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

Proceeding	91213092
Party	Plaintiff Matthias Rath
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Date	02/20/2014
Attachments	Reply Brief.pdf(378294 bytes) Exhibit.pdf(527490 bytes)

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

DR. MATTHIAS RATH,

Opposer,

v.

TTAB Nos: 91213088
91213090
91213092

CHABAN WELLNESS LLC,

Applicant.

_____/

REPLY BRIEF IN SUPPORT OF OPPOSER'S MOTIONS TO DISMISS APPLICANT'S COUNTERCLAIM AND TO DISMISS OR STRIKE APPLICANT'S AFFIRMATIVE DEFENSES PURSUANT TO FED. R. CIV. P. 12(b)(1), 12(b)(6), and 12(f)

Applicant asserts that its Amended Answer, Affirmative Defenses, and Counterclaim[1] rectifies the many pleading defects described in Opposer's motions. It does not.[2] "Factual allegations must be enough to raise a right to relief above the speculative level." *Bell Atlantic Corp. v. Twombley,* 550 U.S. 554, 555 (2007). The amended pleading – despite its dramatically increased length and verbosity – alleges only a few, insubstantial new "facts" that at most suggest the theoretical possibility of various claims. It still falls far short of stating *any* claim with the level of plausibility required by controlling precedent. Moreover, the Applicant's amended pleading does not even attempt to correct *other* serious defects described in Opposer's

[1] Contrary to Applicant's assertion, it in fact filed a separate Answer, Affirmative Defenses, and Counterclaim in each of the three proceedings filed by Opposer. Applicant has now filed a single "composite" Response, presumably on the presumption that the parties' pending joint motion to consolidate will be granted. Opposer will accordingly file a single Reply.

[2] Applicant's account of counsel's telephone conference on February 5, 2014, may imply that Opposer reviewed Applicant's proposed amended pleading and stipulated that it adequately addressed the defects in the original pleadings. In fact, Opposer's counsel was not given a copy of the proposed amended pleading for review, and did nothing more than confirm its understanding that Applicant was entitled to file amended pleadings if it so desired.

motions – most notably this Board's lack of subject matter jurisdiction over some of Applicant's counterclaims and affirmative defenses.

NEW ALLEGATIONS IN THE AMENDED PLEADING

The new factual allegations in Applicant's amended pleading are:

- Amended Counterclaim ¶¶ 1, 5, 14, and 15, and the Amended First, Second, and Third Affirmative Defenses, all state that Opposer's U.S. Reg. No. 2,745,578 for YOU CAN (standard characters) was cancelled in May 2010 for failure to file an Allegation of Use under Section 8. This is cited in support of the allegation that Opposer had not used the mark as of the date of that cancellation, such that Opposer's Reg. No. 2,863,920 for YOU CAN! in stylized form ("the '920 Registration"), which was granted in 2004, had become abandoned as of by May 2010. But the mere failure to file a Section 8 declaration does not necessarily mean that a mark was not in use; the owner may have chosen not to file the declaration, or failed to do so, for countless unrelated reasons. Even if all Applicant's attenuated inferences are true, however, this does not change the fact that mere non-use does not cause abandonment without "intent not to resume use" – which the Amended Counterclaim still does not allege.

- Amended Counterclaim ¶¶ 8, 18, 23, and 27, and the Amended First, Second, Third, and Sixth Affirmative Defenses, all now allege that Opposer's asserted registrations were void *ab initio* because there was "not sufficient separation" between the goods and services listed in them. For example, Applicant notes that the registrations list both "educational materials" in Class 16 and "distributing course material" in Class 41. This is true, but irrelevant. Absent an allegation that Opposer has in fact never used the mark for these goods and services – which Opposer does *not* allege – registering a mark for use in connection with goods and services that are related is not improper.

- Amended Counterclaim ¶¶ 17, 22, and 26, and the Amended First, Second, Third, and Sixth Affirmative Defenses, all now offer the same, single example of an allegedly "improper specimen." Applicant notes that a specimen filed with respect to nutritional supplements did not appear on Opposer's web site at the "Products" tab but at the "Contacts" tab. Again, this is true but irrelevant. The "tab" atop the web page on which a specimen appears – which is the *only* "defect" alleged by Applicant – has nothing to do with whether it is proper or improper.[3] Applicant does not identify any *other* specimen that is allegedly improper.

