

ESTTA Tracking number: **ESTTA385839**

Filing date: **12/28/2010**

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

Proceeding	91184978
Party	Defendant Walgreen Co.
Correspondence Address	MARK J. LISS LEYDIG, VOIT & MAYER, LTD. TWO PRUDENTIAL PLAZA, SUITE 4900 CHICAGO, IL 60601 UNITED STATES cstevens@leydig.com
Submission	Other Motions/Papers
Filer's Name	Michelle L. Calkins
Filer's e-mail	mcalkins@leydig.com, cstevens@leydig.com, mliiss@leydig.com
Signature	/Michelle L. Calkins/
Date	12/28/2010
Attachments	2010.12.28 Motion to Preclude with Exhibits (Redacted).pdf (68 pages) (4430908 bytes)

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

McNEIL-PPC, Inc.)	In re Trademark Application
)	Serial No. 76/682,070
Opposer,)	
)	Opposition No. 91184978
v.)	
)	Trademark: WAL-ZYR
WALGREEN COMPANY,)	
)	
Applicant.)	

APPLICANT'S MOTION TO PRECLUDE
DOCUMENTS FROM INTRODUCTION AT TRIAL

Pursuant to TBMP § 408.02, Applicant, Walgreen Company (“Walgreens”), moves that the Board exercise its authority to preclude Opposer, McNEIL-PPC, Inc. (“McNeil”) from introducing certain documents, specifically Bates Nos. McNeil 5040-5128, 5133-5161, and 5175-9498, during the testimony phase of this matter. The preclusion is proper in this case as McNeil produced the documents after discovery had closed and well after any opportunity for Walgreens to take further discovery from McNeil to determine the nature and meaning of said documents. In support of this Motion, Walgreens states as follows:

1. On October 8, 2008, Walgreens served its first requests for production of documents and things, which included the following requests:

No. 8. All documents and things sufficient to identify all geographic areas in which Opposer uses the “ZYRTEC” mark.

No. 10. All documents and things relating or referring to the alleged fame of Opposer’s “ZYRTEC” mark.

No. 15. All reports, research, searches, investigations, recommendations and opinions Applicant [sic] consulted, referenced, used or relied upon in deriving Opposer’s strategy for the marketing, promotion and advertising for the goods offered under “ZYRTEC.”

No. 19. All advertising and promotional materials for goods sold or intended to be sold in the United States under "ZYRTEC"

No. 20. All documents and things relating to annual budgets and expenditures or intended annual budgets and expenditures to advertise and/or promote goods under the "ZYRTEC" mark.

No. 21. All documents and things relating to the annual revenues or projected annual revenues for the goods offered under "ZYRTEC" as well as all documents reflecting sales and market share of "ZYRTEC."

No. 22. All documents referring to any contracts, licenses and/or agreements or intended contracts, licenses and/or agreements between Opposer and any third party regarding the use of "ZYRTEC."

No. 25. All documents relating in any way to any confusion or inquiries regarding Applicant or Applicant's mark.

No. 26. All documents and things in Opposer's possession or control referring or relating to Applicant.

No. 30. Each and every document not already produced in response to these Requests upon which Opposer will rely in this Opposition proceeding.

See Exhibit A, excerpts from Walgreens' discovery requests.

2. On April 30, 2009, Walgreens served its second request for production of documents and things, which included the following requests:

No. 33. Any and all communications, contracts, licenses, agreements and other Documents concerning the chain of title of Opposer's Mark or licensing of rights in and to Opposer's Mark.

No. 36. Documents reflecting the number of "hits" or "visits" to www.zyrtec.com, www.zyrtopia.com, www.zyrtecprofessional.com, and any other website or web page that features products offered under Opposer's Mark.

No. 42. Documents sufficient to identify market share for the products sold under the Opposer's Mark and for products that compete with such products.

See Exhibit A.

3. On February 19, 2009, June 23, 2009, June 25, 2009, and July 7, 2009, McNeil produced some number of documents, altogether comprising Bates Nos. McNeil 00001-004887. Each time it produced documents, McNeil reserved the right to supplement its discovery at a later date.¹

4. On June 25, 2009, in advance of the personal deposition of Rohonish Hooda, witness for McNeil, scheduled for June 29, 2009, Walgreens asked McNeil if its document production was complete. Walgreens explained in an email to McNeil, “if McNeil intends to produce more documents, it does not make sense to take Mr. Hooda’s deposition until we receive the additional documents.” See Exhibit B, copy of the email to McNeil’s counsel.

5. During a phone conversation between counsel regarding this email, McNeil took the position that it did not have to produce its documents before the deposition, and that it could produce documents at *any* time during the discovery period. In other words, McNeil’s position was that it could produce responsive documents up to and until the last day of the discovery period, regardless of when Walgreens issued its document requests, and regardless of whether the documents were an original production or supplements. The personal deposition of Mr. Hooda was ultimately postponed until August 10, 2009.

6. On July 21, 2009, Walgreens contacted McNeil in an effort to amicably resolve discovery disputes, including the timely production of documents. Walgreens notified McNeil that it found the position that documents could be produced at any time during discovery to be

¹ Throughout discovery, Walgreens too has continued to supplement its production. However, Walgreens’ later production was either (a) in response to later discovery requests, (b) supplementation with later discovered documents, or (c) production of documents in response to continued communication between the parties and in an attempt to resolve outstanding disputes over discovery responses. Walgreens also produced supplemental documents at the time they were identified, resulting in production of documents on approximately 12 different dates during the course of the discovery period.

unprofessional gamesmanship, and contrary to McNeil's obligation to produce documents in a timely manner. *See* Exhibit C, a copy of the email to McNeil's counsel.

7. On July 22, 2009, McNeil's counsel responded, asserting McNeil "has the right to continue to produce documents throughout the discovery period." *See* Exhibit D, a copy of the email to Walgreens' counsel.

8. Walgreens' counsel and McNeil's counsel continued to disagree throughout the discovery period regarding what constitutes "timely" production of documents. Walgreens never agreed with McNeil's position, and Walgreens repeated its requests for production of any additional documents in a timely manner. Despite these continuing requests, McNeil produced only thirty-five pages, which had been obtained from a third party, Pfizer, Inc., on or about August 24, 2010. McNeil did not produce any more of its own documents during the discovery period after July 7, 2009.

9. The discovery period closed on October 26, 2010, over 15 months later.

10. On October 27, 2010, McNeil nearly doubled its production volume when it mailed Walgreens more than 4,500 pages of documents.

11. Specifically, McNeil mailed Walgreens document Bates Nos. 004970-009498, virtually all of which were responsive to Walgreens document requests served on October 8, 2008 and/or April 30, 2009, and many of which were dated 2008, 2009, and early 2010, and included information dating back to 2008, 2009, and early 2010.² For example, Exhibit F contains excerpts from a study dated March 6, 2009 but not produced by McNeil until October 27, 2010, 19 months after the report was created and after the close of discovery.

² On November 18, 2010, Walgreens produced 77 pages of supplemental documents, in an attempt to resolve other outstanding disputes over discovery, over Walgreens' own objections to their production and without waiving those objections, and in response to supplemental correspondence between the parties after discovery had closed.

12. The table below lists the Bates numbers of McNeil's late-produced documents to which Walgreens objects in the present motion, the document request to which said documents were responsive, and the representative samples of said documents which are attached as exhibits to this motion.

McNeil late-produced document Bates Nos. (organized by category)	Was responsive to Walgreens Document Request No(s).	Representative sample(s) attached as Exhibit
McNeil 005040-56	22, 30*, 33	E
McNeil 005057-91	15, 30	F
McNeil 005092-5100	15, 30	G
McNeil 005101-07	21, 30, 42	H
McNeil 005108-12	25, 26, 30	I
McNeil 005113	30, 36	J
McNeil 005114-28, McNeil 005157-61, McNeil 005175-76	19, 30	K
McNeil 005133-45	10, 21, 30, 42	L
McNeil 005146-56	8, 20, 30	M
McNeil 005177-9498	10, 30	N

*Document Request No. 30 applies only if McNeil intends to rely on said documents at trial, which it appears they do as they have refused to withdraw these late-produced documents.

13. On November 17, 2010, Walgreens contacted McNeil, objected to the severely delayed production, and sought McNeil's agreement that it would not offer the late produced documents as evidence during its testimony period in an attempt to amicably resolve the dispute without the Board's intervention. *See Exhibit O*, a copy of the email correspondence between the parties.

14. On November 26, 2010, McNeil responded to Walgreens and asserted it had produced its documents in a "timely" manner, that it could "produce documents at any time prior to the trial testimony period" (including the period after the close of the discovery period), and that it could introduce such documents during its testimony period. *See Exhibit O*.

15. Accordingly, Walgreens has in good faith conferred with McNeil through its counsel in an effort to resolve the dispute without court action, as is its obligation under the Federal Rules of Civil Procedure, Rule 37(a)(1), and now brings the present motion.

16. The very purpose of discovery “is to provide information which may aid a party in the preparation of its own case or in the cross-examination of its adversary's witnesses.” *Bison Corp. v. Perfecta Chemie B.V.*, 4 U.S.P.Q.2d 1718, 1720 (T.T.A.B. 1987). The Board expects parties to work together in discovery matters, so both sides have an equal and fair opportunity to put on their case.

17. Simply put, it “is unfair for a party to withhold documents requested or ... fail to make a complete investigation to locate the information.” *Id.* at 1720. Indeed, “[d]iscovery is not an opportunity for opposer to harass applicant with subterfuge and delay.” *Panda Travel Inc. v. Resort Option Enters. Inc.*, 94 U.S.P.Q.2d 1789, 1792 (T.T.A.B. 2009).

18. “A responding party which, due to an incomplete search of its records, provides an incomplete response to a discovery request, may not thereafter rely at trial on information from its records which was properly sought in the discovery request but was not included in the response thereto” TBMP § 408.02.

19. A party “may seek to preclude [the disobedient party] from relying on information or documents which should have been produced in response to any of [that party’s] discovery requests, but were not.” *Byer Cal. v. Clothing for Modern Times Ltd.*, 95 U.S.P.Q.2d 1175, 1177 (T.T.A.B. 2010).

20. Documents not produced during the discovery period have previously been found inadmissible at trial by the Board. *See, e.g., Mana Prods. Inc. v. Black Onyx, Inc.*, Opposition No. 112,190, 2001 WL 930583 (T.T.A.B. 2001) (the Board excluded documents not produced

during the discovery period, and stated “A party which fails to produce documents or information in response to its opponent’s proper discovery requests will be precluded from introducing or relying on such documents or information at trial” and “In view of applicant’s failure to produce the documents at issue during discovery, applicant is not entitled to rely on those documents at trial.”) (decision attached as Exhibit P).

21. In Federal district courts also following the Federal Rules of Civil Procedure, the preclusion requested here is automatic even when documents are produced in advance of trial and the production not harmless. *See, e.g., Aon Risk Svcs., Inc. of Ill. v. Shetzer*, No. 01 C 7813, 2002 WL 1989466, at *6 (N.D. Ill. 2002) (decision attached as Exhibit Q).

22. As explained above, McNeil, on October 27, 2010, produced more than 4,500 pages of documents, virtually all of which were responsive to discovery requests issued by Walgreens in 2008 and 2009. *See supra* paragraphs 10-12. Moreover, many of these documents either contained information dating to 2008, 2009, and early 2010, or were themselves created in that time period, yet McNeil delayed until October 2010 to produce these long pre-existing documents, in fact delaying their production until after the discovery period had closed. This late production violates the federal rules, trademark rules, and case law.

