g.*, Equate, Good Sense).

Perrigo does not engage in “primary research” to develop new products, but instead “focuse[s] on developing store brand products equivalent in formulation, quality and efficacy to existing national brand products.” (PX 204, at 8). Likewise, Perrigo does not engage in any substantial advertisement of its products.

B. PLAX® and Anti-Plaque

1. Original PLAX®

PLAX® was created by Pfizer's predecessor-in-interest, Oral Research Laboratories (“ORL”), in the mid-1980's. The original PLAX® was sold in a clear bottle with a white top, with a label that was clear

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except for horizontal white lettering and a horizontal blue strip across the middle. Soon thereafter, Perrigo came out with its Anti-Plaque product, sold in trade dress similar to Pfizer's PLAX® trade dress: a similarly shaped clear bottle with a white top, with a label that was clear except for horizontal white lettering and some horizontal blue lettering across the middle. (See PX 56, 57). Moreover, the formula for Perrigo's product was a copy of the formula for original PLAX®, and the two products were sold in an identical red color.

In 1988, Pfizer sued Perrigo for patent and trade dress infringement in the United States District Court for the District of New Jersey. A motion for a preliminary injunction was granted enjoining Perrigo from using 14 of its Anti-Plaque labels, as Judge Bissell found a likelihood of confusion; the motion was denied as to 8 labels.

The New Jersey case was settled in 1991, with Perrigo admitting that it had infringed ORL's patents. (PX 41). Although the parties agreed that a certain bottle was "acceptable" and could be used by Perrigo (which is the bottle Perrigo is still using), Perrigo also agreed to make a "substantial modification" to its container "so that Perrigo's product no longer creates the same overall commercial impression as ORL's PLAX, and is immediately distinguishable from PLAX by consumers." (*Id.*).

2. The New Trade Dress for Original PLAX®

Thereafter, Pfizer wanted "to create a package for PLAX that would better distinguish it from the private label products made specifically ... by Perrigo." (Tr. at 98). This effort started in 1992. Although Pfizer was exploring a re-formulation of PLAX® at the time, Pfizer decided to change its trade dress without waiting for the reformulation process to be completed, because it wanted to "clearly distinguish" its product from the "private label knock-offs." (Tr. at 100).

A new trade dress was created and Pfizer started shipping original PLAX® in the new trade dress in 1992 and early 1993. (See *id.*). The new trade dress included a new logo with a distinctive blue and white vertical box on the left side of the bottle. (See PX 56).

3. Advanced Formula PLAX®

In January 1994, after extensive research and de-

velopment,^{FN1} Pfizer introduced Advanced Formula PLAX®, which contained a new ingredient-tetrasodium pyrophosphate-that was believed to increase the effectiveness of the product. The final composition of Advanced Formula PLAX® was "completely different" from the composition *690 of Original PLAX®. (Tr. at 281). In developing the new composition, Pfizer's inventors sought to create a product with improved "organoleptic properties"-smell, appearance, and taste. Flavor and alcohol content were increased for "impact." (Tr. at 281, 286-87). Improved efficacy was also a major factor.

^{FN1}. Catherine Gray, one of the inventors, worked on the advanced formula project 60-85% of her time for some 18-20 months. In addition, others had been working on the project already when she joined the oral care products group in January 1990. Gray performed hundreds of experiments in a "very long process" that involved much "trial and error." (Tr. at 273, 282-84, 406).

By June of 1990, Pfizer researchers were exploring the use of tetrasodium pyrophosphate; the Pfizer inventors believed that the addition of tetrasodium pyrophosphate, a "detergent booster," would help make sodium lauryl sulfate, a "detergent," work more effectively. (Tr. at 288, 295, 306-07). One difficulty they encountered was that at cold temperatures (near freezing), the product would crystallize or "floculate"-solid matters would precipitate out of the solution. Eventually, after hundreds of hours of additional research, a solution to the problem was uncovered and a new formula-the Advanced Formula-was developed.

Advanced Formula PLAX® was marketed in a trade dress similar to the trade dress introduced in 1992, but there were some changes, including the addition of the words "ADVANCED FORMULA" in blue letters in a horizontal yellow box. (PX 8). The vertical blue and white vertical box remained, although some "stippling" was added to one end of the box. Pfizer spent in excess of \$100,000 in connection with the re-design of its trade dress. (Tr. at 108-09).

To publicize the newly-adopted trade dress and to give notice that it intended to protect its trade dress, Pfizer ran an advertisement stating:

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Our New Logo Looks Different ... Pfizer intends to fully protect its new Plax package design.

(PX 65; see Tr. at 107-08).

4. *Perrigo's Anti-Plaque Product*

Within weeks after the release of Advanced Formula PLAX®, Perrigo started the process of copying Pfizer's formula and emulating its trade dress. Perrigo prepared three "New Product Profiles," each dated February 24, 1994, one for each of Pfizer's three versions of Advanced Formula PLAX®: regular, mint, and peppermint. Attached to each profile was a copy of the trade dress for Advanced Formula PLAX®. The profiles contain the following comments:

NB [national brand] version is first new product introduction in several years.... New introduction should help pump some life into the NB and boost promotion/advertising activity by them....

Changes reflect an enhanced formulation which should prove to be more appealing to customers and consumers....

Alcohol level is up from 7.2% to 8.5%. Tetrasodium Pyrophosphate has been added. Other ingredient changes involved, too. Patent(s) may be involved.