- Amended Counterclaim ¶ 30 now alleges that in 2002 the Food and Drug Administration sent Opposer a letter, stating that he was marketing his products using improper "therapeutic claims." Even if this is true, it is irrelevant to Applicant's actual claim, which is that Opposer falsely represents himself to the public as a physician licensed to practice in the United States. Applicant does not allege that the FDA letter so much as mentioned this issue; the new allegation is a *non sequitur*. More important, Applicant alleges that Opposer misrepresented himself, not to the USPTO, but to the public. Thus Applicant's claim – if it states one at all – would be for false advertising, over which the TTAB does not have subject matter jurisdiction in any event.

- Amended Counterclaim ¶ 32 now alleges that Opposer has promoted and offered goods and services via "a web of several U.S. and international companies." But this in itself does nothing to support the claim to which it purportedly relates; namely, that Opposer has engaged in "naked licensing." Applicant still fails to allege *any* specific, relevant facts in support of this claim.

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[3] Here and elsewhere, Opposer attaches for ease of reference materials from public records of which the Board may take judicial notice. Here, the Board should take judicial notice that the specimen in question shows the mark next to a photograph of the goods, and thus is entirely proper. *See* Exhibit A, Declaration of John Blattner, Tab 1.

APPLICANT'S AMENDED PLEADING STILL FAILS TO STATE CLAIMS ON WHICH RELIEF CAN BE GRANTED, AND ATTEMPTS TO STATE CLAIMS OVER WHICH THIS BOARD LACKS JURISDICTION

Applicant's amended pleading does not correct the defects in the original, as summarized below.

A. *"Rath Abandoned the '920 Registration and, thus, It Should be Cancelled."(Amended Counterclaim ¶¶ 9-12)*

Applicant again alleges non-use, but still fails to allege "intent not to resume use," which is a necessary element of an abandonment claim. (Nor *could* Applicant allege such intent, as Opposer's timely filing of a Statement of Use conclusively refutes it.) Applicant also alleges that Opposer submitted "improper specimens" but makes specific allegations regarding only *one* specimen. The only "defect" it alleges with respect to that specimen – that it appears under the "Contacts" tab on Opposer's web site – does not make the specimen improper. This portion of the Amended Counterclaim should be dismissed for failure to state a claim on which relief can be granted. Fed. R. Civ. P. 12(b)(6).

B. *"Rath's '920 Registration Has Been Maintained As a Result of Fraud Upon the USPTO and, thus, Should be Cancelled" (Amended Counterclaim ¶¶ 13-18).*

"[A] trademark is obtained fraudulently under the Lanham Act only if the applicant makes a false, material representation with the intent to deceive the USPTO." *In re Bose Corp.*, 580 F.3d 1240, 1245, 91 U.S.P.Q. 2d 1938 (Fed. Cir. 2009).

Applicant repeats its allegations that the mark shown in the '920 Registration was not used for several years; that one of the specimens submitted with respect to the '920 Registration was "improper"; and that the goods and services listed in the '920 registration lack "sufficient separation."

- Applicant does not allege that Opposer was not using its mark as of the date of its Section 8 declaration. Thus Applicant does not allege that Opposer made any false statement to the USPTO on this point – which it did not.
- The alleged "defect" in one of Opposer's specimens –that it appeared on the "Contacts" page of the web site – was plain on its face; Applicant does not allege that Opposer made any false statement to the USPTO about it – which it did not.
- Applicant merely asserts that the goods and services in Opposer's registrations lack "sufficient separation." This alleged "defect" was plain on the face of the applications and registrations. Applicant does not allege that Opposer made any false statement to the USPTO about its use of its marks in connection with any of its goods and services – which it did not.

Thus Applicant fails to allege that Opposer made *any* false, material representation of fact to the USPTO. Nor does it allege that Opposer said or did anything in the prosecution of its applications with "subjective intent to deceive" the USPTO, which is "an indispensable element in the analysis." *In re Bose,* 580 F.3d at 1245. This portion of the Amended Counterclaim should be dismissed for failure to state a claim on which relief can be granted. Fed. R. Civ. P. 12(b)(6).

C. "Rath's '892 Registration Was Void Ab Initio and, thus, Should be Cancelled" (Amended Counterclaim ¶¶ 19-23).

Applicant alleges that the mark shown in the '892 Registration is the same as the mark shown in the cancelled '578 Registration. This is true, but irrelevant: an applicant is allowed to file a new application for a mark after a previous registration lapses. Applicant also alleges that the mark shown in the '892 Registration is "the same, in all material respects and commercial impression," as the mark shown in the '920 Registration. But the Board should take judicial

notice that this is plainly not true: the record is clear on its face that the mark shown in the '892 Registration is YOU CAN in standard characters, while the mark shown in the '892 Registration is YOU CAN! in stylized form and including an exclamation point (You can!). Applicant again repeats its allegations about "improper specimens" and goods and services that do not have "sufficient separation," which are defective for the reasons already discussed. This portion of the Amended Counterclaim should be dismissed for failure to state a claim on which relief can be granted. Fed. R. Civ. P. 12(b)(6).

