

THIS OPINION
IS NOT A PRECEDENT OF
THE T.T.A.B.

Hearing:
April 9, 2008

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UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Wyeth
v.
Walgreen Co.

Opposition No. 91165912
to Application Serial No. 76594301
filed on 5/25/2004

Bruce R. Ewing and Sandra Edelman of Dorsey & Whitney LLP
for Wyeth.

Mark J. Liss and Mark A. Nields of Leydig Voit & Mayer for
Walgreen Co.

Before Drost, Walsh and Mermelstein, Administrative
Trademark Judges.

Opinion by Walsh, Administrative Trademark Judge:

Wyeth (opposer) has opposed the application by Walgreen
Co. (applicant) to register the mark WAL-VERT in standard
characters on the Principal Register for goods identified as
"antihistamines and allergy relief preparations" in
International Class 5. The application was filed on May 25,
2004, based on a claim of a bona fide intention to use the
mark in commerce under Trademark Act Section 1(b), 15 U.S.C.
§ 1051(b).

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Both parties filed briefs, and both parties took part in an oral hearing in the case on April 9, 2008.

The Grounds

As grounds for the opposition opposer claims priority and likelihood of confusion under Trademark Act Section 2(d), 15 U.S.C. § 1052(d).¹ Specifically, opposer bases its claim on its prior use of and registration of the mark in Registration No. 2835071, a registration on the Principal Register for the mark ALAVERT in standard characters for goods identified as "pharmaceutical preparations, namely allergy relief and antihistamine preparations" in International Class 5. The registration issued on April 20, 2004, and states a date of first uses of the mark anywhere and first use of the mark in commerce on December 20, 2002.

The Record

The record consists of the pleadings and the file of the opposed application.

In addition, opposer submitted notices of reliance, which include: a title and status copy of opposer's ALAVERT registration; publications regarding opposer's ALAVERT product; excerpts from the discovery depositions of applicant's officials, Richard Rinka (Rinka Disc.), Ronald

¹ In the notice of opposition, opposer also asserted dilution as a ground, but opposer has not maintained the dilution ground in its trial briefs. Accordingly, we conclude that opposer has abandoned the dilution ground.

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Belmonte (Belmonte Disc.), David Van Howe (Van Howe Disc.) and Mark DiFillipo (DiFillipo Disc.) and related exhibits; copies of certain trademark registrations owned by applicant; and copies of USPTO records related to opposer's ALAVERT application and registration. Opposer also submitted the testimonial deposition of Christopher Marschall (Marschall Test.), one of its officials, with related exhibits.

Applicant submitted notices of reliance, which include: copies of discovery depositions of opposer's officials, Christopher Marschall (Marschall Disc.) and Roger Gravitte (Gravitte Disc.). Applicant also submitted the testimonial deposition of its official, David Van Howe (Van Howe Test.), and the testimonial deposition of Barbara Deradorian, a third-party witness (Deradorian Test.).

Both parties claim that a significant amount of the evidence is confidential. Consequently, both parties also have redacted passages in their briefs which refer to this evidence. We find the claims generally reasonable. Therefore, we will refrain from referring to evidence designated as confidential in this opinion, except in instances where the parties have discussed it in their briefs without redaction or where the evidence is obviously public. This will limit our ability to discuss some of the evidence in detail.

There is only one dispute regarding the evidence remaining.² Opposer objects to the admissibility of the Deradorian survey report and related testimony. Schering-Plough, a third-party competitor of opposer, commissioned the survey to evaluate consumer perception of opposer's ALAVERT mark prior to opposer's use of the ALAVERT mark. Applicant made the report, which is designated confidential, of record and attempts to use the report to show the weakness of the ALAVERT mark. Opposer asserts that the report should be excluded because it lacks objectivity, because the questions were biased, because no control was used and because the report is outdated. Applicant offers counter arguments as to each of these points, and ultimately concludes by arguing that opposer's objections go to the weight of this evidence not to its admissibility.

We agree with applicant's ultimate argument regarding admissibility. We conclude that the survey report, and the related testimony, are minimally relevant and admissible. The criticisms regarding matters, such as the design and timing of the survey, go to the probative value or weight to

² Opposer had also objected to our consideration of certain search reports applicant submitted as exhibits to the Marschall Discovery Deposition, but at the oral hearing applicant stated that it was not relying on those search reports. Accordingly, we have not considered those reports and consequently need not consider opposer's objection to their admissibility.

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be accorded this evidence. For reasons discussed below, we conclude that this evidence has limited probative value.

Standing

Opposer has both asserted and established its interest in the proceeding, and thereby satisfied the standing requirement, by submission of a status and title copy of the ALAVERT registration. *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999).

Priority

Furthermore, priority is not an issue in the proceeding in view of opposer's reliance on and submission of the ALAVERT registration. See *King Candy Co., Inc. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974). In fact, applicant concedes opposer's priority and argues only that there is no likelihood of confusion. Applicant's Brief at 8.

