

ESTTA Tracking number: **ESTTA705660**

Filing date: **10/30/2015**

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

Proceeding	92058000
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Attachments	A4769731.PDF(193753 bytes ) A4751073.PDF(490848 bytes ) A4751070.PDF(210521 bytes )

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

Nash Finch Company,	:	
Petitioner,	:	
	:	
v.	:	Opposition No. 92058000
	:	Registration No. 4,283,988
Ahold Licensing, Sàrl,	:	Mark: OUR FAMILY FOUNDATION
Registrant.	:	& DESIGN

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**BRIEF OF REGISTRANT AHOLD LICENSING SÀRL**

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## **I. DESCRIPTION OF THE RECORD**

The record in this case consists of the materials submitted by Nash Finch Company ("Nash Finch") as well as the following materials:

1. Materials submitted pursuant to Ahold Licensing Sàrl's ("Ahold's") Notice of Reliance filed on June 16, 2015; and,
2. Certified deposition transcript of Tracey Pawelski taken on May 19, 2015, with accompanying exhibits.

## **II. STATEMENT OF ISSUES**

- A. HAS NASH FINCH PROPERLY PLEADED ITS CLAIM BASED ON COMMON LAW RIGHTS TO ITS "OUR FAMILY" MARK USED WITH CHARITABLE FUNDRAISING AND DONATION SERVICES AND, IF SO, HAS IT PROVEN OWNERSHIP OF AN "OUR FAMILY" SERVICE MARK FOR CHARITABLE FUNDRAISING AND DONATION SERVICES?
- B. IS AHOLD'S "OUR FAMILY FOUNDATION AND DESIGN" MARK LIKELY TO CAUSE CONFUSION WITH NASH FINCH'S "OUR FAMILY" AND "OUR FAMILY AND DESIGN" MARKS AND SHOULD AHOLD'S REGISTRATION BE CANCELLED ON THAT BASIS?

## **III. STATEMENT OF FACTS**

Respondent Ahold Licensing, Sàrl ("Ahold") is the trademark holding company for Ahold USA, Inc., which is the owner of several large retail supermarket chains in the United States, including those operating under the "Giant," "Stop & Shop," and "Martin's" banners (collectively the "Ahold Retail Stores"). (43 TTABVUE 8 at Pawelski 8:3-17) Ahold is the owner of a federal trademark registration for the mark OUR FAMILY FOUNDATION and Design, Reg. No. 4,283,988 (depicted below) for use with "charitable fundraising services" in Class 36.



The application for Ahold's OUR FAMILY FOUNDATION and Design mark was filed on February 21, 2012, published July 10, 2012 and, having not been opposed, registered on January 29, 2013. The mark has been in use since March 2012 by Ahold's Our Family Foundation, a separate non-profit entity with 501(c)(3) tax-exempt status that operates as Ahold's charitable arm.

Funds raised by Ahold's Our Family Foundation are used to support the efforts of organizations based in the territories served by Ahold's Retail Stores to fight hunger, improve the quality of life for children and help build healthy communities. (*Id.* at 14-15 at Pawelski 14:22-15:1). In 2013 and 2014 Ahold's Our Family Foundation donated approximately \$2.6 million and \$2.8 million, respectively, to various child hunger initiatives. Ahold's Our Family Foundation is a major supporter of children's hospitals and makes significant contributions to pediatric cancer research and care. (*Id.* at Pawelski Exs. 2, 3, 6 and 7) In 2012, 2013 and 2014, collectively, Our Family Foundation contributed \$16.7 million to pediatric cancer research, including contributions to well known institutions such as Dana Farber Cancer Institute/The Jimmy Fund, Memorial Sloan-Kettering Cancer Center, Johns Hopkins Sidney Kimmel Cancer Center, and The Children's Cancer Foundation. In those same years, Ahold's Our Family Foundation contributed \$9.5 million to Children's Miracle Network hospitals, \$1.4 million to grassroots programs that support children's health and nutrition, including local YMCAs and Boys and Girls Clubs, and \$1.5 million to the Jake Gittlen Cancer Research Foundation. *Id.* Our

Family Foundation's collective contributions to the organizations it supports topped \$9 million in 2012 (its inaugural year) and \$13 million in both 2013 and 2014. *Id.*

While the focus of Ahold's Our Family Foundation is on supporting the organizations identified above, it makes occasional contributions to disaster relief efforts, including One Fund Boston, an initiative established in the wake of the 2013 Boston Marathon bombings, and the Navy Yard Relief Fund, an initiative established following the Washington Navy Yard shootings that same year. (*Id.* at Pawelski Ex. 2) Ahold's Our Family Foundation has also supported neighborhood improvement initiatives, such as contributing funds and recruiting volunteers to build a playground in an underserved neighborhood in Bridgeport, Connecticut. (*Id.* at 37 at Pawelski 37:16-22) The OUR FAMILY FOUNDATION and Design mark is used only in connection with charitable fundraising services and is not used in connection with any of Ahold's retail grocery services or on any retail grocery products. (*Id.* at 14 at Pawelski 14:1-19) Ahold does not offer a label redemption incentive program under its OUR FAMILY FOUNDATION and Design mark and Ahold's Our Family Foundation does not donate funds to schools or churches. (*Id.*)

Ahold's Our Family Foundation raises funds primarily through monetary contributions solicited from its vendor partners and suppliers. (*Id.* at 9 at Pawelski 9:21-24) These contributions are solicited directly by Ahold personnel, who leverage their relationship with a known supplier when requesting a contribution for Ahold's Our Family Foundation. (*Id.* at 16 at Pawelski 16:11-25) Ahold publicly thanks its Our Family Foundation vendor partners through signage presented in its retail stores and in its weekly circulars. (*Id.* at 43 at Pawelski 43:1-14 and Exs. 10, 16 and 17)

The OUR FAMILY FOUNDATION and Design mark has become recognizable and is symbolic of the efforts of Ahold's Our Family Foundation and the significant positive impact it has made on the lives of children facing hunger, cancer and other life threatening circumstances.

Nash Finch is also in the retail grocery business and distributes a line of private label food and household products under the OUR FAMILY mark to its company-owned stores and numerous privately-owned retail grocery stores. (28 TTABVUE 878 at Ex. 18; 39 TTABVUE 9-10 at Paul 9:3-10:7; *see generally* 38 TTABVUE 3044-3499 at Murphy Ex. 184) Nash Finch owns several registrations for its OUR FAMILY mark, including the two active registrations claimed in its Petition for Cancellation, namely:

- Reg. No. 2,690,200 for the standard word mark OUR FAMILY which is registered for use with Class 3 - dishwashing detergent, laundry detergent, laundry bleach; Class 6 - aluminum foil; Class 16 - paper towels, paper napkins, bath tissue, and facial tissue; Class 21 - paper plates; Class 29 - meals consisting of meat, fish or poultry in ready to cook portions, peanut butter, pickles, canned fruit and canned vegetables; Class 30 - macaroni, noodles, spaghetti, rice, coffee, spaghetti sauce, tea, pretzels, nacho chips, cocoa, catsup, mustard; Class 31 pet food and unpopped popcorn; and, Class 32 - vegetable juice, fruit juice and fruit drink.
- Reg. No. 0,369,014 for the stylized word mark OUR FAMILY which is registered for use with canned fruits, canned vegetables, canned fruit juice for food purposes, canned corn, canned spaghetti, canned tuna fish, canned salmon, canned soup, canned corn [sic] and beans, noodles, spaghetti, macaroni, tea, spices, mustard, vinegar, catsup, cocoa, evaporated milk, olives, pickles, jam, peanut butter, fruit preserves, marmalade, cane which are not allocated to specific classes in the registration due to its age.

In addition to use of the OUR FAMILY mark on its line of grocery and household products, Nash Finch offers a label redemption incentive program under the federally registered mark LABELS FOR LEARNING<sup>®</sup>, through which consumers can redeem labels from OUR FAMILY brand products in exchange for a donation, usually \$0.05/label, to a school or church. (39 TTABVUE 88 at Paul 88:10-21; 39 TTABVUE 424 at Paul Ex. 55) Nash Finch also donates

OUR FAMILY brand products to local non-profits and, on occasion, to disaster relief efforts. (39 TTABVUE 42-45, 62-63 at Paul 42:16-45:12, 62:12-63:2) Nash Finch claims its OUR FAMILY mark has been in use on various food/household products since 1904. Nash Finch has not registered its OUR FAMILY mark for any services of any kind, and its registrations relied upon in this cancellation proceeding are limited to a variety of food and household products.

Nash Finch also has a charitable arm, the NFC Foundation, which engages in soliciting contributions and making donations to various charitable initiatives. (39 TTABVUE at 201 at Paul 201:15-25) [REDACTED]

[REDACTED] (*Id.* at 202 at Paul 202:1-8) Like Ahold, [REDACTED]  
[REDACTED]

[REDACTED]. (*Id.* at 204 - 205 at Paul 204:1-205:10; *see also* 34 TTABVUE at 177-178 and 190-192 at Paul Disc. Dep. 81:2-82:14 and Ex. 35)

Both parties promote their marks extensively throughout multiple forms of media and to multiple audiences. Millions of consumers and large numbers of suppliers and vendors, many of whom service both Ahold and Nash Finch, have been exposed to both marks. Despite more than three and one-half years of extensive co-existing use by Ahold of its OUR FAMILY FOUNDATION and Design mark and by Nash Finch of its OUR FAMILY mark, neither party has produced any evidence of consumer confusion.

Nash Finch has not registered its mark for any services, including charitable services. It has only associated its OUR FAMILY mark with its charitable efforts as a means of identifying its products and not as a separate service mark. Nash Finch and Ahold support different charitable initiatives through their charitable organizations. These facts, and others that will be

discussed below, reveal the lack of any basis for Nash Finch's claim that continued registration of Ahold's OUR FAMILY FOUNDATION and Design mark is likely to cause confusion. For that reason, Nash Finch's Petition should be denied.

#### **IV. ARGUMENT**

Nash Finch bases its Petition for Cancellation of Ahold's OUR FAMILY FOUNDATION and Design mark on two distinct theories that its marks have priority over Ahold's OUR FAMILY FOUNDATION and Design mark. First, it relies on its OUR FAMILY marks which are registered for a number of grocery store products. Second, it argues that it owns unregistered, *common law*, rights to the OUR FAMILY mark when used with fundraising services and charitable activities which it insists predate Ahold's registration. With respect to the registered marks, Nash Finch argues that the claimed grocery store items are related to charitable fundraising services. With respect to alleged common law rights, Nash Finch argues that the services associated with its common law OUR FAMILY mark are the same as the charitable fundraising services conducted under the OUR FAMILY FOUNDATION and Design mark. In neither instance has Nash Finch established a basis for cancellation of Ahold's registration.

##### **A. Nash Finch Has Failed To Adequately Plead Rights In A Common Law Mark.**

The Board should not consider Nash Finch's reliance on any "common law" rights to its OUR FAMILY mark with respect to charitable fundraising services because Nash Finch failed to claim any such rights in its pleadings. A plaintiff may not rely on an unpleaded claim. *Kohler Co. v. Baldwin Hardware Corp.*, 82 USPQ2d 1100, 1103 n.3 (TTAB 2007) (raising claim for first time in plaintiff's brief is manifestly untimely; belated fraud claim given no further consideration).

The Board should consider only Nash Finch's registered marks as pleaded in the Petition for Cancellation. In the electronically-generated cover sheet for its Petition for Cancellation, Nash Finch cites only the following registrations and pending applications as the basis for its cancellation Petition: Reg. Nos. 0,369,014, 1,704,384, 2,690,200 and Ser. Nos. 85/418,412 and 85/905,473. Nowhere on the cover sheet does Nash Finch refer to any common law rights to any mark in the Petition. Nash Finch's actual Petition for Cancellation is similarly without reference to any common law rights or any express claim that it owns rights to the OUR FAMILY mark in connection with charitable services.

In its Petition, Nash Finch claims that it and its charitable arm, The NFC Foundation, engage in charitable activities, but does not refer to such charitable or fundraising activities being conducted under the OUR FAMILY mark. Nash Finch also claims in its Petition that it closely associates its OUR FAMILY brand with some of its charitable and fundraising activities but does so only with respect to the OUR FAMILY products, such as the products eligible for the LABELS FOR LEARNING program. Nash Finch notes its donations of OUR FAMILY branded products "to food shelves and other worthy organizations" but does not claim that those donations are a use of the OUR FAMILY mark with charitable fundraising services. Nowhere in the Petition does Nash Finch refer to its LABELS FOR LEARNING program as the OUR FAMILY LABELS FOR LEARNING program, as it now does in its Brief. Nowhere in the Petition does Nash Finch specifically claim that it owns a service mark consisting of OUR FAMILY for use with charitable fundraising services or aver that the mark has been used in any manner other than on grocery store products, which Nash Finch argues are used in connection with, and thus are related to, charitable fundraising services or charitable donation services.

Tellingly, throughout his deposition, Nash Finch's corporate witness, Vice President of Corporate Brands, John Paul, [REDACTED]  
[REDACTED]  
[REDACTED] (34 TTABVUE at 185 at Paul  
Disc. Dep. 105:10-11) [REDACTED]

[REDACTED] (34 TTABVUE at 169-170 and 186-187 at Paul  
Disc. Dep. 19:25-20:15 and Ex. 4) With respect to the Petition for Cancellation, Nash Finch refers only to the *relatedness* of its goods/services to Ahold's services, which is the position Nash Finch advances in its Brief with respect to its registered marks.<sup>1</sup> Nash Finch's Petition, its own promotion of the LABELS FOR LEARNING program and its own testimony left Ahold no reason to expect it to argue that it owns an OUR FAMILY service mark for charitable fundraising or donation services, as that claim was not properly pleaded.

Nash Finch has failed to plead its claim based on common law trademark rights and has failed to timely amend its Petition to assert those rights. The period for amendment as of right has passed, Ahold has not consented to any amendment to the Petition, and Nash Finch has not sought leave to amend. Any amendment to the Petition at this point would significantly delay the resolution of this matter. Further, Ahold would be prejudiced by any amendment, as it would not be able to take discovery on new factual issues that would arise as a result of the amendment.

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<sup>1</sup> Note that Reg. No. 1,704,384 and Ser. No. 85/418,412 for the mark OUR FAMILY FOODS referenced in the Petition claimed retail and online grocery store services respectively. However, Reg. No. 1,704,384 was surrendered by Nash Finch after Ahold's counterclaim for non-use and Ser. No. 85/418,412 was abandoned by Nash Finch on October 30, 2014. Therefore, at the time its Petition was filed, Nash Finch relied on a registration and pending application claiming various grocery services but neither the registration nor the pending application remain viable.

Thus, Nash Finch is not entitled to amend its Petition to include any common law claims.

Accordingly, the Board should not consider any claim based on common law trademark rights in Nash Finch's OUR FAMILY mark for use with charitable fundraising and donation services. *See Riceland Foods Inc. v. Pacific Eastern Trading Corp.*, 26 USPQ2d 1883, 1884 (TTAB 1993) (only mark pleaded by opposer and tried was registered design mark and applicant had no notice that opposer intended to rely on use of unregistered word mark appearing on opposer's packaging; unpleaded mark not considered by Board) *See also Fossil Inc. v. Fossil Group*, 49 USPQ2d 1451 (TTAB 1998) (common law use on clocks by opposer could not be considered because it was not included in the notice of opposition).

**B. Nash Finch Has Failed To Prove That OUR FAMILY Is Its Common Law Service Mark.**

Even if the Board permits Nash Finch to base its cancellation Petition in part on common law rights, Nash Finch has failed to establish that it uses the OUR FAMILY mark in connection with charitable fundraising services apart from its use of the mark on its private label grocery products. To prove priority for an unregistered mark, a petitioner must show that its term functions as a mark for the respective goods/services, namely, that it is distinctive of its goods or services, inherently or through acquisition of secondary meaning. *Otto Roth & Company, Inc. v. Universal Foods Corporation*, 209 USPQ 40, 43 (CCPA 1981). In the context of use needed to secure a registration for a service mark, applicants have been refused registration where the context of the use of the mark on promotional materials was only with respect to the advertisement of a good and not a separate service. *See In re DSM Pharmaceuticals Inc.*, 87 USPQ2d 1623, 1626 (TTAB 2008) (Board refused registration of mark LIQUIDADVANTAGE for "custom manufacturing of pharmaceuticals featuring liquid fill and finish technology

services" where specimen of use referred only to the capabilities of LIQUIDADVANTAGE software.).

Nash Finch advances two theories in support of its argument that the OUR FAMILY mark is, in addition to a mark used on private label grocery store products, a service mark used with charitable fundraising and charitable donation services. First, it argues the OUR FAMILY mark is used as part of its LABELS FOR LEARNING mark. Despite being referenced by Nash Finch's corporate witness and, generally, in Nash Finch's promotional program materials as the LABELS FOR LEARNING program, Nash Finch now argues that the name of the label redemption incentive program is really the *OUR FAMILY* LABELS FOR LEARNING program. Second, Nash Finch argues that by donating OUR FAMILY brand products to food banks, charities, non-profits, disaster relief efforts and the like, it has established OUR FAMILY as a service mark for charitable donation services. In fact, neither use of the OUR FAMILY mark is anything but the use of the mark in connection with the grocery store products that bear the mark. Neither use establishes common law rights to the OUR FAMILY mark beyond the scope of Nash Finch's registrations.

**1. Use of OUR FAMILY with Nash Finch's LABELS FOR LEARNING<sup>®</sup> program is not a use with charitable or fundraising services.**

The association of the OUR FAMILY mark with the LABELS FOR LEARNING program is limited to the promotion of Nash Finch's OUR FAMILY branded products eligible for Nash Finch's label redemption incentive program. Nash Finch has not shown that such use establishes the OUR FAMILY mark as a service mark for any fundraising or charitable service.

[REDACTED]

[REDACTED]

[REDACTED] (39 TTABVUE at

91-95 and 429-437 at Paul 91:25 – 95:17 and Exs. 56-57) In none of these instances, however, does Nash Finch show that the use of the mark is anything but a reference to the OUR FAMILY line of products.

[REDACTED]

[REDACTED]

[REDACTED] (*Id.* at 431-437 at Paul Ex 57)

The use of the trademark designations in connection with the two marks LABELS FOR LEARNING and OUR FAMILY makes this distinction even more clear. The OUR FAMILY mark is not registered for any charitable or fundraising services, only for grocery store products. Thus, when used on the advertising with a ® designation denoting a registered mark, Nash Finch must be referring to its OUR FAMILY mark for its line of grocery store products. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] (*Id.* at 429-437 at Paul Exs. 56-57) Consumers encountering the OUR FAMILY trademark in connection with the LABELS FOR LEARNING program advertisements will understand the use of OUR FAMILY to refer to the products eligible for the label redemption program and will not perceive OUR FAMILY as a separate service mark.

Like consumers, schools and churches, Nash Finch's suppliers do not perceive the OUR FAMILY mark as a service mark for charitable services. Nash Finch funds the LABELS FOR

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<sup>2</sup> Nash Finch owns a federal registration for the mark LABELS FOR LEARNING (Reg. No. 4,048,821) for use with "Promoting the sale of goods at retail food outlets through the administration of an incentive program whereby consumers earn credits toward the purchase of educational materials for schools." Thus, Nash Finch's registered mark is LABELS FOR LEARNING not OUR FAMILY LABELS FOR LEARNING.

LEARNING program [REDACTED]

[REDACTED] (38 TTABVUE at 126 at Murphy 126:7-13). [REDACTED]

[REDACTED]

[REDACTED]. (*Id.* at 126 at Murphy 126: 14-25; 37 TTABVUE at 117-122 at Murphy Ex. 229) [REDACTED]

[REDACTED]

(37 TTABVUE at 117-122 at Murphy Ex. 229). [REDACTED]

[REDACTED]

[REDACTED] These activities do not constitute a separate service operated under the OUR FAMILY trademark.

Even if Nash Finch's solicitation of funds does constitute a service, it has provided no evidence that its suppliers of OUR FAMILY products are presented with the OUR FAMILY mark in the context of a service. And the evidence that was provided, [REDACTED]

[REDACTED]

[REDACTED] Nash Finch has offered no evidence that its suppliers are presented with the OUR FAMILY mark in the context of the offering of charitable services, or that such suppliers perceive the mark used in any way other than as the trademark they affix to the private label products supplied to Nash Finch.

Nash Finch's LABELS FOR LEARNING program is not a charitable service; it is a label redemption incentive program intended to increase sales of OUR FAMILY brand products. Yet, regardless of whether the LABELS FOR LEARNING program is viewed as a charitable service or merely a form of advertising for OUR FAMILY products, Nash Finch's association of its

OUR FAMILY brand with its LABELS FOR LEARNING program is only in the context of informing consumers of the specific products with labels eligible for redemption. Other than identifying the universe of products eligible for the LABELS FOR LEARNING program, consumers, schools/churches and Nash Finch's suppliers do not associate the OUR FAMILY mark as a brand for a charitable or fundraising service. Nash Finch's use of the OUR FAMILY mark to identify products eligible for its label redemption program does not allow it to claim that OUR FAMILY is a service mark for any charitable or donation services.<sup>3</sup>

**2. Nash Finch's donation of OUR FAMILY products is not a separate service offered under the OUR FAMILY mark.**

Apart from its LABELS FOR LEARNING program, Nash Finch argues that its donation of OUR FAMILY brand products to food banks, charities, non-profits, and disaster relief efforts constitutes the use of the OUR FAMILY mark as a service mark for charitable donation services. However, Nash Finch has produced no evidence that these donations are given in connection with the OUR FAMILY mark, apart from the mark as it appears on the grocery store products donated. The only involvement of the OUR FAMILY mark is that it may appear on the products donated, which does not create an OUR FAMILY service mark for charitable services or fundraising. If Nash Finch owns any marks for charitable services they are the NASH FINCH or NFC FOUNDATION marks through which OUR FAMILY products are donated and through which funds are solicited.

In its brief, Nash Finch cites numerous instances where it has donated OUR FAMILY products. However, review of the cited exhibits reveals that the only use of the OUR FAMILY

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<sup>3</sup> Even if the Board determines that the use of the OUR FAMILY mark in connection with the LABELS FOR LEARNING program is a use of a mark with fundraising or charitable donation services, which Ahold submits it is not, then for purposes of evaluating any likelihood of confusion with Ahold's mark, the Board should recognize the mark as referred to by Nash Finch, namely, OUR FAMILY LABELS FOR LEARNING, and not OUR FAMILY standing alone. Thus, the parties' marks are distinct. In that case, the Board should also recognize the services associated with the mark with regard to Nash Finch's specific use, namely, as a "label redemption incentive program used to fund donations to schools and churches."

mark in connection with product donations is the mark as it appears on the product. [REDACTED]

[REDACTED]

[REDACTED] (39 TTABVUE

at 72 and 74-75 at Paul 72:9-15; 74:18-25-75:18) [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] (*Id.* at 561-617 at Paul Ex. 73)

[REDACTED]

[REDACTED] (*Id.* at

618-625 at Paul Ex. 74, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] (*Id.* at 73-74 and 708 at Paul 73:17-74:9 and Ex. 91) [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] (*Id.* at 72-73 and 702-703 at Paul 72:16-73:13 and

Ex. 90). Nash Finch does not highlight the OUR FAMILY brand as a service mark, it promotes the NASH FINCH brand as the source of the services which concern donation of OUR FAMILY products.

The media also does not recognize the OUR FAMILY mark as a charitable donation service mark. Nash Finch refers to certain media coverage in an attempt to suggest a broader

recognition of its OUR FAMILY mark. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] (37 TTABVUE at 210 at Docken 75: 6-23). It is clear the OUR FAMILY mark is used to identify the products, not any separate charitable service. Nash Finch would like the Board to perceive the OUR FAMILY brand as the equivalent of a trade name, but its correspondence with third parties, their requests for donations and the consistent use of the OUR FAMILY mark to refer to Nash Finch's product line only belie such use as a trademark, beyond the products that bear the mark.

**3. Nash Finch's charitable event sponsorships are not a use of OUR FAMILY as a mark for charitable services.**

The evidence also clearly demonstrates that organizations receiving sponsorships from Nash Finch understand that the sponsorships come from Nash Finch and not from OUR FAMILY. Nash Finch's charitable arm, the NFC Foundation, which appears to be Nash Finch's counterpart to Ahold's Our Family Foundation, also claims to use the OUR FAMILY mark but, like all other uses, the mark is used in connection with food products or in the promotion of those food products. It should be noted that the NFC Foundation is not a party to this cancellation proceeding and; therefore, any use of the OUR FAMILY mark it might make is irrelevant to these proceedings. The NFC Foundation does not provide charitable services under the OUR FAMILY mark. [REDACTED]

[REDACTED]

[REDACTED] (37 TTABVUE at 175-176 at Docken 40:21-41:5) [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] (*Id.* at 327-348 at Docken Ex. 237) Organizations that receive sponsorships from Nash Finch or the NFC Foundation also view "Nash Finch" as the sponsoring party. [REDACTED]

[REDACTED]

[REDACTED] (39 TTABVUE at 615 at Paul Ex. 73 doc NFAH0001567) Any use of the OUR FAMILY mark in connection with the NFC Foundation is purely a reference to the OUR FAMILY line of products. No separate charitable or fundraising service arises from Nash Finch's or the NFC Foundation's solicitation of donations from suppliers of OUR FAMILY products or display of the OUR FAMILY mark on products, and related signage, at golf events.

In order to claim common law rights in the OUR FAMILY mark used with charitable services, Nash Finch must show that it uses the OUR FAMILY mark with those services. It has not. Nash Finch has not produced any evidence that it uses the OUR FAMILY mark other than to refer to the products that bear the mark. The invitation to buy such products and submit labels is not a separate charitable service offered under the OUR FAMILY mark. Neither is the request for donations from the suppliers of OUR FAMILY products. The donation of the OUR FAMILY products to charitable causes, non-profit organizations and disaster relief efforts is not a separate service offered under the OUR FAMILY mark. Nash Finch's attempt to expand the protection afforded its mark by arguing it constitutes a charitable fundraising and donation service mark must fail for lack of any proof that it has made such use of the mark. Nash Finch has no basis in use to allege common law rights to OUR FAMILY as a service mark for charitable or fundraising services.