D. *"Rath's '892 Registration Was Obtained As a Result of Fraud Upon the USPTO and, thus, Should be Cancelled" (Amended Counterclaim ¶¶ 24-27).*

Applicant repeats its allegations that the mark shown in the '892 Registration is the "same" as the marks in the cancelled '578 Registration and the '920 Registration; that one of several specimens submitted with respect to the '892 Registration was "improper"; and that the goods and services listed in the '892 Registration lack "sufficient separation." All these allegations are defective for the reasons previously discussed, and none gives rise to a claim of fraud:

- Applicant merely asserts that Opposer's marks were "the same" as those in other filings. But Applicant does not allege that Opposer made any false statement to the USPTO on this point – which it did not.
- As previously noted, the alleged "defect" in one of Opposer's specimens was plain on its face; Applicant does not allege that Opposer made any false statement to the USPTO about it – which it did not.
- Again, as previously discussed, Applicant merely asserts that the goods and services in Opposer's registrations lack "sufficient separation." This alleged "defect" was plain on

the face of the applications and registrations. Applicant does not allege that Opposer made any false statement to the USPTO about its use of its marks in connection with any of its goods and services – which it did not.

Thus Applicant again fails to allege that Opposer made *any* false, material representation of fact to the USPTO. Nor does it allege that Opposer said or did anything in the prosecution of its applications with "subjective intent to deceive" the USPTO. *In re Bose,* 580 F.3d at 1245. This portion of the Amended Counterclaim should be dismissed for failure to state a claim on which relief can be granted. Fed. R. Civ. P. 12(b)(6).

E. *"Both the '920 and the '892 Registrations Should Be Cancelled Because Rath Is Using Them to Mislead Consumers" (Amended Counterclaim ¶¶ 28-31).*

Applicant's precise claim is that Opposer misrepresents himself as "a physician licensed to practice medicine in the United States." But Applicant's allegations simply do not support this claim. Applicant does not allege a single instance in which Opposer states or implies that he is "licensed to practice in the United States" – either to the public or to the USPTO. Nor does Applicant even allege that the purported letter from FDA makes any such accusation. More important, even if Applicant's allegations were true, and even if they would support a claim for false advertising, or for violation of the Food, Drug, and Cosmetic Act, this Board lacks jurisdiction over either of these claims. This portion of the Amended Counterclaim should be dismissed for failure to state a claim on which relief can be granted, and for lack of subject matter jurisdiction. Fed. R. Civ. P. 12(b)(6); 12(b)(1).

F. *"Both the '920 and the '892 Registrations Should Be Cancelled As a Result of Uncontrolled (i.e., Naked) Licensing" (Amended Counterclaim ¶¶ 32-33).*

Applicant still fails to make any straightforward allegation at all with respect to this claim, merely noting that Opposer controls a number of related entities and that it therefore

"appears" that Opposer has engaged in naked licensing. This this is the very essence of the kind of purely speculative claim that is barred by *Twombley*. This portion of the Amended Counterclaim should accordingly be dismissed for failure to state a claim on which relief can be granted. Fed. R. Civ. P. 12(b)(6).

APPLICANT'S AMENDED AFFIRMATIVE DEFENSES SHOULD BE STRICKEN

With one exception, all of Applicant's Amended Affirmative Defenses are purely redundant of the Amended Counterclaims. Thus, to the extent that particular counterclaims are dismissed, the corresponding affirmative defenses should be stricken for the same reasons. And to the extent that particular counterclaims are *not* dismissed, the corresponding affirmative defenses should be stricken as redundant.

Only the Amended Fifth Affirmative Defense presents new matter. It now alleges that Opposer is "estopped" from arguing that Applicant's YES YOU CAN mark is similar to Opposer's YOU CAN marks, notwithstanding the presence of the additional word YES, because in prosecuting one of its applications Opposer argued that his YOU CAN marks were not similar to a third party's NOW YOU CAN mark because of the additional word NOW. This does not create a judicial estoppel as a matter of law.

> The doctrine of judicial estoppel provides that "[w]here a party assumes a certain position in a legal proceeding, and *succeeds in maintaining that position*, he may not thereafter, simply because his interests have changed, assume a contrary position, especially if it be to the prejudice of the party who has *acquiesced in the position formerly taken* by him."