By January 1995, Perrigo started marketing its Advanced Formula Anti-Plaque dental rinse. (Tr. at 104-05). Advanced Formula Anti-Plaque was distributed in approximately 169 labels. Many of these labels were not challenged by Pfizer as infringing its trade dress. Some 77 labels, however, were challenged. These contested labels were divided into four groups at trial: Group A consisted of 29 labels featuring a vertical "Anti-Plaque" box on the left side in a blue and white scheme; most have some stippling or a fade motif in the box; most feature the words Advanced Formula; all have store names; none say "Compare to Plax." Group B consisted of a single label, Perrigo's house label; the label contains no store name and does say "Compare to Plax." Group C consisted of 41 labels featuring a vertical, blue box (on the left side for 39 labels and on the right side for 2 labels) containing the word "Anti-Plaque"; most have the words "Advanced Formula" and all say "Compare to PLAX." Finally, Group D consisted of

7 labels with "Anti-Plaque" featured horizontally.

Revco, one of Perrigo's customers, specifically asked Perrigo to use graphics that "compare[d] closely to NBE inlook [sic] and colors." (PX 225). "NBE" refers to the national brand equivalent-here, Pfizer's Advanced Formula PLAX®). The Revco label (PX 223) does compare closely to Pfizer's Advanced Formula PLAX® label both in look and colors.

*691 C. *The '538 Patent*

Pfizer obtained a patent for the new formula—the '538 Patent, which issued on August 16, 1994. The application for the '538 Patent, as well as two predecessor applications, were reviewed by Primary Examiner Shep K. Rose.

The '538 formula provided for "at least about 0.3% by weight" tetrasodium pyrophosphate. Perrigo's product initially contained approximately .197% rounded up to .2%, tetrasodium pyrophosphate. In January 1996, Perrigo commenced the manufacture and distribution of a reformulated product that contained only .03% by weight of a pyrophosphate ion concentration.

DISCUSSION

A. *Perrigo's Defenses of Invalidity and Unenforceability*

In contending that the '538 Patent is invalid and unenforceable, Perrigo makes seven separate arguments. The first four arguments are based on the concept of obviousness: Perrigo contends that the alleged innovations introduced by the '538 Patent were not entitled to patent protection because they were "obvious." 35 U.S.C. § 103. The fifth and sixth arguments are asserted under 35 U.S.C. § 112: Perrigo contends that the claims in the '538 Patent are invalid because they are broader than the subject matter that the inventors regarded as their invention and that the specifications of the '538 Patent do not enable one of ordinary skill in the art to practice the invention claimed. Finally, in its seventh argument, Perrigo alleges that, because Pfizer violated its duty of candor in prosecuting its application, the '538 Patent is unenforceable.

1. *Obviousness*

[1] The '538 Patent is presumed valid. See 35 U.S.C. § 282; *Custom Accessories, Inc. v. Jeffrey-Allan Indus., Inc.*, 807 F.2d 955, 961 (Fed.Cir.1986).

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Perrigo thus has the burden of proving invalidity by clear and convincing evidence. *Id.*

[2][3] [Section 103](#) of the Patent Act provides that a patent may not be obtained

if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.

In determining “obviousness,” a court is to consider such factors as:

(1) the scope and content of the prior art; (2) the level of ordinary skill in the art; (3) the differences between the claimed subject matter and the prior art; and (4) the objective evidence of nonobviousness.

[Heidelberger Druckmaschinen AG v. Hantscho Commercial Prods., Inc.](#), 21 F.3d 1068, 1071 (Fed.Cir.1994). “Objective”-or secondary-evidence of nonobviousness includes evidence of copying, commercial success, failure of others, and a long felt but unresolved need for the product. *Id.* 87 F.3d at 1567 (citing [Dennison Mfg. Co. v. Panduit Corp.](#), 475 U.S. 809, 810-11, 106 S.Ct. 1578, 1578-79, 89 L.Ed.2d 817 (1986)). Historical facts and circumstances also may shed light on the question of whether the subject matter of the invention would have been obvious.

[4] With these considerations in mind, I hold that Perrigo has not demonstrated by clear and convincing evidence that [the '538 Patent](#) is invalid for obviousness.

(a) The Scope and Content of the Prior Art

Perrigo's obviousness argument is based on six items of prior art that it contends were material and analogous but were not brought to the attention of the Patent Office: (i) original formula PLAX®, (ii) the Colgate mouth rinse, (iii) the Procter & Gamble Pre-brushing Rinse, (iv) the Nabi Patent, (v) the Gaffar Patent, and (vi) the Van Wazer publication. Perrigo's reliance on this prior art is misplaced.

(i) Original Formula PLAX®

The original formula PLAX® was covered by the Goldemberg Patents, which were before Shep K. Rose, the Examiner who evaluated [the '538 Patent](#). (PX 1). The Goldemberg Patents disclosed a pre-brushing dental rinse that used sodium lauryl sulfate, but *692 they did not teach the use of any pyrophosphate. Nor did they mention low temperature stability or flocculation. As Catherine Gray, one of the inventors of Advanced Formula PLAX®, testified, the new formula was “completely different from the old formula.” (Tr. at 344).

(ii) The Colgate Rinse

The Colgate mouth rinse (DX 1356) apparently was not before the Examiner. The Colgate product was sold for a brief period in 1987. Although it did make use of tetrasodium pyrophosphate, it did not include sodium lauryl sulfate or anything that would serve as a substitute therefor. (Tr. at 1695-96). There is nothing in the record concerning this product's capacity to remain free from cold temperature precipitation or flocculation.

(iii) The Procter & Gamble Prebrushing Rinse

The Procter & Gamble Prebrushing Rinse was covered by the Parran Patent, which was before the Examiner. (PX 1). The Procter & Gamble product was marketed briefly in 1989 as “Crest BrushMate” or as “Crest LiquaFloss” or as “BrushMate.” The Parran Patent did involve the use of pyrophosphate salts, but in the context of providing an “anticalculus benefit,” as opposed to an anti-plaque benefit. The Parran Patent called for a composition with a pH of from about 6.0 to about 10.0. There is no discussion in the Parran Patent of low temperature stability problems or low temperature precipitation or flocculation.