**C. Nash Finch Has Failed To Prove A Likelihood Of Confusion Between The Parties' Respective Marks.**

Even if the Board concludes that Nash Finch may rely on both its registered marks and any common law marks, it must still determine that registration of Ahold's mark creates a likelihood of consumer confusion. Likelihood of confusion is based on an analysis of the probative facts in evidence relevant to the familiar factors set forth in *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563, 537 (CCPA 1973). The *DuPont* factors include:

1. The similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation, and commercial impression;
2. the similarity or dissimilarity and nature of the goods or services as described in an application or registration or in connection with which a prior mark is in use;
3. the similarity or dissimilarity of established, likely-to-continue trade channels;
4. the conditions under which and buyers to whom sales are made, i.e. "impulse" vs careful, sophisticated purchasing;
5. the fame of the prior mark (sales, advertising, length of use);
6. the number and nature of similar marks in use on similar goods;
7. the nature and extent of any actual confusion;
8. the length of time during and conditions under which there has been concurrent use without evidence of actual confusion;
9. the variety of goods on which a mark is or is not used (house mark, "family" mark, product mark);
10. the market interface between registrant and the owner of a prior mark; and

11. the extent of which registrant has a right to exclude others from use of its mark on its goods.

*E.I. du Pont*, 476 F.2d 1357.

- 1. The lack of actual confusion despite a reasonable opportunity for confusion is dispositive.**

While Nash Finch expends numerous pages of its brief arguing its position with regard to the *DuPont* factors, it devotes only five sentences to the most obvious weakness in its case: "To date, there has been no documented confusion." While Ahold recognizes that Nash Finch need only show that confusion is "likely," the lack of actual confusion is nonetheless crucial, and indeed dispositive, here. See *Citigroup Inc. v. Capital City Bank Group, Inc.*, 637 F.3d 1344, 98 USPQ2d 1253, 1259-1260 (Fed. Cir. 2011). If a "reasonable opportunity for confusion" has presented itself, but the petitioner has failed to introduce any evidence of any actual confusion, that factor weighs toward the nonexistence of a likelihood of confusion. *Id.* The extensive co-existence of the respective marks in the past makes consumer confusion in the future highly unlikely.

In assessing the significance of the nonexistence of actual confusion, the Board must consider both the amount of time that the marks have been contemporaneously used and the breadth of the overlap in marketing. The greater the amount of time that both parties have used their marks without instances of confusion, the less the likelihood of future confusion. *Smith v. Tobacco By-Prods. v. Chem. Corp.*, 243 F.2d 188, 190, 113 USPQ 339, 340-341 (Fed. Cir. 1957). Three years of overlapping use is a period sufficient to afford a reasonable opportunity for confusion to manifest itself. See *Plus Prods. v. Plus Disc. Foods, Inc.*, 722 F.2d 999, 1006, 222 USPQ 373, 379 (2d Cir. 1983) ("Despite three years of concurrent use, the district court found there were no instances of actual consumer confusion . . ."); *Lever Bros. Co. v. Am. Bakeries*

*Co.*, 693 F.2d 251, 258, 216 USPQ 177, 182 (2d Cir. 1982) (finding the absence of any instances of confusion among sixty-three million sales over three years indicated an absence of likelihood of confusion between marks on two different products). Further, the greater the evidence of potential overlap in channels of trade, and the greater number of potential customers and client targets susceptible to confusion, the less the likelihood of confusion. *See Citigroup, Inc.*, 637 F.3d at 1354, 98 USPQ2d at 1259 ("[C]onsidering the widespread advertising of opposer's marks and the identity of services, if the marks were similar then it is likely that there would be some reported instances of confusion.") (internal quotations omitted).

Thus, in *Sigma-Tau Industrie Farmaceutiche Riunite S.p.A v. SigmaPharm Laboratories, LLC*, 2015 TTAB LEXIS 42 (TTAB 2015) (attached), the Board found that the lack of actual confusion weighed against a finding of a likelihood of confusion where the marks coexisted for at least five years. Although the marks were not used on directly competing products, both parties sold their products to some of the same wholesalers and retailers. *Id.* at \*72-73. The Board found that the overlap in potential customers and the period of time of use in commerce gave rise to a reasonable opportunity for confusion. *See id.*

Likewise in *America's Best Franchising, Inc. v. Abbott*, 2013 TTAB LEXIS 114 (TTAB 2013) (attached), two hotel franchisers serving different geographic areas with almost identical marks had overlapped on internet websites for four years, yet no occurrences of confusion were known. *Id.* at \*38. The Board found that there was meaningful opportunity for confusion such that the lack of actual confusion was relevant to its inquiry. *Id.*

As between Ahold and Nash Finch, the period of time during which the parties' marks have co-existed, and the extensive overlapping use of the marks as demonstrated by Nash Finch, have presented ample opportunity for confusion to occur. However, not a single instance of

confusion has been documented by either party, both of which have a vested interest in avoiding confusion among their respective brands. In Nash Finch's case, it likewise has a strong interest in offering any conceivable instance of confusion in support of its Petition for Cancellation.

Nash Finch goes to great lengths to describe the extensive and direct co-existence of Ahold's OUR FAMILY FOUNDATION and Design mark and the OUR FAMILY mark, including overlapping geographic territory, consumers, sponsors, donation recipients, media outlets, vendors and suppliers. For the convenience of the Board, Ahold summarizes here the evidence of the parties' co-existing uses of their marks presented by Nash Finch throughout its Brief.

- [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] (*Compare* 38 TTABVUE 3985-4141  
Murphy Ex. 186 *with* 43 TTABVUE at Ahold Ex. 21)
- [REDACTED]  
[REDACTED] (39  
TTABVUE 452-518 at Paul Exs. 63-65 and 179; 40 TTABVUE 323-330; 39  
TTABVUE 107-112 at Paul 107:6-112:14) [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] (43 TTABVUE 7-8 at Pawelski 7:25-8:21)

- In 2014 alone, [REDACTED]  
[REDACTED] (39 TTABVUE  
522-24, 534-36; 40 TTABVUE 323-330; 38 TTABVUE 3985-4141) [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] (*Id.*)
- Nash Finch claims use of the OUR FAMILY mark for charitable donations of food to food banks, charities, non-profits, local community events and disaster relief for years. For the convenience of the Board, Ahold refers to the information presented in Section IV.E.2 of Nash Finch's Brief. These donations are made nationwide, which would necessarily include the territory in which Ahold prominently uses its OUR FAMILY FOUNDATION and Design mark.
- Nash Finch offers approximately 2,500 separate OUR FAMILY branded products, which cover virtually every category in a grocery store and which are sold by approximately 1,500 retail outlets across [REDACTED]  
[REDACTED]  
[REDACTED] (*See generally* 38 TTABVUE 199-3043; 43 TTABVUE 8 at Pawelski 8:3-17)
- Nash Finch spends [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] For the convenience of the Board, Ahold

refers to the information presented in Section IV.B.2 of Nash Finch's Brief.

Ahold distributes consumer-facing circulars featuring the OUR FAMILY FOUNDATION and Design mark to over 13 million households. Ahold's circulars are distributed multiple times each year. (43 TTABVUE at 52-58 and 62-70 at Pawelski 52:10-58:10, 62:8-70:18 and Pawelski Exs. 18-19). In total, since 2012, over 105.6 million circulars were printed and distributed to the public bearing the OUR FAMILY FOUNDATION and Design mark. (*Id.* at Pawelski Ex. 18.)

- Nash Finch advertises the OUR FAMILY brand to a broad public audience, having spent nearly [REDACTED] on advertising from 2008-2013. Advertisements for OUR FAMILY products appear on billboards, radio, television and at major sporting events. (38 TTABVUE 94-95, 99 at Murphy 94:11-95:12; 99:6-24; *see generally* 37 TTABVUE 15-96 at Murphy Exs. 223-224)
- [REDACTED]  
[REDACTED]  
[REDACTED] (39 TTABVUE at 169 at Paul 169:9-25)
- Nash Finch's website, dedicated to the OUR FAMILY brand (ourfamilyfoods.com), is accessible to anyone in the world.
- Ahold uses its OUR FAMILY FOUNDATION and Design mark on signage in its retail stores for several weeks during the year. (43 TTABVUE at 44 at Pawelski 44:1-5 and Ex. 10)
- Ahold solicits donations to its Our Family Foundation from thousands of people at hundreds of companies nationwide. Ahold sends these same companies the

- quarterly Our Family Foundation newsletter. (*Id.* at 76 at Pawelski 76:1-11 and Ex. 21)
- Ahold offers consumer-facing events such as the Triple Winner Game, a scratch off style game, and a balloon/candle fundraiser where customers donate when checking out at Ahold's retail stores. (*Id.* at 23-24 and 25-27 at Pawelski 25:13-27:5, 23:21-24:5 and Exs. 4-5) The OUR FAMILY FOUNDATION and Design mark can be found on these event materials. (*Id.*) Nash Finch cites numerous public events at which Ahold's OUR FAMILY FOUNDATION and Design mark is displayed, including the Our Family Foundation Golf Outing (which has been publicized on television stations in Ahold's market) (30 TTABVUE 356-57 at Ex. 11 and 18; *id.* at 89-90 at Pawelski Disc. Dep. 129:17-130:25.) and concerts by popular recording artist Hunter Hayes, which drew thousands of attendees. (30 TTABVUE 367-70 at Ex. 11 at Pawelski Disc. Dep. Ex. 24; *id.* at 102-04 at Pawelski Disc. Dep. 143:17-145:8.)
  - Ahold's OUR FAMILY FOUNDATION and Design mark was used in connection with a playground build in Bridgeport, Connecticut that drew 500 volunteers and the signage at the playground still displays the mark. (43 TTABVUE at 37 at Pawelski 37:16-22)
  - Thank you circulars for the Jake Gittlen Cancer Research Foundation, one of the charities Ahold's Our Family Foundation actively supports, appeared in over ██████ inserts per year in one of Ahold's retail banner's territory, Giant, in 2012-2014. (43 TTABVUE at Pawelski Ex. 15; *id.* at Pawelski 58:11-60:1, 71:6-74:2)

- Ahold displays the OUR FAMILY FOUNDATION and Design mark in 1-2 page ads 5-6 times per year in Supermarket News, Progressive Grocer, Food Trade News, Food World and Griffin Report. (43 TTABVUE at 51-52 at Pawelski 51:22-52:5) These trade publications are essential reading for anyone involved in the retail grocery industry.
- Ahold's Our Family Foundation has raised just over [REDACTED] in 2012 and just under [REDACTED] in 2013. (*Id.* at 30, Exs. 15-16 at Pawelski 30:2-13, Exs. 15-16)
- Ahold's retail stores and [REDACTED] [REDACTED] (34 TTABVUE at 167 at Paul Disc. Dep. 14:2-23; 30 TTABVUE at Ex. 17)

If the Board credits all of Nash Finch's evidence concerning the overlapping use of the OUR FAMILY and OUR FAMILY FOUNDATION and Design marks, it would mean that since Ahold began using its mark over three and a half years ago, the marks have co-existed to an extraordinary extent without a single instance of consumer confusion. The co-existence, as described by Nash Finch, touches all segments of the retail grocery industry, including suppliers, vendors, consumers, donation recipients, advertisers and local and national media. The literally hundreds of millions of impressions of these co-existing marks have reached both sophisticated vendors and suppliers who are asked to make significant monetary contributions and unsophisticated retail grocery consumers who might be easily confused. Yet, despite the ubiquity of both marks and ample opportunity for confusion to occur, not a single instance of confusion has been documented. Neither party has identified a single OUR FAMILY label mistakenly submitted to Ahold's Our Family Foundation, not a single donation has been

misdirected, not a single golfer has signed up for the wrong event, not a single media outlet has confused the marks, not a single customer has contacted either party about any confusion, not a single vendor has even inquired about any connection between Nash Finch's mark and Ahold's Our Family Foundation.

Nash Finch's own witness, John Paul, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] (34 TTABVUE at 181-182 at Paul Disc. Dep. 101:4-102:13) However, the evidence shows that even consumers conducting Google searches for "our family" and "our family foundation" are not likely to be confused. The first twenty pages of Google search results for a search of "our family" contained no references to Ahold's Our Family Foundation. (*Id.* at 197-236 at Ahold's Notice of Rel. Ex. 7) The first twenty pages of a Google search for "our family foundation" contained no references to Nash Finch's mark or its products. (*Id.* at 238-277 at Ahold's Notice of Rel. Ex. 8) [REDACTED]

[REDACTED]

[REDACTED] No confusion is documented from either source, despite over three and one-half years of co-existence.

Nash Finch suggests that a potential merger between Ahold and Delhaize Group will expand the use of the OUR FAMILY FOUNDATION and Design mark and, accordingly, increase the opportunity for confusion, but that concern is purely speculative. First, no merger between Ahold and Delhaize Group has been consummated. Second, not even all of Ahold's retail banners *currently* use the OUR FAMILY FOUNDATION and Design mark and there is no

evidence in the record that use of the mark would expand to Delhaize Group if a merger occurs.<sup>4</sup> Even if Ahold were to expand its use of the OUR FAMILY FOUNDATION and Design mark, the record already shows an extensive period of time during which, by Nash Finch's own account, hundreds of millions of consumers have been exposed to both marks throughout the retail grocery supply and retail chain. Nash Finch's speculation does not diminish the relevance of the extensive evidence of co-existence without evidence of actual confusion.

Nash Finch argues that confusion can be extremely difficult to uncover, but the notion that "it's out there somewhere but we just haven't found it" remains credible for only so long. Given the persuasiveness that documented instances of actual confusion play in assessing the likelihood of confusion, Ahold has no doubt that Nash Finch searched exhaustively for any evidence of actual confusion since at least the genesis of this dispute over two years ago. None has been produced. Nash Finch must show more than a mere possibility of confusion; instead, there must be demonstrated a probability or likelihood of confusion. *See Electronic Design & Sales, Inc. v. Electronic Data Systems Corp.*, 954 F.2d 713, 21 USPQ2d 1388, 1391 (Fed Cir 1992). In *Witco Chemical Company, Inc. v. Whitfield Chemical Company, Inc.*, 418 F.2d 1403, 164 USPQ 43 (CCPA 1969), the court noted "We are not concerned with mere theoretical possibilities of confusion, deception or mistake or with di minimus situations but with the practicalities of the commercial world, with which the trademark laws deal." The Trademark Act does not speak in terms of remote possibilities of confusion, but rather, the likelihood of such confusion occurring in the marketplace. After three and one-half years of extensive overlapping use of the marks, the pendulum has swung decidedly in the direction of no

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<sup>4</sup> Ahold's Peapod division, for example, has no involvement with Ahold's Our Family Foundation. (29 TTABVue at 453-435 at Nash Finch Notice of Rel. Ex. 8)

likelihood of confusion. The lack of even a single instance of documented confusion weighs strongly in Ahold's favor.

**2. Charitable fundraising services are not related to retail grocery products.**

The services claimed on Ahold's OUR FAMILY FOUNDATION and Design registration are "charitable fundraising services." With Nash Finch's surrender of Reg. No. 1,704,384 and the abandonment of Ser. No. 85/418,412, its only marks claimed as the basis for its cancellation Petition are registered for use with a variety of food and household products commonly sold at retail grocery stores. Ahold does not dispute that Nash Finch's registrations for the OUR FAMILY mark cover those products. However, as argued above, Nash Finch failed to plead ownership of any common law rights to the OUR FAMILY mark, whether for charitable fundraising/donation services or any goods not covered by the pleaded OUR FAMILY registrations. Further, Nash Finch has failed to demonstrate use of OUR FAMILY as a service mark for charitable fundraising or donation services. Therefore, the scope of Nash Finch's rights with respect to this cancellation proceeding are limited to the particular goods covered by its pleaded registrations. Accordingly, Ahold submits that consideration of the *DuPont* factor addressing relatedness of the goods and services should reflect only a comparison of the goods associated with Nash Finch's registered marks and Ahold's claim to "charitable fundraising services." These goods and services are entirely unrelated.

Nash Finch posits two theories as to why its goods and unpleaded services are related to Ahold's claimed services. First, with respect to its registered marks for food and household products, it argues that the goods are related to Ahold's charitable fundraising services because Nash Finch associates its food products with its LABELS FOR LEARNING label redemption

incentive program and because Nash Finch donates OUR FAMILY brand products to various charitable causes, disaster relief efforts and nonprofits.

The advertisement of Nash Finch's goods with the LABELS FOR LEARNING program and the donation of OUR FAMILY products is not evidence that the goods are actually related to charitable services. Merely because a good is used in connection with a service does not make that good and service related. See *Shen Mfg. Co., Inc. v. Ritz Hotel, Ltd.*, 73 USPQ2d 1350 (Fed. Cir. 2004) (explaining that simply because goods and services are used together does not show that they are related.).

As admirable as Nash Finch's philanthropic efforts may be, it has failed to show any relationship between a mark used on food products and household items and charitable services. In addition to Nash Finch's food/household products, all types of goods are used in connection with charitable donations and fundraising services. Trucks are used to deliver food to food pantries and disaster areas, boxes and bags are used to transport food items, can openers are used to open cans of food, but these facts do not make trucks, boxes and can openers related to the charitable services with which these goods might be used. Nash Finch has produced no evidence that consumers associate its food products and household items with charitable services or fundraising, other than the fact that OUR FAMILY branded food products and household items are donated or the labels of these items submitted in exchange for donations to schools, churches and other non-profits. Applying Nash Finch's argument would mean that every good or service necessary to facilitate a charitable donation or raise funds is related to those types of services. Such a rule is illogical.

Nash Finch also points to other trademarks associated with both the food products and charitable giving services of the same organization, such as HERSHEY'S KISS and

HERSHEY'S KISSMOBILE, KELLOGG'S and KELLOGG FOUNDATION and NEWMAN'S OWN, NO! NEWMAN'S OWN FOUNDATION and NEWMAN'S OWN ALL PROFITS TO CHARITY. It is common knowledge that countless corporations donate their time, money and products to charitable causes and that many corporations, like Ahold and Nash Finch, have charitable giving arms. Nash Finch has merely cherry picked a few instances involving companies in the food industry that share the names of their products with their own charitable foundation. This is not probative of any inherent relationship between food/household products and charitable fundraising or donations. Nonetheless, to the extent that the Board finds Nash Finch's evidence probative, Ahold has identified several similar or identical marks used by unaffiliated organizations for charitable services/fundraising and food or household products. (34 TTABVUE at 9-139 at Ahold's Notice of Rel. Exs. 1-2) The marks identified by Ahold include:

- PUSH UP &UP and Design for "Charitable fundraising services by means of conducting push-up events" owned by Push Up & Up Inc. and UP &UP for a wide variety of health/beauty items and household products owned by Target Brands, Inc.;
- GIVING PLEDGE for philanthropic services involving monetary donations owned by Giving Pledge, LLC and PLEDGE owned by S.C. Johnson & Son, Inc. for household cleaning products;
- HALOS for charitable services, namely fundraising services for non-profit organizations, community service projects owned by HALOS, a nonprofit, and HALOS for fresh citrus fruits owned by Wonderful Citrus Holdings LLC;

- PEAPOD FOUNDATION for charitable fund raising services through live musical concerts for the purpose of providing awareness of the problems and issues facing children worldwide owned by an individual and Ahold's own PEAPOD for a variety of services, including retail online grocery services and food delivery services related to retail online grocery services; and
- AMERICA'S PROMISE, PROMISE ACTION and WE PROMISE all for charitable fundraising services owned by various charitable organizations, and PROMISE for margarine owned by Conopco Inc.

The coexistence of these registered marks, and the evidence of their co-existing use (*Id.* at 89-139 at Ahold's Notice of Rel. Ex. 2), shows that, despite Nash Finch's claim, there are at least as many instances where separate organizations co-exist using the same or similar marks for these respective goods and services. Based on the conflicting evidence produced by Ahold and Nash Finch, there is no basis for the Board to conclude that consumers who encounter similar marks used on food/household products and charitable fundraising/donation services will assume that the goods and services emanate from a common source. Put simply, just because Nash Finch uses its mark on food products and household items, which it sometimes donates or incorporates in its label redemption incentive program, does not make these goods related to Ahold's charitable fundraising services. This factor favors Ahold.

With respect to Nash Finch's purported "common law" rights to its OUR FAMILY mark for use with charitable fundraising and donation services, Nash Finch argues its services are identical to Ahold's charitable fundraising services. Ahold has already argued that Nash Finch may not base any claims on common law trademark rights and that, even if it is permitted to do so, it has not shown any use-based rights to the OUR FAMILY mark in connection with

charitable fundraising and donation services. However, if the Board considers Nash Finch's common law mark claim, it should evaluate the services associated with this claim based on the nature of Nash Finch's use of its OUR FAMILY mark, and not as though Nash Finch owned a registration for the OUR FAMILY standard word mark with a broad claim to "charitable fundraising services." If Nash Finch's use of its OUR FAMILY mark constitutes use as a service mark, the Board should recognize the services associated with the mark as a "label redemption incentive program used to fund donations to schools and churches" or "food and household product donation services." The registration Nash Finch seeks to cancel is for use of OUR FAMILY FOUNDATION and Design with charitable fundraising services, which specifically means "raising funds for charity" and does not include donating products to charity. Ahold does not offer a label redemption incentive program or donate funds/products to local schools, churches or small nonprofits under the OUR FAMILY FOUNDATION and Design mark. Accordingly, if Nash Finch has any service mark rights at all, they are not the same as the services claimed on Ahold's registration.

**3. Nash Finch's history of use of OUR FAMILY on food/household products does not mean OUR FAMILY is a strong mark when used on charitable fundraising/donation services.**

Nash Finch argues that its mark is extremely strong and famous. The basis for this argument is the duration of the use of the mark, sales figures and advertising efforts. However, all of this evidence relates to the use of the mark in connection with Nash Finch's OUR FAMILY line of food and household products sold at grocery retailers. None of the evidence produced by Nash Finch establishes any consumer association of the OUR FAMILY mark with any charitable fundraising/donation services. Even if Nash Finch has a mark that is strong for grocery/household products that does not mean it is also strong for charitable fundraising or donation services. *See Checkpoint Systems Inc. v. Check Point Software Technologies Inc.*, 60

USPQ2d 1609, 1617 (3<sup>rd</sup> Cir. 1991) ("[C]ourts must look at the strength of the mark in the industry in which infringement is alleged.") (citing *Homeowners Grp., Inc. v. Home Mktg. Specialists*, 931 F.2d 1100, 1107, 18 USPQ2d 1587, 1593 (6th Cir. 1991) (a mark may have high recognition but only for a particular product or particular market segment)). Even if the Board concludes that Nash Finch's mark is strong, that strength is centered on food/household products and radiates outward to an ever diminishing existence, until the scope of protection is exhausted.

Nash Finch may have impressive sales and advertising statistics for its OUR FAMILY line of products but that does not mean that it has any brand recognition with respect to unrelated charitable fundraising/donation services or that its scope of protection extends beyond food/household products. If Ahold's registration were for food/household products, the strength of Nash Finch's mark might be relevant. However, no evidence produced by Nash Finch supports stretching the scope of protection for the OUR FAMILY mark so far as to include Ahold's unrelated services. Because Ahold's services are so distinct from Nash Finch's products, this factor favors Ahold.

**4. The use of Nash Finch's OUR FAMILY mark is limited to a line of private label foods and household items.**

Nash Finch exaggerates the importance of its variety of OUR FAMILY products. While Nash Finch may attach the OUR FAMILY mark to a range of products, all of those products fall in the general category of foods or household items commonly found at retail grocery stores. Thus, while Nash Finch may have depth of use in the food/household categories, it does not have breadth of use in a wide range of consumer products or services, such that consumers might associate the OUR FAMILY mark with Nash Finch in virtually any context. The fact that Nash Finch sells a variety of food and household products under the OUR FAMILY mark does not

favor it, because Ahold's services are unrelated and not of the type that would be readily associated by consumers with Nash Finch's line of grocery products.

**5. Nash Finch's OUR FAMILY mark is not identical to Ahold's OUR FAMILY FOUNDATION and Design mark.**

Nash Finch argues that Ahold's OUR FAMILY FOUNDATION and Design mark is nearly identical to its OUR FAMILY mark. Yet despite the shared phrase "our family" the marks are visually distinct and convey distinct commercial impressions. When conducting a likelihood of confusion analysis, the points of comparison for a word mark are appearance, sound, meaning, and commercial impression. *Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondée en 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1691 (Fed. Cir. 2005), (citing *In re E. I. DuPont de Nemours & Co.*, 476 F.2d 1357, 1361, 177 USPQ 563, 567 (C.C.P.A. 1973)). "Similarity of the marks in one respect -- sight, sound or meaning -- will not automatically result in a finding of likelihood of confusion even if the goods are identical or closely related." TMEP §1207.01(b)(i). When assessing the similarity of the marks, particularly marks which consist of both word and design elements, the "fundamental rule . . . is that the marks must be considered in their entirety." See *In re Shell Oil Co.*, 992 F.2d 1204, 1206, 26 USPQ2d 1687, 1688 (Fed. Cir. 1993). See also, *In re Electrolyte Laboratories Inc.*, 16 USPQ2d 1239, 1240 (Fed. Cir. 1990) ("There is no general rule as to whether letters or design will dominate in composite marks; nor is the dominance of letters or design dispositive of the issue. No element of a mark is ignored simply because it is less dominant, or would not have trademark significance if used alone."). Taken in their entirety, the marks at issue are distinct.

Ahold's OUR FAMILY FOUNDATION and Design mark:



differs visually from Nash Finch's OUR FAMILY mark because it contains the term "foundation" and a dominant design element. While the term "foundation" may be disclaimed, it nonetheless contributes to the visual (and phonetic) dissimilarity of the marks and cannot be ignored in the comparison of the marks. The term "foundation" is not part of Nash Finch's mark.