Biomedical Patent Management Corp. v. California, Dept. of Health Services, 505 F.3d 1328, 1341 (Fed. Cir. 2007) (emphases added).

Merely making one type of argument in one case does not estop a party from making a different type of argument in a different case with different facts. For judicial

estoppel to arise, the party must *succeed* in maintaining the position in the first case, and the party claiming estoppel must have *detrimentally relied* on that position. Because Opposer does not allege either of these elements,[4] it fails to state a claim for judicial estoppel and its Fifth Affirmative Defense should be stricken. Fed. R. Civ. P. 12(b)(6).

APPLICANT HAS WAIVED ITS CLAIMS THAT OPPOSER HAS VIOLATED THE FOOD, DRUG, AND COSMETIC ACT

In its original Answers, Affirmative Defenses, and Counterclaims in TTAB Nos. 91213088, 91213090, and 91213092, Applicant claimed that Opposer's use of the marks shown in the '920 and '892 Registrations was "unlawful" because it violated the Food, Drug, and Cosmetic Act. Applicant has not restated this claim in it amended pleadings and has thereby waived it. To the extent that Applicant has *not* waived this claim, it should be dismissed and/or stricken both for failure to state a claim on which relief can be grant and for lack of subject matter jurisdiction.

CONCLUSION

In response to three detailed motions to dismiss pursuant to Rule 12(b)(6), Applicant has fully availed itself of its right to amend its pleadings. But its amended counterclaims and affirmative defenses still plead claims over which this Board lacks jurisdiction; still fail to plead

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[4] Moreover, the Board should take judicial notice that a cursory examination of facts that were in the public record, and therefore readily available to Applicant, show that Applicant *could not* make such allegations. In fact, Opposer did *not* succeed in maintaining its position regarding similarity of marks in the earlier office action regarding App. Ser. No. 75862043. The USPTO expressly *rejected* Opposer's argument. *See* Exhibit A, Tab 2, Response to Office Action dated October 16, 2000; *and* Exhibit A, Tab 3, Office Action dated February 2, 2001. Opposer's application ultimately succeeded because the cited application, for NOW YOU CAN, went abandoned on March 24, 2001, rendering the issue moot. *See* Exhibit A, Tab 4, Final Office Action dated August 24, 2001 ("Application Serial No. 75/771031 is no longer a potential bar to registration."). Nor could Applicant claim to have acted in detrimental reliance on a position that was never judicially established in the first place.

key elements of other causes of action; still make allegations of actions that do not constitute improper behavior or that are facially untrue in light of the public record; still allege facts that are irrelevant to the claims asserted; and still allege the mere "appearance" of wrongdoing. Having already failed once to "nudge[its] claims across the line from conceivable to plausible," *Twombley,* 550 U.S. at 570, Applicant should not be given another chance. Its Amended Counterclaims should be dismissed and/or its Amended Affirmative Defenses stricken, without leave to amend further.

DICKINSON WRIGHT, PLLC

February 20, 2014

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CERTIFICATE OF SERVICE

I certify on the date stated below a true and correct copy of the foregoing Reply Brief in Support of Opposer's Motions to Dismiss Applicant's Counterclaim and to Dismiss or Strike Applicant's Affirmative Defenses Pursuant to Fed. R. Civ. P. 12(b)(1), 12(b)(6), and 12(f) was served on counsel for Applicant by electronic mail per agreement of the parties to:

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February 20, 2014

/natalie l zemgulis/

Natalie L. Zemgulis

37875-3105/AA171389.1

EXHIBIT A

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

DR. MATTHIAS RATH,

Opposer,

v. TTAB Nos: 91213088
91213090
91213092

CHABAN WELLNESS LLC,

Applicant.

_____/

DECLARATION OF JOHN BLATTNER

John Blattner declares as follows:

1. I am counsel for Dr. Matthias Rath, the Opposer in the above-referenced proceedings. I make this declaration of my own personal knowledge and, if called as a witness, could testify competently to the matter set forth herein.

2. Attached at Tab 1 to this Declaration is a true and correct copy of a specimen of use submitted to the USPTO in support of Opposer's Section 8 Declaration of Use with respect to U.S. Reg. No. 2863920, and in support of Opposer's Statement of Use with respect to App. Ser. No. 85078752.

3. Attached at Tab 2 to this Declaration is a true and correct copy of a Response to Office Action filed October 16, 2000, with respect to App. Ser. No. 75862043.

4. Attached at Tab 3 to this Declaration is a true and correct copy of an Office Action issued February 2, 2001, with respect to App. Ser. No. 75862043.