(iv) The Nabi Patent

Although the Nabi Patent was not listed in [the '538 Patent](#), Rose also was the Examiner for the Nabi Patent. Moreover, the Nabi Patent was classified in multiple classes searched during examination of [the '538 Patent](#), and reference was made to the Nabi Patent in the materials before Examiner Rose when he examined [the '538 Patent](#). (PX 311). Hence, he is presumed to have had the Nabi Patent in mind when he considered [the '538 Patent](#). See [Polaroid Corp. v. Eastman Kodak Co.](#), 641 F.Supp. 828, 833 (D.Mass.1985) (“[P]rior art described in the specifications is expected to be considered by the Examiner

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.... Patent examiners are also presumed to be aware of patents which issued from applications they had earlier examined.”), *aff'd*, [789 F.2d 1556 \(Fed.Cir.1986\)](#). Moreover, I find, as a factual matter, that Examiner Rose, an experienced examiner who was assigned many patent applications for oral health care products, had access to the Nabi Patent. (Tr. at 1875-92).

The Nabi Patent covered an antibacterial, anti-plaque oral composition that could be substantially liquid in character, such as a mouthwash, or substantially pasty in character, such as a toothpaste. The oral composition used triclosan as an antibacterial antiplaque agent. In liquid form it has a pH “generally in the range of about 4.5 to about 9 or 10 and most preferably about 6.5 to 7.5.” (Nabi Patent, col. 7, lines 13-15). There is no disclosure in the Nabi Patent of any cold temperature impediment to stability or the problem of low temperature precipitation or flocculation.

(v) *The Gaffar Patent*

Rose also examined the Gaffar Patent, which was classified in multiple classes searched during examination of [the '538 Patent](#), and reference was made to the Gaffar Patent in the materials before Rose when he examined [the '538 Patent](#). (DX 1047). Hence, he is presumed to have had the Gaffar Patent in mind at the time he considered [the '538 Patent](#). Moreover, I find, as a factual matter, that Examiner Rose had access to the Nabi Patent. (Tr. at 1875-92).

The Gaffar Patent covered an antibacterial, anti-plaque, anticalculus oral composition such as a “dentifrice, mouthwash, lozenge or chewing gum.” It teaches that the oral composition should be “free from or substantially free from tetrasodium pyrophosphate or a combination of tetrapotassium pyrophosphate and tetrasodium pyrophosphate.” (Gaffar Patent, col. 3, lines 45-48).

(vi) *The Van Wazer Publication*

The Van Wazer publication (DX 1063) apparently was not before the Examiner. The portion of the Van Wazer book cited by Perrigo, however, does not relate to any kind of dental rinse or oral health care product; rather, it merely describes the utility of tetrasodium*693 pyrophosphate in detergent and soap products used for industrial and household cleaning.

(b) *The Level of Ordinary Skill in the Art*

As the parties apparently agree, in this case a person having ordinary skill in the art would have an undergraduate degree in chemistry or biology with several years of experience.

(c) *The Differences Between the Claimed Subject Matter and the Prior Art*

There are substantial differences between the prior art and the claimed invention. None of the prior art references disclosed a pre-brushing dental rinse that included both sodium lauryl sulfate and tetrasodium pyrophosphate. None of the prior references addressed the problem of low temperature instability or low temperature precipitation or flocculation and thus none of the prior references proposed a solution for such a problem. In contrast, these are matters specifically addressed by [the '538 Patent](#). Claim 1 of [the '538 Patent](#) teaches:

A stable, liquid oral prebrushing composition for loosening and removing plaque present on dental surfaces which composition is free from flocculation or crystal formation after storing for seven days at about 35° F. or redissolves any flocculation or crystal formation at about 35° F. on increasing the temperature of the composition to room temperature comprising a detergent builder selected from the group consisting of a dialkali metal pyrophosphate salt, a tetraalkali metal pyrophosphate salt and a mixture thereof providing at least about 0.3% by weight $P_2O_7^{4-}$, and about 0.08 to about 2.0% by weight of sodium lauryl sulfate based on the weight of the prebrushing composition having a pH of about 7.2 to about 7.9.

Key features thus included stability, after storing for seven days at about 35° F., as well as the use of a combination of tetrasodium pyrophosphate and sodium lauryl sulfate, with a relatively narrow pH range of 7.2 to 7.9. None of the prior art references disclosed these features in this combination. Nor do I accept Perrigo's contention that it would have been obvious, at the time the invention was made, to substitute a pyrophosphate detergent builder such as tetrasodium pyrophosphate for the sodium borate-sodium bicarbonate builder combination used in the original formula PLAX® or to substitute sodium lauryl sulfate as a surfactant for the surfactants used in the Colgate rinse and the Procter & Gamble prebrushing rinse.

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(d) Objective Evidence of Nonobviousness

Consideration of secondary or objective indicia of nonobviousness also leads to the conclusion that Perrigo has not met its burden of proving invalidity of [the '538 Patent](#). Most significantly, Perrigo copied Advanced Formula PLAX® from Pfizer. That Perrigo resorted to copying the patented formula is strong evidence that the improvements introduced by Advanced Formula PLAX® were not obvious from the prior art references. Had they been obvious, Perrigo presumably would not have needed to resort to copying. *See, e.g., Heidelberg, 21 F.3d at 1072.*

Advanced Formula PLAX® was also a commercial success, as it achieved hundreds of millions of dollars in sales. This financial success strongly suggests that Pfizer had created a new product. *See De-maco Corp. v. F. Von Langsdorff Licensing, Ltd., 851 F.2d 1387, 1391 (Fed.Cir.), cert. denied, 488 U.S. 956, 109 S.Ct. 395, 102 L.Ed.2d 383 (1988).*

Finally, other companies had tried but failed to develop a comparable product. Both Colgate and Procter & Gamble, two of the world's largest health care products companies, recognized the existence of a market for prebrushing dental rinses. Although both companies tried, neither was able to develop a successful product. If the improvements to Advanced Formula PLAX® were so obvious, one would have expected Colgate or Procter & Gamble to have had more success. *See Symbol Techs. Inc. v. Opticon, Inc., 935 F.2d 1569, 1578-79 (Fed.Cir.1991).*

These factors, taken as a whole, demonstrate that a person skilled in the art would *694 not have viewed Pfizer's invention as obvious at the time it was made. Therefore, Perrigo has failed to overcome the presumption of validity on the grounds of obviousness.^{FN2} Hence, the first four grounds asserted for invalidity are rejected.