Ahold's mark also contains a design feature that is as least as dominant as the word elements. The design feature appears large and above the words. The design is colorful and likely to be retained in the minds of consumers and cannot be ignored in the consideration of alleged mark similarity. See *Spice Islands, Inc. v. Frank Tea & Spice Co.*, 184 USPQ 35, 37 (CCPA 1974) (improper to ignore portion of composite mark). In comparing the marks the Board must not ignore the prominent design feature of Ahold's mark, which lends it a distinct visual appearance when compared to Nash Finch's mark. Particularly in the context of consideration of any common law mark owned by Nash Finch, the Board should assess the marks as they are likely to be encountered by consumers which, with respect to Nash Finch's marks, includes these formats. (*See generally*, 39 TTABVUE at 312-334, 431-437 and 438-447 at Paul Exs. 44 and 57-58)



Also, with respect to the LABELS FOR LEARNING program, as Nash Finch has insisted, its mark, if anything, is OUR FAMILY LABELS FOR LEARNING. In the case of the marks as used in

commerce by Nash Finch and Ahold, they are completely distinct and not likely to lead to consumer confusion.

The marks also convey distinct overall meanings. Ahold's mark contains the term "foundation," which clearly conveys to consumers that it is a mark used in connection with a foundation and, when presented in the context of "charitable fundraising services," the impression on consumers is one of a charitable foundation. Nash Finch's mark has no corresponding element and no aspect of Nash Finch's mark conveys anything about charitable services or those of a foundation. The marks themselves convey entirely distinct meanings.

The comparison of the marks is not as one-sided as Nash Finch argues. The Board must compare the marks in their entireties and, with respect to any common law marks, must consider the specific mark used and the manner and context of that use. The marks differ visually, aurally and in terms of their meaning. These differences lend the respective marks distinct commercial impressions that are not likely to lead to consumer confusion.

**6. The market interface between Ahold and Nash Finch suggests consumer confusion in the future is not likely.**

Nash Finch insists that both it and Ahold have overlapping core businesses. It argues that both are major players in the grocery industry, use many of the same vendors and advertise the OUR FAMILY and OUR FAMILY FOUNDATION and Design marks in the same publications. This is precisely the reason why the lack of evidence of actual confusion, as discussed above, is such a compelling reason for the Board to find confusion unlikely. The evidence of market interface relied on by Nash Finch supports Ahold's argument that a reasonable opportunity for confusion to occur has already existed for a period of time and under circumstances more than sufficient for confusion to manifest itself. None has.

Nash Finch speculates about even more overlap in the future. However, the Board must recognize that if millions of consumers and an extensive number of retail grocery store suppliers are not already confused, a few more consumers in a few more geographic areas are not likely to be confused either. The market interface between the parties, taken in conjunction with the lack of actual confusion, favors Ahold.

**7. The conditions under which consumers (or donors) encounter the respective marks make confusion unlikely.**

The Board must also consider the *DuPont* factor related to the conditions of purchase and whether the purchase is made on impulse or after careful consideration by a sophisticated purchaser. *In re E. I. DuPont de Nemours & Co.*, 476 F.2d 1357, 1361, 177 USPQ 563, 567 (C.C.P.A. 1973). Particularly with respect to suppliers solicited by Nash Finch and Ahold for donations, the donation request [REDACTED]

[REDACTED] Thus, the supplier's decision to donate is akin to one made by a sophisticated purchaser and is a careful decision to donate a significant amount of money and not equivalent to an impulse purchase.

Both parties contact their respective suppliers directly for various donations. [REDACTED]

[REDACTED] (43 TTABVUE at 16 at Pawelski 16:11-25; 39 TTABVUE at 204 - 205 at Paul 204:1-205:10; *see also* 34 TTABVUE at 177-178 and 190-192 at Paul Disc. Dep. 81:2 – 82:14 and Ex. 35) [REDACTED]

[REDACTED] (39 TTABVUE at 204 at Paul 204:1-20). [REDACTED]

[REDACTED] (*Id.* at 204-205 at Paul 204:21-205:10; 34 TTABVUE at 177-178 and 190-192 at Paul Disc. Dep. 81:2 – 82:14 and Ex. 35)

[REDACTED]  
[REDACTED] (34 TTABVUE at 172 at Paul Disc. Dep. 68:11-25). [REDACTED]

[REDACTED] (43 TTABVUE at 17-18 and 22 at Pawelski 17:21-18:10 and 22:7-22)

Accordingly, any donation solicitation involving an Ahold or Nash Finch supplier [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED] This is not the equivalent of dropping a few quarters in a red kettle; [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED] Consumer confusion is highly unlikely given the conditions under which donations are solicited.

## V. CONCLUSION

For the foregoing reasons, Ahold insists that its OUR FAMILY FOUNDATION and Design mark is not likely to cause consumer confusion with any of the marks Nash Finch relies upon in its Petition for Cancellation and, accordingly, Nash Finch's Petition should be denied.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

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Dated: October 30, 2015

## **APPENDIX**

### **Attached Cases**

- *Sigma-Tau Industrie Farmaceutiche Riunite S.p.A v. SigmaPharm Laboratories, LLC*, 2015 TTAB LEXIS 42 (TTAB 2015)
- *America's Best Franchising, Inc. v. Abbott*, 2013 TTAB LEXIS 114 (TTAB 2013)

## 2015 TTAB LEXIS 42

Trademark Trial and Appeal Board

November 12, 2014, Hearing ; February 09, 2015, Decided

Opposition No. 91196802 Opposition No. 91196807

### Reporter

2015 TTAB LEXIS 42

## **Sigma-Tau Industrie Farmaceutiche Riunite S.p.A. v. SigmaPharm Laboratories, LLC**

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### Disposition: [\*1]

Decision: The oppositions are dismissed on the grounds of priority of use and likelihood of confusion under [Section 2\(d\)](#) of the Trademark Act and on the ground that Applicant's marks falsely suggest a connection with Opposer under [Section 2\(a\)](#) of the Trademark Act.

### Core Terms

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pharmaceutical, registration, pharmaceutical product, research and development, laboratory, first use, website, likelihood of confusion, confidential, consumer, notice, manufacture, advertize, brand, sigma, disease, register, generic, chemical, excerpt, patient, goods and services, deposition, famous, cardiovascular disease, hypertension, medicinal, fame, logo, dictionary

### Counsel

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Paola A. Strino of Lucas & Mercanti LLP for Sigma-Tau Industrie Farmaceutiche Riunite S.p.A.

Jeffrey P. Weingart and Susan Schlesinger of Meister Seelig & Fein LLP for SigmaPharm Laboratories, LLC.

**Panel:** Before Rogers, Chief Administrative Trademark Judge, and Bergsman and Shaw, Administrative Trademark Judges.

**Opinion By:** Bergsman, Marc A.

### Opinion

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THIS OPINION IS NOT A PRECEDENT OF THE TTAB

Opinion by Bergsman, Administrative Trademark Judge:

On April 13, 2009, Sigma Pharm Laboratories ("Applicant") filed four intent-to-use applications and two use-based applications, for three marks: **SigmaPharm**, in standard characters,<sup>1</sup> **SigmaPharm Laboratories**, in standard characters,<sup>2</sup> and **SigmaPharm Laboratories** and design (below).<sup>3</sup>

[\*2]

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<sup>1</sup> Serial Nos. 77712535 and 77712553.

<sup>2</sup> Serial Nos. 77712545 and 77712558 (the use-based, services application).



Applicant seeks registration of each of the three marks for the goods and services set forth below. The two applications based on a claim of use are the service mark applications for the **SigmaPharm Laboratories** mark and the **SigmaPharm Laboratories** and design mark. Each of these two applications claims a date of first use of the mark, for the identified services, as of January 1, 2006.

Pharmaceutical preparations, namely, a drug delivery system comprising solid dosage delivery agents and a wide variety of therapeutic agents in molecular or amorphous state, in the form of tablets, capsules and powder dosage forms, prepared using company's patented technology platforms which will result into more bioavailable and stable dosage forms of therapeutic agents for the treatment of hypertension, hypercholesterolemia, depression, atherosclerosis, thyroid deficiency syndrome, organ rejection, hepatitis and, HIV and fungal infections, in International [\*3] Class 5; and

Research and development of pharmaceutical products and preparations for the treatment of hypertension, hypercholesterolemia, depression, atherosclerosis, thyroid deficiency syndrome, organ rejection, hepatitis and, HIV and fungal infections, in International Class 42.

In the four relevant applications, Applicant disclaimed the exclusive right to use the word "Laboratories." In the applications featuring the design element, Applicant included a description of the mark stating: "[t]he logo depicts the Greek character 'phi' inside the Greek character 'sigma.' "

Sigma-Tau Industrie Farmaceutiche Reunite S.p.A. ("Opposer" ) filed Notices of Opposition against the registration of Applicant's marks on the grounds of likelihood of confusion pursuant to Section 2(d) of the Trademark Act of 1946, [15 U.S.C. § 1052\(d\)](#), and that Applicant's marks consist of matter that falsely suggest a connection with Opposer pursuant to Section 2(a) of the Trademark Act of 1946, [15 U.S.C. § 1052\(a\)](#). Opposer pleaded ownership of the two registrations listed below both for "pharmaceutical products for use in the treatment of carnitine deficiency [\*4] and cardiovascular disease," in International Class 5:

1. Registration No. 1663145 for the mark SIGMA-TAU PHARMACEUTICALS, INC., in typed drawing form. <sup>4</sup> Opposer disclaimed the exclusive right to use the term "Pharmaceuticals, Inc.;" and
2. Registration No. 1666394 for the mark comprising the lower case Greek letter "sigma," shown below. <sup>5</sup>

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<sup>3</sup> Serial Nos. 77712521 and 77712565 (the use-based, services application).

<sup>4</sup> Issued November 5, 1991; second renewal.

<sup>5</sup> Issued December 3, 1991; second renewal.



## I. Preliminary Issues

### A. Improper designation of confidential testimony and evidence as confidential.

On September 25, 2012, the parties filed a "Stipulated Protective Agreement" restricting the dissemination of "information that a Producing Party claims to be proprietary business information or technical information relating to a trade secret or other [\*5] confidential research, development, financial, intellectual property, marketing, or commercial information within the meaning of *Fed.R.Civ.P. 26(c)*." <sup>6</sup> *Fed.R.Civ.P. 26(c)(7)* protects confidential, trade secret, and commercially sensitive information by allowing a party to limit the access to such information or by permitting the information to be revealed only in a designated way. The Board approved the stipulated protective agreement in an order dated September 26, 2012 and reminded the parties "that only confidential or trade secret information should be filed pursuant to a stipulated protective agreement." <sup>7</sup>

Based on our review of the entire record, very little, if any, of the testimony and evidence introduced into evidence is proprietary [\*6] business information or technical information relating to trade secrets or truly confidential matters. Nevertheless, the parties improperly designated testimony and evidence as confidential that is not. For example, the parties designated the identity of the three major wholesalers in the pharmaceutical industry as confidential even though they are the well-known in the industry. Also, the parties designated the identity of retailers who sell Opposer's over-the-counter products as confidential even though one of Opposer's publicly available webpages lists the retailers where Opposer's products may be purchased. <sup>8</sup>

Because of the improper designation of testimony and evidence by the parties as confidential, it is clear to us that much of what is designated "confidential," is not. Therefore, in rendering our decision, we will not be bound [\*7] by the parties' designations. The filings and orders in Board proceedings are intended to be publicly available and the improper designation of materials as confidential thwarts that intention. Further, it is more difficult to make findings of fact, apply the facts to the law, and write decisions that are comprehensible to readers unfamiliar with the evidence when certain facts may not be discussed. The Board needs to discuss the evidence of record, unless there is an overriding need for confidentiality, so that the parties and a reviewing court will know the basis of the Board's decisions. Therefore, in this opinion, we will treat as confidential only testimony and evidence that is clearly so.

### B. Objections.

The parties have lodged numerous [evidentiary?] objections. None of the evidence sought to be excluded is outcome determinative. Moreover, the Board is capable of assessing the relevance, and strength or weakness of, the objected-to testimony and evidence, including any inherent limitations, and this precludes the need to strike the

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<sup>6</sup> 27 TTABVUE 4. All citations to the record will be to TTABVUE, the docketing system for the Trademark Trial and Appeal Board, from Opposition No. 91196802. See [Turdin v. Trilobite, Ltd., 109 USPQ2d 1473, 1476 n.6 \(TTAB 2014\)](#).

<sup>7</sup> 28 TTABVUE 1.

<sup>8</sup> 58 TTABVUE 51. At the oral hearing, the Opposer withdrew the confidentiality designation as to the identity of the wholesalers and retailers. Applicant did not object.

objected-to testimony and evidence. Given these facts, coupled with the number of objections, we see no compelling reason to discuss the specific [\*8] objections. As necessary and appropriate, we will point out any limitations applied to the evidence or otherwise note that the evidence cannot be relied upon in the manner sought. Absent such stated limitations, we have considered all of the testimony and evidence introduced into the record. In doing so, we have kept in mind the various objections raised by the parties and we have accorded the subject testimony and evidence whatever probative value it merits.

### C. Voluminous record.

The record in these proceedings is large and most of the testimony and evidence is more appropriate for a trademark infringement action than a trademark opposition which is more limited in scope. Suffice it to say, we have carefully considered all of the testimony and evidence, as noted above, introduced into the record and all of the arguments presented by the parties. If testimony, evidence or argument is not specifically discussed in the decision, we have not found it to be persuasive.

## II. The Record

The record includes the pleadings and, by operation of Trademark Rule 2.122(b), [37 C.F.R. § 2.122\(b\)](#), Applicant's application files. Opposer attached to its Notices of Opposition printouts from the [\*9] electronic database records of the USPTO showing current status and title of Opposer's pleaded registrations, thereby making them of record. Trademark Rule 2.122(d)(1), [37 CFR § 2.122\(d\)\(1\)](#). In addition, the parties introduced the following testimony and evidence:

### A. Opposer's testimony and evidence.

1. Opposer's first notice of reliance comprising certified copies of its pleaded registrations showing the current status and title to Opposer's pleaded registrations;<sup>9</sup>

2. Opposer's second notice of reliance on the following items:<sup>10</sup>

[\*10]

a. Applicant's responses to Opposer's Interrogatory Nos. 3, 8 and 12;<sup>11</sup> and

b. Excerpts from the discovery deposition of Spiro Spireas, Ph.D., Applicant's Chairman and CEO;<sup>12</sup>

3. Opposer's third notice of reliance on excerpts from Applicant's website pursuant to [Safer, Inc. v. OMS Investments, Inc., 94 USPQ2d 1031, 1039 \(TTAB 2010\)](#) ("if a document obtained from the Internet identifies its date of publication or date that it was accessed and printed, and its source (*e.g.*, the URL), it may be admitted into

<sup>9</sup> 54 TTABVUE. As noted above, Opposer's pleaded registrations were made of record as exhibits to the Notices of Opposition and, therefore, it was not necessary to introduce them a second time through the notice of reliance.

<sup>10</sup> Opposer also included Applicant's responses to Opposer's request for production of documents. 56 TTABVUE 34 - 41. See also 59 TTABVUE 34. Trademark Rule 2.120(j)(3)(ii), [37 CFR § 2.120\(j\)\(3\)\(ii\)](#), provides that "[a] party that has obtained documents from another party through disclosure or under [Rule 34 of the Federal Rules of Civil Procedure](#) may not make the documents of record by notice of reliance alone." In view thereof, we have not considered the documents attached to Applicant's responses to Opposer's request for production of documents.

<sup>11</sup> 56 TTABVUE 5 - 10.

<sup>12</sup> 55 TTABVUE 12 - 34 and 56 TTABVUE 11 - 33. The testimony was designated "highly confidential," but it did not include any testimony that falls within the penumbra of confidential, trade secret, or commercially sensitive.

evidence pursuant to a notice of reliance in the same manner [\*11] as a printed publication in general circulation in accordance with Trademark [Rule 2.122\(e\)](#)." <sup>13</sup>

4. Opposer's fourth notice of reliance on documents retrieved from the Internet pursuant to [Safer, Inc. v. OMS Investments, Inc., 94 USPQ2d at 1039](#); <sup>14</sup>

5. Opposer's fifth notice of reliance on documents retrieved from the Internet; <sup>15</sup>

[\*12]

6. Testimony deposition of Dr. Gianfranco Fornasini, Opposer's Senior Vice President of Scientific Affairs, with attached exhibits; <sup>16</sup>

7. Testimony deposition of Nichol M. Muzrim, former employee of Opposer who was Opposer's Northeast Regional Sales Manager, Senior Manager for the Oncology Portfolio, and Interim Vice President of Commercial Operations, with attached exhibits; <sup>17</sup> and

8. Opposer's rebuttal notice of reliance on the following items:

a. Documents retrieved from the Internet; <sup>18</sup>

[\*13]

b. Documents which Opposer purports to be USPTO records; <sup>19</sup>

c. Additional excerpts from the discovery deposition of Spiro Spireas, Ph.D.; <sup>20</sup>

d. Excerpts from the discovery deposition of Nichol M. Muzrim introduced into evidence pursuant to Trademark Rule 2.120(j)(4), [37 CFR § 2.120\(j\)\(4\)](#), purportedly "to make not misleading what was offered by [Applicant]"; <sup>21</sup> and

e. Excerpts from the discovery deposition of Dr. Giancarlo Fornasini introduced into evidence pursuant to Trademark Rule 2.120(j)(4), [37 CFR § 2.120\(j\)\(4\)](#), [\*14] purportedly "to make not misleading what was offered by [Applicant]." <sup>22</sup>

B. Applicant's testimony and evidence.

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<sup>13</sup> 57 TTABVUE 5-14.

<sup>14</sup> 58 TTABVUE. The Board, in *Safer*, explained that Internet documents introduced through Trademark [Rule 2.122\(e\)](#) "are admissible only to show what has been printed, not the truth of what has been printed." [Safer, Inc. v. OMS Investments, Inc., 94 USPQ2d at 1040](#). Thus, for example, the evidence regarding Opposer's revenues in the United States derived from the consolidated financial statements (58 TTABVUE 6 - 21) is hearsay. The probative value of the evidence in the consolidated financial statements is discussed more fully in the fame analysis below.

<sup>15</sup> 59 TTABVUE 6 - 33.

<sup>16</sup> 63 TTABVUE 4 - 273.

<sup>17</sup> 64 TTABVUE 4 - 226.

<sup>18</sup> 77 TTABVUE 10 - 47.

<sup>19</sup> 77 TTABVUE 48 - 72.

<sup>20</sup> 76 TTABVUE 73 - 76. This portion of the transcript was designated as confidential.

<sup>21</sup> 77 TTABVUE 77 - 101.

<sup>22</sup> 77 TTABVUE 102 - 130.

1. Applicant's first notice of reliance on copies of Opposer's registrations for the marks CARNITOR (Reg. No. 1439777), MATULANE (Reg. No. 0897704), and PROXEED (Reg. No. 2420415);<sup>23</sup>

2. Applicant's second notice of reliance on the following items;

a. Copies of Opposer's registrations for ABECELT (Reg. No. 1974363), ADAGEN (Reg. No. 1717411), CYSTARAN (Reg. No. 4407365), DEPOCYT (Reg. No. 2390316), ONCASPAR (Reg. No. 1809883), and VSL # 3 (Reg. No. 2653252);<sup>24</sup>

**[\*15]**

b. Copies of third-party registrations for marks with the term "Sigma" ;<sup>25</sup>

3. Applicant's third notice of reliance on documents retrieved from the Internet;<sup>26</sup>

4. Applicant's fourth notice of reliance on Opposer's responses to Interrogatory Nos. 9, 15, and 23;<sup>27</sup>

5. Applicant's fifth notice of reliance on excerpts from the discovery deposition of Nichol M. Muzrim;<sup>28</sup>

**[\*16]**

6. Applicant's sixth notice of reliance on excerpts from the discovery deposition of Spiro Spireas, Ph.D., which should be considered in fairness so as not to make misleading what was offered by Opposer;<sup>29</sup> and

7. Testimony deposition of Spiro Spireas, Ph.D., with attached exhibits.<sup>30</sup>

### III. Standing

Because Opposer has properly made of record its pleaded registrations, Opposer has established its standing. [Cunningham v. Laser Golf Corp., 222 F.3d 943, 55 USPQ2d 1842, 1844 \(Fed. Cir. 2000\)](#); [Lipton Indus., Inc. v. Ralston Purina Co., 670 F.2d 1024, 213 USPQ 185, 189 \(CCPA 1982\)](#). **[\*17]**

### IV. Priority

Because Opposer has properly made of record its pleaded registrations, [Section 2\(d\)](#) priority is not an issue in the opposition as to the mark and the goods covered by the pleaded registrations. [King Candy Co. v. Eunice King's Kitchen, Inc., 496 F.2d 1400, 182 USPQ 108, 110 \(CCPA 1974\)](#). However, Opposer has also alleged "proprietary trademark rights under common law, through the long and exclusive use of Opposer's trademarks on a wide

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<sup>23</sup> 66 TTABVUE 5 - 20.

<sup>24</sup> 67 TTABVUE 8 - 44.

<sup>25</sup> 67 TTABVUE 46 - 131.

<sup>26</sup> 68 TTABVUE 12 - 223.

<sup>27</sup> 69 TTABVUE 2 - 12.

<sup>28</sup> 71 TTABVUE is the publicly available transcript and 70 TTABVUE is the transcript that contains what the parties designated as confidential testimony.

<sup>29</sup> 73 TTABVUE is the publicly available transcript and 72 TTABVUE is the transcript that contains what the parties designated as confidential testimony.

<sup>30</sup> 75 TTABVUE is the publicly available transcript and 74 TTABVUE is the transcript that contains what the parties designated as confidential testimony.

variety of pharmaceutical preparations *and related services*."<sup>31</sup> (emphasis added). Opposer did not further identify the services in the Notice of Opposition or in its brief.

In a case involving asserted common-law rights, "the decision as to priority is made in accordance with the preponderance of the evidence." [\*Hydro-Dynamics Inc. v. George Putnam & Company Inc.\*, 811 F.2d 1470, 1 USPQ2d 1772, 1773 \(Fed. Cir. 1987\)](#). As indicated above, Applicant filed its applications on April 13, 2009 and, therefore, Opposer [\*18] must prove that it used its mark on "pharmaceutical preparations and related services" prior to that date unless Applicant can prove earlier dates of first use. [\*Zirco Corp. v. American Telephone and Telegraph Co.\*, 21 USPQ2d 1542, 1544 \(TTAB 1991\)](#) (allegations of common law rights after the filing date of applicant's application are inadequate to support the ground of priority of use and likelihood of confusion and, therefore, fail to state a claim upon which relief can be granted). See also [\*Embarcadero Technologies Inc. v. RStudio Inc.\*, 105 USPQ2d 1825, 1833-34 \(TTAB 2013\)](#). The April 13, 2009 filing date corresponds to Applicant's testimony and other evidence regarding the first use of its marks in connection with pharmaceutical preparations. For example, Applicant's website lists April 2009 as the date Applicant launched its first product, Amiloride HCl Tablets through its distributor Rising Pharmaceuticals, Inc.;<sup>32</sup> Spiro Spireas testified that Applicant's distributor first started marketing Applicant's products in 2009;<sup>33</sup> and Applicant's response to Opposer's Interrogatory No. 12 identifying April 4, 2009 as the date Applicant commenced national [\*19] sales through a wholesale distributor.<sup>34</sup>

Based on the testimony of Spiro Spireas, which we characterize as definite, consistent and without contradiction, see [\*B.R. Baker Co. v. Lebow Bros.\*, 150 F.2d 580, 32 C.C.P.A. 1206, 1945 Dec. Comm'r Pat. 490, 66 USPQ 232, 236 \(CCPA 1945\)](#) (oral testimony directed to establishing priority "is obviously strengthened by corroborative documentary evidence, and it should not be characterized by contradictions, inconsistencies, and indefiniteness but should carry with it conviction of its accuracy and applicability"), we find that Applicant began using its marks even earlier than its filing dates in connection with research and development services for other pharmaceutical companies, specifically, in "the beginning of 2006."

In the beginning of 2006, I believe, there were contracts between [Applicant] and services that [Applicant] was offering to other companies - - other pharmaceutical companies.

So [\*20] I would put it around the beginning of 2006, for sure, that the logo and the name was used in papers, and in invoices, and this kind of stuff - - with full collaboration with other pharmaceutical companies - - in developing products with them.<sup>35</sup>

There was no other testimony or evidence regarding Applicant's first use of its marks in connection with pharmaceutical preparations. Therefore, Applicant's date of first use for its marks in connection with pharmaceutical preparations is the filing date of its applications, April 13, 2009.

The testimony that applicant began using its marks for services in the beginning of 2006 requires further consideration. We note that Applicant's application to register **SigmaPharm** for services is based on intent to use but Applicant's applications to register the two **SigmaPharm Laboratories** marks for services claim January 1, 2006 as a date of first use. The testimony thus is consistent with two of the three applications. Applicant [\*21] has not attempted to prove dates earlier than those claimed in these two applications, so there is no requirement that

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<sup>31</sup> 1 TTABVUE 8.

<sup>32</sup> 68 TTABVUE 20 - 21.

<sup>33</sup> 75 TTABVUE 152 - 153.

<sup>34</sup> 56 TTABVUE 10.

<sup>35</sup> 75 TTABVUE 58 - 59.

its proof of use be "clear and convincing." <sup>36</sup> On the other hand, a date of first use claimed in an application is not proof of first use and use must be proven by competent evidence. While we find the Spireas testimony consistent with asserted dates of use and competent evidence to establish Applicant's use of the **SigmaPharm Laboratories** marks for services as of "the beginning of 2006" we cannot equate this testimony with a date of January 1, 2006. Pursuant to our precedent, we interpret a phrase such as "the beginning of 2006" to be the last day of that period. <sup>37</sup> In the absence of more definite testimony as to the first use of the **SigmaPharm Laboratories** marks for services, we consider the testimony sufficient to establish use as of June 30, 2006. Certainly many would consider "the beginning" of a year to mean the first week, month or quarter, but since we look to the last day of an indefinite period, the most we can conclude is that applicant used these two marks for services in the first half of the year, as the second half would no longer be considered [\*22] "the beginning" of a year.

[\*23]

The testimony and evidence establishes that Opposer has used and continues to use its marks SIGMA-TAU PHARMACEUTICALS, INC. and the sigma logo on all of its products. With respect to "pharmaceutical preparations," Dr. Fornasini testified as follows. <sup>38</sup>

Q. Now, based on your experience with [Opposer] , does [Opposer] use the sigma logo and the company name in connection with its products and services?