5. Attached at Tab 4 to this Declaration is a true and correct copy of an Office Action issued August 24, 2001, with respect to App. Ser. No. 75862043.

DICKINSON WRIGHT, PLLC

February 20, 2014

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Attorney for Opposer, DR. MATTHIAS RATH

TAB 1

All profits from the sales of our natural health programs go to the Dr. Rath Foundation.
This Foundation is a non-profit organization dedicated to research and education in natural health worldwide.

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Santa Clara, CA 95050
phone: 1-800-624-2442
fax: 1-408-748-1726
email: sales@drrath.com

For more information regarding brochures, flyers, videos, CD's and other materials, contact:

Dr. Rath Education Services USA, BV
1260 Memorex Drive, Suite 100
Santa Clara, CA 95050

email: publishing@drrath.com

TAB 2

TRADEMARK LAW OFFICE 15
Serial Number: 75/862043
Mark: YOU CAN & DESIGN
Please Place on Upper Right Corner
**of Response to Office Action ONLY **

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant:	Dr. Matthias Rath	Examiner:	Derrick C. Phillips
Serial No.:	75/862043	Law Office:	15
Filing Date:	December 1, 1999	AMENDMENT AND RESPONSE TO OFFICE ACTION MAILED MAY 8, 2000	
Int'l. Class(es):	5, 16, 31, 41 and 42		
Trademark:	YOU CAN! and design		

BOX RESPONSES NO FEE
Assistant Commissioner of Trademarks
2900 Crystal Drive
Arlington, Virginia 22202-3513

Dear Sir:

AMENDMENT OF IDENTIFICATION OF GOODS

Please amend the identification of goods as follows:

Nutritional supplements; dietary supplements vitamins and mineral supplements in International Class 5;

Books, newspapers, journals, pamphlets, magazines, printed teaching materials, all in the field of healthcare, nutritional supplements, dietary supplements, vitamin and mineral supplements; educational materials, namely books, newspapers, journals, pamphlets, magazines, leaflets, in the field of healthcare, nutritional supplements, dietary supplements, vitamin and mineral supplements in International Class 16;

Agricultural, horticultural and forestry products containing vitamins, amino acids, minerals, and trace elements, namely, nutritional supplements, grains, and seeds in International Class 31;

Educational services; namely, conducting instruction in the form of classes, seminars, conferences, workshops; conducting online courses, conducting correspondence courses, and conducting continuing education courses in the

filed of healthcare and nutritional supplements, and distributing course material in connection therewith; and publication of books, newspapers and journals in International Class 41; and

Providing health information, namely, information in the field of healthcare and nutritional supplements, dietary supplements, vitamin and mineral supplements; and written text editing of books, newspapers, and journals in International Class 42.

RESPONSE

Applicant has amended the description to more specifically define the nature of goods and services offered under applicant's mark.

Applicant respectfully submits that there is no likelihood of confusion between its mark YOU CAN! and design, as used on its goods and services, as amended, and the cited prior pending application, NOW YOU CAN, Serial No. 75/771031. The differences between the marks themselves, the differences between the goods and services for the respective marks, and the differences between the purchasers and the trade channels for those services prevent any likelihood of confusion.

Likelihood of Confusion Factors Weigh in Favor of Applicant

Among the factors to be considered in evaluating whether there is likelihood of confusion are the similarity of the marks themselves, the similarity of the goods or services offered under the two marks, whether either user is likely to expand into the other's market, and the established and likely to continue trade channels. *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973); *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492 (2nd Cir. 1961). Applicant submits that a consideration of the *du Pont* factors strongly weighs against a finding that likelihood of confusion would be created if Applicant's mark were registered.

Differences in Functions and Purposes of Goods/Services Weighs Against a Finding of Likelihood of Confusion

The recitation of goods for the cited applications are pharmaceutical preparations and substances for the treatment and/or alleviation of respiratory ailments. The cited applications are for very specific goods that are unrelated to Applicant's goods/services. The only commonality between the goods and services is that they are related to the healthcare industry. Applicant's products are over-the-counter nutritional supplements, the cited applications, on the other hand, are for prescription drugs for specific respiratory ailments. In addition, Applicant's services in Class 41 and 42 are even further removed from the goods of the cited applications because services, not products, are being offered. Applicant's nutritional supplements serve a very different purpose than preparations and substances for the treatment and/or alleviation of respiratory ailments. Applicant's goods are vitamins and supplements used to enhance an individual's overall well-being and not used as treatment for a specific ailment, as with the cited marks.