^{FN2}. As is apparent from my decision to reject the obviousness defense, I have not accepted the opinions of Dr. Gershon and Mr. Van Horn to the effect that the invention claimed in [the '538 Patent](#) would have been obvious. (Tr. at 1650, 1840). Not only did Dr. Gershon acknowledge that he was “no ... patent expert,” he failed to consider objective factors such as commercial success. His testimony in general was not convincing.

(*See, e.g.,* Tr. at 1645, 1713).

Likewise, I was not persuaded by Mr. Van Horn's testimony. Although he acknowledged that objective factors must be considered, he conceded that he did not take the “long felt need” factor into account in his analysis of obviousness. (Tr. at 1913-18). He testified that he did take “commercial success” into account, but he did so only after commercial success had been the subject of Dr. Gershon's cross-examination the day before. (Tr. at 1953-54). And his evasiveness in response to questions on “copying” as an indication of nonobviousness was most telling. (Tr. at 1945-47).

2. Section 112

Perrigo's fifth and sixth grounds for invalidity are based on [35 U.S.C. § 112](#), which sets forth certain specificity requirements for patent applications. The fifth argument relies on the second paragraph of [section 112](#), which covers indefiniteness, and the sixth argument relies on the first paragraph of [section 112](#), which covers enablement.

(a) Indefiniteness

The second paragraph of [section 112](#) provides:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as the invention.

^[5] To determine whether a patent claim is indefinite, *i.e.*, whether it fails to “particularly point[] out and distinctly claim[] the subject matter,” a court must consider “whether one skilled in the art would understand the bounds of the claim when read in light of the specification.... If the claims read in light of the specification reasonably apprise those skilled in the art of the scope of the invention, [section] 112 demands no more.” *Credle v. Bond, 25 F.3d 1566, 1576 (Fed.Cir.1994)* (quoting *Miles Lab., Inc. v. Shandon Inc., 997 F.2d 870, 875 (Fed.Cir.1993), cert. denied, 510 U.S. 1100, 114 S.Ct. 943, 127 L.Ed.2d 232 (1994)*).

^[6] I am not persuaded that Perrigo has met its burden of proving, by clear and convincing evidence,

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that [the '538 Patent](#) is invalid for indefiniteness. Perrigo contends that certain formulas covered by [the '538 Patent](#) are stable even though their pH range is outside the range of 7.2 and 7.9 claimed in [the '538 Patent](#). But there are at least two reasons why Perrigo's argument fails. First, this argument is not really an indefiniteness argument, for the argument is not that [the '538 Patent](#) is indefinite, but rather that the specification is too definite—that the claimed pH range of 7.2 to 7.9 could, or should, have been broader. Second, even if Perrigo is correct that the pH range could be broader than that claimed, all that means is that the inventors claimed less than their invention permitted.

The indefiniteness argument is therefore rejected.

(b) *Enablement*

The first paragraph of [section 112](#) provides that:

the specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

The purpose of this paragraph is to assure that the inventor provides enough information in the patent “to enable” a person skilled in the art to make and use the invention “without undue experimentation, relying on the patent specification and the knowledge of the art.” [Scripps Clinic & Research Found. v. Genentech, Inc.](#), 927 F.2d 1565, 1571 (Fed.Cir.1991).

*695 [7] Perrigo contends that [the '538 Patent](#) was not enabling because it teaches that disodium pyrophosphate was one of the preferred pyrophosphate salts even though the inventors had purportedly eliminated it from the formula. (Def. Invalidity Br. at 23) (citing PX 115). By including the reference to disodium pyrophosphate in the patent, Perrigo contends, the inventors misled persons skilled in the art.

Perrigo's argument is rejected as without factual basis. The notes of Catherine Gray relied on by Perrigo were made on November 14, 1991 (PX 115),

almost two years before the filing of [the '538 Patent](#) application. Those notes themselves suggest that the problem was not inherently with the use of disodium pyrophosphate, but with the particular batches of disodium pyrophosphate: some had more insolubles than others. (PX 115, at 004564). Hence, the inventors had not eliminated disodium pyrophosphate from the formula. Ms. Gray testified at trial that it was “not correct” that “disodium pyrophosphate would not give you a stable product.” (Tr. at 373). Rather, she testified that disodium pyrophosphate “can be used.” (Tr. at 376). I accept her testimony in this respect. Consequently, the enablement argument is rejected as well.

3. *Inequitable Conduct*

[8] Finally, Perrigo argues that [the '538 Patent](#) is unenforceable because Pfizer purportedly engaged in intentional misconduct and bad faith in prosecuting [the '538 Patent](#) by misleading the Examiner. To prevail on this claim, Perrigo must show by clear and convincing evidence that Pfizer and its representatives either failed to disclose material information or submitted false material information in the prosecution of [the '538 Patent](#) with the intent to deceive. See [Heidelberg, 21 F.3d at 1073](#).

I have carefully considered Perrigo's allegations in this respect as well as the evidence presented at trial. I find that Pfizer did not intentionally withhold material information, that it did not intentionally submit any material false information, and that it did not at any time act with the intent to deceive. The allegations of bad faith and misconduct on the part of Pfizer are meritless.

In sum, Perrigo's defenses of invalidity and unenforceability are rejected. The jury's finding that Perrigo infringed [the '538 Patent](#) under the “doctrine of equivalents” and its award of \$1,500,000 in compensatory damages to Pfizer will stand.