\* \* \*

A. Yes.

Q. How does it use that?

A. The name of the company and the logo in the label of the products, in the box of the product and in the package insert of the product, and we also have official cover letters that contain name of the company and logos that we are using for communicating externally with other company, other agency. <sup>39</sup>

Ms. Muzrim corroborates Opposer's use of the name Sigma-Tau Pharmaceuticals, Inc. with the sigma logo. Ms. Muzrim identified an invoice for VSL # 3 dated February 28, 2007 displaying both of the marks in Opposer's pleaded registrations. <sup>40</sup> Ms. Muzrim also identified an invoice for MATULANE dated June 15, 2007 displaying both of the marks in Opposer's pleaded registrations. <sup>41</sup> Further, Nichol Muzrim testified [\*24] that all of Opposer's

<sup>36</sup> [Martahus v. Video Duplication Services, Inc.](#), 3 F.3d 417, 27 USPQ2d 1846, 1852 n.7 (Fed. Cir. 1993) (registrant who seeks to prove first use prior to the alleged date of first use has "the burden of establishing that use by clear and convincing evidence instead of mere preponderance of the evidence."); [Rockwood Chocolate Co. v. Hoffman Candy Co.](#), 372 F.2d 552, 54 C.C.P.A. 1061, 152 USPQ 599, 600 (CCPA 1967) (plaintiff's assertion of a date of first use prior that asserted in its application for registration, requires that "proof of such earlier date must be clear and convincing and oral testimony given long after the date sought to be proved must be carefully scrutinized.").

<sup>37</sup> See [Bass Pro Trademarks LLC v. Sportsman's Warehouse, Inc.](#), 89 USPQ2d 1844, 1856 (TTAB 2008) ("even if we used the February/March, 1995 date of respondent's first use ... respondent's date of first use can be no earlier than March 31, 1995, the last day of the specified time period."); [Osage Oil & Transportation, Inc. v. Standard Oil Co.](#), 226 USPQ 905, 911 n.22 (TTAB 1985) (evidence established first use in 1968-1969, therefore December 31, 1969 is date of first use); [EZ Loader Boat Trailers, Inc. v. Cox Trailers, Inc.](#), 213 USPQ 597, 598 n.5 (TTAB 1982) (documentary evidence showed first use in 1977, the month and day were unknown, therefore, the Board could not presume any date earlier than the last day of the proved period).

<sup>38</sup> 63 TTABVUE 25.

<sup>39</sup> 63 TTABVUE 25.

<sup>40</sup> 70 TTABVUE 21 - 22 and 44.

<sup>41</sup> 70 TTABVUE 21 - 22 and 45.

marketing materials feature the marks in Opposer's pleaded registrations.<sup>42</sup>

The record also establishes the following facts:

1. Opposer began selling CARNITOR for the treatment of carnitine deficiency in 1985;<sup>43</sup>
2. Opposer began distributing MATULANE for the treatment of Hodgkin's lymphoma in 2000;<sup>44</sup>
3. Opposer has been selling VSL # 3 since 2005.<sup>45</sup> VSL # 3 is not a prescription drug.<sup>46</sup> [\*25] VSL # 3 is "medical food" used to treat irritable bowel syndrome and ulcerative colitis;<sup>47</sup> and
4. Opposer has been selling ProXeed, a dietary supplement to improve sperm quality, since 2000.<sup>48</sup>

Because we find that Opposer has used its marks SIGMA TAU PHARMACEUTICALS, INC. and the sigma logo on all of its products, Opposer has established common law rights in the two marks displayed in its pleaded registrations, as those marks are used for Opposer's VSL # 3, a medical food for the treatment of irritable bowel syndrome and ulcerative colitis, for Opposer's MUTALANE used to treat Hodgkin's lymphoma, and for Opposer's ProXeed, a dietary [\*26] supplement to improve sperm control.<sup>49</sup>

On the other hand, the testimony and evidence regarding the Opposer's first use of its marks for services is not as clear as the evidence and testimony for the pharmaceutical products. Nichol Muzrim testified that Opposer offers a patient assistance program "to help providers and their patients through resources such as reimbursement support, patient assistance program, or co-pay assistance."<sup>50</sup> However, Ms. Muzrim did not testify as to when Opposer began offering those services.

Dr. Fornasini testified about Opposer's research and development of pharmaceuticals. [\*27] When asked what Opposer does to put a product on the market, Dr. Fornasini testified that Opposer "is involved in the research and development activity, which means that we design, study in animal and later in human being and patients to generate information to establish the safety and efficacy of the investigational product that could eventually one day be approved by Food and Drug Administration."<sup>51</sup>

When asked what kind of products and services Opposer provides, Dr. Fornasini testified that Opposer "provide [sic] drug products for the treatment of different diseases, and we also provide nonprescription product, like dietary supplement or medical foods for direct consumer distribution."<sup>52</sup> He did not provide any specific testimony about services. The following questions and answers are representative of the testimony from Dr. Fornasini:

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<sup>42</sup> 64 TTABVUE 66.

<sup>43</sup> 63 TTABVUE 44 and 70 TTABVUE 33.

<sup>44</sup> 63 TTABVUE 50 and 52 and 70 TTABVUE 33.

<sup>45</sup> 70 TTABVUE 34.

<sup>46</sup> 64 TTABVUE 107 and 70 TTABVUE 57 and 62.

<sup>47</sup> 58 TTABVUE 51, 63 TTABVUE 41, 48, 64 TTABVUE 50, and 70 TTABVUE 70.

<sup>48</sup> 70 TTABVUE 34 and 70 and 76 TTABVUE 96.

<sup>49</sup> Opposer's common law use of CARNITOR to treat carnitine deficiency is cumulative because it is covered by its pleaded registrations which include pharmaceutical products to treat carnitine deficiency.

<sup>50</sup> 64 TTABVUE 35 -- 36.

<sup>51</sup> 63 TTABVUE 57.

<sup>52</sup> 63 TTABVUE 28. See also 63 TTABVUE 30 -- 33 and 40 -- 41 where Dr. Fornasini identified specific drugs as examples of products or service used in connection with various diseases.

Q. Earlier in your testimony you said that Sigma-Tau Pharmaceuticals, Inc. provides products and services in connection with supplements? [\*28]

A. Yes.

Q. Okay. And what condition does Sigma Tau Pharmaceuticals, Inc. provide supplements for?

A. So the dietary supplement [sic] are not used for treat any disease, so are helping to restore biological function or provide additional important biological component for the wellbeing of a subject. ...<sup>53</sup>

Based on the testimony and evidence, Opposer conducts research and development services to create new drugs for its own portfolio of pharmaceuticals; that is, the research and development services are primarily for the benefit of Opposer. The evidence in the record bearing on whether Opposer conducts research and development services on a commercial basis for others is limited.<sup>54</sup> See for example, an undated press release from the Department of the Army, discussed [\*29] in more detail below, reporting that Opposer "will help finalize the research and development of a new and promising treatment for severe malaria. ... [Opposer] will complete the research studies and prepare submission to the U.S. Food and Drug Administration (FDA) for marketing clearance."<sup>55</sup>

Research and development is a normally expected and routine activity in connection with manufacturing pharmaceuticals. It is not what the USPTO would consider a registrable service. Cf. [In re Dr. Pepper Co., 836 F.2d 508, 509, 5 USPQ2d 1207, 1208 \(Fed. Cir. 1987\)](#) ("[I]t has become a settled principle that the rendering of a service which is normally 'expected or routine' in connection with the sale of one's own goods is not a registrable service whether denominated by the same or a different name from the trademark [\*30] for its product."); [In re Landmark Commc'ns, Inc., 204 USPQ 692, 695 \(TTAB 1979\)](#) (noting that "to be separately recognizable, as services, an applicant's activity must be qualitatively different from anything necessarily done in connection with the sale of goods").

The above-noted Army press release was the basis of a news story in the April 2007 issue of "The Point," "a newsletter for and about the people of the U.S. Army Medical Research and Material Command."<sup>56</sup> Subsequently, Opposer issued an April 7, 2009 press release announcing that Opposer and Danisco BioActives were developing a biologic drug to prevent necrotizing enterocolitis.<sup>57</sup> Thus, even if we assume that Opposer's collaboration with the U.S. Army Medical Research and Material Command to develop and then market a drug to treat malaria and a partnership with another company to develop a drug to prevent necrotizing enterocolitis constitute research and development services that create trademark rights, April 2007 appears to be the earliest date on which Opposer conceivably could rely for its claim of priority based on services, rather than pharmaceutical products.

[\*31]

Though extensive testimony was taken of Dr. Fornasini, that testimony did not specifically address when Opposer first started using Opposer's marks to identify these asserted research and development activities. Dr. Fornasini testified that when he joined Opposer in 1996, Opposer was using Sigma-Tau Pharmaceuticals, Inc. for the name of the company and that he believed that the name was used since 1987 in connection with Opposer's products and services.<sup>58</sup> He also testified that he believed Opposer was using the "sigma logo" at the same time it used the

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<sup>53</sup> 63 TTABVUE 34 -- 35.

<sup>54</sup> Dr. Fornasini testified that Opposer often collaborates with others to expedite the development of a drug. 63 TTABVUE 57 -- 59.

<sup>55</sup> 59 TTABVUE 10. See also 59 TTABVUE 26.

<sup>56</sup> 59 TTABVUE 12 -- 13.

<sup>57</sup> 59 TTABVUE 25.

<sup>58</sup> 63 TTABVUE 22.

name Sigma-Tau Pharmaceuticals in connection with Opposer's products and services.<sup>59</sup> Dr. Fornasini testified that "I cannot with certainty remember whether this was 1987, 1988, but surely much earlier than the time I joined [Opposer]." <sup>60</sup>

The testimony of Dr. [\*32] Fornasini regarding the first use of marks for Opposer's services does not have the specificity necessary to establish when Opposer first used its marks in connection with research and development services. There is no testimony to the effect that as of a specific date, Opposer began using the marks in its pleaded registrations to render research and development services in the field of pharmaceutical preparations.

Moreover, because there is no documentary evidence to corroborate Dr. Fornasini's testimony, such testimony "should carry with it conviction of its accuracy and applicability." *B.R. Baker Co. v. Lebow Bros.*, 66 USPQ at 236 ("When, in cases like the one at bar, the oral testimony of a single witness, testifying long after the events happened, is relied upon to prove priority, such testimony, while entitled to consideration, should be most carefully scrutinized."). Dr. Fornasini's testimony does not establish Opposer's first use of its marks in connection with research and development services because he does not know when Opposer first started using the SIGMA marks in connection with research and development services. Significantly, even though he started [\*33] to work for Opposer in 1996, Dr. Fornasini did not testify that Opposer was rendering research and development services at least as early as then.

It was incumbent for Opposer to have a witness testify from personal knowledge as to the date of first use of Opposer's marks in connection with research and development services. If no such person is employed by Opposer, Opposer could have attempted to prove its date of first use by authenticating business records kept in the ordinary course of business which proves such use. *Nat'l Blank Book Co. v. Leather Crafted Products*, 218 USPQ 827, 828 (TTAB 1983).

Since April 2007 therefore is the earliest date on which Opposer may rely in connection with its research and development services, Opposer failed to prove prior common law use of its marks in connection with any services. Therefore, the issue of likelihood of confusion vis-a-vis Applicant's services requires Opposer to prove that Applicant's use of its marks in connection with the research and development services is likely to cause confusion with the marks in Opposer's pleaded registrations used in connection with pharmaceutical products, for Opposer's evidence of [\*34] prior use of its SIGMA marks for services is lacking.

#### V. Likelihood of Confusion

Our determination under *Section 2(d)* is based on an analysis of all of the probative facts in evidence that are relevant to the factors bearing on the issue of likelihood of confusion. *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563, 567 (CCPA 1973). See also *In re Majestic Distilling Company, Inc.*, 315 F.3d 1311, 65 USPQ2d 1201, 1203 (Fed. Cir. 2003).

#### A. The fame of Opposer's marks.

Opposer contends that the marks in its pleaded registrations are famous.<sup>61</sup> Fame, if it exists, plays a dominant role in the likelihood of confusion analysis because famous marks enjoy a broad scope of protection or exclusivity of use. A famous mark has extensive public recognition and renown. *Bose Corp. v. QSC Audio Products Inc.*, 293 F.3d 1367, 63 USPQ2d 1303, 1305 (Fed. Cir. 2002); *Recot Inc. v. M.C. Becton*, 214 F.3d 1322, 54 USPQ2d 1894, 1897 (Fed. Cir. 2000); *Kenner Parker Toys, Inc. v. Rose Art Industries, Inc.*, 963 F.2d 350, 22 USPQ2d 1453, 1456 (Fed. Cir. 1992).

[\*35]

<sup>59</sup> 63 TTABVUE 23-24.

<sup>60</sup> 63 TTABVUE 26-27.

<sup>61</sup> 81 TTABVUE 7 -- 8.

Fame may be measured indirectly by the volume of sales of and advertising expenditures for the goods and services identified by the marks at issue, "the length of time those indicia of commercial awareness have been evident," widespread critical assessments and through notice by independent sources of the products identified by the marks, as well as the general reputation of the products and services. [Bose Corp. v. QSC Audio Products Inc., 63 USPQ2d at 1305-1306 and 1309](#). Although raw numbers of product sales and advertising expenses may have sufficed in the past to prove fame of a mark, raw numbers alone may be misleading. Some context in which to place raw statistics may be necessary (e.g., the substantiality of the sales or advertising figures for comparable types of products or services). [Bose Corp. v. QSC Audio Products Inc., 63 USPQ2d at 1309](#).

Finally, because of the extreme deference that we accord a famous mark in terms of the wide latitude of legal protection it receives, and the dominant role fame plays in the likelihood of confusion analysis, it is the duty of the party asserting that its mark is famous to clearly prove it. [Leading Jewelers Guild Inc. v. LJOW Holdings LLC, 82 USPQ2d 1901, 1904 \(TTAB 2007\)](#). [\*36]

In its brief, Opposer argues that its marks are famous for the following reasons:

1. "Opposer submits that its marks have been used in U.S. commerce consecutively for at least twenty-five years.";<sup>62</sup>

2. "U.S. sales of Opposer's products have been substantial, generating for example, in 2012 alone, more than one hundred million dollars in revenues, and several hundred [sic] of millions in sales in previous years.";<sup>63</sup>

[\*37]

3. "The current annual budget for marketing and advertising of products bearing Opposer's Marks is four million dollars, without including the cost of marketing activities performed directly by Opposer's employees.";<sup>64</sup>

4. "Opposer's Marks have been heavily advertised in numerous types of media, including in print, point-of-sale displays, specialized newspaper, internet websites, brochures, etc.";<sup>65</sup>

5. "Every year, Opposer participates in at least 40 conferences, directed at medical professionals, distributors, patient associations, etc.";<sup>66</sup>

[\*38]

6. "Opposer is recognized by industry leaders as a prominent pharmaceutical company and a main provider of related research and development services.";<sup>67</sup>

<sup>62</sup> 81 TTABVUE 37. As noted above, Opposer has been selling CARNITOR, a drug for treating carnitine deficiency, with labels that display the marks in Opposer's pleaded registrations since 1985. Further, Nichol Muzrim testified that all of Opposer's marketing materials feature the marks in Opposer's pleaded registrations. 64 TTABVUE 66.

<sup>63</sup> 81 TTABVUE 37. This evidence was derived from Opposer's consolidated financial statements which, as noted above, is hearsay. Dr. Fornasini could not authenticate the consolidated financial statements, which were prepared by others, 63 TTABVUE 87 -- 100, although he knew what they were and what they were supposed to represent. 63 TTABVUE 88. Likewise, Nichol Muzrim testified that she did not have any personal knowledge regarding the revenue figures set forth in the consolidated financial statements. 64 TTABVUE 83.

<sup>64</sup> 81 TTABVUE 37. Nichol Muzrim testified that in 2012, Opposer's marketing budget was over \$ 4 million. 64 TTABVUE 65.

<sup>65</sup> 81 TTABVUE 37.

<sup>66</sup> 81 TTABVUE 37. Nichol Muzrim testified that she "conducted and coordinated between 30 and 40 conferences a year. These conferences took place all over the United States. They varied in size. Some could be as small as 50 attendees; some were as large as 15,000 attendees." 64 TTABVUE 66 -- 67.

<sup>67</sup> 81 TTABVUE 38.

7. "Opposer has often been the recipient of industry awards for its commitment to the research and manufacturing of life-saving and life-enhancing medication."; <sup>68</sup> and

8. "Opposer has been prominently featured in mainstream media as well as specialized publications, in connection with certain large, news-worthy financial operations." <sup>69</sup>

The underlying premise of Opposer's claim to fame is that the marks in Opposer's pleaded registrations [\*39] "are the company's main source identifiers and they appear on virtually all Opposer's products and product packaging sold in the United States, as well as in product inserts, on websites, press releases, marketing materials [sic]." <sup>70</sup> However, this premise is not supported by the evidence of record.

The marks in Opposer's pleaded registrations are house marks that appear on containers, packaging and advertising along with product marks such as CARNITOR, MUTALANE, VSL # 3, etc. <sup>71</sup> Shown below is a package for Opposer's CARNITOR brand levocarnitine. <sup>72</sup>




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<sup>68</sup> 81 TTABVUE 39.

<sup>69</sup> 81 TTABVUE 39.

<sup>70</sup> 81 TTABVUE 37.

<sup>71</sup> 68 TTABVUE 23 -- 29.

<sup>72</sup> 63 TTABVUE 263 and 265



Below is "an advertisement for Carnitor" from a print campaign.<sup>73</sup>

[\*40]

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<sup>73</sup> 63 TTABVUE 69 and 253. The medical inserts also prominently feature the marks in Opposer's pleaded registrations. See 58 TTABVUE 22.



Gaithersburg, MD 20877

**Carnitor® Customer Service**

(800) 447-0169

(301) 948-3194 fax

Customer.Service@sigmatau.com

www.carnitor.com

**Carnitor® Injection Reimbursement Assistance Program**

(800) 490-3262

**BROCHURE REFERENCES:**

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3. Carnitor Package Insert. Gaithersburg, MD: Sigma-Tau Pharmaceuticals, Inc. 2002.
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5. Bardi G, Clinton ML, Mink R, Griffin J, Stone W: Evaluation of the effect of intravenous L-carnitine therapy on function, structure and fatty acid metabolism of skeletal muscle in patients receiving chronic hemodialysis. Nephron 57:326-333, 1991.
6. Stone E, Hoppel C: Energy metabolism: The role of carnitine. J Care Management 2: (Suppl 5), 1997.
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8. van Es A, Hany PC, Rossmey MP, Lippetto B, Gischke HR: Amelioration of cardiac function by L-carnitine administration in patients on hemodialysis. Contrib Nephrol 98:28-35, 1992.
9. Labenski WD: L-carnitine effects on anemia in hemodialysis patients treated with erythropoietin. Am J Kidney Dis 26:757-764, 1996.



Shown below is a print advertisement for VSL # 3, an over-the-counter, nonprescription medical food. "On this ad, you see the product, the description of the product, as well as the fact that it is [Opposer's] product." <sup>74</sup>

<sup>74</sup> 64 TTABVUE 32.

**RECOMMENDED DAILY INTAKE FOR ADULTS**

Prescription only

**VSL#3<sup>DS</sup>**  
DOUBLE STRENGTH

For the Dietary Management of	VSL#3 <sup>DS</sup> Sachets Per Day
Ulcerative Colitis <sup>1</sup>	1/2-1
Pouchitis <sup>**</sup>	1-2
Active Ulcerative Colitis <sup>*</sup>	2-4

<sup>1</sup> 1 DS sachet = 900 billion bacteria

**Production No. 484**

VSL#3<sup>DS</sup> is a medical food that is intended to be used under the supervision of a physician.

**DIRECTIONS FOR USE**

**Description**  
VSL#3<sup>DS</sup> is a patented medical food which is intended for the dietary management of ulcerative colitis, or an ileal pouch. VSL#3<sup>DS</sup> colonizes the gastrointestinal (GI) tract with beneficial "probiotic" bacteria. These bacteria adhere to the walls of the GI tract and form a barrier which protects the inner layer of the gut from pathogenic ("bad") bacteria and other substances that cause inflammation. VSL#3<sup>DS</sup> has been the subject of extensive scientific research.

**Directions**  
Adjustment of the intestinal flora can take a few days or weeks; it may take up to one month for the colonization of the gut to become optimally stable.  
Consume 1-4 packets daily or as directed by your physician. Open packet and stir contents into cold water or any non-carbonated drink and consume. Packets or any non-carbonated drink and consume. Packets should be refrigerated (30-40°F, 4-4°C). If unopened and stored under refrigeration, the product is guaranteed through "Best if used by" date. VSL#3<sup>DS</sup> can be stored at room temperature for up to a week without adversely affecting potency.

**References:**  
1. Vohra A, et al. *Aliment Pharmacol Ther* 2006;20(12):1331-38. 2. Sal A, et al. *Am J Med* 2004;115(12):1511-15. 3. Gendron J, et al. *Gastroenterology* 2003;125(1):205-10. 4. Gendron J, et al. *Gastroenterology* 2003;125(1):205-10. 5. Alvan T, et al. *Can J Gastroenterol* 2005;19(1):114-18. 6. Mahil A, et al. *Am J Gastroenterol* 2005;100(1):20-26.

For the dietary management of ulcerative colitis, or an ileal pouch.  
VSL#3<sup>DS</sup> is a medical food that is intended to be used under the supervision of a physician.  
Available only by prescription.

**Opposer's**  
**Production No. 484**

**Sigma-Tau**  
Pharmaceuticals, Inc.  
Pharmaceutical Division

VSL#3<sup>DS</sup> and "The Living Shield"  
are trademarks of VSL Pharmaceuticals, Inc.  
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While the marks in Opposer's pleaded registrations may appear on the packaging and advertisements, the product name is the dominant element that appears on packaging and advertising. This is because consumers focus on the brand name or the generic name of the pharmaceutical products. In his discovery deposition, Spiro Spireas testified that "[e]verybody buys products by name of the product, either the brand name of the product or the generic name of the product." <sup>75</sup> "[W]hen a purchaser buys amiloride tablets, they buy it as the generic equivalent to the brand product that I don't remember the name of, and they don't care where they buy it from, because whatever they [\*41] buy from, or whatever product they buy is approved by the FDA." <sup>76</sup>

The whole thing is driven by uniqueness of the product and price of the product as compared to other products, generic products, so that differentiating factors here are not who manufactures the product. The differentiating factors are the name of the brand name product. <sup>77</sup>

\* \* \*

People are not taking your product because it's [Opposer's] . People are taking your product because it's whatever, and the doctors who have prescribed the product who have been educated by your sales force say that this product is good for you. <sup>78</sup>

[\*42]

Dr. Fornasini testified that Opposer markets its pharmaceuticals by the brand name. <sup>79</sup> "[T]he practice of almost all pharmaceutical companies" is to "show the product name in larger font as compared to other information that

<sup>75</sup> 56 TTABVUE 13. The discovery deposition of Spiro Spireas was introduced into evidence by Opposer. See also, 72 TTABVUE 9 ("the patient or the pharmacist or the doctor are not driven by who makes it or sells it. ... They don't care about that. They care about Antabuse or disulfiram, branded or generic.").

<sup>76</sup> 56 TTABVUE 15 -- 16.

<sup>77</sup> 56 TTABVUE 16.

<sup>78</sup> 56 TTABVUE 17.

<sup>79</sup> 63 TTABVUE 126. See also 70 TTABVUE 59 (Q: So is this product known as Carnitor or Sigma-Tau Pharmaceuticals, Inc.? A: It's Carnitor SF.).

would appear on the bottle."<sup>80</sup> Doctors prescribe pharmaceuticals using the brand name.<sup>81</sup> Doctors do not use the manufacturer's name.<sup>82</sup> Nichol Muzrim concurred that pharmaceuticals are marketed and prescribed by their brand name.<sup>83</sup>

We find that Opposer is a successful company in the field of pharmaceutical preparations specializing in pharmaceutical products for rare diseases. In addition, Opposer sells a medical food product to treat ulcerative colitis and irritable bowel syndrome [\*43] and a dietary supplement to improve sperm quality. The evidence, however, does not support finding that the marks in Opposer's pleaded registrations are famous. The testimony and evidence establishes that marketing of pharmaceutical products and the revenues raised by their sale are based on promotion of the products by their product names or generic names, not house marks, such as those displayed in Opposer's pleaded registrations.

In proving that a product mark used in connection with a famous house mark was famous in its own right, the Federal Circuit made the following observation:

If a product mark used in tandem with a famous house mark ... has independent trademark significance, it should not be a great burden to substantiate the point. ... [C]onsumer awareness of the product mark apart from the fame of the associated house mark, whether demonstrated directly or indirectly, is a reliable test of the independence of the product mark.

[\*Bose Corp. v. QSC Audio Products Inc.\*, 63 USPQ2d at 1308](#). Likewise, if house marks used in tandem with product marks have independent trademark significance, it should not be a great burden for Opposer to prove [\*44] the marketplace strength of its house marks. In these consolidated proceedings, unlike [\*Bose\*](#), there is no evidence that the house marks (*i.e.*, the marks displayed in Opposer's pleaded registrations) are recognized independently from their product marks.

The record fails to show that the marks in Opposer's pleaded registrations have been "heavily advertised" and there is no evidence regarding the renown or consumer awareness of the marks in Opposer's pleaded registrations.<sup>84</sup> For example,

1. Though Opposer points to it as evidence of fame, in the PhRMA 2008 Annual Report, the photograph of Opposer's COO is buried in the excerpt made of record as one of many members of the PhRMA Board of Directors;<sup>85</sup>

[\*45]

2. Opposer introduced an excerpt from "*The Point*," "a newsletter for and about the people of the U.S. Army Medical Research and Material Command."<sup>86</sup> The excerpt was a news article derived from a press release<sup>87</sup>

<sup>80</sup> 63 TTABVUE 132 -- 133.

<sup>81</sup> 63 TTABVUE 136 -- 137 and 164.

<sup>82</sup> 63 TTABVUE 164.

<sup>83</sup> 64 TTABVUE 117 -- 118 and 142.