23. In addition, McNeil’s late production unfairly prejudices Walgreens. By delaying the production of documents, McNeil has prevented Walgreens from taking any discovery on the documents. McNeil has prevented Walgreens from being able to take any deposition testimony, issue follow up interrogatories, or pursue other discovery avenues by holding on to documents and waiting to produce them until after discovery closed. Allowing McNeil to rely on the late production would also leave Walgreens in the unfair and atypical situation under U.S. discovery

practice of potentially needing to cross-examine McNeil's witness during the testimony period on documents that Walgreens has not been able to fully investigate during the discovery period.

24. McNeil has no justifiable excuse for delaying until after the close of discovery to produce more than 4,500 responsive documents. Walgreens issued its discovery requests as long ago as October 2008, Walgreens repeatedly requested responsive documents from McNeil, many of the late produced documents or information contained therein have long been in existence, in some cases since 2008, and McNeil took the position that it had until the close of the discovery period – not after the close – to produce responsive documents (although Walgreens disagreed with this position). That discovery closed just the day before McNeil's counsel placed the documents in the mail implies that McNeil and/or its counsel had the documents identified well in advance of the close of discovery, yet waited to produce until after Walgreens could no longer take any discovery on the documents.

25. McNeil's production of the documents immediately after the close of discovery but before the testimony period does not remedy the harm to Walgreens, and it does not excuse McNeil's failure to meet its discovery obligations. None of the cases cited above specifically grants McNeil the right to produce documents after the close of discovery, or the right to hold onto documents, in some cases for years, thus giving McNeil a sort of immunity from possibly needing to be deposed on the documents or otherwise needing to provide Walgreens with further information related to the documents.

26. Notably, McNeil changed its position regarding its discovery obligations to suit its own interests. McNeil originally took the position that it could produce documents at any time *prior to the close of discovery*. (See Exhibit D.) It is only now, when McNeil has produced documents *after* the close of discovery, that McNeil has changed its tune. McNeil now asserts

that it can produce documents at any time prior to the trial testimony period. McNeil should not be allowed to use deliberately withheld documents to the prejudice of Walgreens.

27. Finally, addressing this issue now rather than waiting to consider a motion until after trial, prevents the undue burden on Walgreens of having to spend the time and resources to prepare on these documents when the documents may well be stricken as a result of late production if they are in fact introduced at trial.

28. In light of the above, and to prevent the undue prejudice that would be caused to Walgreens in light of McNeil's failing to provide timely production of its documents, Walgreens respectfully requests the Board preclude McNeil from relying on Bates Nos. McNeil 5040-5128, 5133-5161, and 5175-9498 during its testimony period.

29. Walgreens alerts the Board that several of the items found in the Exhibits are subject to confidentiality designations, and as such are being submitted to the Board separately under seal.

Respectfully submitted,

Date: December 28, 2010



Mark J. Liss
Caroline L. Stevens
Michelle L. Calkins
LEYDIG, VOIT & MAYER, LTD.
Two Prudential Plaza - Suite 4900
Chicago, Illinois 60601
Telephone: (312) 616-5600
Facsimile: (312) 616-5700

Attorneys for Applicant, Walgreen Company

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above foregoing "Applicant's Motion To Preclude Documents From Introduction At Trial" was served by first class mail and e-mail on December 28, 2010 to:

Laura Popp-Rosenberg
Fross Zelnick Lehrman & Zissu, P.C.
866 United Nations Plaza
New York, NY 10017
lpopp-rosenberg@frosszelnick.com


Michelle L. Calkins

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

McNEIL-PPC, Inc.)	In re Trademark Application
)	Serial No. 76/682,070
Opposer,)	
)	Opposition No. 91184978
v.)	
)	Trademark: WAL-ZYR
WALGREEN COMPANY,)	
)	
Applicant.)	

**EXHIBITS TO APPLICANT'S MOTION TO PRECLUDE
DOCUMENTS FROM INTRODUCTION AT TRIAL**

(REDACTED)

Exhibit A

6. All documents and things sufficient to identify all goods and/or services provided, or intended to be provided by Opposer, on or in connection with the "ZYRTEC" mark.

7. All documents and things referring or relating to, or comprising, any plans Opposer has to expand or change the goods or services offered for sale or intended to be offered for sale under "ZYRTEC."

8. All documents and things sufficient to identify all geographic areas in which Opposer uses the "ZYRTEC" mark.

9. All documents and things relating or referring to the geographic scope of sale of Opposer's goods bearing the "ZYRTEC" mark.

10. All documents and things relating or referring to the alleged fame of Opposer's "ZYRTEC" mark.

11. All documents and things regarding the types of consumers and prospective consumers to which, and the markets and channels of trade in which, Opposer markets, advertises, promotes, or sells or intends to market, advertise, promote or sell products or services under "ZYRTEC."

12. All documents and things relating or referring to the care exercised by consumers and potential consumers of "ZYRTEC" when making purchases.

13. All documents which Opposer consulted, referenced, used, or relied upon in defining its target market for the goods offered under "ZYRTEC."

14. A list of competitors for the goods offered under, or intended to be offered under the "ZYRTEC" mark.

15. All reports, research, searches, investigations, recommendations and opinions Applicant consulted, referenced, used, or relied upon in deriving Opposer's strategy for the marketing, promotion and advertising for the goods offered under "ZYRTEC."

16. All documents and things related to all magazines, journals, newspapers or publications in which Opposer's mark "ZYRTEC" has appeared or in which Opposer intends for the mark to appear.

17. All documents and things related to Opposer's adoption of the "ZYRTEC" mark.

18. All documents and things related in any way to consumers' perception of "ZYRTEC."

19. All advertising and promotional materials for goods sold or intended to be sold in the United States under "ZYRTEC" as well as all documents reflecting the success of such advertising and promotion such as documents reflecting, referring, or related to brand awareness.

20. All documents and things relating to annual budgets and expenditures or intended annual budgets and expenditures to advertise and/or promote goods under the "ZYRTEC" mark.

21. All documents and things relating to the annual revenues or projected annual revenues for the goods offered under "ZYRTEC" as well as all documents reflecting sales and market share of "ZYRTEC."

22. All documents referring to any contracts, licenses and/or agreements or intended contracts, licenses and/or agreements between Opposer and any third party regarding the use of "ZYRTEC."

23. All documents referring to any surveys, studies, polls or other undertakings regarding "WAL-ZYR" or "ZYRTEC."

24. All documents concerning the circumstances under which Opposer first learned of Applicant's Mark.

25. All documents relating in any way to any confusion or inquiries regarding Applicant or Applicant's mark.

26. All documents and things in Opposer's possession or control referring to or relating to Applicant.

27. All documents and things in Opposer's possession or control referring to or relating to objections in any form to any third-party mark based in whole or in part on Opposer's alleged "ZYRTEC" mark.

28. All documents and things in Opposer's possession or control referring to or relating to third party uses of any marks containing the "ZYR" term within the pharmaceutical market.

29. All documents and things relating in any way to the alleged dilution of Opposer's Mark by Applicant.

30. Each and every document not already produced in response to these Requests upon which Opposer will rely in this Opposition proceeding.

31. All documents in Opposer's possession or control concerning persons who will provide written statements or who Opposer intends to call as a witness in connection with this opposition.

DOCUMENT REQUESTS

REQUEST NO. 32:

All Communications between persons employed by UCB Pharma, S.A., UCB S.A. and McNeil-PPC, Inc., McNeil Consumer Healthcare, Johnson & Johnson, or any of their divisions or related companies in Opposer's possession, custody and control concerning Applicant's use or registration of Applicant's Mark or this Opposition.

REQUEST NO. 33:

Any and all communications, contracts, licenses, agreements and other Documents concerning the chain of title of Opposer's Mark or licensing of rights in and to Opposer's Mark.

REQUEST NO. 34:

All reports, studies, surveys or polls concerning consumer consideration of active ingredients in allergy medicine when selecting and purchasing allergy medicine.

REQUEST NO. 35:

Documents sufficient to establish any and all guidelines or requirements for use of Opposer's Mark.

REQUEST NO. 36:

Documents reflecting the number of "hits" or "visits" to www.zyrtec.com, www.zyrtopia.com, www.zyrtecprofessional.com, and any other website or web page that features products offered under Opposer's Mark.

REQUEST NO. 37:

Documents showing the number of Communications that refer to the products offered under Opposer's Mark and received through www.zyrtec.com, www.zyrtopia.com, and

www.zyrtecprofessional.com, and any other website or web page that features products offered under Opposer's Mark.

REQUEST NO. 38:

All Documents and reports concerning consumer comments or opinions relating to Opposer's Mark or products offered under the Opposer's Mark.

REQUEST NO. 39:

All educational and promotional Documents and materials intended to educate consumers on the spelling and/or pronunciation of Opposer's Mark.

REQUEST NO. 40:

All Documents, including, but not limited to, focus group studies or qualitative feedback reports, concerning whether consumers believe that store brand products may be manufactured by the same companies that manufacture the brand name equivalent products.

REQUEST NO. 41:

All Documents reflecting data on how consumers become aware of or decide to purchase products offered under Opposer's Mark, including, but not limited to, data concerning physician recommendations, historic prescriptions, word-of-mouth recommendations, and advertisements.

REQUEST NO. 42:

Documents sufficient to identify market share for the products sold under the Opposer's Mark and for products that compete with such products.

REQUEST NO. 43:

All Documents concerning any Communications between Opposer or its counsel and any third-party expert or consultant engaged to render services on behalf of Opposer in connection with this proceeding.

Exhibit B

Gillott, Brittney

From: Stevens, Caroline
Sent: Thursday, June 25, 2009 2:20 PM
To: Laura Popp-Rosenberg
Cc: Liss, Mark
Subject: WAL-ZYR Opposition; LVM Ref. 262981

Laura,

We have had a chance to review the documents we received from McNeil yesterday. While we believe there are still some documents missing from McNeil's production, if you can tell us that McNeil's production is complete, we will accept that, and we will move forward with the deposition on Monday. However, if McNeil intends to produce more documents, it does not make sense to take Mr. Hooda's deposition until we receive the additional documents, and in which case, we would have to postpone Monday's deposition.

I would appreciate it if you would call me today to discuss.

Thank you,

Caroline

Caroline L. Stevens
LEYDIG, VOIT & MAYER, LTD.
Two Prudential Plaza, Suite 4900
Chicago, Illinois 60601
Tel: (312) 616-5671
Fax: (312) 616-5700
E-mail: cstevens@leydig.com

Exhibit C

Gillott, Brittney

From: Stevens, Caroline
Sent: Tuesday, July 21, 2009 10:35 AM
To: Laura Popp-Rosenberg
Cc: Liss, Mark; Richard Lehv
Subject: WAL-ZYR Opposition - Discovery Issues; LVM Ref. 262981

Dear Laura,

We are writing in an effort to try to amicably resolve our concerns over McNeil responses to certain of Walgreens' document requests. We reiterate our request that McNeil produce documents requested in Document Request No. 32, which we still have not received. We understand from conversations with you that McNeil's position is that it can produce documents at any time during the discovery period, including up and until the last day of discovery. This position overlooks McNeil's obligation to produce documents in a *timely manner*. This position amounts to unprofessional gamesmanship, and not what litigation should be about. We believe the Board would agree.

We also reiterate our request that McNeil substantively respond to Interrogatory No. 23. McNeil responded by only listing objections on the grounds of undue burden or expense; that the Interrogatory was not reasonably calculated to lead to the discovery of admissible evidence; that the Interrogatory was not reasonably particular or that it sought information tangential to the matters at issue; and that the wording of the Interrogatory is vague and/or ambiguous. We disagree with all of these objections.

As we have explained in the past, information responsive to this Interrogatory is relevant and admissible, because it could pertain to or lead to information about the owner of the ZYRTEC trademark's opinion on issues related to this matter, and the interrogatory may also have some relevance to the issue of standing. Given the relevance of this evidence, we do not agree that requiring production is an undue burden or expense. We also do not agree that any portion of the Interrogatory is vague or ambiguous. If McNeil intends to maintain this objection, McNeil should identify the words that are too ambiguous and/or vague for McNeil to properly respond.