Similarly in recent cases, the courts have found no likelihood of confusion between computer software when the software is used for different functions and purposes. In *Aries Systems Corp. v. World Book, Inc.* 26 USPQ 2d 1926 (1993), the Board held that confusion was not likely between the applicant's "Information Finder" computer program on compact discs for use in general educational research and the opposer's "Knowledge Finder" for computer programs which retrieve information from specialized biomedical databases and are sold primarily to medical professionals. After close consideration of the different functions and purposes of the two computer programs, and the differences in the users of the products, the Board determined there would be no likelihood of confusion provided that the identification of goods for each mark was restricted.

Additionally, in *Reynolds & Reynolds Co. v. I.E. Systems, Inc.*, 5 USPQ 2d 1749, 1751-52 (TTAB 1987), the Board found no likelihood of confusion between the applicant's ACCULINK mark for a terminal emulation program and opposer's family of ACCU-marks related to tax and accounting programs. The Board noted the essentially dissimilar functions of

the programs, and found that the mere fact that both were computer programs occasionally involving the use of modems was insufficient to create a likelihood of confusion. *Id.*

In comparison to the foregoing decisions, Applicant's goods/services and the goods for the cited application are tailored for different uses. The cited application's goods are not in the likely zone of natural expansions as those of Applicant's , considering the very specific and narrow description of pharmaceutical goods identified in the cited applications.

Goods/Services Marketed in Different Trade Channels and to Different Buyers

Applicant submits that the purchasing public for its goods/services does not significantly overlap with the purchasing public for the goods of the cited applications considering the very different nature and functions of the goods/services. Consumers purchasing the cited applicants' goods are looking for a specific drug to relieve a specific ailment, while consumers for Applicant's goods and services are looking to enhance their overall health and well-being. Further, the owner of the cited application, Glaxo Wellcome Inc., appears to distribute its goods to wholesalers while Applicant is a direct retailer of its products, thus the trade channels of the Applicant's and the Cited Application's goods do not overlap.

In cases such as *Astra Pharmaceuticals, Inc. v. Beckman, Inc.*, 220 USPQ 609, at 610-611 (D. Mass 1983); *Aries*, 26 USPQ2d 1926, at 1931-1932, and *Electronic Data Systems Corp. v. EDSA Micro Corp.*, 23 USPQ 2d 1460 at 1465 (TTAB 1992), the Board has closely considered the target markets for the relevant goods and services and found that differences in the target markets serve to distinguish between parties' marks. The target market for the Registered marks' goods are wholesale distributors while Applicant directly retails its goods to the purchasing public. In the pharmaceutical industry it is customary that the name of the wholesale product is marketed under another trademark to the end consumer. Therefore, it is unlikely for any confusion of source of sponsorship to arise with the end-user of Registrants' goods as they are unlikely to ever connect the source of the product with the Registered marks.

Sophisticated Purchasers

In addition, potential purchasers of both parties' goods/services will clearly make careful purchasing decisions. As previously stated, purchasers of the cited applications' products are likely wholesale distributors who are very knowledgeable of the pharmaceutical industry. Further, they will be looking for very a particular type of drug and it is highly unlikely they will confuse it with Applicant's drugs since these drugs do not serve the same purpose as the Cited Application's goods and are available without a prescription.

In *Perini Corp. v. Perini Construction Corp.*, 16 USPQ2d 1289, 1290 (4th Cir. 1990), plaintiff was a famous construction firm specializing in commercial and industrial construction. Defendant was a smaller contractor with a similar business and a nearly identical name. Despite the fame of the plaintiff's mark, the similarity of the business and the similarity of the marks, the Fourth Circuit found no likelihood of confusion, holding that "in a market with extremely sophisticated buyers, the likelihood of consumer confusion cannot be presumed on the basis of similarity in trade name alone." *Id.* At 1294.

Similarly the sophistication of the pharmaceutical market, particularly the wholesale distributors to which the cited applications goods are marketed is extremely sophisticated, precluding any likelihood of confusion. "The more sophisticated the consumers of a product are, 'the less likely it is that similarities . . . trade marks will result in confusion concerning the source or sponsorship of the product.'" *Paddington Corp. v. Attiki Importers & Distributors, Inc.*, 996 F.2d 577, 587 (2nd Cir. 1993) (quoting *Bristol-Meyers Squibb Co. v. McNeil-P.P.C., Inc.*, 973 F.2d 1033, 1046 (2d.Cir. 1992)).