B. *Pfizer's Request for Permanent Injunctive Relief*

Pfizer seeks permanent injunctive relief both on its patent claims and its trade dress claims.

1. *Patent Infringement*

Injunctive relief is usually granted when there has been a finding of patent infringement. See [W.L. Gore & Assocs., Inc. v. Garlock, Inc.](#), 842 F.2d 1275, 1281 (Fed.Cir.1988). This is so because “[t]he heart

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of [the patentee's] legal monopoly is the right to ... prevent others from utilizing his discovery.” Zenith Radio Corp. v. Hazeltine Research, Inc., 395 U.S. 100, 135, 89 S.Ct. 1562, 1583, 23 L.Ed.2d 129 (1969).

[9] Here, Perrigo's only opposition to a permanent injunction for against future patent infringement is essentially a mootness argument: it contends that in January 1996 it reformulated its product to reduce the amount of pyrophosphate ion concentration to .03% by weight (as opposed to the original approximately .2%). The argument is rejected, for the mere fact that Perrigo reduced the amount of pyrophosphate is not a sufficient basis for denying an injunction against future infringement. W.L. Gore & Assoc., 842 F.2d at 1282. An injunction is particularly appropriate in this case because this is the second time that a finding or admission has been made that Perrigo violated a patent covering the product in question. (PX 41).

Accordingly, Pfizer's request for a permanent injunction prohibiting future infringement of the '538 Patent is granted.

2. Trade Dress Infringement

(a) The Jury's Verdict

Before resolving the trade dress claim for injunctive relief on the merits, I must resolve *696 a threshold issue raised by Perrigo: whether the jury's verdict in favor of Perrigo on the trade dress claims precludes Pfizer from obtaining injunctive relief on those claims now. I conclude that it does not.

[10][11][12] Where a party asserts both legal and equitable claims that have common issues of fact, and a jury trial has been properly demanded, the parties are entitled to have the legal claims tried to the jury. Wade v. Orange County Sheriff's Office, 844 F.2d 951, 954 (2d Cir.1988). In trying the equitable claims after a jury has decided the legal claims, a court may not “reject the jury's determination of facts *essential* to both the legal and equitable claims.” Guzman v. Bevona, 90 F.3d 641, 647 (2d Cir.1996) (emphasis added). In addition, where a jury renders what amounts to a “general verdict,” the evidence is to be construed and the reasonable inferences drawn in favor of the prevailing party, Berkey Photo, Inc. v. Eastman Kodak Co., 603 F.2d 263, 278-79 (2d Cir.1979), cert. denied, 444 U.S. 1093, 100 S.Ct. 1061, 62 L.Ed.2d 783 (1980), at least with respect to

facts “essential” to the jury's verdict. Cf. Owens v. Tredner, 873 F.2d 604, 609-10 (2d Cir.1989) (in civil rights case where plaintiff alleged that he was beaten into confessing involuntarily, jury's general verdict convicting him of robbery and felony murder in underlying criminal case did not preclude him from litigating the voluntariness of his confession in civil case, where a finding of involuntariness was “not essential” to the jury's verdict); see also Song v. Ives Labs., Inc., 957 F.2d 1041, 1048 (2d Cir.1992) (“It is clear that a judge sitting at equity may not render a verdict which is inconsistent with that of a jury sitting at law on a claim involving the same *essential* elements.”) (emphasis added).

[13] Here, the jury rendered what amounted to a general verdict. To recover damages for trade dress infringement, Pfizer was required to prove two elements: (1) protectible rights in its trade dress and (2) actual confusion or, as a proxy for actual confusion, intentional deception. (Tr. at 2363). The jury, however, was not presented with specific questions as to each element. Rather, the jury was simply asked whether “Pfizer has proven by a preponderance of the evidence that Perrigo infringed the trade dress of the Advanced Formula PLAX® product?” The jury answered the question “No” as to each of the four groups of trade dress in question. It is not clear, then, whether the jury found against Pfizer on the first element (protectible trade dress) or on the second element (actual confusion) or on both elements.

Perrigo argues that, because the jury rendered what amounts to a general verdict, the jury must be presumed to have resolved “all the underlying factual disputes” in Perrigo's favor, including any disputes as to the first element. (Def.Opp.Mem. at 3-4). Consequently, Perrigo argues that in considering Pfizer's trade dress claim for equitable relief, I am bound by the jury's implicit finding that Pfizer did not prove the first element.

I disagree, for a finding that Pfizer's trade dress was not protectible was not essential to the jury's verdict. Rather, I believe that the jury ruled against Pfizer on the second element, actual confusion. The evidence of actual confusion-including Pfizer's survey evidence-was weak. On the other hand, Pfizer's evidence that its trade dress was protectible was strong.

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[14] Moreover, even though the jury undoubtedly found against Pfizer on the issue of actual confusion, Pfizer is not required to prove actual confusion to obtain equitable relief. Rather, to obtain injunctive relief, Pfizer need only prove likelihood of confusion. See *PPX Enters., Inc. v. Audiofidelity Enters., Inc.*, 818 F.2d 266, 271 (2d Cir.1987) (discussing the lower standard of proof required for injunctive relief as opposed to money damages); *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867, 875 (2d Cir.1986) (“actual confusion is very difficult to prove and the [Lanham] Act requires only a likelihood of confusions”); *Taco Cabana Int’l, Inc. v. Two Pesos, Inc.*, 932 F.2d 1113, 1122 n. 9 (5th Cir.1991) (actual confusion not required to find likelihood of confusion), *aff’d*, 505 U.S. 763, 112 S.Ct. 2753, 120 L.Ed.2d 615 (1992). The issue of likelihood of confusion was not put to the jury but was specifically reserved for the Court. (See Tr. *697 at 1900-01). The jury was charged only that it had to find actual confusion to find in favor of Pfizer on the trade dress claim. (Tr. at 2368-70).