We also have not received documents that demonstrate McNeil has standing in this case or is licensed to use the ZYRTEC mark, as requested in Document Request No. 22 and 33. The agreement dated June 25, 2006 is not signed, it is heavily redacted, and it includes no schedules. Frankly, it is worthless to us. As a result, so is the agreement dated December 20, 2006. Given the protective order, we are entitled to unredacted copies of all of the agreement, and we request that McNeil produce them. Please also let us know whether the June 25, 2006 agreement was ever signed, and if so, please produce a copy. Finally, please confirm that there are no other documents responsive to these requests.

If we do not receive these documents by **July 28, 2009**, we will be forced to request the intervention of the TTAB Interlocutory Attorney or to file a Motion to Compel. Filing a Motion would cause the suspension of the opposition, and both the Motion and contacting the Interlocutory Attorney would cause undue hassle to all parties involved. We would like to avoid all of this. Please contact us to discuss this matter further.

Regards,

Caroline

Caroline L. Stevens
LEYDIG, VOIT & MAYER, LTD.
Two Prudential Plaza, Suite 4900
Chicago, Illinois 60601
Tel: (312) 616-5671
Fax: (312) 616-5700

Exhibit D

From: Laura Popp-Rosenberg [mailto:lpopp-rosenberg@frosszelnick.com]
Sent: Wednesday, July 22, 2009 6:12 PM
To: Stevens, Caroline
Cc: Richard Lehv
Subject: RE: WAL-ZYR Opposition - Discovery Issues; LVM Ref, 262981

Dear Caroline:

We maintain our position that McNEIL has the right to continue to produce documents throughout the discovery period. This is not gamesmanship. I have asked McNEIL to collect all documents they are required to produce in this proceeding, and I am not withholding any documents that have been given to me by my client. I note that Walgreens seems also to be availing itself of its right to produce documents on a continuing basis, having just produced a large number of documents this week.

We disagree with your assertion that we have not produced the documents that show McNEIL's standing in this proceeding or its license to use the ZYRTEC mark. Should you continue to believe that the materials we have produced do not show McNEIL's standing in the opposition, that would seem to me to be a legal question for the trial phase of this proceeding.

The June 25, 2006 agreement was signed. We had not realized until your email that the version produced was unsigned. Please see attached signature pages, which should be added to McNEIL's production in this matter.

The redactions of the June 25, 2006 agreement are of information that has no relevance to this proceeding. Therefore, we are not required to produce an unredacted version of the agreement, regardless of the confidentiality agreement, and will not do so.

We are still conferring with our client with regard to Interrogatory No. 23 and Document Request No. 32, and will try to have a definitive answer to you next week as to whether we will be revising our responses to these requests.

Regards,
Laura

Exhibit E

Redacted

Exhibit F

Redacted

Exhibit G

Redacted

Exhibit H

Redacted

Exhibit I

Redacted

Exhibit J

Redacted

Exhibit K

Leave allergies in the dust.



Introducing allergy relief at liquid speed.
That's the fast, powerful relief of 24-hour ZYRTEC[®], now in a liquid gel.**

New ZYRTEC[®] Liquid Gels. lovethair[™]

*Starts working at hour 1. **Relieves sneezing, runny nose, itchy, watery eyes, and itchy nose or throat. ©McNEIL-PPC, Inc. 2010.

MCNEIL 005114

Get back to running your
fingers through someone
else's hair.

Breathe freer. Zyrtec-D helps you
get back to the things you love with the
proven allergy relief of Zyrtec, plus a
powerful decongestant.



love

air

Exhibit L

Subscribe to Advertising Age today!

September 29, 2010

[Login](#) | [Register Now](#)

Advertising Age.

[Search Advertising Age](#)

[Advanced Search](#)

[More from Ad Age](#) | [Creativity](#) | [Ad Age China](#) | [Insights](#) | [Jobs](#) | [Ad Age On Campus](#) | [Sign up for E-mail Newsletters](#)

HOME

- Latest News
- Agency News
- Best Ads
- CMO Strategy
- DataCenter
- Digital
- Global News
- Hispanic Marketing
- Madison+Vine
- MediaWorks
- People & Players
- This Week's Issue

COLUMNS

- Rance Crain
- The Media Guy
- Bob Garfield
- Al Ries
- Guest Columnists

BLOGS & PODS

- Ad Age Outlook
- AdAgeStat
- Ad Review
- Adages
- The Big Tent
- Campaign Trail
- DigitalNext
- GoodWorks
- Power 150
- Small Agency Diary
- Video

WHITE PAPERS

- Moving the Metal: How Automotive Dealers Can Take Advantage of Social Media
- What You Need to Know About the iPad
- Hispanic Fact Pack 2010
- Hispanic America 2010
- What small and midsize businesses need to know about marketing: Your questions answered

RESOURCES

- Jobs
- Webcasts
- Ad Age Events
- Industry Events

BRANDED CONTENT

- 2010 Cable Guide
- Ad Network + Exchange Guide
- Custom Programs
- Tech Marketing Center Channel



A new monthly magazine and digital platform reaching 40 million shoppers every month.

Stay on top of the news, [sign up for our free newsletters](#)

[E-mail](#) | [License](#) | [Print](#) | [Comment](#) | [RSS](#)

J&J's Zyrtec: A Marketing 50 Case Study

By Jack Neff

Published: November 17, 2008



[Index](#)

[Previous](#) | [Next](#)



Photo: Tony Pettinato

When Johnson & Johnson acquired Pfizer's consumer-health-care business, the buried treasure was allergy drug Zyrtec. At the time, in 2006, it was a top-selling prescription drug in the U.S.

Showcasing that treasure has been Rohinish Hooda, VP-marketing for J&J's over-the-counter upper-respiratory business. Zyrtec is on track to hit \$300 million in its first year of OTC sales despite going head-to-head with private-label.

"It's been a phenomenal year," Mr. Hooda says. By the second quarter, Zyrtec had a 27.5% share of the U.S. OTC-allergy business. The sales are great, he says, but "the market response from consumers, customers and competitors is even more satisfying."

J&J arranged for 40 of the Fortune 500 employers to send direct-mail ads to Zyrtec prescription users. But the key move may have been mining clinical data to come up with a powerful new claim in TV and print ads from JWT, New York -- that Zyrtec starts working in only an hour, compared with three for Claritin.



Share & Save (2)

"THE FUTURE OF DISPLAY ADS"

VIDEO RECAP

HEAR FROM OUR EXPERTS
Keynote at 2010 MIXX Conference

SPECIAL REPORT

Media Mavens 2010



These 18 Agency and Marketer Executives Faced the Great Recession Head on and Found Success Stretching Media Budgets and Bolstering Their Companies' Bottom Lines

RELATED CONTENT

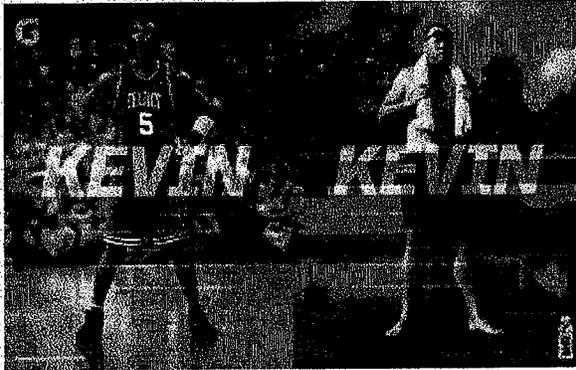
- [Special Report: Marketing 50](#)
- [Ad Age Marketing 50 Awards Luncheon](#)
- [More...](#)

BRANDWEEK

G2, Zyrtec Top New Product Sales in '08

March 23, 2009

- Elaine Wong and Kenneth Hein



Consumers crave brands with health and affordability claims, according to Information Resources Inc.'s annual New Product Pacesetters report. PepsiCo's G2 and over-the-counter allergy relief medication Zyrtec topped the list of most successful product introductions last year, per the research firm, which is releasing its findings at the CPG Summit in Las Vegas this week. The report encompasses both food and nonfood brands that have completed one full year of sales, have gained at least 30 percent national distribution and generated at least \$7.5 million in sales in the food, drug and mass channels. Here's a look at the top winners:

G2 Outruns the Competition

Early last year, curious ads showed Derek Jeter walking the city streets while baseball stadium grass magically grew under his feet. It caused people to ask: "What is G2?" Well, \$159 million in sales later, it seems plenty of consumers figured it out pretty quickly.

G2, the low-calorie version of Gatorade, proved to be (forgive us) a home run for the brand. Why? Experts said it was all about the timing. "It tapped into the burgeoning awareness among consumers of the high-calorie count even among healthy-positioned beverages like Gatorade and Vitaminwater—PepsiCo itself having stoked that awareness with Gatorade sibling Propel's attacks on Vitaminwater," said Gerry Khermouch, editor of Beverage Business Insights. (Vitaminwater, last week,

launched its own 10-calorie per serving line extension.)

Of course, it doesn't hurt to be part of the Gatorade family, said John Sicher, editor, Beverage Digest. "Over the years, Gatorade has done very well with line extensions like Fierce and Frost. [It's one of the few brands that has.] Beyond Coke and Pepsi, there is a small number of power brands in the U.S. beverage system and Gatorade is one of them. You can see how difficult a time the others have had, including Powerade, against Gatorade's dominance."

Last week, G2 continued its attack by debuting the first of three new TV spots tucked under its new "Everyday Athlete" tagline. It also added Eli Manning as brand spokesperson. "We're broadening who we call an athlete and meeting their needs with low-calorie offerings," said Carla Hassan, Gatorade's director of marketing. "We feel that we have a bigger opportunity to talk about G2's low calories. It will be emphasized even more."

Becoming an over-the-counter drug has done wonders for the health of the Zyrtec brand. The Johnson & Johnson-owned allergy reliever notched \$316 million in first-year sales since its January 2008 switchover from being a prescription-only medication. The FDA approved OTC use of the drug in November 2007.

Zyrtec has also benefited from its reputation as "fast-acting" relief to common allergy symptoms as well as a steep drop in price. Anne Berlack, evp of consumer and shopper insights at IRI, said the huge drop in pricing which typically accompanies prescription to OTC switches is a critical driver of first-year sales.

Advertisement

**Eat Great,
Lose
Weight!**



Call **1-888-378-3151**

and get a **FREE** week
of meals plus a
BONUS \$25 gift!

©2008 eDiets.com, Inc. All rights reserved.
Redbook is a TM of Hearst Communications, Inc.

eDiets
fresh
prepared
meal delivery

Print Powered By FormatDynamics

BRANDWEEK

2008 New Product Pacesetters: Top 10 Food and Beverage Brands

Year-one dollar sales (in millions) across food, drug and mass (excluding Wal-Mart)

1. G2	\$159.1
2. Dunkin' Donuts coffee	\$111.6
3. Healthy Choice Café Steamers	\$95.2
4. Progresso Light	\$75.0
5. Hormel Compleats	\$71.3
6. DiGiorno Ultimate	\$61.4
7. Smirnoff Ice flavors	\$61.1
8. Diet Pepsi Max	\$60.9
9. Tyson Anytizers	\$58.9
10. Doritos Collision	\$57.7



Top 10 Nonfood Brands

1. Zyrtec	\$315.9
2. alli	\$160.4
3. Charmin Ultra Strong	\$144.0
4. Ped Egg	\$69.0
5. Secret Clinical Strength	\$50.6
6. MiraLAX	\$49.3
7. Dawn Plus	\$49.2
8. Cover Girl Lash Blast	\$45.0
9. Maybeline Define	\$44.7
10. Tide Pure Essentials	\$43.5

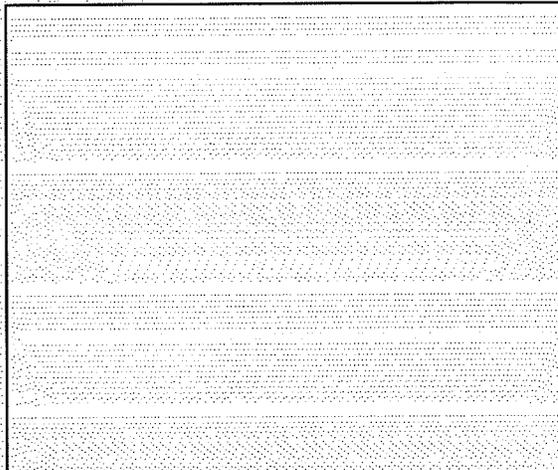
Source: IRI

Zyrtec's primary competitor, Claritin (from Schering-Plough), went OTC in December 2002, but there's room enough for the two brands to duke it out as they've distinguished themselves on separate claims, said Mintel senior analyst Krista Faron. Claritin prides itself on delivering nondrowsy relief.