<sup>84</sup> Opposer introduced Internet evidence to show the "strength and historical use of Opposer's mark, and to show extensive third parties' references to Opposer's name and trademarks in multiple publications, and in close association with the name of major pharmaceuticals." 59 TTABVUE 4.

<sup>85</sup> 59 TTABVUE 6 -- 9. Moreover, as an industry publication, this has not been shown to be the type of report that consumers of Opposer's products, or even physicians prescribing Opposer's products, would be expected to see.

<sup>86</sup> 59 TTABVUE 12 -- 13.

<sup>87</sup> 59 TTABVUE 10 -- 11.

announcing that Opposer was going to collaborate with the U.S. Army Medical Research and Material Development Command to develop a new treatment for malaria. The author of the article did not note anything about the reputation of Opposer, let alone the renown of its marks. There is no evidence regarding the distribution of this newsletter and how many people may have seen the news article.; and

3. An excerpt from the ASTMH website (astmh.org) touting the success of that organization's 57th annual meeting in December 2009. <sup>88</sup> ASTMH thanked Opposer as one on a list of 12 supporters.

**[\*46]**

This evidence shows that Opposer is an active member of the pharmaceutical industry, not that the marks in its pleaded registrations are well known. In this regard, Ms. Muzrim, Opposer's witness, testified that, after 12 years in the pharmaceutical industry, <sup>89</sup> the first time she heard of Opposer was in the middle of 2009 when Opposer was attempting to acquire ONCASPAR, DepoCyt, ADAGEN, and ABELCET from Enzon Pharmaceuticals.

We find that the evidence and testimony of record is insufficient to find that the marks in Opposer's pleaded registrations are famous or even well-known.

B. The number and nature of similar marks in use on similar goods and services.

Applicant contends that "[n]ot only are there a substantial number of valid and co-existing trademark registrations for trademarks that include the word "SIGMA" in connection with pharmaceutical and other medical goods and related services, but, such trademarks are actually in use." <sup>90</sup> Opposer, on the other hand, points **[\*47]** out that there is no evidence of any third-party use of the small Greek letter "sigma" or that any of the third-party marks have any consumer recognition. <sup>91</sup>

At the outset of the analysis of this *du Pont* likelihood of confusion factor, we note that Sigma Chemical Company, a third party, filed a request for an extension of time to oppose Opposer's application to register the mark SIGMA-TAU. <sup>92</sup> Sigma Chemical Company owns Registration No. 0671723 for the mark SIGMA for "biochemical and organic medicinal preparations." <sup>93</sup> Pursuant to agreement between Opposer and Sigma Chemical Company, Opposer sought to amend the drawing of its mark to SIGMA-TAU PHARMACEUTICALS, INC. from SIGMA-TAU. <sup>94</sup> The USPTO subsequently registered Opposer's mark SIGMA-TAU PHARMACEUTICALS, INC.

**[\*48]**

Although Opposer's actions during prosecution of its application to resolve a potential opposition are neither an "admission" nor a substitute for the Board reaching its own ultimate conclusion as to likelihood of confusion, we find it to be a fact "illuminative of shade and tone in the total picture confronting the decision maker." See [Interstate Brands Corp. v. Celestial Seasonings, Inc., 576 F.2d 926, 198 USPQ 151, 154 \(CCPA 1978\)](#). See also [Stone Lion Capital Partners, LP v. Lion Capital LLP, 746 F.3d 1317, 110 USPQ2d 1157, 1161 \(Fed. Cir. 2014\)](#); [Stabilisierungsfonds fur Wein v. Zimmermann-Graeff KG, 209 USPQ 434, 436 \(TTAB 1980\)](#) (finding opposer's contrary opinions in prosecution while opposition was pending "strongly illuminate the shade and tone of the total picture").

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<sup>88</sup> 59 TTABVUE 15 -- 16.

<sup>89</sup> 70 TTABVUE 36 -- 37.

<sup>90</sup> 83 TTABVUE 22.

<sup>91</sup> 81 TTABVUE 45 -- 46.

<sup>92</sup> 70 TTABVUE 116.

<sup>93</sup> 67 TTABVUE 52.

<sup>94</sup> 70 TTABVUE 116.

Applicant introduced the third-party registrations listed below:<sup>95</sup>

Mark	Reg. No.	Goods/Services
SIGMA PHARMACEUTICALS	3621388	Wholesale distributorship services in the fields of ophthalmic <i>pharmaceuticals</i> and products
SIGMA	2069249	Ophthalmoscopes
SIGMA	0671728	<i>Biochemical and organic medicinal preparations</i>
SIGMA-ALDRICH	3341087	Chemical compounds for use in the manufacture of <i>pharmaceutical preparations</i> ; apparatus and instruments for scientific laboratory research in the chemical and biochemical fields; custom manufacture of chemicals for use in the manufacture of research pharmaceuticals; product development, namely, development of chemicals, compounds and ingredients for pharmaceuticals <sup>96</sup>
 96	4011310	Laboratory apparatus, namely, centrifuges and components therefor, namely, angle rotors, swing-out rotors with and without windshield, buckets, lids, adapter or tubes and bottles

<sup>95</sup> 67 TTABVUE 46 -- 131. We normally would not consider 3590136 for the mark SIGMACARE and design for medical treatment mattresses and other medical furniture used for treating patients, Registration No. 3915422 for the mark SIGMACEPTOR for pharmaceutical research services, or Registration No. 3018061 for the mark COMPACT SIGMA for shock wave therapy apparatus because they were based on [Section 44](#) of the Trademark Act and not use in commerce. However, because applicant has also submitted evidence of use of these marks, we have considered the marks in our analysis of third-party use.

<sup>96</sup> This third party also owns Registration No. 3443059 for the mark SIGMA-ALDRICH and design for the above-noted services.

Mark	Reg. No.	Goods/Services
SIGMAX	3846586	Orthopedic materials and articles, namely, support bandages and bands for ankles, calves, knees, thighs, backs, shoulders, elbows, fingers and wrists; braces for limbs and joints for orthopedic use; support bandages for protecting muscles; elastic tubular bandages; nonmedicated compresses; elastic bandages <sup>97</sup>
SIGMA	3184359	Orthopaedic joint implants; surgical instruments for use with orthopaedic joint implants
SIGMASPECTRUM	4087520	Computer software for database management of <i>drug catalogs</i> and data logging for an electronic medical device
 SIGMA CARE	3255569	Electronic storage of clinical data for remote consultation by healthcare professionals in the care of patients; software used by healthcare professionals in the care of patients <sup>98</sup>
COMPACT SIGMA	3018061	Shock wave therapy apparatus, namely, lithotripters
 SIGMA CARE	3590136	Therapeutic medical beds, mattresses, and mattress overlays; medical stretchers; medical examination tables for patients; medical patient treatment chairs, namely, commode chairs for medical patients
SIGMACEPTOR	3915422	Pharmaceutical and biopharmaceutical discovery, research and development services, namely, the discovery, research and product development of pharmaceuticals and biologic agents for the prevention and treatment of cancer and human neurological and neurodegenerative disorder

97 98

## [\*49]

Applicant confirmed that the marks in the listed third-party registrations, including the marks registered under Section 44 of the Trademark Act [15 U.S.C. § 1126](#), are in use by introducing excerpts from the third-party websites listed below:

1. Sigma Pharmaceuticals (sigmapharmaceuticals.com) advertising the sale of "a full line of ophthalmic products."<sup>99</sup>

## [\*50]

2. Sigma-Aldrich (sigma-aldrich.com) featuring *inter alia* chemicals in the field of life sciences.<sup>100</sup> The Sigma-Aldrich website also advertises "PharmaGrade" chemicals for biopharmaceutical manufacturing, including amino acids and buffers.<sup>101</sup>

<sup>97</sup> This third party also owns Registration 3839315 for the mark SIGMAX and design for the same goods noted above.

<sup>98</sup> This third party also owns Registration No. 355568 for the mark SIGMA POINT and the upper case Greek letter SIGMA design, Registration No. 3345730 for the mark SIGMACARE, and Registration No. 3255567 for the mark SIGMA HEALTH and the upper case Greek letter Sigma, all registered for the same services noted above.

<sup>99</sup> 68 TTABVUE 78.

<sup>100</sup> 68 TTABVUE 80.

<sup>101</sup> 68 TTABVUE 82 -- 86.

3. The Heine website (heine.com) promoting HEINE SIGMA 150 ophthalmoscopes for measuring pupil size. <sup>102</sup>
4. The DePuy website (depu.com) promoting SIGMA knee implant systems. <sup>103</sup>
5. The Sigma Zentifugen GmbH website (sigma-zentrifugen.de) promoting that company's laboratory centrifuges with applications [\*51] for biotechnology, life-science, medical diagnostics and pharmacological technology. <sup>104</sup> Although the website has a German URL, it provides contact information for the company's U.S. representative. <sup>105</sup>
6. The eHealth Solutions, Inc. website (sigmacare.com) advertising medical records software and data management under the mark SigmaCare and SigmaCare with an upper case Greek letter "sigma. " <sup>106</sup>
7. The Sigma-Care Development Co., Ltd. website (sigmabed.com) advertising the sale of SIGMA-CARE hospital beds, emergency stretchers, overbed tables and a shower trolley. <sup>107</sup> While Sigma-Care Development Co. is a Taiwanese company, the website indicates that it has a webpage for the United States and that the company displayed its products at the [\*52] FIME trade show in Miami, Florida, August 8 -- 10, 2012.
8. The Nippon Sigma Co., Ltd. website (sigmax.co.jp) advertising SIGMAX splints, casting tape, support belts, knee, ankle and wrist supports, cervical collars, compression devices, and knee braces. <sup>108</sup> Although Nippon Sigma Co. is a Japanese company using a Japanese URL, the website identifies Sigmax America located in Newport Beach, California as the company's contact in the United States.
9. The Anavex Life Sciences Corporation website (anavex.com) promoting the SIGMACEPTOR discovery platform for drug development. <sup>109</sup>

The compounds emanating from the SIGMACEPTOR Discovery Platform act through sigma receptors, a relatively new class of receptors that is able to activate multiple pathways and provide treatment solutions [\*53] in many types of diseases. We are at an appropriate stage to evaluate the potential of compounds (ligands) that activate these receptors to effective dosing, safety and efficacy. <sup>110</sup>

10. The Baxter International, Inc. website (sigmapumps.com) advertising the SIGMA Spectrum Infusion System for the use and maintenance of a drug library for the application of medications. <sup>111</sup>
11. The Dornier MedTech website (dornier.com) advertising the COMPACT SIGMA modular lithotripter "with a multi-functional patient table and X-ray C-arm to create the complete solution for lithotripsy and endourological procedures." <sup>112</sup>

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<sup>102</sup> 68 TTABVUE 88 -- 89.

<sup>103</sup> 68 TTABVUE 91 -- 93.

<sup>104</sup> 68 TTABVUE 95 -- 101.

<sup>105</sup> 68 TTABVUE 101.

<sup>106</sup> 68 TTABVUE 103 -- 106.

<sup>107</sup> 68 TTABVUE 108.

<sup>108</sup> 68 TTABVUE 110 -- 116.

<sup>109</sup> 68 TTABVUE 118.

<sup>110</sup> *Id.*

<sup>111</sup> 68 TTABVUE 121

<sup>112</sup> 68 TTABVUE 123.

[\*54]

While the third-party registrations introduced by Applicant are not evidence that those marks have been used, or that consumers have been exposed to them, Applicant introduced evidence demonstrating that the marks are in use. The Internet websites are of limited probative value because they give no indication as to actual sales, when the mark was first used, and customer familiarity, [Sports Authority Michigan Inc. v. PC Authority Inc., 63 USPQ2d 1782, 1798 \(TTAB 2001\)](#), nonetheless, those websites "show that the public may have been exposed to those internet websites and therefore may be aware of the advertisements contained therein." [Rocket Trademarks Pty Ltd., v. Phard S.p.A., 98 USPQ2d 1066, 1072 \(TTAB 2011\)](#).

While the term SIGMA is inherently distinctive when used in connection with pharmaceutical products, the term SIGMA has been used and registered numerous times by third parties for pharmaceutical products and other products in the medical field serving to suggest that the term SIGMA is weak or not unique in the field. See [Sports Authority Michigan Inc. v. PC Authority Inc., 63 USPQ2d at 1798 \(TTAB 2001\)](#); [Bost Bakery, Inc. v. Roland Industries, Inc., 216 USPQ 799, 801 n.6 \(TTAB 1982\)](#); [\*55] [In re Sien Equipment Co., 189 USPQ 586, 588 \(TTAB 1975\)](#) (the suggestive meaning of the word "Brute" in connection with material handling equipment explains the numerous third-party registrations incorporating that word with other wording or material no matter how little additional significance they may add to the word "Brute" *per se*); [In re J. R. Carlson Laboratories, Inc. 183 USPQ 509, 510 \(TTAB 1974\)](#).

C. The similarity or dissimilarity and nature of the goods and services.

As indicated above, Applicant is seeking to register its mark for the goods and services set forth below:

Pharmaceutical preparations, namely, a drug delivery system comprising solid dosage delivery agents and a wide variety of therapeutic agents in molecular or amorphous state, in the form of tablets, capsules and powder dosage forms, prepared using company's patented technology platforms which will result into more bioavailable and stable dosage forms of therapeutic agents for the treatment of hypertension, hypercholesterolemia, depression, atherosclerosis, thyroid deficiency syndrome, organ rejection, hepatitis and, HIV and fungal infections, in International [\*56] Class 5; and

Research and development of pharmaceutical products and preparations for the treatment of hypertension, hypercholesterolemia, depression, atherosclerosis, thyroid deficiency syndrome, organ rejection, hepatitis and, HIV and fungal infections, in International Class 42.

1. Pharmaceutical preparations/ products.

The description of goods in Opposer's pleaded registrations is "pharmaceutical products for use in the treatment of carnitine deficiency and cardiovascular disease, " in International Class 5.

Where, as here, likelihood of confusion is asserted with registered marks, the issue is resolved on the basis of the goods named in the registrations and the goods and services named in the applications at issue. Facts relative to the marks' actual use that Applicant may argue prevent likelihood of confusion cannot be taken into consideration unless set forth in its application

The authority is legion that the question of registrability of an applicant's mark must be decided on the basis of the identification of goods set forth in the application regardless of what the record may reveal as to the particular nature of an applicant's goods, the particular channels [\*57] of trade or the class of purchasers to which sales of the goods are directed.

[Octocom Syst. Inc. v. Houston Computers Svcs. Inc., 918 F.2d 937, 16 USPQ2d 1783, 1787 \(Fed. Cir. 1990\)](#).

As the Court of Customs and Patent Appeals, the predecessor of our primary reviewing court, stated in *Tuxedo Monopoly*

Here, appellant seeks to register the word MONOPOLY as its mark without any restrictions reflecting the facts in its actual use which it argues on this appeal prevent likelihood of confusion. We cannot take such facts into consideration unless set forth in its application. [Toro Co. v. Hardigg Industries, Inc., 549 F.2d 785, 790, 193 USPQ 149, 155](#) (CCPA 1977).

[Tuxedo Monopoly, Inc. v. General Mills Fun Group, Inc., 648 F.2d 1335, 209 USPQ 986, 988](#) (CCPA 1981).

The goods of the parties, as defined by the description of goods in the applications and registrations, are "pharmaceutical preparations" and "pharmaceutical products" for the treatment of various conditions. "Pharmaceutical" is a noun defined as "a drug or medicine."<sup>113</sup>

**[\*58]**

A "drug" is defined as a "[t]herapeutic agent; any substance, other than food, used in the prevention, diagnosis, alleviation, treatment, or cure of disease."<sup>114</sup>

Opposer's description of goods are pharmaceutical products (*i.e.*, drugs or medicine) used to treat *inter alia* cardiovascular disease. "Cardiovascular disease" is defined as "any disease of the heart or blood vessels, including atherosclerosis, cardiomyopathy, coronary artery disease, peripheral vascular disease, and others."<sup>115</sup>

**[\*59]**

Applicant's description of goods are pharmaceutical preparations (*i.e.*, drugs or medicine) used to treat *inter alia* hypertension, hypercholesterolemia, and atherosclerosis.

"Hypertension" is defined as "high blood pressure; transitory or sustained elevation of systemic arterial blood pressure to a level likely to induce cardiovascular damage of other adverse consequences."<sup>116</sup> The entry in **STEDMAN'S MEDICAL DICTIONARY** also explains that "[b]ecause of its wide prevalence and its impact on cardiovascular health, [hypertension] is recognized as a major cause of disease and death in industrialized societies." Hypertension is listed as type of cardiovascular disease in the **MANUAL OF CARDIOVASCULAR MEDICINE**, p. 514 (3rd ed. undated) ("Unless promptly recognized and treated, hypertensive crisis can lead to cardiovascular, renal, and central nervous system [CNS] organ disease and death.").<sup>117</sup>

**[\*60]**

"Atherosclerosis" is "characterized by irregularly distributed lipid deposits in the intima of large and medium-sized arteries, causing narrowing of arterial lumens and proceeding eventually to fibrosis and calcification."<sup>118</sup>

<sup>113</sup> *Merriam-Webster* online (Merriam-webster.com) . 68 TTABVUE 12.

<sup>114</sup> **STEDMAN'S MEDICAL DICTIONARY**, p. 585 (28th ed. 2006). The Board may take judicial notice of dictionary definitions. [University of Notre Dame du Lac v. J. C. Gourmet Food Imports Co., Inc., 213 USPQ 594 \(TTAB 1982\)](#), *aff'd*, [703 F.2d 1372, 217 USPQ 505 \(Fed. Cir. 1983\)](#).

<sup>115</sup> **TABER'S CYCLOPEDIA MEDICAL DICTIONARY**, p. 395 (22nd ed. 2013). *See also* **STEDMAN'S MEDICAL DICTIONARY**, p. 314 (cardiovascular).

<sup>116</sup> **STEDMAN'S MEDICAL DICTIONARY**, p. 927. *See also* **TABER'S CYCLOPEDIA MEDICAL DICTIONARY**, p. 1171 ("Hypertension is one of the major risk factors for coronary artery disease, heart failure, stroke, peripheral vascular disease, kidney failure, and retinopathy. ... controlling [hypertension] ... helps to prevent cardiovascular illnesses.").

<sup>117</sup> 58 TTABVUE 29 -- 30.

<sup>118</sup> **STEDMAN'S MEDICAL DICTIONARY**, p. 174. *See also* **TABER'S CYCLOPEDIA MEDICAL DICTIONARY**, p. 224 ("The most common form of arteriosclerosis, marked by cholesterol-lipid-calcium deposits in the walls of arteries that may restrict blood flow. ... If a plaque within a blood vessel suddenly ruptures, the blood vessel may close and organs or tissues may infarct.").

"Hypercholesterolemia" is defined as "the presence of an abnormally large amount of cholesterol in the blood."<sup>119</sup> Hypercholesterolemia is discussed as a type of cardiovascular disease in the **TEXTBOOK OF CARDIOVASCULAR MEDICINE**, p. 514 (3rd ed. undated) ("[Hypercholesterolemia] is characterized [\*61] by elevated L.D.L.-C levels ... with normal triglycerides and a family of hypercholesterolemia or premature cardiovascular disease. ").<sup>120</sup>

We find that the term "cardiovascular disease" set forth in the description of goods in Opposer's pleaded registrations encompasses hypertension, hypercholesterolemia, and atherosclerosis set forth in Applicant's Class 5 description of goods and, therefore, Applicant's description of goods in Class 5 which includes "pharmaceutical preparations ... for the treatment of ... hypertension, hypercholesterolemia, ... atherosclerosis ..." is in part legally identical to Opposer's description of goods comprising "pharmaceutical products for use in the treatment of ... cardiovascular disease. "

## 2. Research and development services.

As indicated above, Opposer failed to prove that its common law use of the marks in its pleaded registrations [\*62] were used in connection with research and development services prior to Applicant's first use (at least as early as June 30, 2006), since April 2007 is the earliest date on which Opposer might conceivably rely. Therefore, we analyze whether Applicant's "research and development of pharmaceutical products and preparations for the treatment of hypertension, hypercholesterolemia, ... [and] atherosclerosis" is related to Opposer's "pharmaceutical products for use in the treatment of ... cardiovascular disease. "

Both parties conduct research and development for pharmaceutical products and preparations, as well as, manufacturing such products.

Opposer introduced an excerpt from the PhRMA 2008 Annual Report.<sup>121</sup> PhRMA is an acronym for the Pharmaceutical Research and Manufacturers of America. Thus, PhRMA is an organization of pharmaceutical researchers and manufacturers.

Also, Opposer introduced an excerpt from its website announcing its acquisition of ONCASPAR, ADAGEN, DepoCyt, and [\*63] ABELCET from Enzon Pharmaceutical.<sup>122</sup> The announcement described Enzon Pharmaceutical as "a pharmaceutical company that has successfully conducted its own research, studying new molecules for the treatment of rare diseases in the oncological field. The drugs acquired by [Opposer] are, in fact, indicated for the treatment of patients who fail to respond to treatment with traditional drugs." But this is a reference to research by the acquired company to develop its own products. This evidence does not prove that research services, as a separate marketable service for others, come from the same source as pharmaceutical products.

In the record is Registration No. 3443059 for the mark SIGMA-ALDRICH and design, owned by Sigma-Aldrich Biotechnology L.P., a third party, for manufacturing chemicals for research pharmaceuticals and for the development of chemicals for use in pharmaceuticals. The specific services are set forth below:

Custom manufacture of chemicals for use in the manufacture [\*64] of research pharmaceuticals and for use in pharmaceutical research, in Class 40; and

<sup>119</sup> **STEDMAN'S MEDICAL DICTIONARY**, p. 918. See also **TABER'S CYCLOPEDIA MEDICAL DICTIONARY**, p. 1162.

<sup>120</sup> 58 TTABVUE 32 -- 334.

<sup>121</sup> 59 TTABVUE 6 -- 9.

<sup>122</sup> 77 TTABVUE 41.

Chemical and scientific research for others; product development of chemicals, compounds and ingredients for use in manufacture, pharmaceuticals, research and scientific purposes, in Class 42.<sup>123</sup>

This evidence shows two different types of services are related; not that pharmaceutical products are related to research and development services.

In view of the foregoing, we find the evidence of record is insufficient to prove that Applicant's "research and development of pharmaceutical products and preparations for the treatment of hypertension, hypercholesterolemia, ... [and] atherosclerosis" is related to Opposer's "pharmaceutical products for use in the treatment of ... cardiovascular disease." <sup>124</sup>

[\*65]

D. Established, likely-to-continue channels of trade and classes of consumers.

1. Pharmaceutical products and preparations.

Because Applicant's pharmaceutical preparations described in the applications are in part legally identical to Opposer's pharmaceutical products described in Opposer's pleaded registrations, we must presume that the channels of trade and classes of purchasers are the same. See [In re Vittera Inc., 671 F.3d 1358, 101 USPQ2d 1905, 1908 \(Fed. Cir. 2012\)](#) (even though there was no evidence regarding channels of trade and classes of consumers, the Board was entitled to rely on this legal presumption in determining likelihood of confusion); [In re Yawata Iron & Steel Co., 403 F.2d 752, 56 C.C.P.A. 769, 159 USPQ 721, 723 \(CCPA 1968\)](#) (where there are legally identical goods, the channels of trade and classes of purchasers are considered to be the same); [American Lebanese Syrian Associated Charities Inc. v. Child Health Research Institute, 101 USPQ2d 1022, 1028 \(TTAB 2011\)](#).

2. Research and development services.

There is no testimony, evidence or argument specifically directed to how either party markets its research and development [\*66] services. Because Opposer has the burden of proof and Opposer failed to introduce any evidence regarding the channels of trade or classes of consumers relating to pharmaceutical research and development services, Opposer failed to meet its burden and the record is insufficient to find that the Applicant's research and development services move in the same channels of trade and are directed to the same classes of consumers as Opposer's pharmaceutical products.

E. Degree of care.

[Section 20 cmt. h of the RESTATEMENT \[THIRD\] OF UNFAIR COMPETITION](#) (1995) provides the following explanation about the standard of consumer care:

The care expected of purchasers against which the likelihood of confusion is measured is determined by the marketing environment in which the goods or services are ordinarily bought or sold. Some factors to be considered are the manner in which the goods are purchased ... the manner in which the goods are marketed ... and the class of prospective purchasers.

Opposer has argued that even though consumers of pharmaceuticals (*i.e.*, "hospitals, urgent care centers, other providers of medical services, and the patients" ) may exercise a high [\*67] degree of care, that high degree of care does not preclude them from mistaking one trademark for another.<sup>125</sup> In addition, Opposer has argued that

<sup>123</sup> 67 TTABVUE 64.

<sup>124</sup> This finding of fact is based on all the facts and circumstances made of record.

<sup>125</sup> 81 TTABVUE 42.

because of the concern for the safety of consumers of pharmaceutical products, the Board must guard against the possibility of a general consumer mistakenly choosing the wrong product because of the mark used thereon.<sup>126</sup> In other words, we must assume a lesser degree of care so as to provide better protection for a general consumer of a pharmaceutical product. However, as discussed earlier in our analysis of whether the marks in Opposer's pleaded registrations are famous, the marketing of pharmaceuticals is based on the product mark or generic name of the drug, not the house mark of the manufacturer. There is no evidence or testimony that any of the ultimate consumers of pharmaceutical products consider the manufacturer of the drug in their purchasing decision or when filling a prescription. Thus, the house marks at issue in these consolidated proceedings have little if any effect on the degree of care exercised when purchasing decisions are being made or prescriptions are being filled for the pharmaceutical products in Class 5. The house [\*68] marks at issue in this case may or may not be more likely to be familiar to, and perhaps used by, professionals in the pharmaceutical or medical fields. These consumers will be expected to exercise a greater degree of care; and they need not be protected from possible harm in the same way that ultimate consumers might need to be, when product marks are involved.

Further, even though there is no evidence or testimony regarding the marketing of the research and development services, the house marks must play a greater role in the marketing of research and development services than in the sale of pharmaceuticals because the product names or generic drug names would not be part of the marketing efforts in connection with the research and development services.

Dr. Fornasini testified that Opposer develops products independently or partners with other pharmaceutical companies or institutions such as the National Institute of Health or universities.<sup>127</sup> Presumably, [\*69] pharmaceutical companies and research institutions and universities exercise a high degree of care when selecting research partners. Accordingly, we find that in connection with research and development services, the relevant consumers exercise a high degree of care.