Accordingly, under these circumstances, the jury's verdict is no bar to my consideration of Pfizer's application for injunctive relief on the trade dress claim.

(b) *The Merits*

A district court has power under the Lanham Act to grant permanent injunctive relief to prevent future violations. 15 U.S.C. § 1116(a). As noted, to obtain injunctive relief, Pfizer must prove by a preponderance of the evidence (1) protectible rights in its trade dress and (2) likelihood of confusion.

(i) *Protectible Trade Dress*

[15] A trade dress is protectible if it is inherently distinctive or has acquired secondary meaning. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 769, 112 S.Ct. 2753, 2757, 120 L.Ed.2d 615 (1992). I find that Pfizer's trade dress is inherently distinctive and has acquired secondary meaning.

[16] The overall look of the Pfizer Advanced Formula PLAX® trade dress is distinctive. With an “almost unlimited” range of choices in design, Pfizer chose a design that combined a vertical logo, stippling, small colored blocks, a blue, yellow and white color scheme, and a clear rectangular flask-like bottle with a white cap. See *Paddington Corp. v. Attiki Im-*

porters & Distrib., Inc., 996 F.2d 577, 583 (2d Cir.1993) (“[s]ince the choices that a producer has for packaging its products are ... almost unlimited, typically a trade dress will be arbitrary or fanciful and thus inherently distinctive”). Pfizer's design is arbitrary and fanciful.

Perrigo argues that Pfizer's trade dress is not inherently distinctive because it is generic or functional. While one or more elements of Pfizer's trade dress may be generic or functional, such as the use of a bottle or the color red for the cinnamon flavor, the trade dress as a whole is arbitrary and fanciful. See *Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc.*, 973 F.2d 1033, 1042 (2d Cir.1992); *LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71, 76 (2d Cir.1985). Indeed, that Perrigo itself has used many other types of labels that are not in issue in this case (see, e.g., PX 56, 57) shows that a manufacturer has many options and that Pfizer's overall design is not generic or functional.

[17] In addition, Pfizer's trade dress has acquired secondary meaning. Pfizer's vertical-logo trade dress has been used since 1992 and both original PLAX® and Advanced Formula PLAX® have been widely advertised. Pfizer spent in excess of \$100,000 on the re-design of the trade dress, and it also embarked on an advertising campaign that highlighted the new trade dress and emphasized that Pfizer was seeking to “clearly distinguish” its product from the “private label knock-offs.” (Tr. at 100). Sales have been highly successful, as millions of bottles have been sold. See *Centaur Communications, Ltd. v. A/S/M Communications, Inc.*, 830 F.2d 1217, 1222-24 (2d Cir.1987). The consuming public has come to recognize the Advanced Formula PLAX® trade dress as indicating that the product comes from a single source.

Moreover, Perrigo sought to mimic Pfizer's trade dress. Within weeks after Advanced Formula PLAX® was released, Perrigo started the process of copying the formulation and trade dress. Perrigo's “New Product Profiles,” dated February 24, 1994, expressly noted the changes to the new “national brand” product and incorporated a copy of the new Advanced Formula PLAX® trade dress. One Perrigo customer specifically asked Perrigo to use graphics that “compare[d] closely to NBE [national brand equivalent] inlook [sic] and colors.” (PX 225). Perrigo responded by emulating Pfizer's trade dress, and using a similar design and color scheme. Pfizer used

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the words “Advanced Formula” on its label; Perrigo did the same. This effort to mimic Advanced Formula PLAX® is strong evidence of secondary meaning, for if the trade dress had not acquired secondary meaning, there would have been little reason for Perrigo to plagiarize it. [Centaur Communications](#), 830 F.2d at 1224; [LeSportsac, Inc.](#), 754 F.2d at 78.

*698 Accordingly, I find that Pfizer's Advanced Formula PLAX® trade dress is protectible.

(ii) Likelihood of Confusion

[18][19][20] Likelihood of confusion exists when “an appreciable number of ordinarily prudent purchasers are likely to be misled, or indeed simply confused, as to the source of the goods in question.” [Centaur Communications](#), 830 F.2d at 1225 (quoting [Mushroom Makers, Inc. v. R.G. Barry Corp.](#), 580 F.2d 44, 47 (2d Cir.1978) (per curiam), cert. denied, 439 U.S. 1116, 99 S.Ct. 1022, 59 L.Ed.2d 75 (1979)). Likelihood of confusion is usually evaluated by consideration of the factors identified by Judge Friendly in [Polaroid Corp. v. Polarad Elecs. Corp.](#), 287 F.2d 492 (2d Cir.), cert. denied, 368 U.S. 820, 82 S.Ct. 36, 7 L.Ed.2d 25 (1961). Those factors, as applied to a trade dress case, are: (1) the strength of the plaintiff's trade dress; (2) the degree of similarity between the two competing trade dresses; (3) the proximity of the products in the market place; (4) the likelihood the senior user will bridge the gap between the two products; (5) evidence of actual confusion; (6) the junior user's good faith in adopting the trade dress; (7) the quality of the junior user's product; and (8) the sophistication of the relevant consumer group. See [id.](#) at 495. I review these factors now.

(1) Strength of Trade Dress

The first factor slightly favors Pfizer. The Advanced Formula PLAX® trade dress is fanciful and arbitrary and has acquired secondary meaning. It was introduced by a substantial advertising campaign directed at consumers, retailers, and professionals. Many millions of bottles of the product have been sold in the trade dress in question.

On the other hand, some aspects of the Pfizer trade dress are generic and functional. The bottles and colors, for example, are largely functional. Nor is there anything exceptional about the choice of a blue, white, and yellow color scheme or horizontal and vertical boxes containing words. On balance, howev-

er, I conclude that this factor slightly favors Pfizer.