Generic versions of the drug do exist—including one sold by Ohm Laboratories of New Brunswick, N. J.—but this is usually not enough to detract from branded sales in the short run, Berlack said.

Still, private label remains a long-term competitive threat. Generic brands accounted for 21.8 percent of U.S. cold, allergy and sinus remedy sales in 2008, per Mintel. Sales in this sector jumped 22.7 percent in two years. And, Faron said, until the economy turns around, consumers may very well "pick based on price."

Advertisement



Print Powered By  FormatDynamics™

Exhibit M

Redacted

Exhibit N

1. Israel grabs a share of U.S. drug market
St. Petersburg Times (FL) (KRT) Author: By Kris Hundley: Word Count: 1378 12/23/04
STPTFTI (No Page) 2004 WLNR 14860579

...market By Kris Hundley St. Petersburg Times (FL) (KRT) St. Petersburg Times Knight-Ridder /
Tribune Business News December 23, 2004 20041223 20041223 English FIIJ 0063770 Newspaper
US USA FL Florida NorthAmerica 6891 Word Count: 1378 Dec. 23--Lenore Ward of Palm
Harbor ...

...source. After seeing an ad for MagenDavidMeds.com in a Jewish newspaper, the 72-year-old
library volunteer tried ordering generic Zyrtec through the Israeli prescription broker. "I figured
I'd take a chance," Ward said of the fast-acting imported antihistamine that was 70 percent cheaper
than brand-name Zyrtec purchased locally. The allergy medicine from Israel worked so well
Ward recently ordered a refill from the company, which was ...

...painkiller Prevacid that is 63 percent less expensive, and even greater savings on generic versions
of brand-name drugs like Zyrtec, which are not available in the United States. "We looked at
the Canadian online pharmacies and asked ourselves if we...

2. Israel grabs a share of U.S. drug market
St Petersburg Times Author: KRIS HUNDLEY Word Count: 1335 12/23/04 STPTFTI 1A 2004
WLNR 20176626

...U.S. drug market KRIS HUNDLEY St Petersburg Times St. Petersburg Times (FL) 0 SOUTH
PINELLAS NATIONAL 1A December 23, 2004 20041223 20041223 English CEFJ 0009436
Newspaper US USA FL Florida NorthAmerica 6673 Word Count: 1335 Lenore Ward of Palm
Harbor has been ...

...source. After seeing an ad for MagenDavidMeds.com in a Jewish newspaper, the 72-year-old
library volunteer tried ordering generic Zyrtec through the Israeli prescription broker. "I figured I'd
take a chance," Ward said of the fast-acting imported antihistamine that was 70 percent cheaper
than brand-name Zyrtec purchased locally. The allergy medicine from Israel worked so well Ward
recently ordered a refill from the company, which was ...

...painkiller Prevacid that is 63 percent less expensive, and even greater savings on generic versions
of brand-name drugs like Zyrtec, which are not available in the United States. "We looked at the
Canadian online pharmacies and asked ourselves if we...

3. Israel grabs a share of U.S. drug market

St Petersburg Times Author: KRIS HUNDLEY; Word Count: 1338 12/23/04 STPTFTI 1A
2004 WLNR 14887761

...of U.S. drug market KRIS HUNDLEY St Petersburg Times St. Petersburg Times 0 SOUTH
PINELLAS NATIONAL 1A December 23, 2004 20041223 20041223 St. Petersburg FL United
States PE Newspaper English CEFJ 0009436 Newspaper US USA FL Florida NorthAmerica
6692 Word Count: 1338 ...

...source. After seeing an ad for MagenDavidMeds.com in a Jewish newspaper, the 72-year-old
library volunteer tried ordering generic Zyrtec through the Israeli prescription broker. "I figured
I'd take a chance," Ward said of the fast-acting imported antihistamine that was 70 percent cheaper
than brand-name Zyrtec purchased locally. The allergy medicine from Israel worked so well
Ward recently ordered a refill from the company, which was ...

...painkiller Prevacid that is 63 percent less expensive, and even greater savings on generic versions
of brand-name drugs like Zyrtec, which are not available in the United States. "We looked at the
Canadian online pharmacies and asked ourselves if we...

4. Redford Township school's experiments to be relaunched

AP Alert - Michigan Author: N/A; Word Count: 402 12/22/04 APALERTMI 07:16:52

...52 Redford Township school's experiments to be relaunched AP Alert - Michigan AP Alert -
Medical AP Alert - Media December 22, 2004 20041222 20041222 The Associated Press English
EBDG 0000643 Newswire US USA MI Michigan NorthAmerica 2011 Word Count: 402
REDFORD TOWNSHIP, Mich._Nearly ...

...become a doctor, is particularly anxious to see what impact radiation will have on the drugs,
which includes Celebrex and Zyrtec. Ferenczi said the students likely will enlist the aid of the
Pfizer lab in Ann Arbor to help evaluate the...

5. Celebrex patients left scrambling for advice
CHICAGO TRIBUNE Author: Jeremy Manier and Bruce Japsen, Tribune staff reporters. Word
Count: 1353 12/21/04 CHICAGOTR 1 2004 WLN 19897250

...scrambling for advice Jeremy Manier and Bruce Japsen, Tribune staff reporters. CHICAGO
TRIBUNE Chicago Final News 1 December 21, 2004 20041221 20041221 English JLGH 0014769
Newspaper US USA IL Illinois NorthAmerica 6767 Word Count: 1353 Confused by the news
that the pain ...

...Lipitor Cholesterol 109.2 Advair Asthma 101.7 Celebrex
Arthritis 95.9 Prevacid Heartburn 95.3 Zocor Cholesterol 95.2
Zyrtec Allergy 95.1 Sources: IMS Health, Nielsen Monitor-Plus Chicago Tribune -
See microfilm for complete graphic. Copyright © 2004 Chicago Tribune ...

...HEALTH NIH NORTHWESTERN MEMORIAL HOSPITAL PFIZER PFIZER INC TV US
FOOD AND DRUG ADMINISTRATION UNIVERSITY OF CHICAGO VIAGRA VIOXX
ZOCOR ZYRTEC ESPERION THERAPEUTICS INC MARKETSHARE RECOVERY INC HRPT
PROPERTIES TRUST GALES INDUSTRIES INC BLUE CROSS AND BLUE SHIELD
ASSOCIATION HEALTHAMERICA CORP...

6. PFIZER AND CELEBREX: THE COMPANY: Criticism of Drug May Leave Pfizer Awash in
Lawsuits
New York Times (NY) Author: BARNABY J. FEDER; Word Count: 1713 12/18/04 NYT C1
2004 WLN 14293287

...Lawsuits BARNABY J. FEDER New York Times (NY) New York Times Late Edition - Final C 1
02 December 18, 2004 20041218 20041218 New York NY US NYT English Newspaper ADFN
0007297 Newspaper US USA NY New York NorthAmerica 8564 Word Count: 1713 ...

...60 billion Norvasc: 3.21 Zolof: 2.40 Celebrex: 2.29 Neurontin: 2.24 Viagra: 1.21 Zithromax: 1.18
Zyrtec: 0.94 Xalatan/Xalcom: 0.87 Bextra: 0.87 Graph tracks share prices of Merck through 2003
and 2004. (\$31...

7. Analysis: Wall Street reaction to Celebrex news
NPR All Things Considered Author: N/A; Word Count: 805 12/17/04 ATCON (No Page) 2004
WLNR-21545132

...2004 WLNR 21545132 Analysis: Wall Street reaction to Celebrex news NPR All Things
Considered All Things Considered December 17, 2004 20041217 20041217 English KAVJ
0126857 Broadcast US USA NorthAmerica 4023 Word Count: 805 ROBERT SIEGEL, host:
Word that the Celebrex study was ...

...has more big drugs. They include the world's top seller, Lipitor, which cuts cholesterol, as
well as Zolofl for depression, Zyrtec for allergies, not to mention Viagra for erectile
dysfunction. But Pfizer will lose its market monopoly on many of these...

8. CROSSING THE DRUG BOUNDARIES CITIES BUCK FDA ON CANADIAN MEDICINE
Birmingham Post-Herald Author: HOLLY LANG; Word Count: 2443 12/7/04 BSX-BIRMPH
1 2004 WLNR 18176268

...BOUNDARIES CITIES BUCK FDA ON CANADIAN MEDICINE HOLLY LANG Birmingham
Post-Herald Health 87 138 01-C December 7, 2004 20041207 20041207 English IIHC 0062350
Newspaper US USA AL Alabama NorthAmerica 12217 Word Count: 2443 Montgomery has a
drug problem. Although the ...

...drugs to Canadian pharmacies. Pfizer has cut back its supply of drugs to Canadian pharmacies,
including Viagra, Zolofl, Lipitor and Zyrtec, all of which are top sellers. GlaxoSmithKline
restricted its supplies to Canadian pharmacies as well. Merck spokesman Chris Loder said...

9. TV ads key front in drug price war Health insurers strike back against marketers of expensive remedies

CHICAGO TRIBUNE Author: Bruce Japsen, Tribune staff reporter. Word Count: 1991
11/28/04 CHICAGOTR 1 2004 WLNR 19813790

...back against marketers of expensive remedies Bruce Japsen, Tribune staff reporter. CHICAGO TRIBUNE Chicago Final Business 1 November 28, 2004 20041128 20041128 English JLGH 0014769 Newspaper US USA IL Illinois NorthAmerica 9957 Word Count: 1991 Not even NFL Hall of Fame quarterback ...

...Claritin began selling over-the-counter in 2002, rival brand-name drugs in the same therapeutic class, such as Clarinex, Zyrtec and Allegra, became more expensive on insurers' lists of medications. In January 2003, health insurance giant Aetna Inc., for example ...

...Prevacid TAP Pharmaceutical Products Inc. Heartburn \$4.0 billion \$95.3 Zocor Merck & Co. Cholesterol \$4.4 billion \$95.2 Zyrtec Pfizer Inc. Allergy \$1.2 billion \$95.1 Note: Sales figures are for 2003 Sources: IMS Health, Nielsen Monitor-Plus...

10. Biotech, pharma mixed: Chiron climbs

Marketwatch Author: Val Brickates Kennedy. Word Count: 296 11/17/04 MKTWATCH 15:06:20

...17/04 Marketwatch 15:06:20 Biotech, pharma mixed: Chiron climbs Val Brickates Kennedy Marketwatch CBS MarketWatch November 17, 2004 20041117 20041117 English DIIG 0062090 Newswire US USA NorthAmerica 1482 Word Count: 296 BOSTON (CBS.MW) -- Indexes tracking biotechnology and pharmaceutical stocks were ...

...rose 2.12 percent at \$27.90. The company said that a proprietary study had shown its allergy relief drug Zyrtec was more effective in relieving symptoms than Aventis' Allegra. But the big winner was CV Therapeutics CVTX, which jumped more...