F. The nature and extent of any reported instances of actual confusion.

As noted in the priority discussion, Applicant began using its marks in connection [\*70] with research and development services for other pharmaceutical companies in 2006 and Applicant's constructive date of first use for its marks in connection with pharmaceutical preparations is the filing date of its applications, April 13, 2009. Opposer began selling its CARNITOR pharmaceutical for the treatment of carnitine deficiency in 1985. There have been no reported instances of confusion.

Applicant asserts that "Opposer's Marks and Applicant's Marks have been coexisting for approximately eight years (related to services offered) and for at least five years (related to goods offered) being in the marketplace" without any instances of confusion and this weighs against finding that there is a likelihood of confusion.<sup>128</sup> In response, Opposer contends that Applicant's evidence of its first use and continuous use of its marks is "for lack of better words, unclear and ambiguous."<sup>129</sup>

[\*71]

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<sup>126</sup> 81 TTABVUE 43.

<sup>127</sup> 63 TTABVUE 57. See also 59 TTABVUE 10 (Department of Army press release announcing that the U.S. Army Medical Material Development Activity Command was partnering with Opposer to develop a drug to treat malaria -- undated), 59 TTABVUE 25 (An April 7, 2009 press release announcing that Opposer and Danisco BioActives are developing a biologic drug to prevent necrotizing enterocolitis), 59 TTABVUE 26 (an announcement posted on the BioSpace website (biospace.com) that Dyax Corp. and Opposer have partnered to develop and commercialize a drug for the treatment of hereditary angioedema).

<sup>128</sup> 83 TTABVUE 51.

<sup>129</sup> 86 TTABVUE 23; 87 TTABVUE 23 (confidential submission although none of the redacted information is confidential) . We disagree with Opposer's contention regarding the credibility of Applicant's witness Spiro Spireas regarding Applicant's first use of its mark. We find that his testimony is consistent with his interrogatory answers (56 TTABVUE 10). Moreover, Opposer extensively cross-examined Dr. Spireas.

The absence of any reported instances of confusion is meaningful only if the record indicates appreciable and continuous use by Applicant of its marks for a significant period of time in the same markets as those served by Opposer under its marks. [\*Citigroup Inc. v. Capital City Bank Group, Inc.\*, 94 USPQ2d 1645, 1660 \(TTAB 2010\)](#), *aff'd*, [\*637 F.3d 1344\*, 98 USPQ2d 1253 \(Fed. Cir. 2011\)](#); [\*Gillette Canada Inc. v. Ranir Corp.\*, 23 USPQ2d 1768, 1774 \(TTAB 1992\)](#). In other words, for the absence of **actual confusion** to be probative, there must have been a reasonable opportunity for confusion to have occurred. [\*Barbara's Bakery Inc. v. Landesman\*, 82 USPQ2d 1283, 1287 \(TTAB 2007\)](#) (the probative value of the absence of **actual confusion** depends upon there being a significant opportunity for **actual confusion** to have occurred); [\*Red Carpet Corp. v. Johnstown American Enterprises Inc.\*, 7 USPQ2d 1404, 1406-1407 \(TTAB 1988\)](#); [\*Central Soya Co., Inc. v. North American Plant Breeders\*, 212 USPQ 37, 48 \(TTAB 1981\)](#) ("the absence of **actual confusion** over a reasonable period of time might well suggest that the likelihood [\*72] of confusion is only a remote possibility with little probability of occurring").

The parties are not direct competitors.<sup>130</sup> Opposer's goods and services focus on orphan drugs for diseases that afflict no more than 200,000 people.<sup>131</sup> However, Opposer also sells the over-the-counter products VSL # 3, a medical food, and ProXeed, a dietary supplement.<sup>132</sup> Opposer sells "to health care providers, which may include physicians, nurses, nurse practitioners, pharmacist, directors of pharmacy, hospital administrators, wholesalers, patients." <sup>133</sup> Opposer's wholesalers include McKesson Pharmacy Systems, Cardinal Health, Accredo and Amerisourcebergen.<sup>134</sup> VSL # 3 is sold through physicians and retail chains.<sup>135</sup> Those retail chains include, *inter alia*, CVS, Walgreens, and Walmart.<sup>136</sup>

**[\*73]**

Applicant's goods and services focus on generic pharmaceutical products.<sup>137</sup> A generic pharmaceutical is a biochemical equivalent to a branded product.<sup>138</sup> Applicant sells its products through distributors, wholesalers, drug chains, and group purchasing organizations, but not directly to patients.<sup>139</sup> Group purchasing organizations include independent pharmacies and hospitals who buy together to reduce costs.<sup>140</sup> Applicant's wholesalers include Cardinal Health, McKesson and Amerisourcebergen.<sup>141</sup> Applicant also sells to drug chains such as CVS, Rite Aide, Walgreens, and Walmart.<sup>142</sup>

Based on this evidence, we find that there has been reasonable opportunity for confusion to have occurred because the parties sell through the same wholesalers and through some of the same retailers and that, therefore, the lack of [\*74] any reported instances of confusion weighs against finding that there is a likelihood of confusion.

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<sup>130</sup> 63 TTABVUE 119.

<sup>131</sup> 63 TTABVUE 119.

<sup>132</sup> 70 TTABVUE 70 and 89; 63 TTABVUE 62.

<sup>133</sup> 64 TTABVUE 60 - 61 and 63; 69 TTABVUE 9.

<sup>134</sup> 64 TTABVUE 61 - 62; 63 TTABVUE 134 - 135.

<sup>135</sup> 64 TTABVUE 62.

<sup>136</sup> 58 TTABVUE 51.

<sup>137</sup> 75 TTABVUE 16.

<sup>138</sup> 75 TTABVUE 17.

<sup>139</sup> 75 TTABVUE 72, and 87 - 88.

<sup>140</sup> 75 TTABVUE 87 - 88.

<sup>141</sup> 75 TTABVUE 87.

<sup>142</sup> 75 TTABVUE 73 and 87.

G. The similarity or dissimilarity of the marks in their entireties as to appearance, sound, meaning, and commercial impression.

With the evidence discussed above in regard to the various *du Pont* factors in mind, particularly the role of the marks in the sales process, the number of and nature of similar marks in use on similar goods and services, and the lack of any reported instances of confusion, we turn to the *du Pont* likelihood of confusion factor focusing on the similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression. *In re E. I. du Pont De Nemours & Co.*, 177 USPQ at 567. In a particular case, "finding of similarity as to any one factor (sight, sound or meaning) alone 'may be sufficient to support a holding that the marks are confusingly similar.'" *In re White Swan Ltd.*, 8 USPQ2d 1534, 1535 (TTAB 1988) (citations omitted). See also *In re Lamson Oil Co.*, 6 USPQ2d 1041, 1042 (TTAB 1987). In comparing the marks, we are mindful that "[t]he proper test [\*75] is not a side-by-side comparison of the marks, but instead 'whether the marks are sufficiently similar in terms of their commercial impression' such that persons who encounter the marks would be likely to assume a connection between the parties." *Coach Servs. Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 101 USPQ2d 1713, 1721 (Fed. Cir. 2012) (citation omitted). See also *San Fernando Electric Mfg. Co. v. JFD Electronics Components Corp.*, 565 F.2d 683, 196 USPQ 1, 3 (CCPA 1977); *Spoons Restaurants Inc. v. Morrison Inc.*, 23 USPQ2d 1735, 1741 (TTAB 1991), *aff'd mem.*, 972 F.2d 1353 (Fed. Cir. June 5, 1992).

1. Opposer's mark SIGMA-TAU PHARMACEUTICALS, INC.

One of the marks in Opposer's pleaded registrations is SIGMA-TAU PHARMACEUTICALS, INC., in typed drawing format. Opposer disclaimed the exclusive right to use "Pharmaceuticals, Inc."

Applicant's marks include **SigmaPharm** (standard character form), **SigmaPharm Laboratories** (standard character form), and **SigmaPharmLaboratories** and design shown below.<sup>143</sup>

[\*76]



Applicant disclaimed the exclusive right to use the word "Laboratories" where it appears in the marks.

With respect to Applicant's mark **SigmaPharm Laboratories** and design, while we must consider the mark in its entirety, we recognize that it is **SigmaPharm Laboratories** that is likely to be impressed upon the purchaser's memory because it is the words that they will remember and use. *In re Viterra Inc.*, 671 F.3d 1358, 1362, 101 USPQ2d 1905, 1908 and 1911 (Fed. Cir. 2012) (citing *CBS Inc. v. Morrow*, 708 F.2d 1579, 1581-82, 218 USPQ 198, 200 (Fed. Cir. 1983)); *Sweats Fashions Inc. v. Pannill Knitting Co.*, 833 F.2d 1560, 4 USPQ2d 1793, 1798 (Fed. Cir. 1987); *Giant Food, Inc. v. Nation's Food Service, Inc.*, 710 F.2d 1565, 218 USPQ 390 (Fed. Cir. 1983); *Joel Gott Wines, LLC v. Rehoboth Von Gott, Inc.*, 107 USPQ2d 1424, 1431 (TTAB 2013).

While the marks cannot be dissected and considered piecemeal, there is nothing improper in stating that, for rational reasons, more or less weight has been given to a particular feature of a mark, provided the [\*77] ultimate conclusion rests on a consideration of the marks in their entireties. *In re National Data Corp.*, 753 F.2d 1056, 224 USPQ 749, 751 (Fed. Cir. 1985). See also *Stone Lion Capital Partners*, 110 USPQ2d at 1161.

Because Opposer disclaimed the exclusive right to use the descriptive term "Pharmaceuticals, Inc." and Applicant disclaimed the exclusive right to use the descriptive term "Laboratories, " the term SIGMA-TAU is the dominant

<sup>143</sup> Prior to November 2, 2003, "standard character" drawings were known as "typed" drawings. A typed mark is the legal equivalent of a standard character mark. TMEP § 807.03(i) (April 2014).

element of Opposer's mark and the term **SigmaPharm** is the dominant element of Applicant's marks. It is well-settled that disclaimed, descriptive matter may have less significance in likelihood of confusion determinations. See [Cunningham v. Laser Golf, 55 USPQ2d at 1846](#), quoting, [In re National Data Corp., 224 USPQ at 752](#) ("Regarding descriptive terms, this court has noted that the descriptive component of a mark may be given little weight in reaching a conclusion on the likelihood of confusion"); [In re Dixie Rests. Inc., 105 F.3d 1405, 1407, 41 USPQ2d 1531, 1533-34 \(Fed. Cir. 1997\)](#); [In re Code Consultants, Inc., 60 USPQ2d 1699, 1702 \(TTAB 2001\)](#) (disclaimed [\*78] matter is often "less significant in creating the mark's commercial impression").

Our analysis, therefore, ultimately focuses on the similarity or dissimilarity of SIGMA-TAU as part of Opposer's mark SIGMA-TAU PHARMACEUTICALS, INC. and **SigmaPharm** as part of Applicant's marks **SigmaPharm**, **SigmaPharm Laboratories** and **SigmaPharm Laboratories** and design. The marks obviously are somewhat similar in terms of sight, sound, connotation and commercial impression because both parties' marks include the word SIGMA. Just as obviously, the marks are dissimilar in terms of sight, sound, connotation and commercial impression because Opposer uses "Tau" as a suffix attached to the word "Sigma" , while Applicant uses the abbreviation "Pharm" as a suffix.

Where, as here, there are multiple users of the term "Sigma" in the pharmaceutical and medical field, it is very important that the marks be considered in their entireties. Opposer's use of TAU as a suffix attached to the word "Sigma" is significant because it serves to indicate a different origin from Applicant's **SigmaPharm** marks which use "Pharm" as a suffix.

In none of the marks of the parties, is the common term "Sigma" [\*79] set out separately or emphasized as the most prominent element of the marks.<sup>144</sup> A comparison of the marks does not give that impression that the term "Sigma" is being emphasized over any other part of the marks. Thus, to the extent that a doctor, patient, distributor, or retailer of pharmaceuticals looks to the source of a pharmaceutical or to a house mark of the parties in making purchasing decisions, the purchasers focus on the entire mark and, in such cases, the difference between SIGMA-TAU and **SigmaPharm** is significant. The lack of any reported instances of confusion after a reasonable opportunity of confusion to have occurred supports this finding of fact.

[\*80]

In considering the marks (SIGMA-TAU PHARMACEUTICALS, INC. versus **SigmaPharm**, **SigmaPharm Laboratories** , and **SigmaPharm Laboratories** and design) in their entireties, we find that the dissimilarities in appearance, sound, connotation and commercial impression outweigh the similarities.

2. Opposer's design mark 

This leaves the comparison of Opposer's design mark  , which is described in the registration as the Greek letter "sigma, " with Applicant's marks **SigmaPharm**, **SigmaPharm Laboratories** , and Applicant's composite mark shown below which is described as "the Greek character 'phi' inside the Greek character 'sigma' ":



A word and the symbol therefor are legal equivalents and must be regarded as having the identical significance in determining the question of likelihood of confusion. [Shunk Manufacturing Company v. Tarrant Manufacturing](#)

<sup>144</sup> We disagree with Opposer's argument that word "Sigma" is the most prominent element of the marks because it is the first part of the marks. 81 TTABVUE 29. "The issue of whether a portion of a mark is dominant turns on the facts of each case," [Tektronix, Inc. v. Daktronics, Inc., 534 F.2d 915, 189 USPQ 693, 695 \(CCPA 915\)](#), not as a matter of law.

[Company](#), 318 F.2d 328, 137 USPQ 881, 883, 1963 Dec. Comm'r Pat. 637 (CCPA, 1963); [Squirrel Brand Co. v. Green Gables Investment Co.](#), 223 USPQ 154, 155 (TTAB 1984); [In re Endevco Corp.](#), 144 USPQ 362, 364 (TTAB 1964). [\*81]

As noted above, Opposer registered its lower case Greek letter "sigma" mark with knowledge that Sigma Chemical Company owned a registration and uses the mark SIGMA for "biochemical and organic medicinal preparations," thus, indicating that at least as of the time of registration, Opposer believed that its lower case Greek letter "sigma" mark for "pharmaceutical products for use in the treatment of carnitine deficiency and cardiovascular disease" was not likely to cause confusion with the mark SIGMA for "biochemical and organic medicinal preparations." Cf. [Plus Products v. Natural Organics, Inc.](#), 204 USPQ 773, 779 (TTAB 1979) ("A number of different trademark owners have believed, over a long interval of time, that various PLUS marks can be used and registered side by side without causing confusion provided there are minimal differences between the marks."); [Jerrold Electronics Corp. v. The Magnavox Company](#), 199 USPQ 751, 758 (TTAB 1978) (third-party registrations "reflect a belief, at least by the registrants, who would be most concerned about avoiding confusion and mistake, that various 'STAR' marks can coexist provided that there is a difference. [\*82] "). In this regard, the Federal Circuit has often admonished that those in the industry know better than Examining Attorneys and judges the conditions in the market. See [Amalgamated Bank of New York v. Amalgamated Trust & Savings Bank](#), 842 F.2d 1270, 6 USPQ2d 1305, 1308 (Fed. Cir. 1988), quoting *du Pont*, 177 USPQ at 568:

Decisions of men who stand to lose if wrong are normally more reliable than those of examiners and judges.

and

It can safely be taken as fundamental that reputable businessmen-users of valuable trademarks have no interest in *causing* public confusion.

See also [Bongrain International \(American\) Corp. v. Delice de France Inc.](#), 811 F.2d 1479, 1 USPQ2d 1775, 1778 (Fed. Cir. 1987) ("[I]n trademark cases involving agreements reflecting parties' views on the likelihood of confusion in the marketplace, that [parties] are in a much better position to know the real life situation than bureaucrats or judges and therefore such [consent] agreements may, depending on the circumstances, carry great weight.").

Having already found that Applicant's word marks **SigmaPharm** and **Sigma Pharm** [\*83] **Laboratories** are not so similar to Opposer's word mark SIGMATAU PHARMACEUTICALS, INC. as to support a conclusion that confusion is likely, and having found that Opposer's word mark SIGMA-TAU PHARMACEUTICALS, INC. is closer to Applicant's word marks than Opposer's design mark, we likewise find that Applicant's marks **SigmaPharm** and **SigmaPharm Laboratories** are not similar enough to Opposer's design mark to support a conclusion that confusion is likely.

This leaves Applicant's composite mark. While we noted above that in the case of a composite mark containing both words and a design, the word portion is normally accorded greater weight because purchasers will use the literal portion to request the goods or services, this does not mean that the design portion of the mark may be ignored. We assess the similarity of any two marks on a case-by-case basis. [In re Vittera](#), 101 USPQ2d at 1910. In this case, that assessment necessarily takes into account that we are comparing design elements, as well as the term **SigmaPharm Laboratories**. Here, the design portion of Applicant's mark creates a commercial impression that is distinct from the literal portion of [\*84] the mark.

The purchasers and prospective purchasers who know the Greek alphabet will recognize Opposer's mark as the Greek letter "sigma" and Applicant's mark as the Greek letters "sigma phi" used in connection with **SigmaPharm Laboratories**. Since the Greek letters are the legal equivalents of the terms they represent, to consumers who recognize the Greek alphabet, the term "sigma" is not particularly unique or distinctive in connection with pharmaceuticals and other medical equipment, because of the demonstrated prevalence of SIGMA marks. In view thereof, these consumers would not perceive the marks to be similar.

On the other hand, to purchasers and prospective purchasers who are not familiar with the Greek alphabet, the designs are simply logos acting as indicia of origin for the respective goods or services. In this situation, we focus on the recollection of the average purchaser of the good involved, who normally retains a general rather than a specific impression of trademarks. See [L'Oreal S.A. v. Marcon, 102 USPQ2d 1434, 1438 \(TTAB 2012\)](#). "In this regard, consideration must be given to the fact that a person's recollection of design marks is often imprecise [\*85] and of a vague or hazy nature." [Freedom Federal Savings and Loan Association v. Heritage Federal Savings and Loan Association, 210 USPQ 227, 231 \(TTAB 1981\)](#). Under these circumstances, the analysis is determined on the basis of the visual similarity of the marks.

Under this second scenario, Opposer's mark is an oval with a horizontal line extruding from the top (if the line is recognized) within a box. The design element of Applicant's mark is a concentric oval with a horizontal line extruding from the top (if the line is recognized) with a vertical line through the center. In comparing the marks, we find that the differences in the marks outweigh the similarities.

H. "Any other established fact probative of the effect of use."

As noted throughout this decision, each case must be decided on its own specific facts. "This final factor accommodates the need for flexibility in assessing each unique set of facts." [In re Strategic Partners Inc., 102 USPQ2d 1397, 1399 \(TTAB 2012\)](#). Opposer contends that in these proceedings "a lesser *quantum* of confusing similarity is required because the products are drugs and medicinal preparations." <sup>145</sup> Applicant [\*86] argues to the contrary that the facts in this case do not require a "greater care standard" because the marks at issue are house marks, not trademarks for pharmaceutical products. <sup>146</sup> The end users of pharmaceutical products may need to be familiar with brand names and generic names for particular drugs they may be prescribed but would not rely on house marks to differentiate prescription products or guard against drug interactions. If such product marks or generic drug names were here involved, the standard of care argued by Opposer to be applicable might be significant; but because we deal with house marks, that are more likely to be significant to prescribing physicians and health care providers, we find the test argued by Opposer to be inapplicable. The test concerns itself with errors that may be made by ultimate consumers of medicines and prescribers and health care providers would exercise a higher degree of care.

Labels for pharmaceuticals [\*87] must have *inter alia* the product name, the NDC number recognized by the FDA, generic chemical name, and the name of the manufacturer. <sup>147</sup> Applicant's witness Spiro Spireas provided the following testimony about pharmaceutical labels:

Q. Is it the practice and requirement to have the product name larger than any of the other information on the pharmaceutical label?

A. That's not only the practice, that's also the law - - both, the law and the practice - - that the biggest name, and in the most obvious position, has to be the name of the product contained in the container that the label is affixed to. <sup>148</sup>

\* \* \*

A. ... But I must say this: It is the law, that the name of the chemical - - the actual chemical name of the product - - has to be written underneath the branded product.

So I have knowledge - - and a pharmacist like myself will have knowledge - - of what is the chemical in this product immediately under the branded name product - - the branded name.

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<sup>145</sup> 81 TTABVUE 12 and 42 - 45.

<sup>146</sup> 83 TTABVUE 28 - 29.

<sup>147</sup> 75 TTABVUE 38.

<sup>148</sup> 75 TTABVUE 47.

So the chemical is levocarnitine; and the branded name is Carnitor(R). So that's established nomenclature.  
149

\* \* \*

A. Because the laws says that you have to put the generic chemical [\*88] name of the drug contained in the tablets on the label in big letters - - big-size letters, so people can see and they are not confused.

Anything else would be misbranding.

Q. Why doesn't the name and logo for [Applicant] appear on the front of the bottle?

A. Because the way the label is affixed, we are at the bottom, because we are the manufacturers.

And so, when the label turns around, it goes in the back of the bottle. 150

\* \* \*

Q. Are pharmaceutical companies, such as [Applicant], required by law to indicate on the bottle what the manufacturer is of the drugs?

A. Yes.

\* \* \*

So if there is any problem with this product in the future, they can reference directly and come to us. 151

The testimony of Opposer's witnesses corroborates the testimony [\*89] of Spiro Spireas regarding labeling. Dr. Fornasini testified that pharmaceutical products are marketed and sold under their brand names, not their manufacturer's name, 152 and that the brand names such as ADAGEN or MATULANE prominently appear on packaging. 153

Nichol Muzrim testified that each of Opposer's products include the product name and the house mark.

Q. How did [Opposer] identify those products with the company Sigma-Tau Pharmaceuticals?

A. Each commercial product had, whether it was in print campaigns, digital campaigns, or the actual product packaging, had the product name, its generic name, as well as the Sigma-Tau Pharmaceuticals logo and name. 154

With respect to the standard of care or quantum of evidence required in pharmaceutical cases, the purpose is to avoid mistaking one drug for another because of the name.

And where, as here, the marks are used in connection with pharmaceutical preparations [\*90] and, in particular, prescription items, the degree to which a subsequently used mark may approach a previously used mark is narrowly drawn to assure that a situation cannot arise that could, because of the identity of the marks, lead individuals to take one product in lieu of the desired or prescribed product, with harmful or dangerous results.

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<sup>149</sup> 75 TTABVUE 51 -- 52. See the CARNITOR package in the fame analysis *supra*.

<sup>150</sup> 75 TTABVUE 63.

<sup>151</sup> 75 TTABVUE 63 -- 64.

<sup>152</sup> 63 TTABVUE 125 -- 126, 164.

<sup>153</sup> 63 TTABVUE 132.

<sup>154</sup> 64 TTABVUE 16.

[Merck & Co. v. Abbott Laboratories, 210 USPQ 605 \(TTAB 1981\).](#)

The cases in which the Board and our reviewing courts have applied a higher standard of care involve product marks and not manufacturer's house marks. For example,

1. [Glenwood Laboratories, Inc. v. American Home Products Corp., 455 F.2d 1384, 59 C.C.P.A. 948, 173 USPQ 19 \(CCPA 1972\).](#)

American Home Products Corporation filed an application to register MYOCHOLINE for a medicinal preparation for treatment of dysphagia, abdominal distention, gastric retention, and urinary retention which was opposed by Glenwood Laboratories, Inc. based on its mark MYSOLINE for an [\*91] anti-convulsant drug.

2. [Clifton v. Plough, Inc., 341 F.2d 934, 52 C.C.P.A. 1045, 1965 Dec. Comm'r Pat. 281, 144 USPQ 599 \(CCPA 1965\).](#)

C.L. Clifton, Sr. filed an application to register NUMOL for a pharmaceutical product for the relief of coughs, colds and bronchial irritation which was opposed by Plough, Inc. based on its mark NUJOL for mineral oil for chemical, medicinal and pharmaceutical uses.

3. [Alfacell Corp. v. Anticancer Inc., 71 USPQ2d 1301 \(TTAB 2004\).](#)

Anticancer, Inc. registered the mark ONCASE for therapeutic compositions containing reagents for in vivo anticancer use which Alfacell Corporation petitioned to cancel based on its mark ONCONASE for pharmaceuticals, namely, cancer treating drugs.

4. [Merck & Co. v. Abbott Laboratories, 210 USPQ 605.](#)

Abbot Laboratories filed an application for A-HYRODCORT for an antiinflammatory product which was opposed by Merck & Co. based on its mark HYDROCORTONE for a hormonal substance used in the treatment of collagen, allergic and other diseases.

5. [Schering Corp. v. Alza Corp., 207 USPQ 504 \(TTAB 1980\).](#)

Alza Corporation filed an application for CHRONOMER for medical grade polymeric membrane being a biodegradable [\*92] disposing medium and sold as an inactive drug which was opposed by Schering Corporation based on its marks CHRONOTAB and CHRONOSULE for timed release pharmaceutical preparations.

Accordingly, based on the facts and circumstances presented on this record, any confusion that might arise from the use of the marks at issue in these cases will not result in patients taking the wrong drugs. That being said, the Board takes great care to review all of the evidence made of record and to consider all of the arguments made by the parties to reach the correct decision.

I. Balancing the factors.

Despite finding the goods are in part identical and the presumption that they move in the same channels of trade and are sold to the same classes of consumers, because we find that the marks are not similar, there are multiple users of the term "Sigma" in the relevant industry, and there have been no reported instances of confusion even after a reasonable opportunity for confusion to have occurred, we find that Applicant's marks for the goods and services set forth therein are not likely to cause confusion with the marks in Opposer's pleaded registrations.