Differences in the Marks Themselves Weigh against Likelihood of Confusion

The Cited Application is for NOW YOU CAN, while the Applicant's application is for YOU CAN! and design. The cited application has an additional term in its mark which is positioned at the very beginning of its mark, creating significant differences between the appearance and sound of the respective marks. In compound marks, the first word is generally more prominent to the eye and to the ear. *Coca-Cola Co. v. Carlisle Bottling Works*, (E.D. KY, 1929). In *Coca-Cola Co. v. Carlisle Bottling Works*, the Court held that the mark ROXA

KOLA did not infringe COCA-COLA. In its decision the Court found that infringement is more apt to exist when the first words are similar rather than the second word since the first word coming first is the more prominent and as such dominates the trademark.

In *Swedish Beer Export Company Aktiebolag v. Canada Dry Corporation*, 469 F.2d 1096 (CCPA 1972), the Board found that the marks SKOLA and SKOL were not confusingly similar even though both marks were used for beverages. The Board held that confusion was not likely considering the differences in the spelling of the marks and that one mark was used for an alcoholic beverage and the other for a nonalcoholic beverage.

There are even more differences between Applicants and the Registered marks than in the *Swedish Beer* case, considering the goods/services involved are not in as narrow a field as beverages but encompass the whole healthcare industry. Further, there is not just a slight difference in the spelling of the marks, but an additional word positioned at the front of the cited mark and the addition of an exclamation point included in a stylized format in the application.

In view of the foregoing, Applicant believes that the subject application is in form to be passed to publication.

Respectfully submitted,
BAKER & McKENZIE

Dated: 10-16-2000

Deborah Bailey-Wells
Attorney for Applicant
Dr. Matthias Rath

Baker & McKenzie
Two Embarcadero Center, 24th Floor
San Francisco, California 94111

PLEASE INCLUDE BAKER & McKENZIE REFERENCE NUMBER ON ALL CORRESPONDENCE: 68100681.1004 (989267)

TAB 3

UNITED STATES PATENT AND TRADEMARK OFFICE

SERIAL NO.	APPLICANT	PAPER NO.
MARK		
ADDRESS	ACTION NO.	ADDRESS: Commissioner for Trademarks, 2900 Crystal Drive, Arlington, VA 22202-3513, www.uspto.gov
	MAILING DATE	If no fees are enclosed, the address should include the words "Box Responses - No Fee."
	REF. NO.	
FORM PTO-1525 (5-90) U.S. DEPT. OF COMM. PAT. & TM OFFICE		Please provide in all correspondence: 1. Filing Date, serial number, mark and Applicant's name. 2. Mailing date of this Office action. 3. Examining Attorney's name and Law Office number. 4. Your telephone number and ZIP code.

RE: Serial Number: 75/862043

SUSPENSION

The Office has reassigned this application to the undersigned-examining attorney.

DOCKETED 3.02

PRIOR PENDING APPLICATION

The examining attorney advised the applicant of a prior pending conflicting application, Serial No. 75/771031. Copy previously attached.

The examining attorney has reviewed the applicant's arguments carefully, but has found them unpersuasive. The prior pending application remains a potential bar to registration of the applicant's mark under Section 2(d), 15 U.S.C. Section 1052(d). If the referenced application matures into a registration, the examining attorney may refuse registration in this case under Section 2(d). 37 C.F.R. Section 2.83; TMEP section 1208.01.

Further prosecution of this issue is deferred until disposition of Application Serial No. 75/771031.

CLASSIFICATION AND IDENTIFICATION OF GOODS AND SERVICES

The applicant was required to make an amendment to the identification of goods and services in order to make it more definite. The applicant amended the identification of goods and services, however, the identification still lacks requisite specificity. The requirement that the identification of goods be made more definite is therefore, continued and MAINTAINED.

The goods and services identified in International Classes 005, 016, and 042 are acceptable as written.

International Class 031

The wording n the identification of goods is unacceptable as indefinite. The applicant must amend the identification. TMEP section 804. The applicant may adopt the following format for the identification of goods, if accurate: agricultural, horticultural and forestry products containing vitamins, amino acids, minerals and trace elements, namely nutritional supplements [please specify e.g. in the form of animal feed], grains for [please specify the intended use e.g. planting] and seeds in International Class 031.

International Class 041

The wording in the recitation of services is unacceptable as indefinite. The applicant may amend this wording to "educational services, namely, conducting instruction in the form of classes, seminars, conferences, workshops, conducting online courses, conducting correspondence courses, and conducting continuing education courses in the field of healthcare and nutritional supplements, and distributing course material in connection therewith; and publication of books, newspapers, and journals in International Class 041," if accurate. TMEP section 1301.05.