11. Stock gains dented by rise in oil Investors cheer Sears-Kmart merger, H-P results, data

Marketwatch Author: Mark Cotton. Word Count: 1547 11/17/04 MKTWATCH 14:13:45

...rise in oil Investors cheer Sears-Kmart merger, H-P results, data Mark Cotton Marketwatch CBS MarketWatch November 17, 2004 20041117 20041117 English DIIG 0062090 Newswire US USA NorthAmerica 7737 Word Count: 1547 NEW YORK (CBS.MW) -U.S. stocks ended higher but off ...

...to its fourth-quarter performance. Pfizer PFE gained 2.5 percent on a proprietary study showing its allergy relief drug Zyrtec was more effective in relieving symptoms than Aventis' Allegra. The Dow's two retail components -- Wal-Mart Stores WMT and Home...

Exhibit O

----- Original Message -----

From: Laura Popp-Rosenberg <lpopp-rosenberg@fzllz.com>

To: Stevens, Caroline

Cc: Giselle C. Woo <gwoo@fzllz.com>

Sent: Fri Nov 26 15:21:29 2010

Subject: RE: 262981; WAL-ZYR Opposition

Dear Caroline,

We strongly disagree with the statements in your November 17 email below. There is no question that a party can produce documents at any time prior to the trial testimony period, and there can be no question that McNEIL supplemented its production in a timely manner.

The cases that you cited in your email have no relevance for the current situation. Both cited cases concern opposers who failed to produce documents "either initially or by supplementation," then attempted to rely on said documents at trial or to produce them during the trial testimony period. See *Mana Prods., Inc. v. Black Onyx, Inc.*, Opp. No. 112,190, 2001 Westlaw 930583, at *2 (T.T.A.B. Aug. 15, 2001); *Panda Travel Inc. v. Resort Option Enters. Inc.*, 94 U.S.P.Q.2d 1789, 1791-93 (T.T.A.B. 2009) (faulting opposer who engaged in a "bait and switch" by allowing applicant to believe opposer had produced all responsive documents and would not need to supplement its production). Throughout the parties' communications, we have always made clear that we planned to supplement McNEIL's production, and thus Walgreen has not been misled. On the contrary, McNEIL and Walgreen have been in almost continuous communication regarding McNEIL's supplemental production, particularly concerning documents that Walgreen specifically requested in categories of documents to which Walgreen currently objects. McNEIL produced its supplemental production well in advance of the testimony period and in a timely fashion, and as such, these cases are inapplicable. (I also dispute that you have "consistently disagreed" with McNEIL's position that documents could be produced after the close of discovery, but the point is not important enough for me to spend the time or resources reviewing our communications on this issue.)

In regard to your objection to the production of specific documents, all of the documents produced in McNEIL's most recent production were produced to supplement McNEIL's previous productions and were produced either in response to specific supplementation requests by made by you, or to produce documents that were not in existence until shortly before their production (this latter category constituting the vast majority of the recent production). More specifically:

. The UCB Amended License Agreement did not exist before 2010 and was produced to supplement the UCB License Agreement produced at MCNEIL_000193-238. This document was also produced in response to Walgreen's specific requests for documents regarding the relationship between UCB and McNEIL and for supplementation of documents responsive to Document Requests #22.

. The documents related to the Transaction Study, produced at MCNEIL_005057-5101, were produced to supplement past productions and in response to Walgreen's specific request for lists of questions and other materials concerning studies already produced to Walgreen at MCNEIL_001445-1532 in response to Document Request #23.

. The documents produced at MCNEIL_005102-07 supplements MCNEIL's production of sales documents, previously produced at MCNEIL_002214-17, in response to Walgreen's specific request for updated sales figures responsive to Document Request #21.

. The media reports produced at MCNEIL_5147-9498 did not exist until shortly before we produced them, as evidenced by the date on the reports themselves. These reports and those produced at MCNEIL_5133-45 were produced in response to Walgreen's specific request for additional media references to ZYRTEC responsive to Document Request #16.

. The document produced at MCNEIL_005108-12 supplements MCNEIL's prior production of Verbatim comments at MCNEIL_001534-50, and was produced in response to Walgreen's specific request that McNEIL supplement the reports of consumer comments and opinions responsive to Document Request #38.

. The document evidencing visits to the Zyrtec website, produced at MCNEIL_005113, supplements such information previously produced at MCNEIL_001426-44.

. The advertisements objected to by Walgreen, produced at MCNEIL_005114-128, 5157-61, and 5175-76, are all advertisements created in 2010 and produced to supplement previous productions.

. The media plans produced at MCNEIL_005146-56 supplement those previously produced, including at MCNEIL_000734-736, and were produced in response to Walgreen's specific request for updated advertising expenditures and plans responsive to Document Request #20.

We are particularly surprised that you would voice objection to McNEIL's production considering that Walgreen has continued to supplement its production at an even later date than McNEIL. Moreover, Walgreen's own supplemental production suffers from the same "defects" of which you accuse McNEIL. For instance, Walgreen produced at W5858-5953 USPTO status reports for trademarks dating back to 2003, most of which could have been produced at the start of this proceeding and half of which were not produced until the end of last week. Walgreen further produced invoice information at W5833-46 dating back to August 2009, some of which clearly could have been produced many months ago, as well as revenue information dating back to 2008 at W5849-56.

If you would like to discuss this matter further, please let me know and we can set up a teleconference.

With regard to the question of whether McNEIL skipped document range 4888-4969, Giselle will get back to you on this issue next week. She will also look into the legibility of document range 5146-5156, and send clearer copies if they are available.

Regards,

Laura

From: Stevens, Caroline [mailto:cstevens@leydig.com]
Sent: Wednesday, November 17, 2010 4:08 PM
To: Laura Popp-Rosenberg
Cc: Liss, Mark
Subject: 262981; WAL-ZYR Opposition

Dear Ms. Popp-Rosenberg:

We are writing with regard to our strong objections to McNeil's production of over 4500 documents after the close of discovery. Many of the documents include information that dates back to 2008, 2009, and early to mid 2010. This information and the documents that contain the information are not supplements of prior production, such as updated sales figures. Instead, the information and documents simply should have been produced in response to our requests long ago, and certainly prior to the close of discovery.

Producing the information and documents after such a long delay and after the close of discovery unfairly prejudices Walgreens, Walgreens has no opportunity for follow-up discovery, and there is no justification for the delay. Such information and the documents that contains the information must be excluded from the dispute. See, e.g., Mana Prods. Inc. v Black Onyx, Inc., 2001 WL 930583 (TTAB 2001) (the Board excluded documents not produced during discovery period, and stated "A party which fails to produce documents or information in response to its opponent's proper discovery requires will be precluded from introducing or relying on such document or information at trial" and "In view of applicant's failure to produce the documents at issue during discovery, applicant is not entitled to rely on those documents at trial"); Panda Travel Inc. v. Resort Option Enterprises Inc., 94 USPQ2d 1789 (TTAB 2009) (Board excluded documents not produced during discovery period and stated, "opposer should not complain when the documents it failed to produce during discovery are stricken at trial" and noting that production must be made in a "timely fashion").

In past correspondence with you, McNeil has taken the position it can produce documents in response to Walgreen's discovery requests at any time until the very last day of discovery. Walgreens consistently disagreed with this position because the position goes against discovery rules requiring McNeil to produce responsive documents in a timely manner. Notwithstanding Walgreen's position, McNeil waited months and even years in some cases to produce certain information and documents, and McNeil did not produce the information and documents until after the close of discovery, a clear abuse of discovery procedure.

Accordingly, Walgreens requests that McNeil agree that it will not introduce into evidence or attempt to rely on the documents produced after the close of discovery and which are not

supplements in this opposition. Based on our review of those documents, we believe those documents include Bates Nos. McNeil 5040-5128; 5133-5161; 5175-9498. More specifically, Walgreens is seeking to exclude documents that appear to be an Amended License Agreement, various studies, records of consumer comments, advertisements, a chart showing the number of visitors (to what is not known), articles, and Westlaw search results, among other documents, because Walgreens has no opportunity to inquire into the information and content of these documents through regular discovery procedures, and there is no justification for producing the documents after the close of discovery.

Walgreens is reaching out to McNeil about this matter in an effort to amicably resolve the issue and avoid the time, expense, and delay of a motion to the Board. If McNeil is not willing to agree to the requests in this email, however, Walgreens is prepared to file a motion seeking to exclude the documents referenced in the paragraph above. If you would like to discuss our objections to the specific documents, please let us know and we can set up a conference call.

Finally, we did not receive document Bates Nos. McNeil 4888-4969. It appears that McNeil skipped these numbers in its production, but if not please let us know. Also, many of the words and numbers on documents Bates Nos. McNeil 5146-56 are illegible. We request a legible version of these documents, although we do maintain our objection to these documents due to late production.

Regards,

Caroline

Caroline L. Stevens
Leydig, Voit & Mayer, Ltd.
1420 Fifth Ave., Suite 3670
Seattle, WA 98101
(206) 428-3111 (tel)
(312) 616-5700 (fax)
cstevens@leydig.com

The information contained in this communication is confidential and may contain information that is privileged and/or exempt from disclosure under applicable law. If you have received this communication in error, please notify me immediately and delete the original and all copies of this communication. Thank you.

The information contained in this email message may be privileged, confidential, and protected from disclosure. Any unauthorized use, printing, copying, disclosure or dissemination of this communication may be subject to legal restriction or sanction. If you think that you have received this email message in error, please reply to the sender.

Exhibit P

H

2001 WL 930583 (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.)

MANA PRODUCTS, INC.

v.

BLACK ONYX, INC.

Opposition No. 112,190
to application Serial No. 75/330,735 filed on July 25, 1997

August 15, 2001

A. Thomas Kammer and R. Glenn Schroeder of Hoffmann & Baron, LLP for Mana Products, Inc.

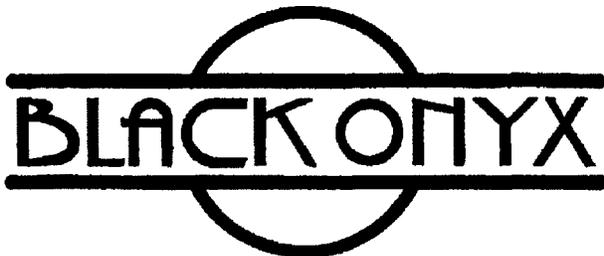
John H. Oltman and Frank L. Kubler of Oltman, Flynn & Kubler for Black Onyx, Inc.

Before Simms, Bottorff and Drost
Administrative Trademark Judges.

Opinion by Bottorff

Administrative Trademark Judge:

Black Onyx, Inc., applicant herein, seeks registration on the Principal Register of the mark depicted below for goods identified in the application as "skin conditioner and shaving lotion, both of which eliminate skin bumps."^[FNI]



Mana Products, Inc. has opposed registration of applicant's mark, alleging as grounds therefor that applicant's mark, as applied to applicant's goods, so resembles opposer's mark BLACK OPAL as to be likely to cause confusion, to cause mistake, or to deceive, and that it thus is barred from registration under Trademark Act Section 2(d), 15 U.S.C. §1052(d). More particularly, opposer alleges prior use of its BLACK OPAL mark on various cosmetic and skin care products including pre-shave daily cleansers, desensitizing clear shave gels, after-shave relief lotions and razor bump recovery solutions, all marketed for the care and treatment of razor bumps, particularly to African-

American men. Opposer also has pleaded ownership of Registration No. 1,949,678, which is of the mark BLACK OPAL, in typed form, for goods which include pre-shave cleansers, shave gels, after-shave lotions, and razor bump treatment gels.^[FN2]

Applicant answered the notice of opposition by denying the essential allegations thereof, by arguing that the parties' respective marks are not confusingly similar, and by alleging that priority rests with applicant, not opposer.^[FN3]

The record in this case consists of the pleadings; the file of the opposed application; status and title copies of three registrations owned by opposer, submitted by opposer via notice of reliance;^[FN4] encyclopedia entries for "opal" and "onyx," submitted by opposer via notice of reliance; the testimony deposition of Sharon Garment, opposer's Vice-President of Marketing, and exhibits thereto; and the testimony deposition of Eddie Collins, applicant's president, and the exhibits thereto, many of which are the subject of a motion to strike by opposer. The case has been fully briefed, but no oral hearing was requested.