VI. False Suggestion of a Connection [\*93]

To prevail on its Section 2(a) claim for false suggestion of a connection, Opposer must prove: (1) Applicant's marks are the same as or a close approximation of Opposer's previously used name or identity; (2) Applicant's mark

would be recognized as such by purchasers, in that the marks point uniquely and unmistakably to Applicant; (3) Opposer is not connected with the goods and services that are sold or will be sold by Applicant under its mark; and (4) that Opposer's name or identity is of sufficient fame or reputation that when Applicant's marks are used in connection with Applicant's goods and services, a connection with Opposer would be presumed. See [Buffett v. Chi-Chi's, Inc., 226 USPQ 428, 429 \(TTAB 1985\)](#). See also [Bd. of Trs. of Univ. of Ala. v. Pitts, 107 USPQ2d 2001, 2025 \(TTAB 2013\)](#); [Boston Red Sox, 88 USPQ2d 1581, 1593 \(TTAB 2008\)](#); [Hornby v. TJX Companies Inc., 87 USPQ2d 1411, 1424 \(TTAB 2008\)](#); [L. & J.G. Stickley Inc. v. Cosser, 81 USPQ2d 1956 \(TTAB 2007\)](#).

Opposer's name is Sigma-Tau Industrie Farmaceutiche Riunite S.p.A. It does business in the United States through its subsidiary Sigma-Tau [\*94] Pharmaceuticals, Inc. which uses the marks in Opposer's pleaded registrations.<sup>155</sup> Thus, Opposer's identity in the United States is Sigma-Tau Pharmaceuticals, Inc.

The similarity required for a "close approximation" is akin to that required for a likelihood of confusion under [Section 2\(d\)](#) and is more than merely "intended to refer" or "intended to evoke." The accused marks must do more than simply "bring to mind" Opposer's identity. [Bd. of Trs. of Univ. of Ala. v. Pitts, 107 USPQ2d at 2027](#). For the same reasons we found that Applicant's marks are not similar to Opposer's marks for purposes of the likelihood of confusion analysis, we find here that Applicant's marks are not a close approximation of Opposer's identity and, therefore, it cannot be "unmistakably associated" with Opposer's identity, nor do they point uniquely to Opposer.

There is no real dispute in these cases as to the fact that Applicant is not connected with the activities performed by Opposer under [\*95] the marks.

For the reasons we found that Opposer's marks are not famous and, in fact, are not well-known in the pharmaceutical industry, we find that Opposer's marks are not of sufficient fame or reputation that when Applicant's marks are used in connection with Applicant's goods and services a connection with Opposer will be presumed.

After considering all of the evidence of record in connection with the [Section 2\(a\)](#) false suggestion of a connection factors, we find that Applicant's marks do not falsely suggest a connection with Opposer.

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<sup>155</sup> 63 TTABVUE 18 and 25.

## 2013 TTAB LEXIS 114; 106 U.S.P.Q.2D (BNA) 1540

Trademark Trial and Appeal Board

March 20, 2013, Decided

Concurrent Use No. 94002407

### Reporter

2013 TTAB LEXIS 114; 106 U.S.P.Q.2D (BNA) 1540

## **America's Best Franchising, Inc. v. Roger Abbott**

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### Disposition: [\*1]

Decision: Applicant is entitled to concurrent use registrations for the marks 3 PALMS HOTEL & Design, 3 PALMS RESORT & Design and 3 PALMS HOTELS & RESORTS & Design, as shown in application Serial Nos. 77425965, 77425988 and 77425996, for the identified services in the United States, its territories and possessions, excluding the State of Arizona. If and when the parties' geographically unrestricted applications are published for opposition and not opposed, the Board may issue an order to show cause why those applications should not be subject to the same geographic restrictions.

### Core Terms

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hotel, palm, registration, concurrent, geographic, advertize, likelihood of confusion, resort, user, territory, brand, website, restaurant, consumer, wiener, geographic area, unrestricted, franchise, overlap, travel, channel, food, ferry, separate use, nationwide, uninvolved, commerce, register, deceive, online

### Counsel

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Mark L. Seigel of The Seigel Law Firm LLC for America's Best Franchising.

Paul D. Supnik for Roger Abbott.

**Panel:** Before Quinn, Lykos and Adlin, Administrative Trademark Judges.

**Opinion By:** Adlin, Michael B.

### Opinion

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[\*\*1542] Opinion by Adlin, Administrative Trademark Judge:

America's Best Franchising, Inc. ("applicant" or "ABF") seeks concurrent use registrations for the marks shown below



<sup>1</sup> for "Hotel and motel services." Applicant originally filed each application without geographic restriction on March 19, 2008, and later amended each application to allege first use in commerce on [\*2] March 26, 2008 and to identify Roger Abbott ("excepted user" or "Abbott") as an exception to applicant's exclusive right to use the marks in commerce. In each application, as amended, ABF now "claims exclusive right to use the mark in the area comprising the entire United States except the state of Arizona," which is where ABF concedes that Abbott uses his mark. On July 9, 2009, following ABF's amendment of the involved applications, the Board instituted this proceeding.<sup>2</sup>

[\*3]

On August 17, 2009, Abbott filed an answer, or "statement," under [Trademark Rule 2.99\(d\)\(2\)](#), denying that ABF is entitled to concurrent use registrations. More specifically, Abbott claims that he "has adopted and continuously used the service mark 3 PALMS in the United States in connection with the sale of hotel services" since April 30, 2004, through a "related company," 3 Palms Resort Oasis, LLC. Answer PP 1-3. Abbott admits that "he currently has licensed the 3 PALMS mark in connection with [only] a single hotel located in Scottsdale, Arizona," but denies that he has no plans to expand his use of the mark beyond that single location, specifically asserting that "the Internet marketing, advertising and promotion of hotels by necessity has expanded [Abbott's] territory nationwide or to something significantly greater than the state of Arizona." *Id.* PP 10, 17, 18. Finally, Abbott alleges that ABF "knew of or should have known of" Abbott's use of 3 PALMS prior to adopting its involved marks, and that the parties' marks are confusingly similar. *Id.* PP 8, 19.

### **The Record**

The record consists of the pleadings, the files of the involved applications and the following: [\*4]

. ABF's Notice of Reliance ("NOR"), filed October 12, 2011 (TTABVue Docket # 25), which includes: the transcript of ABF's discovery deposition of Mr. Abbott ("Abbott Disc. Tr."); Abbott's responses to ABF's first set of interrogatories ("Int. Resp."); printouts of Office records of third-party registrations, from the TARR database; printouts from [\*\*1543] third-party websites; and a copy of an advertisement in the Spring 2010 edition of "The Griffon;"

. Abbott's Notice of Reliance and supplement thereto, filed December 16 and 19, 2011, respectively (TTABVue Docket # s 30, 32 and 34), which include: the transcripts of Abbott's discovery depositions of applicant's chairman, Chief Executive Officer and president Douglas Collins ("Collins Disc. Tr."), applicant's Vice-President and Chief Operating Officer Chip Elbers ("Elbers Disc. Tr.") and applicant's Vice President for development for franchise sales Jason Yarborough ("Yarborough Disc. Tr."), and the exhibits thereto; the file history of Abbott's application Serial No. 77525894, which is not part of this proceeding; applicant's responses to Abbott's first set of interrogatories (ABF's Int. Resp.); applicant's May 8, 2009 motion [\*5] in Opposition No. 91188829 to amend its involved applications to seek concurrent use registrations, and terminate the opposition in favor of a concurrent use proceeding; and printouts from the "archive.org" website purporting to show how Abbott's website appeared in 2004 and 2006;

. the parties' December 16, 2011 Stipulation (TTABVue Docket # 31), which in its entirety is that: "Roger Abbott began using the mark 3 PALMS RESORT OASIS (and Design) in connection with a single hotel located at 7707 E. McDowell Rd., Scottsdale, AZ 85257 in or about April 2004" (the "Stipulation"); and

. the transcripts of the testimonial depositions of Roger Abbott ("Abbott Test. Tr."), Abbott's business manager Linda Condon ("Condon Test. Tr."), Abbott's friends Harry Stylii ("Stylii Test. Tr.") and John Ferry ("Ferry Test.

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<sup>1</sup> Application Serial Nos. 77425965, 77425988 and 77425996, with "HOTEL," "RESORT" and "HOTELS & RESORTS" disclaimed, respectively.

<sup>2</sup> After applicant's original, geographically unrestricted applications were published for opposition, Abbott filed Opposition Nos. 91186345 and 91188829 against them. Pursuant to the Board's July 9, 2009 order in both proceedings, those opposition proceedings were dismissed without prejudice after applicant amended the involved applications to seek concurrent use registrations and accepted judgment with respect to its right to unrestricted registrations.

Tr."), Abbott's colleague Roger Sheppard ("Sheppard Test. Tr."), Abbott's former employee and independent contractor Psy John Iverson ("Iverson Test. Tr."), Douglas Collins ("Collins Test. Tr."), Donald "Chip" Elbers ("Elbers Test. Tr.") and Peter Mathon of Mathon & Associates which provides marketing and public relations services for applicant ("Mathon Test. Tr.") and the [\*6] exhibits thereto.

The parties argue over the weight to be accorded certain evidence, but do not raise any evidentiary objections, which the Board commends as the preferred method for addressing evidence introduced in *inter partes* proceedings.

### The Parties

ABF provides "hotel franchising" and other services to "about 280" hotels in the United States. Collins Disc. Tr. 20:24; Collins Test. Tr. 5:11. ABF's hotel brands include COUNTRY HEARTH INNS & SUITES, AMERICA'S BEST INN & SUITES, PARKSIDE INN & SUITES, BUDGETEL INN & SUITES, VAGABOND INN & SUITES and the here-involved 3 PALMS HOTELS & RESORTS. Collins Test. Tr. 6:1-4. While most of ABF's brands are licensed through franchise agreements, "3 Palms and Parkside are available as service agreements," with 3 PALMS being offered through applicant's wholly-owned subsidiary 3 Palms Inc. *Id.* at 6:9-10; Collins Disc. Tr. at 16-17. In testifying about the differences between ABF's "service agreements" with 3 PALMS hotels and its franchise agreements with hotels operating under applicant's other brands, ABF's CEO testified: "The 3 Palms concept is a service to hotels that require representation on the reservation systems, [\*7] travel club, quality assurance, purchasing, marketing, that may not be candidates for a traditional franchise due to their ownership or location or physical structure." Collins Test. Tr. at 6:15-21. For example, a "condominium hotel owned by a number of various investors that would not traditionally be able to sign a franchise agreement." *Id.* at 7:3-6. At the time of Mr. Collins's testimony deposition, applicant provided services to eight 3 PALMS hotels in the United States, one each in California, Georgia and South Carolina, and five in Florida. *Id.* at 9. Two of ABF's 3 PALMS hotels have closed or stopped using 3 PALMS, one in Texas and another in Indiana. *Id.* at 11. In addition to the three involved concurrent use applications, ABF also owns an uninvolved, geographically unrestricted application for registration of the following mark [\*\*1544]



for "Hotel and motel services." <sup>3</sup>

[\*8]

Abbott is the sole owner and manager of Blue Sky Equity Partners, LLC, which in turn is the sole owner of his 3 PALMS hotel in Scottsdale, Arizona. Abbott Test. Tr. at 8, 70; Abbott Disc. Tr. at 10, 155; Abbott's Int. Resp. No. 15. Abbott also owns other hotels operating under different marks. He purchased his first hotel, Big Bear Frontier, in Big Bear California, in 2001, followed by the 3 Peaks Resort and Beach Club in South Lake Tahoe, California, 7 Springs Inn and Suites and Caliente Tropics Hotel, both in Palm Springs, California and, in 2004, the 3 PALMS Hotel in Scottsdale. Abbott Test. Tr. at 9-11; Abbott's Int. Resp. No. 17-18. Abbott no longer owns Big Bear Frontier. *Id.* Abbott also owns BIZX, LLC, a "web media business" which "creates, purchases, and then owns and operates websites and a number of different verticals including travel and telecommunications and other marketplaces," the goal of which is to "optimize" websites so that they "show up in the top of the search engines in Google and Bing and Yahoo, and then we sell advertising on these websites to other hotels and other advertisers." Abbott Test. Tr.

<sup>3</sup> Application Serial No. 77529087, filed July 23, 2008, alleging first use dates of June 1, 2008, with "HOTEL" disclaimed.

at 11-12. Abbott owns an uninvolved, geographically unrestricted [\*9] application for registration of 3 PALMS, in standard characters, for "hotel services." <sup>4</sup>

Applicant's uninvolved geographically unrestricted application has been suspended pending disposition of Abbott's uninvolved geographically unrestricted application, and Abbott's uninvolved geographically unrestricted application has been suspended pending disposition of applicant's involved concurrent use applications.

### **The Parties' Concurrent Use of 3 PALMS, and Third-Parties' Use of PALMS for Hotels**

There is no dispute that as between the parties, Abbott was the first to use 3 PALMS, in April 2004 at the Scottsdale location. Stipulation; Abbott's Int. Resp. Nos. 1, 2; Elbers Disc. Tr. at 8-10; ABF's Int. Resp. No. 5. At the time, Abbott's Scottsdale hotel operated under the trade name and service mark 3 PALMS RESORT OASIS, but in 2007 Abbott changed the hotel's trade name and service mark to 3 PALMS HOTEL, [\*10] "[b]ecause it was too long of a name to say, and people didn't understand what we necessarily meant when we said 'Resort Oasis.'" Abbott Disc. Tr. at 130-131. More specifically, hotel guests complained that the hotel "didn't fall into the category of a resort, and so there were people complaining because maybe they thought there should be lawns or golf courses or whatever, and basically it was a hotel. So we thought the property was better represented by just using the word hotel as opposed to resort." Abbott Test. Tr. at 34:21-35:1.

Abbott has not offered hotel services under 3 PALMS outside of the Scottsdale location, but has made fairly extensive use of the mark on the Internet. While Abbott has designated information regarding his promotional efforts as "highly confidential," and the evidence will therefore only be addressed generally here, suffice it to say that Abbott promotes his 3 PALMS HOTEL via advertisements placed on prominent Internet search engines and travel-related websites, and through listings on various directories accessible online. Abbott Int. Resp. Nos. 7-8. Abbott's advertising expenses appear to be fairly substantial for a single hotel the size of 3 PALMS, [\*11] which has approximately 135 rooms. Abbott Test. Tr. at 11:3; Condon Test. Tr. at 14-17 and Exs. 103-104.

Abbott's 3 PALMS HOTEL has also received unsolicited media attention. Abbott Test. Tr. at 54-58 and Exs. 106-109. Abbott claims that "[a]pproximately 50% of our customers come from outside of Arizona." Abbott's Int. Resp. Nos. 7-8. Consumers may book rooms at Abbott's 3 PALMS hotels via the Internet. Abbott Disc. Tr. at 210-216. Abbott testified and introduced evidence that his hotel sometimes appears on the Internet in proximity to one or more of ABF's 3 PALMS hotels, and that some of ABF's 3 PALMS hotels have received negative consumer reviews on tripadvisor.com. Abbott Test. Tr. at 62-69 and Exs. 83, 110-115.

[\*\*1545] According to Abbott, the Internet is extremely important to his 3 PALMS hotel and the hotel business generally.

... it's my view that for the last five, six, ten years, starting 15 years ago, but especially in the last five or six years, that the hotel market, business is done online. For my hotel, for the 3 Palms Hotel, 100 percent of our business comes from online marketing. That means distribution channels like Expedia online, Travelocity, Orbitz, we refer [\*12] [to] them as extranet partners or distribution partners. Then there's informational websites like Trip Advisor. There's a huge resource in the travel market. So to have your hotel listed on Trip Advisor and to have good reviews is hugely important. Hugely important. Then marketing on other kind of websites like local websites, like Scottsdale.com. national websites like YellowPages.com, SmartPages.com, SuperPages.com, these are all national providers. So if you lived in your home in Florida, for instance, and you wanted to travel to Scottsdale, you might look on Expedia. You might search Google. You might go to SuperPages.com. And typically you're either going to search by name of the property if you've stayed there before and like them or if somebody's mentioned them to you, or you're going to search for the geographic, you might say "Scottsdale hotel." So the other thing is search, where you are in the search engines. So right now, my hotel out there, 3 Palms is usually very high in the search. It's usually number one or two in the organic

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<sup>4</sup> Application Serial No. 77525894, filed July 18, 2008, alleging first use dates of April 30, 2004.

search, the free search. And then we work very hard to move it up into the organic searches for other sorts of terms like "Scottsdale hotel" [\*13] or "hotel in Scottsdale," you know ... In the old days you would have revenue managers that would do all kinds of things, but now that it's all web-centric it has become much more efficient for us to market the hotel and so that's all part of our plan.

Abbott Disc. Tr. at 80-81. The Internet is important not only to Abbott's hotel marketing, but to also his sales. "I would say for us and every other hotel the primary way rooms are sold these days is on the Internet." *Id.* at 221-222.

Abbott claims that since "the later part of 2006" he has intended to expand his use of 3 PALMS to other hotels which he "has identified at various times in connection with his search for hotel properties ... though there is no specific location at the present time." Abbott Int. Resp. No. 1. Abbott specifically identified eight hotels "for which offers have been made or where loan commitments have been sought," between January 2007 and September 2009, including two in Arizona, three in New Mexico and three in Southern California. Abbott claims that he "was also considering the possibility of acquiring a hotel in Oregon or the state of Washington." Abbott's Int. Resp. Nos. 1, 3, 4, 5. Over the [\*14] past "10 to 12 years," Abbott has made approximately 40-50 offers to purchase additional hotels, many of which he intended to rebrand as 3 PALMS hotels. Abbott Test. Tr. at 13-25 and Exs. 76-82.

However, every one of Abbott's 40-50 purchase offers made with the intention of expanding 3 PALMS or other brands was rejected, and despite his apparent attempts to do so, Abbott has not expanded his use of 3 PALMS beyond the Scottsdale physical location. Abbott has not offered to purchase any hotels in states other than Arizona, New Mexico and California. *Id.* at 80:9-13. Abbott has not placed or distributed print advertisements in states other than Arizona, California and Nevada. *Id.* at 81:23-25.

While several of Abbott's written offers to purchase hotels have been introduced into evidence, none of the documents refer to the 3 PALMS mark or Abbott's intentions with respect thereto. Abbott Test. Tr. Exs. 76-82. In fact, Abbott has no documents or written materials explaining or supporting his apparent attempt to expand his use of 3 PALMS beyond his single property in Scottsdale, Arizona. In any event, Abbott's business manager recalled discussions with Abbott concerning his intention [\*15] to expand his use of 3 PALMS to other hotels. Condon Test. Tr. at 6-9 and 21-22. In addition, Abbott claimed during discovery that he discussed his expansion plans with some of his friends and colleagues, including Roger Sheppard, Harry Stylii and John Ferry, and Messrs. Stylii and Ferry generally recalled at least one discussion with Mr. Abbott regarding plans to expand the 3 PALMS brand, while Mr. Sheppard recalled several discussions with Mr. Abbott concerning Abbott's plans to expand the 3 PALMS brand to additional hotels in Arizona, New Mexico and California. Abbott Disc. Tr. at 109-111; Stylii Test. Tr. at 7, 12-15; Ferry Test. Tr. at 9-10; [\*1546] Sheppard Test. Tr. at 7-14. The witnesses all agreed that as a result of the financial crisis in 2007 and 2008, which limited banks' ability or willingness to lend, Abbott's expansion plans were postponed or "blunted." Abbott Test. Tr. at 91-93; Condon Test. Tr. at 9; Stylii Test. Tr. at 10; Ferry Test. Tr. at 9.

In 2008, Abbott put the Scottsdale 3 PALMS HOTEL up for sale, due to "issues" between Mr. Abbott and his business partner, in an attempt "to figure out a valuation or to figure out if there was a buyer that liked it." Abbott Disc. [\*16] Tr. at 120-21; Abbott Test. Tr. at 28-30. If a bidder had met Abbott's asking price, Abbott would have sold the hotel. Abbott Disc. Tr. at 129-30.

Abbott intends for his 3 PALMS brand to identify "full-service" hotels, in that he intends to use the mark for hotels with a bar and restaurant. Abbott Disc. Tr. 104:21-22. More specifically, "I'm waiting to see where this [trademark] battling comes out, but at the end of the day, I would like to wrap everything up into a master brand but then have the specific type of hotel, which is that, what I call taking that lower end box, if you will, and stuffing it full of high-end amenities with a full-service restaurant. That's what I envision being the 3 Palms Hotel brand." *Id.* at 105:15-22. Abbott testified that generally additional 3 PALMS hotels would have more than 100 rooms. Abbott Test. Tr. at 22:16.

ABF began using its 3 PALMS mark in mid-2008 in Central Florida, at the Castle Pines in Port St. Lucie and Palms Hotels & Villas and Destiny Palms Hotels in Kissimmee. Collins Disc. Tr. at 23-32 and Ex. 1. ABF claims that at the

time it first started using 3 PALMS, it was unaware of Abbott's hotel or his use of 3 PALMS. ABF's Int. Resp. [\*17] No. 17; Collins Disc. Tr. at 11-14; Collins Test. Tr. at 11-12; Elbers Disc. Tr. at 10-13; Yarborough Disc. Tr. at 10-12. ABF first learned of Abbott's use of 3 PALMS in "mid June 2008." ABF's Int. Resp. No. 17; Collins Disc. Tr. at 12:24.

Thereafter, the following 3 PALMS hotels, each of which has a services agreement with applicant, opened as indicated:

- . The Historic Riverboat Inn -- a 3 Palms Hotel, Madison, IN, October 2008
- . 3 Palms Oceanfront, Myrtle Beach, SC, March 2009
- . The Beverly Hills Inn -- a 3 Palms Hotel, Atlanta, GA, July 2009
- . The Beach Plaza -- a 3 Palms Hotel, Fort Lauderdale, FL, January 2010
- . 3 Palms Hotel, Bay City, MI, mid-2010
- . Napa Valley Hotel & Suites, a 3 Palms Hotel, Napa, California, July 2011

ABF's Int. Resp. No. 5; Mathon Test. Tr. Exs. 9, 13; Collins Test. Tr. p. 9, 18; Elbers Test. Tr. p. 26. In addition to the ABF 3 PALMS "client" hotels identified above, ABF provides services to approximately "45 to 50" hotels in California and "3 or 4" hotels in Arizona operating under different brands, but does not provide services to any hotels in Nevada or New Mexico. Collins Disc. Tr. at 20-21.

ABF promotes its [\*18] services and client 3 PALMS hotels at trade shows, including the Asian-American Hotel Owners Association trade show and the Hotel Operations and Technology show, has received media attention in trade journals, such as *Hotel/ Motel Management*, *Lodging & Hospitality*, *Asian Hotel Marketing* and *Hotel Business*, and has advertised in a military magazine, *The Griffon*. Elbers Disc. Tr. at 28-29 and Mathon Test. Tr. Exs. 25, 53-59, 65, 74-75. ABF also markets the 3 PALMS brand through its own website, by assisting its client hotels in setting up their own websites and through a "brand-specific Youtube channel." Elbers Disc. Tr. at 29-30. On a more limited basis, ABF advertises directly to consumers. Mathon Test. Tr. at 87 and Exs. 71-72. Like Abbott, ABF promotes its 3 PALMS mark on the Internet, and consumers may book reservations at ABF's 3 PALMS hotels via the Internet. Collins Disc. Tr. at 18-20; Elbers Disc. Tr. at 18, 28-30.

ABF's 3 PALMS client hotels are at the "mid-price to upper scale" of ABF's family of hotel brands, and are targeted to "destination" or "resort" locations. Collins Disc. Tr. at 37:2-21; Yarborough Disc.. Tr. at 13:13-14; Elbers Test. Tr. at 26: [\*19] 8-9. The 3 PALMS brand is positioned as "upscale." Elbers Disc. Tr. at 44:18. As Mr. Elbers explained:

Budget/economy would be -- I'm not meaning this in a disparaging way -- but would be the Red Carpets of the world. And the ultra-upscale would be the Ritz-Carltons of the world. 3 Palms falls in the upscale category, as it is recognized by Smith Travel Research, which is one of the leading market metric providers in our industry. "Upscale" meaning providing additional [\*\*1547] services above and beyond what would be considered a mid-scale hotel, "mid-scale" being, I would say, Comfort Suites, Comfort Inn, Hampton. "Upscale" would be a property that might include an on-site restaurant, a fitness center, upscale amenities, meeting space. It would be in a resort or a destination location, a higher-quality property, specifically.

Elbers Test. Tr.. at 25:7-24.

Neither party is aware of any actual confusion between their respective 3 PALMS marks. Collins Test. Tr. at 15-16; Elbers Disc. Tr. at 14:9; Elbers Test. Tr. at 28-29; Yarborough Disc. Tr. at 15-16; Abbott Test. Tr. at 87-88.

ABF introduced evidence that PALMS is commonly registered, and commonly used, for hotels. Among others, [\*20] the following marks are used on the Internet and federally registered for hotels and/or hotel-related services such as rental, booking and reservation services: PALMS, LITTLE PALM ISLAND, MAYA PALMS RESORT, OCEANA PALMS, PACIFIC PALMS CONFERENCE RESORT, ROYALE PALMS, WILD PALMS HOTEL, TEMPE

MISSION PALMS,



ABF's NOR Tabs 3-39. Among others, the following marks are used, at least on the Internet, for hotels: COLONY PALMS Hotel, DESERT PALMS, GAYLORD PALMS RESORT & CONVENTION CENTER, ROYAL PALMS, ROYAL PALM, RIVER PALMS, THE PALMS HOTEL & SPA, THE PALMS HOTEL, THE PALMS OF DESTIN,



*Id.*

### **Analysis**

Concurrent use proceedings are governed by the following proviso of [15 U.S.C. § 1052\(d\)](#):

... if the Director determines that confusion, mistake, or deception is not likely to result from the continued use by more than one person of the same or similar marks under conditions and limitations as to the mode or place of use of the marks or the goods on or in connection with which such marks are used, concurrent registrations may be issued to such persons when they [\*21] have become entitled to use such marks as a result of the concurrent lawful use in commerce prior to (1) the earliest of the filing dates of the applications pending or of any registration issued under this chapter ...