Please note that, while an application may be amended to clarify or limit the identification, additions to the identification are not permitted. 37 C.F.R. Section 2.71(a); TMEP section 804.09. Therefore, the applicant may not amend to include any goods or services that are not within the scope of the goods and services recited in the present identification.

Action on this application is SUSPENDED pending disposition of Application Serial No. 75/771031.

If the applicant has any questions or needs assistance, please telephone the assigned examining attorney.

Toni Y. Hickey

Toni Y. Hickey
Trademark Attorney
Law Office 115
Tel. (703) 308-9115 X134
Fax (703) 872-9875

TAB 4

UNITED STATES PATENT AND TRADEMARK OFFICE

SERIAL NO.	APPLICANT	PAPER NO.
75/862043	RATH, MATTHIAS	

MARK

YOU CAN AND DESIGN

ADDRESS

DEBORAH BAILEY-WELLS
BAKER & MCKENZIE
2 EMBARCADERO CENTER, SUITE 2400
SAN FRANSICO, CA 94111

ACTION NO. 03

MAILING DATE 08/24/01

REF. NO. 68 10068 1.

ADDRESS:
Commissioner for Trademarks
2900 Crystal Drive
Arlington, VA 22202-3513
www.uspto.gov

If no fees are enclosed, the address should include the words "Box Responses - No Fee."

Please provide in all correspondence:

1. Filing Date, serial number, mark and
   licant's name.
   ling date of this Office action.
3. mining Attorney's name and
   / Office number.
   ir telephone number and ZIP code.

FORM PTO-1525 (5-90) U.S. DEPT. OF COMM. PAT. & TM OFFICE

TRADEMARK LAW OFFICE 15
Serial Number: 75/862043
Mark: YOU CAN & DESIGN
Please Place on Upper Right Corner
**of Response to Office Action ONLY **

A PROPER RESPONSE TO THIS OFFICE ACTION MUST BE RECEIVED WITHIN 6 MONTHS FROM THE DATE OF THIS ACTION IN ORDER TO AVOID *ABANDONMENT.* *For your convenience and to ensure proper handling of your response, a label has been enclosed. Please attach it to the upper right corner of your response. If the label is not enclosed, print or type the Trademark Law Office No., Serial No., and Mark in the upper right corner of your response.*

RE: Serial Number: 76/862043

FINAL OFFICE ACTION

This letter responds to the Applicant's communication dated March 29, 2001.

Application Serial No. 75/771031 is no longer a potential bar to registration.

The applicant (1) amended the identification of goods in International Class 031 and (2) amended the recitation of services in International Class 041. Item (2) is acceptable and has been entered into the record.

CLASSIFICATION AND IDENTIFICATION OF GOODS

The applicant was required to make an amendment to the identification of goods in order to make it more definite. The applicant amended the identification of goods, however, the identification still lacks requisite specificity. The requirement that the identification of goods be made more definite is therefore, continued and made FINAL.

The applicant amended the identification of goods in International Class 031 to "agricultural, horticultural and forestry products containing vitamins, amino acids, minerals, and trace elements,

namely, grains, and seeds." The wording "grains" in the identification of goods is unacceptable as indefinite because the applicant did not specify the intended use of the grains. The applicant was advised that grains must be identified, and are classified according to their use (see attached). The applicant must amend the identification to specify the product's intended uses. TMEP section 804. The applicant may adopt the following identification of goods, if accurate: agricultural, horticultural and forestry products containing vitamins, amino acids, minerals, and trace elements, namely, grains for planting and seeds in International Class 031.

Please note that, while an application may be amended to clarify or limit the identification, additions to the identification are not permitted. 37 C.F.R. Section 2.71(a); TMEP section 804.09. Therefore, the applicant may not amend to include any goods that are not within the scope of goods set forth in the present identification.

RESPONSE GUIDELINES

Please note that the only appropriate responses to a final action are (1) compliance with the outstanding requirements, if feasible, (2) filing of an appeal to the Trademark Trial and Appeal Board, or (3) filing of a petition to the Commissioner if permitted by 37 C.F.R. Section 2.63(b). 37 C.F.R. Section 2.64(a). Regarding petitions to the Commissioner, see 37 C.F.R. Section 2.146; TMEP sections 1702 and 1704. If the applicant fails to respond within six months of the mailing date of this refusal, this Office will declare the application abandoned. 37 C.F.R. Section 2.65(a).

Toni Y. Hickey

Toni Y. Hickey
Trademark Attorney
Law Office 115
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