We turn first to opposer's motion to strike certain of the exhibits to the testimony deposition of applicant's president, Eddie Collins, i.e., Exhibit Nos. 1-6, 8 and 10-15.^[FN5] Opposer contends that these exhibits consist of documents which should have been produced by applicant in response to opposer's discovery requests, but were not.^[FN6] Applicant, for its part, argues that its failure to produce these documents during discovery is excusable due to the serious illness and hospitalization of Mr. Collins, applicant's president, and that the documents therefore should not be stricken.

*2 A party which fails to produce documents or information in response to its opponent's proper discovery requests will be precluded from introducing or relying on such documents or information at trial. See *Johnston Pump/General Valve Inc. v. Chromalloy American Corp.*, 10 USPQ2d 1671, 1677 (TTAB 1989); and *National Aeronautics and Space Administration v. Bully Hill Vineyards Inc.*, 3 USPQ2d 1671, 1672 n. 3 (TTAB 1987). We find that, with the exception of a few documents included in applicant's Exhibit 8, see *supra* at footnote 6, the documents in applicant's Exhibit Nos. 1-6, 8 and 10-15 are responsive to opposer's discovery requests and that they accordingly should have been produced during discovery, but were not. Applicant has not contended otherwise.

Mr. Collins' December 1997 illness and hospitalization, which occurred some nine months prior to the institution of this proceeding and some twenty months prior to the close of the discovery period, do not excuse applicant's failure to produce these documents to opposer prior to trial. Applicant clearly was able to produce some documents in response to opposer's discovery requests; it has not explained why it could not and did not produce all of the requested documents, either initially or by supplementation as required by *Fed. R. Civ. P. 26(e)*, nor has it explained why it did not move to extend its time to respond to the discovery requests, if such extension of time was necessary.

In view of applicant's failure to produce the documents at issue during discovery, applicant is not entitled to rely on those documents at trial. See *Johnston Pump/General Valve Inc. v. Chromalloy American Corp.*, *supra*, and *National Aeronautics and Space Administration v. Bully Hill Vineyards Inc.*, *supra*.^[FN7] Accordingly, we hereby strike and shall give no consideration to Exhibits 1-6, 8 and 10-15 to the testimony deposition of Eddie Collins, except for those documents in Exhibit 8 identified *supra* at footnote 6.^[FN8]

We turn next to the merits of opposer's Section 2(d) ground of opposition to registration of applicant's BLACK ONYX (and design) mark. Opposer has made of record status and title copies of its pleaded Registration No. 1,949,678 of the mark BLACK OPAL. (Opposer's Notice of Reliance, filed November 8, 1999.) In view thereof, and because opposer's likelihood of confusion claim based thereon is not frivolous, we find that opposer has standing to oppose registration of applicant's mark. See *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982). Moreover, inasmuch as opposer's pleaded registration is not the subject of a counterclaim or a separate petition to cancel by applicant, priority under Section 2(d) is not an issue in this case. See *King Candy Co., Inc. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974).

*3 Our likelihood of confusion 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. See *In re E.I. du Pont de Nemours and Co.*, 476 F.2d 1357, 177 USPO 563 (CCPA 1973). In considering the evidence of record on these factors, we keep in mind that “[t]he fundamental inquiry mandated by §2(d) goes to the cumulative effect of differences in the essential characteristics of the goods and differences in the marks.” *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPO 24, 29 (CCPA 1976).

Applicant has conceded that the goods identified in its application, “skin conditioner and shaving lotion, both of which eliminate skin bumps,” are similar to the “pre-shave cleansers, shave gels, after-shave lotions, razor bump treatment gels” identified in opposer’s pleaded Registration No. 1,949,678. (Applicant’s Brief at 5.) Indeed, we find that the parties’ respective goods are essentially identical. This factor weighs in favor of finding of likelihood of confusion.

There are no limitations or restrictions as to trade channels or classes of purchasers in either applicant’s or opposer’s identification of goods, so we must presume that the parties’ respective goods are sold in all normal trade channels and to all normal classes of purchasers for such goods, regardless of what the evidence might show the parties’ actual trade channels and classes of customers to be. See, e.g., *Canadian Imperial Bank of Commerce v. Wells Fargo Bank, N.A.*, 811 F.2d 1490, 1 USPO2d 1813 (Fed. Cir. 1987). Because the parties’ respective goods, as identified in the application and the registration, are identical or highly similar, we find that they are or could be marketed in the same trade channels and to the same classes of prospective purchasers. This factor weighs in favor of a finding of likelihood of confusion.

Applicant concedes that the parties’ respective goods are inexpensive items which are purchased primarily on impulse rather than after careful deliberation. (Applicant’s Brief at 7.) This factor weighs in favor of a finding of likelihood of confusion.

Opposer argues that its mark is a famous mark which is entitled to a relatively broad scope of protection. We find that the evidence of record does not support that contention. Opposer’s sales and advertising figures (which have been submitted under seal pursuant to the parties’ protective agreement) are not so large as to qualify opposer’s mark as a “famous” mark within the meaning of the fifth *du Pont* likelihood of confusion factor. Moreover, there is no evidence as to opposer’s share of the relevant market. The burden of proving fame is on opposer, and we find that opposer has failed to carry that burden. Therefore, we find that this likelihood of confusion factor is neutral in this case.

*4 There is no evidence of record of any similar marks in use on similar goods. Applicant, in its brief, has identified an alleged third-party registration and several alleged pending intent-to-use applications. However, the registration and applications were not made of record during applicant’s testimony period, and they accordingly can be given no consideration. See TBMP §706.02. Moreover, even if they had been properly made of record, they would not constitute evidence that the marks depicted therein are in use or that the relevant public is familiar with them,^[FN9] and they thus are of no probative value in our likelihood of confusion analysis. See, e.g., *Olde Tyme Foods Inc. v. Roundy’s Inc.*, 961 F.2d 200, 22 USPO2d 1542, 1545 (Fed. Cir. 1992). We find that the absence of any evidence of similar marks in use on similar goods belies applicant’s contention that opposer’s mark is weak or entitled to a narrowed scope of protection. This factor weighs in favor of a finding of likelihood of confusion in this case.

Opposer acknowledges that it is unaware of any instances of actual confusion between its mark and applicant’s mark. However, we reject applicant’s contention that this absence of actual confusion is weighty evidence against a finding of likelihood of confusion in this case. It is clear from applicant’s own assertions regarding the differences in the parties’ respective actual trade channels, and from the extremely limited nature and amount of applicant’s sales and advertising, that there has been no meaningful opportunity for actual confusion to have occurred. Therefore, the

absence of evidence of actual confusion is entitled to no significant weight in this case. See Gillette Canada Inc. v. Ranir Corp., 23 USPQ2d 1768 (TTAB 1992).

Finally, we turn to a determination of whether applicant's mark and opposer's mark, when compared in their entireties in terms of appearance, sound and connotation, are similar or dissimilar in their overall commercial impressions. The test is not whether the marks can be distinguished when subjected to a side-by-side comparison, but rather whether the marks are sufficiently similar in terms of their overall commercial impression that confusion as to the source of the goods offered under the respective marks is likely to result. The focus is on the recollection of the average purchaser, who normally retains a general rather than a specific impression of trademarks. See Sealed Air Corp. v. Scott Paper Co., 190 USPQ 106 (TTAB 1975). Furthermore, although the marks at issue must be considered in their entireties, it is well-settled that one feature of a mark may be more significant than another, and it is not improper to give more weight to this dominant feature in determining the commercial impression created by the mark. See In re National Data Corp., 753 F.2d 1056, 224 USPQ 749 (Fed. Cir. 1985). Finally, where, as in the present case, the marks would appear on virtually identical goods, the degree of similarity between the marks which is necessary to support a finding of likely confusion declines. Century 21 Real Estate Corp. v. Century Life of America, 970 F.2d 874, 23 USPQ 1698 (Fed. Cir. 1992).

*5 Comparing applicant's mark and opposer's mark in their entireties, we find that although the marks are not identical, they are more similar than dissimilar. The only points of distinction between the two marks are applicant's use of a background carrier design, and applicant's use of the word ONYX instead of the word OPAL as the second word of its mark. Those specific differences between the marks are insufficient to render the marks dissimilar in their entireties.

The dominant feature in the commercial impression created by applicant's mark is its wording, BLACK ONYX. It is that wording, and not the simple bisected circle design which serves merely as a background or carrier for the wording, which is likely to be recalled by purchasers in calling for the goods. See generally In re Appetito Provisions Co., Inc. 3 USPQ2d 1553 (TTAB 1987). Moreover, opposer's mark in Registration No. 1,949,678 is registered in typed form, such that opposer would be free to display its mark in all reasonable manners, including with a similar basic carrier device. See Squirtco v. Tomy Corporation, 697 F.2d 1038, 216 USPQ 937 (Fed. Cir. 1983). In fact, the record shows that opposer has displayed its BLACK OPAL mark with such a circular carrier device on its men's product line (see, e.g., Garment depo., at Exhibit Nos. 37-39), and has registered the mark with a oval carrier design in connection with its women's product line (Registration No. 2,024,917; see *supra* at footnote 4). For these reasons, we find that the design feature in applicant's mark is entitled to relatively little weight in our comparison of the respective marks. See In re National Data Corp., *supra*.

Comparing the literal portions of the respective marks, we find that BLACK OPAL and BLACK ONYX are similar in terms of appearance and sound, and highly similar in terms of connotation. Both marks begin with the word BLACK, followed by a short four-letter word beginning with the letter "O." Although OPAL and ONYX are somewhat dissimilar in terms of appearance and sound, those dissimilarities are outweighed by the words' similarity in connotation, i.e., that of a gemstone. In their entireties, BLACK OPAL and BLACK ONYX have identical connotations, i.e., that of a "black gemstone." That connotation is arbitrary and strong as applied to these goods; as noted above, there is no evidence that any third parties use similar "gemstone" marks, much less "black gemstone" marks, on these types of goods.^[FN10] Purchasers, in recalling the marks, are likely to retain the general impression of "black gemstone," and perhaps not so likely to recall the particular gemstones named in each of the marks. Moreover, even if they are able to recall the difference in particular gemstones, the strength and arbitrariness of the "black gemstone" connotation is likely to lead them to mistakenly assume that BLACK OPAL and BLACK ONYX products originate from the same source.

*6 In short, although applicant's mark is not identical to the cited registered mark, we find that the marks in their entireties are sufficiently similar that confusion is likely to result when they are used on the identical and/or closely related goods involved in this case.

Having carefully considered the evidence of record with respect to each of the relevant *du Pont* evidentiary factors, we conclude that confusion is likely to result from applicant's use of its mark on its identified goods. To the extent that applicant, by its evidence or arguments, may have raised any doubt as to that conclusion, such doubt must be resolved against applicant and in favor of the prior registrant. See *In re Hyper Shoppes (Ohio) Inc.*, 837 F.2d 840, 6 USPQ2d 1025 (Fed. Cir. 1988); *In re Martin's Famous Pastry Shoppe, Inc.*, 748 F.2d 1565, 223 USPQ 1289 (Fed. Cir. 1984).

Decision: The opposition is sustained.