In other words, there are two "conditions precedent to the issuance of concurrent registrations," specifically that: (1) "the parties be presently entitled to concurrently use the mark in commerce;" and (2) "there be no likelihood of confusion, mistake or deception in the market place as to the source of the goods resulting from the continued concurrent use of the trademark." [In re Beatrice Foods Co., 429 F.2d 466, 57 C.C.P.A. 1302, 166 USPQ 431, 435-36 \(CCPA 1970\)](#). See also, [Action Temporary Services, Inc. v. Labor Force, Inc., 870 F.2d 1563, 10 USPQ2d 1307, 1309 \(Fed. Cir. 1989\)](#) ("A [\*1548] valid application cannot be filed at all for registration of a mark without 'lawful use in commerce,' and, where a claim is made of concurrent rights, such use must begin prior to the filing date of any application by a conflicting claimant to the mark.") (citation omitted); [Over the Rainbow, Ltd. v. Over the Rainbow, Inc. 227 USPQ 879, 882 \(TTAB 1985\)](#). [\*22]

The applicant is the plaintiff in a concurrent use proceeding, and "has the burden of proof of demonstrating its entitlement to a concurrent use registration." [Over the Rainbow, 227 USPQ at 883](#). See also, [Gray v. Daffy Dan's](#)

[Bargaintown, 823 F.2d 522, 3 USPQ2d 1306, 1308-09 \(Fed. Cir. 1987\)](#) (concurrent use plaintiff "was not 'entitled' to [a concurrent use] registration unless he also satisfied the 'touchstone' requirement of no likelihood of confusion with [the defendant's] use"); [Trademark Rule 2.99\(e\)](#). In a concurrent use registration, the "conditions and limitations as to the mode or place of" use almost always take the form of a "geographic restriction," especially where the Board, rather than a court, approves registration based on evidence regarding the actual "conditions and limitations." See [Holmes Oil Co., Inc. v. Myers Cruizers of Mena, Inc., 101 USPQ2d 1148, 1149 \(TTAB 2011\)](#); [The Tamarkin Co. v. Seaway Food Town Inc., 34 USPQ2d 1587, 1590 n.4 \(TTAB 1995\)](#). Relevant evidence "may be offered and the respective rights of the parties to registration should be determined on the basis of the facts as they [\*23] exist up to and until the close of the testimony period." [Nark, Inc. v. Noah's, Inc., 212 USPQ 934, 944 \(TTAB 1981\)](#).

### **Jurisdiction**

Here, the first condition to issuance of concurrent use registration (s), which is "primarily jurisdictional in nature," [In re Beatrice Foods Co., 429 F.2d 466, 166 USPQ at 436](#), has been met. In fact, the evidence of record is uncontroverted and consistent, and we find, that ABF adopted its marks in good faith, in its own geographic area of Central Florida, and without knowledge of Abbott's prior use of 3 PALMS. Abbott Test. Tr. 80:9-13, 81:23-25; Collins Disc. Tr. at 11-14 and 23-32 and Ex. 1; ABF's Int. Resp. No. 17; Collins Test. Tr. at 11-12; Elbers Disc. Tr. at 10-13; Yarborough Disc. Tr. at 10-12. Moreover, ABF "began using its mark for [its] services prior to the filing date of" Abbott's geographically unrestricted application. [CDS, Inc. v. I.C.E.D. Management, Inc., 80 USPQ2d 1572, 1580 \(TTAB 2006\)](#). See also, [Gray v. Daffy Dan's Bargaintown, 823 F.2d 522, 3 USPQ2d 1306, 1308 \(Fed. Cir. 1987\)](#); [Ole' Taco Inc. v. Tacos Ole, Inc., 221 USPQ 912, 915 \(TTAB 1984\)](#) [\*24] (where uncontroverted evidence established the concurrent use applicant's use before the excepted registrant's filing date, "[w]e have no reason to assume that this was other than an innocent use without notice of registrant's use and activity under the [involved] mark"). Under circumstances such as those presented here, "it is settled law that each party has a right to use its mark in its own initial [geographic] area of use." [Weiner King, Inc. v. The Wiener King Corp., 615 F.2d 512, 204 USPQ 820, 829 \(CCPA 1980\)](#); [Woman's World Shops Inc. v. Lane Bryant Inc., 5 USPQ2d 1985, 1987-88 \(TTAB 1985\)](#) ("concurrent use rights arise where a party, in good faith and without knowledge of a prior party's use in another geographical area, adopts and uses the same or similar mark for the same or like goods or services within its own geographical area with a measure of commercial success and public recognition without any resulting confusion as to source").<sup>5</sup>

### **[\*25]**

While the parties' rights to use their respective marks in their initial areas of use are thus established, here, as in *Wiener King*, what remains "[i]n dispute ... are the registrable rights to the remainder of the United States possessed by each party." [Wiener King, 615 F.2d 512, 204 USPQ at 829](#) (emphasis supplied); see also, [Alfred Dunhill of London, Inc. v. Dunhill Tailored Clothes, Inc., 293 F.2d 685, 49 C.C.P.A. 730, 1961 Dec. Comm'r Pat. 575, 130 USPQ 412, 418-20 \(CCPA 1961\)](#).

We have concluded that in concurrent use proceedings in which neither party owns a registration for the mark, the starting point for any determination as to the extent to which the registrations are to be territorially restricted should be the conclusion that the prior user is prima facie entitled to a registration covering the entire United States. Such a prior user, who applies for a registration before registration is granted to another party, is entitled to a registration having [\*1549] nationwide effect no less than if there were no concurrent user having registrable rights. His rights and, therefore, his registration, should be limited only to the extent that any other subsequent user, who can [\*26] establish the existence of rights earlier than the prior user's application for registration, can also prove a likelihood of confusion, mistake or deception.

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<sup>5</sup> In fact, like the concurrent use proviso of [Section 2\(d\)](#) of the Act which governs this proceeding, the common law also recognizes an exception to the general principal that a trademark's function is to identify a single source of a product or service. [CF., United Drug Co. v. Rectanus Co., 248 U.S. 90, 39 S. Ct. 48, 63 L. Ed. 141, 1918 Dec. Comm'r Pat. 369 \(1918\)](#); [Hanover Star Milling Co. v. Metcalf, 240 U.S. 403, 36 S. Ct. 357, 60 L. Ed. 713, 1916 Dec. Comm'r Pat. 265 \(1916\)](#); see also, [Nark, Inc., 212 USPQ at 943](#).

*In re Beatrice Foods*, 429 F.2d 466, 166 USPQ at 436. However, this presumption, articulated in *Beatrice*, can be overcome, as further discussed *infra*. In this case, as in *Wiener King*, the parties' dispute over registrable rights is somewhat complex, because as between the parties, ABF, the concurrent use applicant, sought registration first and "underwent a large portion of its expansion after notice of the existence of" Abbott and his prior use of 3 PALMS in Arizona. *Wiener King*, 615 F.2d 512, 204 USPQ at 829. In any event, before considering the geographic scope of the parties' registrable rights, if any, we first consider the second "condition precedent" or threshold question, i.e. whether, with an appropriate geographic restriction, there would "be no likelihood of confusion, mistake or deception in the market place as to the source of the goods resulting from the continued concurrent use of the trademark." *In re Beatrice Foods*, 429 F.2d 466, 166 USPQ at 435-36. [\*27]

### **Likelihood of Confusion**

The parties' services are identical, and in the absence of any limitations as to channels of trade in ABF's involved applications, ABF's services are presumed to be offered in all normal channels of trade for hotel services. *Octocom Systems, Inc. v. Houston Computer Services, Inc.*, 918 F.3d 937, 16 USPQ2d 1783, 1787 (Fed. Cir. 1990). Moreover, the evidence of record establishes that the parties' services in fact are offered in the same channels of trade, specifically the Internet.

The parties' marks are also at least somewhat similar. ABF seeks concurrent use registrations for the following marks:



while Abbott uses 3 PALMS in standard characters and in the following form:



. Because the literal elements of the parties' marks are in part identical, and both parties' marks include representations of palm trees, consumers may very well be confused if the parties' marks were used in the same geographic area. However, that is not the question before us.

The question before us is whether a likelihood of confusion would be avoided by a geographic [\*28] restriction. We find based on the record herein that confusion would not be likely with an appropriate geographic restriction. First, ABF has established that PALMS is used by a number of third parties for hotel services, and that such third party hotel services are marketed and sold via the Internet, so much so that OCEANA PALMS, ROYAL PALMS, ROYALE PALMS, COLONY PALMS, DESERT PALMS, THE PALMS HOTEL, THE PALMS HOTEL & SPA, PALMS and many other PALM marks for hotels coexist, including, in some cases, in the same state, are advertised on the Internet, and many have valid and subsisting federal trademark registrations on the Principal Register

[\*\*1550] without any geographic restrictions.<sup>6</sup> And the evidence establishes that a number of hotels not only use the word PALMS, but do so with a design including palm trees, such as Abbott's and ABF's marks in this case. Accordingly, Abbott's mark is quite weak as a result of widespread third-party use throughout the country, which significantly minimizes the likelihood of consumer confusion. [King Candy Co. v. Eunice King's Kitchen, Inc., 496 F.2d 1400, 182 USPQ 108, 109-10 \(CCPA 1974\)](#) ("The expressions 'weak' and 'entitled to limited [\*29] protection' are but other ways of saying . . . that confusion is unlikely because the marks are of such non-arbitrary nature or so widely used that the public easily distinguishes slight differences in the marks under consideration . . ."); [In re Hartz Hotel Services, Inc., 102 USPQ2d 1150, 1155 \(TTAB 2012\)](#) ("Because of the highly suggestive nature of the mark 'Grand Hotel,' the proliferation of registered 'Grand Hotel' marks and the unregistered uses of 'Grand Hotel' marks, the mark 'Grand Hotel,' itself, is entitled to only a very narrow scope of protection or exclusivity of use . . . we conclude that consumers are able to distinguish between different GRAND HOTEL marks based on small differences in the marks . . ."); [In re Broadway Chicken, Inc., 38 USPQ2d 1559, 1565-66 \(TTAB 1996\)](#) ("Evidence of widespread third-party use, in a particular field, of marks containing a certain shared term is competent to suggest that purchasers have been conditioned to look to the other elements of the marks as a means of distinguishing the source of goods or services in the field."); [Steve's Ice Cream v. Steve's Famous Hot Dogs, 3 USPQ2d 1477, 1479 \(TTAB 1987\)](#). [\*30]

Second, and perhaps more importantly, a geographic restriction would make confusion unlikely, especially where purchasers have been conditioned, when faced with hotel marks containing the terms PALM or PALMS, or designs comprised of palm trees, to consider other factors when choosing a hotel. In fact, we have often found that a geographic restriction is sufficient to avoid confusion between identical or highly similar marks (some apparently stronger than those involved here), which are used for identical or highly similar goods or services. See e.g., [Wiener King, 615 F.2d 512, 204 USPQ 820](#) (concurrent use registrations for WIENER KING with and without design for hot dog restaurants issued despite geographically separate use of WEINER KING with and without design for hot dog restaurants); [CDS Inc., 80 USPQ2d 1572](#) (concurrent use registration [\*31] for THE COPY CLUB for copying and related services issued despite geographically separate use of COPY CLUB for identical services); [Georgia-Southern Oil Inc. v. Richardson, 16 USPQ2d 1723 \(TTAB 1990\)](#) (concurrent use registration for HUNGRY HARVEY for retail convenience store services issued despite geographically separate use of HUNGRY HARVEY'S for restaurant and convenient store services); [Pinocchio's Pizza Inc. v. Sandra Inc., 11 USPQ2d 1227 \(TTAB 1989\)](#) (concurrent use registration for PINOCCHIOS for restaurant services featuring pizza issued despite geographically separate use of PINOCCHIO'S for restaurant services, and despite finding "that confusion in the marketplace, if the marks are used in the same geographical area, is not only likely but certain"); [Thriftmart, Inc. v. Scot Lad Foods, Inc., 207 USPQ 330 \(TTAB 1980\)](#) (concurrent use registration for THRIFTMART for retail supermarket services issued despite geographically separate use of THRIF-T-MART for identical services). As the predecessor to our primary reviewing court stated:

Opposer seems to regard it as an impossibility that two parties can own and register [\*32] the same trademark. Not only is that a commonplace where there is sufficient difference in goods, even as to identical marks . . . but the concurrent registration provisions of [section 2\(d\)](#) contemplate it even in the case of the same or similar goods.

[Alfred Dunhill, 293 F.2d 685, 130 USPQ at 418.](#)

While Abbott acknowledges that the parties offer hotel services under their respective 3 PALMS marks in geographically distinct physical locations, he nonetheless argues that because both parties "cater to those who travel to different locations to use the services," and the parties' marketing efforts "overlap" on the Internet, which is in fact the "channel of distribution" for the parties' services, the relevant territory here "is the entire country." Abbott's Trial Brief at 20-21. We disagree. Hotel services are by definition rendered in a particular geographic location, even [\*1551] if they are also offered, by the same ultimate source, in other geographic locations under

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<sup>6</sup> See e.g. Registration Nos. 2027319, 2528623, 2736238, 2773483, 3026530, 3391678, 3144011, 3341336, 3537139, 3594538, 3698800 and 3781730.

the same mark. In fact, a hotel's physical location is among its most salient features, as Abbott himself essentially acknowledged. Abbott Disc. Tr. at 80-81 ("or you're going to search for the geographic, [\*33] you might say "Scottsdale hotel" ). Thus consumers, already conditioned to focus less on PALMS and palm trees than other features of the parties' marks, will also be unlikely to be confused because those searching for an Arizona hotel will not encounter any of ABF's 3 PALMS hotels.

Furthermore, while the record establishes that both parties make extensive use of the Internet, and that the Internet is a vitally important channel of trade and distribution for the parties' hotel services, we do not believe that this renders the Act's concurrent use proviso moot in this case.

Obviously, the concurrent use provision in the Trademark Act existed long prior to the creation of the Internet. We do not believe that the creation of the Internet has rendered the concurrent use provision of the Trademark Act moot. Indeed, in a case that predated the Internet but nonetheless involved advertising and customer solicitation in overlapping areas, the Federal Circuit determined that concurrent registrations were still acceptable. In [Amalgamated Bank of New York v. Amalgamated Trust & Savings Bank, 842 F.2d 1270, 6 USPQ2d 1305 \(Fed. Cir. 1988\)](#), the parties had agreed that the [\*34] New York bank was entitled to nationwide registration with the exception of the state of Illinois. However, the agreement specifically noted that "nothing in this agreement will preclude Amalgamated New York from conducting advertising which might enter in the State of Illinois or from dealing with customers who happen to be located in the State of Illinois." [6 USPQ2d at 1306](#). A similar provision applied to the Illinois bank. While that case involved a consent agreement, it is clear from the decision that overlapping advertising and customer solicitation does not require a determination that there is a likelihood of confusion. See also [Terrific Promotions, 36 USPQ2d at 1352](#) (Mention of concurrent user in in-flight airline magazine and New York magazine did not prevent issuance of concurrent use registrations) .

[CDS Inc., 80 USPQ2d at 1583](#). Furthermore, in [Allard Enterprises, Inc. v. Advanced Programming Resources, Inc., 249 F.3d 564, 58 USPQ2d 1710, 1717 \(6th Cir. 2001\)](#), cited in CDS, a junior user was enjoined from using its mark in the geographic area where the prior user had superior rights. However, [\*35] the appellate court "declined to affirm" the district court's holding that its injunction "necessarily precludes any use of the mark by the [junior user] on the Internet." Instead, the case was remanded with instructions for the district court to consider "cases addressing the role of national advertising by parties with concurrent trademark rights." In such cases, courts have found that the elimination of all possible confusion which might arise from overlapping advertising is not necessary. See e.g., [Thrifty Rent-A-Car System, Inc. v. Thrift Cars, Inc., 831 F.2d 1177, 4 USPQ2d 1709, 1714 \(1st Cir. 1987\)](#) ("While we recognize that some consumer confusion may result because there will be some overlap in advertising, the Lanham Act does not require the complete elimination of all confusion."); [All Video, Inc. v. Hollywood Entertainment Corp., 929 F. Supp. 262, 40 USPQ2d 1130, 1135 \(E.D. Mich. 1996\)](#) ("Congress recognized and accepted that some level of confusion would inevitably result from allowing a limited defense for junior users" ). And here, it is important to keep in mind what Abbott advertises and sells via the Internet - hotel rooms located [\*36] at his sole 3 PALMS location in Scottsdale. Cf. [Over the Rainbow, 227 USPQ at 883-84](#) (finding likelihood of confusion because "[u]sers have franchise stores and have had mail order sales in many of the same states where applicant now has licensees," recognizing that "[t]his is not a case where the senior user has been content to limit the use of its mark to a relatively small geographic area and has not sought to expand its business either in volume or geographic area" ).

Because Abbott has not expanded beyond the single Scottsdale location, and the record does not establish that Abbott's 3 PALMS hotel enjoys a reputation beyond Arizona, the fact that both parties' services are promoted and offered online is not enough to result in a likelihood of confusion.

We do not doubt that Brennan's New Orleans's history is notable. But virtually all the articles and reviews discuss Brennan's New Orleans in the context of the City of [\*1552] New Orleans or a trip to New Orleans. This evidence in no way demonstrates that potential diners in *New York City* who find the word Brennan's on

a restaurant awning will have any reason to think the restaurant is connected with Brennan's [\*37] New Orleans, or even will have heard of Brennan's New Orleans. This is especially true because Brennan's New Orleans has not expanded in or near New York, defendant Terrance Brennan has his own reputation in New York, and Brennan is a common name.

[Brennan's, Inc. v. Brennan's Restaurant, LLC, 360 F.3d 125, 69 USPQ2d 1939, 1944 \(2d Cir. 2004\)](#) (emphasis in original). In [Brennan's](#), the Court "did not disagree with" what is essentially Abbott's argument here, that "[c]ertain businesses such as hotels, and to a lesser degree restaurants, attract the traveling public. Courts have recognized that even businesses that are separated by large distances may attract overlapping clientele due to the ease of travel." Nevertheless, the Court found that "in the absence of actual confusion or bad faith, substantial geographic separation remains a significant indicator that the likelihood of confusion is slight," and that "geographic remoteness is critical in this case." The Court went on to affirm the denial of a preliminary injunction because the plaintiff failed to establish a likelihood of confusion. [Id. at 1945-46](#). Cf. [Tisch Hotels, Inc. v. Americana Inn, Inc., 350 F.2d 609, 146 USPQ 566 \(7th Cir. 1965\)](#) [\*38] (finding likelihood of confusion between two geographically separated hotels based on plaintiff's extensive national advertising, the parties' virtually identical marks including virtually identical stylization, and the finding that "defendants adopted plaintiffs' name deliberately with a view to obtaining some advantage from plaintiff's investments in promotion and advertising" ); [Stork Rest. v. Sahati, 166 F.2d 348, 76 USPQ 374 \(9th Cir. 1948\)](#) (finding likelihood of confusion between a geographically separated bar and nightclub, where the plaintiff was called "the best and most publicized night club in the entire world," and found to have a strong mark, and "[t]he conclusion [was] inescapable that the appellees are seeking to capitalize on the publicity that the appellant has built around the name").

In short, the evidence in this case does not establish that Abbott's mark is even close to as strong as the plaintiffs' marks in [Tisch](#) and [Stork](#), or even for that matter as strong as the plaintiff's mark in [Brennan's](#), nor does the evidence establish that consumers outside of Arizona are familiar with Abbott's Scottsdale hotel. To the contrary, in his [\*39] brief, Abbott clearly states that he "does not purport to have a nationwide reputation." Abbott's Trial Brief at 26. And here, there is no evidence that ABF adopted Abbott's mark with the intent to capitalize on it, which further distinguishes this case from [Tisch](#) and [Stork](#).

Finally, we find that the lack of actual confusion in this case is at least somewhat relevant. Abbott claims that the parties' use of 3 PALMS has "overlapped" on the Internet for approximately four years, and in fact this is Abbott's primary argument in support of a finding that there is a likelihood of confusion between the parties' marks. As a result of this overlapping Internet use for several years, "we find that there has been a reasonable opportunity for confusion to have occurred and that the lack of any reported instances of confusion weighs against finding that there is a likelihood of confusion." [Citigroup Inc. v. Capital City Bank Group, Inc., 94 USPQ2d 1645, 1662, \(TTAB 2010\), aff'd, 637 F.3d 1344, 98 USPQ2d 1253 \(Fed. Cir. 2011\)](#). To the extent that the parties' marks appear in close proximity on "tripadvisor.com" or elsewhere on the Internet, that mere proximity [\*40] does not equate to actual confusion, especially where the parties' hotels are listed separately, and Abbott does not claim otherwise. 

### **Territory**

Having determined that confusion is not likely with an appropriate geographic restriction, we must now determine the geographic territory to which each party is entitled. In doing so, we are not limited to considering only ABF's actual trademark use prior to Abbott's filing date.

The Commissioner of Patents has the statutory responsibility to make sure that concurrent registrations are limited so as to prevent the likelihood of confusion, mistake or deception from occurring. Where a party has submitted evidence sufficient to prove a strong probability of future expansion of his trade into an area, that area would then become an area of likelihood of confusion if a registration covering it was granted to the other party. For example, many forms of evidence which would ordinarily be proffered [\*1553] to show a likelihood of *expansion* would be the same kind submitted to argue a likelihood of *confusion* if another party began use of the mark in that area. Thus, based on the premise that territorially restricted registrations [\*41] must issue

and, further, that said registrations combined will encompass the entire United States, if a likelihood of confusion is to be avoided, the territories of the parties must be limited in such a way as to exclude from each the area of probable expansion of the other party.

[In re Beatrice Foods, 166 USPQ at 437-38](#). More specifically,

actual use in a territory [is] not necessary to establish rights in that territory and the inquiry should focus on the party's (1) previous business activity; (2) previous expansion or lack thereof; (3) dominance of contiguous areas; (4) presently-planned expansion; and, where applicable (5) possible market penetration by means of products brought in from other areas.

[Wiener King, 615 F.2d 512, 204 USPQ at 830](#).

Furthermore, as the predecessor to our primary reviewing court pointed out in *Wiener King*, "there is a policy of encouraging prompt registration of marks by rewarding those who first seek registration under the Lanham Act," in this case ABF. [Id., 204 USPQ at 830](#). Perhaps not coincidentally, the concurrent use proviso of [Section 2\(d\)](#) "exhibits no bias in favor [\*42] of the prior user." [Id. at 831](#).

With these principles in mind, we find that ABF has established rights in the territory claimed in its involved applications, i.e. "the entire United States except the state of Arizona." Abbott's use of 3 PALMS has been static, limited to providing hotel services in Scottsdale, Arizona since his date of first use. While Abbott has expressed to friends and colleagues an intention to expand his use, none of his 40-50 offers to acquire additional hotels for operation under the 3 PALMS mark has been accepted--a fact which severely undermines the probative value of his alleged expansion plans.

For example, in another case, the New York-based excepted user owned a single store in New York City operating under the involved mark, and eventually opened a second New York City store which later closed. It also presented testimony that it "was looking into opening" a new store in Pittsburgh, to the point that it was "proceeding with the construction." By contrast, the concurrent use applicant was rapidly expanding in many states and introduced more "definite" evidence of further expansion plans. The Board granted a concurrent use registration to the applicant [\*43] for the vast majority of the United States, excluding the areas around New York City and Pittsburgh. [Terrific Promotions Inc. v. Vanlex Inc., 36 USPQ2d 1349, 1353-54 \(TTAB 1995\)](#). See also, [Noah's Inc. v. Nark, Inc., 560 F. Supp. 1253, 222 USPQ 697, 701 \(E.D. Mo. 1983\)](#), *aff'd*, [728 F.2d 410 \(8th Cir. 1984\)](#) ("a senior party may abandon its right as a prior user to expand into a particular area or its right to enjoy nationwide protection of its mark" where it does not actively expand).

Here, Abbott's evidence of 3 PALMS-related activity or intentions beyond Arizona consists solely of Abbott's own testimony and testimony from Abbott's friends and colleagues. There is no documentary evidence of Abbott's 3 PALMS-specific expansion efforts or even his 3 PALMS-specific intentions. In [CDS Inc., 80 USPQ2d at 1582](#), we found similar testimony insufficient standing alone, and do so here. See also, [Georgia-Southern Oil, 16 USPQ2d at 1726](#) ("Other than the above referenced testimony, the record is silent regarding any additional expansion plans by applicant.") and [Ole' Taco, 221 USPQ at 917 \[\\*44\]](#) (declining to include in applicant's territory several areas requested by applicant because "the details are somewhat sketchy and not sufficiently documented to establish a truly intensive effort"); cf. [Rivard v. Linville, 133 F3d 1446, 45 USPQ2d 1374, 1376 \(Fed. Cir. 1998\)](#) (in abandonment case, affirming Board's finding that the registrant did not intend to commence use of his mark, despite his testimony to the contrary, where the registrant merely "made sporadic trips to the United States, cursory investigations of potential sites for salons, and half-hearted attempts to initiate the business relationships necessary to open a salon"). Of course, there is also no evidence that Abbott has ever come anywhere close to "proceeding with the construction" of any additional 3 PALMS hotels.

ABF, by contrast, has established with clear evidence that it has expanded significantly while Abbott's business remained static. From its origins in Florida, ABF's 3 PALMS brand grew to the point that ABF now uses 3 **[\*\*1554]**

PALMS for at least eight hotels, located on the East Coast, in the Midwest and on the West Coast. ABF's Int. Resp. No. 5; Mathon Test. Tr. Exs. 9, 13; Collins Test. Tr. p. [\*45] 9, 18; Elbers Test. Tr. p. 26.

Under these circumstances, Abbott "through inaction over a considerable period of time, abandoned [his] right to expand use of the mark ... outside of [his] trading area; and that by virtue of such abandonment, [Abbott's] prior use of the mark cannot serve to preclude [ABF], a[n] innocent user, from filling the territorial void left by" Abbott. [Nark, Inc., 212 USPQ at 947](#). We further find that ABF's previous business activities and expansion, to the point of using 3 PALMS for hotels throughout most regions of the United States, entitles it to the territory requested in its involved applications, especially because ABF was the first to seek federal registration. [Wiener King, 204 USPQ at 830-31](#).

Decision: Applicant is entitled to concurrent use registrations for the marks 3 PALMS HOTEL & Design, 3 PALMS RESORT & Design and 3 PALMS HOTELS & RESORTS & Design, as shown in application Serial Nos. 77425965, 77425988 and 77425996, for the identified services in the United States, its territories and possessions, excluding the State of Arizona. If and when the parties' geographically unrestricted applications are published [\*46] for opposition and not opposed, the Board may issue an order to show cause why those applications should not be subject to the same geographic restrictions.