(2) Degree of Similarity

The second factor slightly favors Perrigo. Although the Perrigo trade dress is similar to the Advanced Formula PLAX® trade dress in many respects, there are some significant differences. The most notable feature of the Pfizer label is the PLAX® name, which appears in large, distinctive, blue letters against a white and blue grid background. It is the PLAX® mark that catches the eye, and there is little doubt when one is buying the Pfizer product that one is buying PLAX®.

On the other hand, the Perrigo product does not use the mark PLAX®. Instead, in most instances, it uses the word “Anti-Plaque” and prominently features the private brand logo—the name of the store or chain or the private label used by a store or chain.^{FN3} Without the PLAX® mark, the Perrigo labels are much less distinct. There is little doubt from the trade dress that the Perrigo product is a generic or private label product.

^{FN3} The use of a private label logo does not, however, preclude a finding of likelihood of confusion. See [Metro Kane Imports, Ltd. v. Federated Dep't Stores Inc.](#), 625 F.Supp. 313, 318 (S.D.N.Y.1985), *aff'd without op.*, 800 F.2d 1128 (2d Cir.1986). Moreover, Perrigo knew from the prior New Jersey litigation that the use of a private label logo did not preclude a finding of infringement if the overall appearance was infringing. (PX 480; Tr. at 1281-82).

In addition, the labels in Group C urge the consumer to “Compare to PLAX®).” This admonition would surely help reduce or eliminate any potential confusion as to whether the product was a Pfizer product. See [American Home Prods. v. Barr Labs.](#), 656 F.Supp. 1058, 1069 (D.N.J.) (“Perrigo's signs essentially beg consumers to distinguish [its] generic [ibuprofen](#) tablets from [Advil](#).”), *aff'd*, 834 F.2d 368 (3d Cir.1987); [Warner Lambert Co.](#), 718 F.Supp. at 398-99 (“prominent use of ‘compare and save’ signs on shelves ... further distinguish[] the two products from each other in the minds of prospective consumers”).

Finally, the Perrigo trade dress does use some

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different features. On most of its Group A and C labels, Perrigo uses white or yellow lettering for “Anti-Plaque” against a primarily blue background, while the Pfizer label uses blue lettering for PLAX® against a *699 primarily white background. The Pfizer label uses a blue and white grid; the Perrigo label does not. A few of the Perrigo labels use stippling in the vertical box, but most do not. The labels in group D in particular are substantially different in design and lay-out from the Pfizer trade dress. They do not use a vertical word logo. Instead, the words on the label are written horizontally.

(3) Proximity of Products

The third factor favors Pfizer in the traditional sense, as the Pfizer and Perrigo products compete directly against each other. In other respects, however, this factor weighs in favor of Perrigo. The evidence showed that the Perrigo and Pfizer products were usually sold side by side. Hence, a consumer shopping for a dental rinse would see the two products next to each other; it is unlikely that the consumer would be confused into believing that he or she was buying one product when she actually was buying the other. See *Conopco, Inc. v. May Dep't Stores Co.*, 46 F.3d 1556, 1563-64 (Fed.Cir.1994) (where “national brand is being sold side-by-side with the private label brand, the assumption [that a national brand manufacturer would be the source of the competing private label brand product] is at best counter-intuitive”), cert. denied, 514 U.S. 1078, 115 S.Ct. 1724, 131 L.Ed.2d 582 (1995). Indeed, Pfizer's own expert conceded that the differences between two products become more apparent when they are sold side by side. (Tr. at 872-73).

(4) Bridging the Gap

The fourth factor favors Pfizer as the gap is already bridged: the products are directly competitive.

(5) Actual Confusion

The fifth factor strongly favors Perrigo, as the jury found that Pfizer had failed to prove actual confusion.

Although the Perrigo Advanced Formula Anti-Plaque dental rinse and Advanced Formula PLAX® had been in the market together for some 20 months at the time of trial, Pfizer presented no direct evidence of actual confusion. Instead, it offered the Jacoby survey, which the jury clearly rejected, for good

reason, as the survey was flawed. In one group of 101 people, for example, 16 were judged by Professor Jacoby, on the basis of their answers, to be “definitely confused” for trade dress reasons as between Pfizer's Advanced Formula PLAX® and Perrigo's Advanced Formula Anti-Plaque dental rinse in a Revco bottle. But 13 of the 16 were located in cities that did not have Revco drugstores. Hence, many-if not all-of the 13 probably were not familiar with the Revco name. These results therefore are inconclusive. (Tr. at 873-78).

Given the millions of bottles of both products sold during the 20-month period, the absence of any credible evidence of actual confusion strongly suggests that there is no reasonable likelihood of confusion. *Life Indus. Corp. v. Star Brite Distributing, Inc.*, 31 F.3d 42, 47 (2d Cir.1994) (“Life failed to present any evidence of actual confusion. Although such evidence is difficult to obtain and is not a prerequisite to finding likelihood of confusion, its absence nevertheless weighs against that finding.”).

(6) Good Faith

The sixth factor is the most difficult to apply in this case. In the end, however, I conclude that Perrigo did not act in bad faith. Hence, I find that, on balance, this factor favors Perrigo.

There is little doubt that Perrigo engaged in some copying. Its business is to mimic national brand products, to offer consumers-at a substantially lower price-what its contends is the equivalent of national brand products. Clearly, there is a market for generic or private label products, as many consumers are content to forego the more expensive national brand products in favor of the less expensive private label brands. *Warner Lambert Co. v. McCrory's Corp.*, 718 F.Supp. 389, 398-99 (D.N.J.1989) (shoppers in retail store chains have “likely been exposed to generic or discount house brands before”). Perrigo targets these consumers and seeks to send a message that its products are as good as the national brand products. It does so in part by using trade dress that is similar to the trade dress of the national brand equivalents.