FN1. Serial No. 75/330,735, filed July 25, 1997. The application is based on use in commerce under Trademark Act Section 1(a), 15 U.S.C. §1051(a); October 1, 1984 is alleged as the date of first use of the mark anywhere, and November 1995 is alleged as the date of the first use of the mark in commerce.

FN2. Registration No. 1,949,678 issued on January 16, 1996. The goods identified in the registration also include skin retexturizing lotions, knee and elbow moisturizers, sunscreens, eyeshadows, blushes, foundation liquids, foundation cremes, foundation powders, face powders, lipsticks, eye pencils, lip pencils and mascara.

FN3. Applicant's allegation of priority constitutes an attack on the validity of opposer's pleaded registration which will not be heard in the absence of a counterclaim for cancellation of that registration. See Trademark Rule 2.106(b)(2), 37 CFR §2.106(b)(2). Applicant has not filed any such counterclaim. Accordingly, applicant's arguments with respect to priority are irrelevant and have been given no consideration. As noted *infra* at page 7, priority is not an issue in this case because opposer has made its pleaded registration of record.

FN4. Only one of the three registrations made of record by opposer was pleaded in the notice of opposition, i.e., Registration No. 1,949,678. See *supra* at footnote 2. The other two registrations are: Registration No. 1,825,722, issued March 8, 1994, which is of the mark BLACK OPAL (in typed form) for "skin care products; namely, cleansers, toners, and moisturizing lotions; and facial treatment products; namely, beauty masks, blemish control gel and skin bleaching preparations"; and Registration No. 2,024,917, issued December 24, 1996, which is of the mark BLACK OPAL (in stylized form as depicted below)



for "skin care products, namely cleansers, toners, moisturizing lotions, and sunscreens; facial treatment products, namely beauty masks, blemish control gel, skin bleaching preparations and skin retexturizing lotions; eyeshadows, blushes, foundation liquids, foundation cremes, foundation powders, face powders, lipsticks, eye pencils, lip pencils and mascara." Applicant did not object to opposer's introduction of these unpleaded registrations by notice of reliance, nor to opposer's witness's testimony regarding opposer's use of these registered marks (see Garment depo. at 4-8 and at Exhibit Nos. 1-2). In view thereof, and because applicant clearly was apprised that opposer was offering evidence of these registrations in support of its Section 2(d) claim, we find that applicant has impliedly consented to the trial of the issues raised by these unpleaded registrations, and we deem the notice of opposition to be amended to include those registrations. See Fed. R. Civ. P. 15(b); 37 CFR §2.107; and TBMP §507.03(b).

FN5. Opposer's motion to strike was filed on April 12, 2000. By order dated January 30, 2001, the Board deferred consideration of opposer's motion until final hearing. Cf. TBMP §718.03(c). Pursuant to the Board's instructions, opposer and applicant, in their briefs on the case, have renewed their respective arguments with respect to the motion to strike.

FN6. Opposer excepts from its motion to strike certain documents included in applicant's Exhibit 8, which applicant in fact had produced during discovery. Those documents are applicant's invoice numbers 55448, 55422, 55423, 55420, 55435, 55412, 05053, 05097 and 55411.

FN7. *Hewlett-Packard v. Human Performance Measurement, Inc.*, 23 USPQ2d 1390 (TTAB 1992), cited by applicant, involved the untimely service of a testimony deposition transcript, not the failure to provide discovery. It thus is inapposite to the present case.

FN8. The stricken evidence was offered by applicant in support of its legally irrelevant priority claim. See discussion *infra* at page 7. Accordingly, even if the evidence had not been stricken, our decision in this case would have been the same.

FN9. This is especially so with respect to the third-party intent-to-use applications identified by applicant.

FN10. For this reason, *Claremont Polychemical Corp. v. Atlantic Powdered Metals, Inc.*, 176 USPQ 207 (CCPA 1972), asserted by applicant to be "directly on point," is in fact readily distinguishable from the present case. The marks involved in that case, i.e., EVERGOLD and DURAGOLD, were found to be not confusingly similar because they both were weak, highly suggestive marks as applied to the relevant goods. There is nothing in the record from which we can conclude that opposer's BLACK OPAL mark is similarly weak or otherwise entitled to a narrow scope of protection.

2167F6B4C196EB11D5978200C04F42082Eimage/png3276px543.01272.04001.401167F6B4C296EB11D5978200
C04F42082Eimage/png1404px500.0261.04001.4022001 WL 930583 (Trademark Tr. & App. Bd.)
END OF DOCUMENT

Exhibit Q

Not Reported in F.Supp.2d, 2002 WL 1989466 (N.D.Ill.)
 (Cite as: 2002 WL 1989466 (N.D.Ill.))

Only the Westlaw citation is currently available.

United States District Court, N.D. Illinois, Eastern
 Division.
 AON RISK SERVICES, INC. OF ILLINOIS, Plain-
 tiff,
 v.
 Alan M. SHETZER, Defendant.
 No. 01 C 7813.

Aug. 27, 2002.

MEMORANDUM OPINION AND ORDER

CONLON, J.

*1 In this diversity action, Aon Risk Services, Inc. of Illinois ("Aon")^{FN1} sues Alan M. Shetzer ("Shetzer") for breach of duty of loyalty (Count I), tortious interference with business relations (Count II) and unjust enrichment (Counts III and IV). Shetzer counterclaims for breach of contract. Shetzer moves for summary judgment on all counts of the complaint pursuant to Federal Rule of Civil Procedure 56. Shetzer also moves to bar Aon from offering the testimony of John B. Turcza as well as documents produced after the close of discovery pursuant to Federal Rule of Civil Procedure 37.

FN1. Prior to December 1995, Aon was known as Rollins Hudig Hall of Illinois, Inc.

BACKGROUND

I. Defendant's Motion to Strike the Affidavit of John B. Turcza and Bar Him at Trial

Evidence submitted at the summary judgment stage must be admissible at trial. Woods v. City of Chicago, 234 F.3d 979, 988 (7th Cir.2000). Therefore, the court must first determine the admissibility of the evidence presented by the parties before reaching the merits of Shetzer's summary judgment motion.

A. Motion to Bar Testimony

In opposition to Shetzer's motion for summary judgment. Aon offers the affidavit of John B. Turcza ("Turcza") regarding Shetzer's compensation from 1998 through 2001. Shetzer moves to prevent Aon from offering Turcza's testimony based on the court's July 17, 2002 order. In that order, the court **granted** Shetzer's motion to compel **discovery**, but denied his request to extend the **close of discovery**:

[Aon] is to produce those Aon employees listed in the parties' Rule 26 disclosures for deposition and disclose all relevant information and **documents** requested in [Shetzer's] discovery. Request to extend discovery cut-off is denied. The court will consider a preclusion order for any witness [Aon] fails to produce for deposition.

Motion to Strike, Ex. B. Shetzer listed Turcza as a witness in his Rule 26 disclosure. Although the court warned Aon of the possibility of sanctions for non-compliance, Aon did not produce Turcza for deposition prior to the close of discovery.

Federal Rule of Civil Procedure 16(f) provides:

If a party or party's attorney fails to obey a scheduling of pretrial order ... the judge, upon or the judge's own initiative, may make such orders with regard thereto as are just, and among others any of the orders provided in Rule 37(b)(2)(B), (C), (D).

Fed.R.Civ.P. 16(f). Under Rule 37(b)(2)(B), the court may refuse "to allow the disobedient party to support or oppose designated claims or defenses, or prohibiting that party from introducing designated matters into evidence." Fed.R.Civ.P. 37(b)(2)(B). Indeed, [w]hen one party fails to comply with a court's pre-hearing order without justifiable excuse, thus frustrating the purposes of the pre-hearing order, the court is certainly within its authority to prohibit that party from introducing witnesses or evidence as a sanction.

Wollenberg v. Comtech Manufacturing Co., 201 F.3d 973, 978 (7th Cir.2000), quoting In re Maurice, 21 F.3d 767, 773 (7th Cir.1994).

Not Reported in F.Supp.2d, 2002 WL 1989466 (N.D.Ill.)
(Cite as: 2002 WL 1989466 (N.D.Ill.))

*2 According to Aon, "Aon produced two witnesses for their depositions on July 16, 2002, but could not make all of its witnesses available in the one day between the Court's order and the close of discovery." Response at 2. However, Aon fails to explain why it was unable to produce the witnesses listed in the parties' Rule 26 disclosures, including Turcza, during the three month period between Shetzer's first request for a deposition schedule and the original discovery cut-off date. In the parties' June 17, 2002 motion to extend the discovery cut-off date, Aon acknowledged that the parties "need[ed] to complete approximately five more depositions of Aon personnel." Nevertheless, Aon did not respond to Shetzer's requests for a deposition schedule until two weeks prior to the close of discovery, which had been extended for a month. Even then, Aon provided dates for only two employees listed in the parties' Rule 26 disclosures. Aon has not provided any justification for its failure to produce its employees for deposition during the seven month discovery period. Under these circumstances, a preclusion order is warranted. See Parker v. Freightliner Corp., 940 F.2d 1019, 1024 (7th Cir.1991)(Rule 37(b) sanctions provide the district court with an effective means of ensuring that litigants timely comply with discovery orders).

A. Motion to Strike Affidavit

In any event, the court cannot consider Turcza's affidavit in ruling on Shetzer's motion for summary judgment. See Adsumilli v. City of Chicago, 164 F.3d 353, 359 (7th Cir.1998)(In ruling on a motion for summary judgment, "a court must not consider those parts of an affidavit that are insufficient under Rule 56(e)"). Under Rule 56(e), "[s]upporting and opposing affidavits shall be made on personal knowledge, shall set forth such facts as would be admissible in evidence, and shall show affirmatively that the affiant is competent to testify to the matters stated therein." Fed.R.Civ.P. 56(e). See also Fed.R.Evid. 602 ("[a] witness may not testify to a matter unless evidence is introduced sufficient to support a finding that the witness has personal knowledge of the matter"). In his affidavit, Turcza attests to Shetzer's compensation for 1998 through 2001, including revenue generated by Shetzer each year. However, Turcza fails to provide any basis for his knowledge. Absent any foundation, Turcza's affidavit cannot be considered.

II. Facts

The following facts are undisputed unless otherwise noted. Aon provides commercial property and casualty insurance brokerage services to commercial clients. In May 1993, Aon hired Shetzer as vice president of its trucking team. In this position, Shetzer served as a broker, salesman and service representative. Aon subsequently gave Shetzer the title of senior vice president. Shetzer's job duties did not change. While senior vice president, Shetzer reported directly to William Prester.

Aon paid Shetzer 30% of the annual revenue he generated. In 1997, Aon proposed that Shetzer's annual compensation be 75% of the prior year's compensation with a final payment reconciling his salary to 30% of the annual revenue he generated. Shetzer agreed to the arrangement.

*3 In late 2000, Aon announced a reorganization of its business. Around this time, Shetzer was working with Mark Watson of Aon UK to obtain an excess auto policy for Prime, Inc. ("Prime") at a cost of \$4,850,000, comprised of a \$4,500,000 premium and a \$350,000 commission to Aon. On February 22, 2001, Watson informed Shetzer the premium was \$4,800,000, rather than \$4,500,000. As a result, Aon received only a \$50,000 commission. Shetzer was paid on the original \$350,000 commission, rather than the \$50,000 commission.

In February 2001, The Hobbs Group ("Hobbs") contacted Shetzer about a job opportunity. In March 2001, Hobbs offered Shetzer a job. Shetzer conditionally accepted the position, but continued to negotiate job opportunities with other companies, including Aon. On April 17, 2001, Shetzer resigned from Aon to work at Hobbs. The next day, Shetzer sent the following e-mail:

As most of you know we have been planning to leave Aon since the announcement of the companies [sic] reorganization.