*700 I find that, while it unquestionably seeks to imitate Pfizer and to get a “free ride” at Pfizer's expense, Perrigo does not intend to deceive consumers or to confuse consumers into believing they are buying Pfizer's products when they are actually buying

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Perrigo's products. See [George Basch Co. v. Blue Coral, Inc.](#), 968 F.2d 1532, 1541 (2d Cir.) (“There is an ‘essential distinction ... between a deliberate attempt to deceive and a deliberate attempt to compete. Absent confusion, imitation of certain successful features in another's product is not unlawful and to that extent a “free ride” is permitted.’ ”), cert. denied, 506 U.S. 991, 113 S.Ct. 510, 121 L.Ed.2d 445 (1992). Rather, Perrigo uses private brand logos on its labels and its products are sold along side Pfizer's products. [Conopco, Inc.](#), 46 F.3d at 1563-64. Moreover, on many of its products Perrigo uses a disclaimer that urges shoppers to “Compare to PLAX®.” These actions show that Perrigo did not intend to deceive.

Moreover, the jury found in favor of Perrigo on the issue of intent to deceive. The jury was charged that, to find in favor of Pfizer on its trade dress claim, it had to find actual confusion or, as a proxy for actual confusion, intentional deception. The jury found against Pfizer in this respect. Hence, even if I were to disagree, I would be bound by the jury's verdict in this respect in any event.

While there are some who might find Perrigo's tactics unfair or unseemly, I find that it has not acted in bad faith for purposes of the Lanham Act. As the Second Circuit has held, “simulating the design of a competitor's successful products is not bad faith, unless there is reason to draw an inference of an intention to deceive.” [Landscape Forms, Inc. v. Columbia Cascade Co.](#), 113 F.3d 373, 383 (2d Cir.1997).

Similarly, the Federal Circuit has approved the use of tactics similar to those used by Perrigo:

This is a case in which a retailer markets a national brand product and at the same time markets its own private label product in direct competition. The retailer packages its product in a manner to make it clear to the consumer that the product is similar to the national brand, and is intended for the same purposes. At the same time, the retailer clearly marks its product with its private logo, and expressly invites the consumer to compare its product with that of the national brand, by name.

With the rise of regional and national discount retailers with established names and logos, retailers who market both national brands and their own private label brands in direct competition, this form

of competition has become commonplace and well-known in the marketplace. When such packaging is clearly labelled and differentiated ... such competition [is not] presumptively unlawful.

[Conopco, Inc.](#), 46 F.3d at 1565.

(7) Quality of Junior User's Product

The seventh factor weighs slightly in favor of Pfizer. While there was no material evidence presented as to the quality of Perrigo's product as compared to Pfizer's product, clearly Perrigo did not work as hard as Pfizer to develop and manufacture quality products. Indeed, Perrigo's business plan was to mimic national brand products. It did not do its own research and did no efficacy testing to speak of. (Tr. at 1285-86). Its response when put on notice of the potential patent infringement issue was to substantially lower the amount of what Pfizer considered to be the new key ingredient-tetrasodium pyrophosphate. Under these circumstances, this factor must be considered to weigh in favor of Pfizer.

(8) Sophistication of Consumer Group

Finally, the eighth factor weighs slightly in favor of Pfizer. As Perrigo acknowledges, one can expect a reasonably prudent consumer to conduct a less exacting inquiry when purchasing less expensive products. Here, the product in question is a low cost drug store or supermarket item. Hence, the level of consumer attentiveness is presumed to be low. [RJR Foods, Inc. v. White Rock Corp.](#), 603 F.2d 1058, 1061 (2d Cir.1979) (“products' modest cost was not conducive to the exercise of careful selectivity by purchasers”); [*701Shen Mfg. Co. v. Suncrest Mills, Inc.](#), 673 F.Supp. 1199, 1205 (S.D.N.Y.1987). On the other hand, most consumers who purchase the types of products in question-personal care items-shop for these products often and they understand the differences between private label (or generic) products and national brand products. Hence, this factor, at best, weighs only slightly in favor of Pfizer.

(9) Weighing of Factors in Combination

Some of the *Polaroid* factors thus favor Pfizer and some favor Perrigo. On balance, however, I conclude that Pfizer has not proven by a preponderance of the evidence that “an appreciable number of ordinarily prudent purchasers are likely to be misled, or indeed simply confused, as to the source of the goods in question.” [Centaur Communications](#), 830 F.2d at

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1225 (quoting *Mushroom Makers, Inc.*, 580 F.2d at 47). In the end, while I am sympathetic to Pfizer's frustration at what it describes as being "stalked" by a competitor who seeks to deliver an equivalent product without going through the same expense, I simply am not convinced that an appreciable number of consumers who purchase personal care products such as toothpaste, mouthwash, and dental rinses for use on a daily basis are likely to be misled or confused into believing that they are buying Pfizer's Advanced Formula PLAX® when they are actually buying a Perrigo's Advanced Formula Anti-Plaque dental rinse under a private brand label. Accordingly, Pfizer's application for injunctive relief with respect to its trade dress claim is denied.

CONCLUSION

The Clerk of the Court shall enter judgment as follows:

1. Declaring that defendants Perrigo Company and L. Perrigo Company infringed [patent no. 5,338,538](#) under the "doctrine of equivalents";
2. Awarding plaintiff Pfizer, Inc. compensatory damages in the amount of \$1,500,000, with pre-judgment interest, on the patent infringement claim under the "doctrine of equivalents";
3. Permanently prohibiting defendants Perrigo Company and L. Perrigo Company from again infringing [patent no. 5,338,538](#);
4. Dismissing with prejudice plaintiff Pfizer, Inc.'s claims for "literal infringement" of [patent no. 5,338,538](#); and
5. Dismissing with prejudice plaintiff Pfizer, Inc.'s claims for trade dress infringement.

As plaintiff prevailed in part and defendants prevailed in part, no costs are awarded.

SO ORDERED.

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