Effective tomorrow (4-18) we will be at the Hobbs Group, heading up Hobbs Transportation. Our new telephone number is 847-240-1606, 1-800-208-8204. [J]oining me will be Dan Morton, Ronna Larson, Mandi Rice and Denise Renolds.

Not Reported in F.Supp.2d, 2002 WL 1989466 (N.D.Ill.)
(Cite as: 2002 WL 1989466 (N.D.Ill.))

I look forward to working with everyone in the future.

Def. Facts, Ex. H. Of the 59 recipients of the e-mail, 45 were not Aon customers. Five of the 14 Aon customers who received the e-mail transferred their business to Hobbs.

After Shetzer tendered his resignation, Ronna Larson, Mandi Rice and Dan Morton resigned from Aon to work for Hobbs. According to Larson, Shetzer never discussed his plans to leave Aon with her. Rather, she asked Shetzer to include her in his future plans. Shetzer also never spoke with Rice about leaving Aon. Instead, Larson approached Rice about leaving Aon to be her assistant. Rice agreed.

Prior to Shetzer's resignation, Morton solicited Shetzer's advice regarding other job opportunities. Shetzer advised Morton not to leave Aon for the jobs he was considering. Nevertheless, Morton tendered his letter of resignation to Prester on April 12, 2001. Prester told Morton to rethink his decision and they would discuss it later. Around this time, Shetzer informed Morton he was negotiating with Aon for a separate trucking division, but had "contingency plans that [he] couldn't tell him about." Def. Facts at ¶ 39. Morton responded by telling Shetzer to "include me in." *Id.* When Shetzer resigned, Prester asked Morton to rewrite his letter of resignation to reflect the current date.

DISCUSSION

I. Subject Matter Jurisdiction

The court has an independent duty to determine whether subject matter jurisdiction exists before deciding the merits of a case. *Weaver v. Hollywood Casino-Aurora, Inc.*, 255 F.3d 279, 281 (7th Cir.2001). Based on the insufficient pleadings, the court ordered the parties to file a jurisdictional statement clarifying the basis for diversity jurisdiction under 28 U.S.C. § 1332. According to the parties' jurisdictional statement, Aon is an Illinois corporation with its principle place of business in Schaumburg, Illinois. Shetzer is a citizen of California. Therefore, there is complete diversity.

*4 In addition, the amount in controversy exceeds

\$75,000. If the amount in controversy is uncontested, the court must accept the parties' representation unless it "appears to a legal certainty that the claim is really for less than the jurisdictional amount." *Target Market Publishing, Inc. v. ADVO, Inc.*, 136 F.3d 1139, 1141-42 (7th Cir.1998), quoting *St. Paul Mercury Indemnity Co. v. Red Cab Co.*, 303 U.S. 283, 289 (1938). In Counts III and IV, Aon alleges Shetzer was overpaid \$90,000 in 2000 and \$120,000 in 2001, respectively. See *Herremans v. Carrera Designs, Inc.*, 157 F.3d 1118, 1121 (7th Cir.1998)(plaintiff may aggregate damages for separate claims to meet jurisdictional minimum for complaint). In his counterclaim, Shetzer alleges Aon underpaid him by \$247,974.38. See *By-Prod Corp. v. Armen-Berry Co.*, 668 F.2d 956, 961 (7th Cir.1982)(counterclaim fulfilling diversity requirements provides independent basis for jurisdiction). Therefore, it does not appear to a legal certainty that the amount in controversy is less than \$75,000.

II. Shetzer's Summary Judgment Motion

Summary judgment is appropriate when the moving papers and affidavits show there is no genuine issue of material fact and the movant is entitled to judgment as a matter of law. Fed.R.Civ.P. 56(c); *Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986). Once a moving party has met its burden, the non-moving party must go beyond the pleadings and set forth specific facts showing there is a genuine issue for trial. Fed.R.Civ.P. 56(e); *Silk v. City of Chicago*, 194 F.3d 788, 798 (7th Cir.1999). A genuine issue of material fact exists when "the evidence is such that a reasonable jury could return a verdict for the nonmoving party." *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986).

A. Breach of Duty of Loyalty (Count I)

Aon claims Shetzer breached his duty of loyalty by soliciting Aon customers and employees to join him at Hobbs. Employees may compete with their former employers provided they did not commence demonstrable business activity before terminating their employment. *Dowell v. Bitner*, 273 Ill.App.3d 681, 691, 652 N.E.2d 1372, 1379 (4th Dist.1995). In contrast, corporate officers owe a fiduciary duty of loyalty to their employer not to: (1) actively exploit their positions within the corporation for their own personal benefit; or (2) hinder the ability of a corporation to

Not Reported in F.Supp.2d, 2002 WL 1989466 (N.D.Ill.)
(Cite as: 2002 WL 1989466 (N.D.Ill.))

continue the business for which it was developed. *Id.* Therefore, an officer's resignation does not sever liability for transactions completed after termination if the transactions: (1) began during the parties' relationship; or (2) were founded on information acquired during the parties' relationship. *Veco Corp. v. Babcock*, 243 Ill.App.3d 153, 160-61, 611 N.E.2d 1054, 1059 (1st Dist.1993). Shetzer claims Aon cannot prove he breached his duty of loyalty under the employee standard of liability.

Without discussion, Aon concludes Shetzer must be held to the higher officer standard based on his job title of senior vice president. In order to be considered an officer, Shetzer must have performed "significant managerial and supervisory responsibilities for the operation of the ... office." See *Everen Securities, Inc. v. A.G. Edwards and Sons, Inc.*, 308 Ill.App.3d 268, 276, 719 N.E. 2d 312, 318 (3d Dist.1999). In his Aon position, Shetzer did not supervise any employees. Shetzer Dep. at 6-7. Indeed, Aon does not dispute Shetzer performed the duties of an account broker, salesman and service representative. Pl. Resp. to Def. Facts at ¶ 6. Regardless of his title, Shetzer's actual job duties belie any claim he was an Aon officer. Therefore, Aon must prove Shetzer solicited Aon customers and employees prior to his resignation under the employee standard of liability.

*5 In support of its claim, Aon relies on Shetzer's April 18, 2001 e-mail. In the e-mail, Shetzer states, "As most of you know we have been planning to leave Aon since the announcement of the companies [sic] reorganization." Def. Facts, Ex. H. Contrary to Aon's assertion, the e-mail does not state that Shetzer solicited Aon customers or employees prior to his resignation. At most, a reasonable factfinder could infer Shetzer discussed his future plans. Discussing future plans is not a breach of the duty of loyalty. See *Ellis & Marshall Assoc., Inc. v. Marshall*, 16 Ill.App.3d 398, 400, 306 N.E.2d 712, 715 (1st Dist.1973)(discussion of intent to leave company is not a breach of duty of loyalty).

Aon's reliance on Rice's testimony to establish Shetzer solicited Aon customers and employees prior to his resignation is similarly misplaced. According to Rice, Larson informed her of Shetzer's plans to leave Aon with several customers and employees. However, Rice's testimony, which is based solely on what Lar-

son told her, is inadmissible hearsay and cannot be considered on summary judgment. See *Eisenstadt v. Centel Corp.*, 113 F.3d 738, 741 (7th Cir.1997)(hearsay evidence is inadmissible on summary judgment). Absent any evidence Shetzer engaged in demonstrable business activity prior to his resignation, Aon's claim for breach of duty of loyalty fails as a matter of law.

B. Tortious Interference with Business Relations (Count II)

Aon claims Shetzer interfered with its business relations by soliciting Aon customers and employees to join him at Hobbs. In order to prove tortious interference with business relations, Aon must prove: (1) existence of a valued business relationship or expectancy; (2) Shetzer's knowledge of the relationship or expectancy; (3) intentional interference with the relationship or expectancy; and (4) damages resulting from the interference. *Fellhauer v. City of Geneva*, 142 Ill.2d 495, 511, 568 N.E.2d 870, 877-78 (1991). Shetzer argues Aon cannot establish the third or fourth element of its tortious interference claim.

In support of its claim, Aon once again offers Shetzer's April 18, 2001 e-mail. Although it is undisputed several Aon customers and employees followed Shetzer to Hobbs, Shetzer's e-mail does not disclose any action taken by Shetzer to lure these customers and employees away. In any event, Aon fails to address the issue of damages. On this basis alone, Aon's claim for tortious interference with business relations fails. *Republic Tobacco, L.P. v. North Atlantic Trading Co., Inc.*, No. 98 C 4011, 2002 WL 531349, at *7 (N.D. Ill. April 9, 2002) (failure to show damages tied to claimed interference dooms claim for tortious interference with business relations).

C. Unjust Enrichment (Count III)

Aon claims Shetzer was unjustly enriched when he was overpaid \$90,000 in 2000 on the Prime deal. In order to prove unjust enrichment, Aon must show: (1) Shetzer received a benefit; (2) to Aon's detriment; and (3) Shetzer's retention of that benefit violates the fundamental principles of justice, equity and good conscience. *HPI Health Care Services, Inc. v. Mt. Vernon Hospital, Inc.*, 131 Ill.2d 145, 160, 545 N.E.2d 672, 679 (1989). Shetzer claims Aon cannot prove his retention of the \$90,000 overpayment is

Not Reported in F.Supp.2d, 2002 WL 1989466 (N.D.Ill.)
(Cite as: 2002 WL 1989466 (N.D.Ill.))

unjust. Specifically, Shetzer argues his counterclaim entitles him to damages in excess of the \$90,000 overpayment. Therefore, Count III cannot be decided until Shetzer's counterclaim is tried. Summary judgment on Count III is denied.

D. Unjust Enrichment (Count IV)

*6 Aon claims Shetzer was unjustly enriched when he was overpaid \$135,000 for 2001. Specifically, Aon claims Shetzer was not entitled to any compensation prior to his April 17, 2001 resignation because he failed to earn any revenue in 2001. Aon's claim is based solely on the stricken Turcza affidavit. Absent any admissible evidence supporting Count IV, summary judgment on this count is appropriate.

III. Shetzer's Motion to Bar Documents [Produced] After the Discovery Cut-Off

Finally, Shetzer moves to bar Aon from using documents produced after the close of discovery at trial pursuant to Rule 37. Rule 37(c)(1) provides:

[a] party that without substantial justification fails to disclose information required by Rule 26(a) ... is not, unless such failure is harmless, permitted to use as evidence at a trial, at a hearing, or on a motion any witness or information not so disclosed.

Fed.R.Civ.P. 37(c)(1). "The sanction of exclusion is thus automatic and mandatory unless the party to be sanctioned can show that its violation of Rule 26(a) was either justified or harmless." *Finley v. Marathon Oil Co.*, 75 F.3d 1225, 1230 (7th Cir.1996).

Approximately two weeks after discovery closed, Aon produced twenty documents containing information used to calculate Shetzer's compensation from 1997 through 2000. Aon claims the late disclosure is harmless because Shetzer has time to take depositions before trial. However, all discovery was required to be completed before the extended discovery cut-off date of July 18, 2002. *See* Local Rule 16.1, Standing Order Establishing Pretrial Procedure, ¶ 4. Indeed, the court specifically ordered Aon to disclose all relevant information and documents requested in Shetzer's discovery by the close of discovery. Trial is now imminent. At this late stage of the proceedings, Aon's Rule 26(a) violation is not harmless.

CONCLUSION

The affidavit of John B. Turcza is stricken. Shetzer is entitled to judgment as a matter of law on Counts I, II and IV. Shetzer's motion for summary judgment as to Count III is denied. Aon is barred from offering at trial the testimony of John B. Turcza, as well as documents produced after the close of discovery.

N.D.Ill.,2002.

Aon Risk Services, Inc. of Illinois v. Shetzer
Not Reported in F.Supp.2d, 2002 WL 1989466
(N.D.Ill.)

END OF DOCUMENT