Findings of Fact

We have already identified the most significant facts in the case, namely: (1) opposer's registration for the ALAVERT mark in standard characters for goods identified as "pharmaceutical preparations, namely allergy relief and antihistamine preparations" in International Class 5; and (2) the opposed application for the WAL-VERT mark in standard characters for goods identified as "antihistamines and allergy relief preparations" in International Class 5.

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Most importantly, both marks appear in standard characters with no other elements, and the identifications of goods in both the registration and application state no restrictions as to trade channels or anything else.

Opposer

In December 2002, opposer, a pharmaceutical company, launched a non-sedating, long-acting antihistamine with the principal active ingredient of loratadine under the ALAVERT mark. Marschall Disc. at 15-16. A competing pharmaceutical company, Schering-Plough, sold the first product containing loratadine by prescription under the CLARITIN mark. Just prior to opposer's launch, the loratadine patent expired, and loratadine was approved for over-the-counter sales. *Id.* at 15-16, 74. Opposer's ALAVERT product is in the general category of allergy medications, the subcategory of antihistamines, and the more particular further subcategory of non-sedating antihistamines.

Opposer sells the ALAVERT product over the counter but it also competes with certain prescription allergy products. Applicant has offered the ALAVERT product in a variety of forms, including a limited version which also includes a decongestant. It is also available in a quick-dissolve form, a feature which opposer emphasized at the time of the launch.

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Opposer has sold the ALAVERT product through all normal trade channels for like products including food, grocery and drug stores, chain drug stores, club stores, military facilities and convenience stores. Marschall Test. at 24. Opposer directs its sales of the ALAVERT product to "a wide range of consumers with various demographic and psychographic attributes" -- allergy sufferers, generally ranging in age from 25 to 54. Marschall Disc. at 41. A significant percentage of households purchase allergy medications. *Id.* at 74.

Opposer has expended substantial funds and effort to advertise and promote the ALAVERT mark and product nationwide through all types of advertising media, as well as through direct promotions to medical service providers, physicians and potential purchasers. Marschall Test. at 29, 55. The promotional efforts included the distribution of substantial numbers of product samples. Marschall Test. at 50. The promotional efforts have reached a substantial percentage of U.S. households. Marschall Test. at 37. The sales of the ALAVERT product have been substantial. Marschall Test. at 19. The ALAVERT product has received significant coverage in the print media. Opposer's First Notice of Reliance, Exhs. 2-63. ALAVERT is a leading brand in the over-the-counter allergy medication category. Marschall Test. at 23. A significant percentage of

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potential purchasers of allergy medications have purchased opposer's ALAVERT product. The ALAVERT product has achieved an impressive rate of repeat purchasers. Marschall Test. at 56. Even applicant's witnesses have acknowledged the success of the ALAVERT product. Van Howe Test. at 16; DiFillipo Disc. at 14, 26.

"AL" is also in use as a prefix in marks for other over-the-counter and prescription allergy medications, for example, ALEREST and ALEGRA and for ALEVE, an over-the-counter fever and pain medication. Marschall Disc. at 154. There is no evidence of any other mark used on relevant products which includes "VERT" or "AVERT" as an element. Marschall Disc. at 154; Gravitte Disc. at 30.

Opposer is not aware of any confusion between the ALAVERT and WAL-VERT marks.

Applicant

Applicant operates a chain of 5500 drug stores. Van Howe Test. At 6. Applicant offers a wide range of products in its stores, including private-label versions of many products. Applicant sells popular brands of over-the-counter medications, including ALAVERT, as well as its own private-label versions of many popular brands. In September 2004, applicant launched a private-label version of ALAVERT under the WAL-VERT mark, the mark which is the subject of the opposed application. The products sold under the

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ALAVERT and WAL-VERT marks are chemically identical. Van Howe Test. at 17. Applicant markets its WAL-VERT product based on a comparison with opposer's ALAVERT product. Gravitte Disc. at 22. Applicant sells the WAL-VERT product exclusively in its own stores. Van Howe Test. at 24.

The packaging of record for the WAL-VERT product includes four references to applicant, including a prominent display of the WALGREEN house mark, and a statement that the product is distributed by Walgreen Co. The packaging also includes the following statement: "Compare to ALAVERT active ingredient." Van Howe Test. at 25-27 and related Exh. 2. The packaging for applicant's other private-label versions of products often include elements, such as colors, from the corresponding leading-brand products. Likewise, the packaging for the WAL-VERT product uses colors similar to those on the ALAVERT product. Van Howe Test. at 53 and related Exhs. 1 and 2; Van Howe Disc. at 38.

Applicant places its WAL-VERT product side-by-side with opposer's ALAVERT product on its shelves, and applicant often includes a shelf display inviting shoppers to compare the products. Rinka Disc. at 54. This is a practice applicant follows generally in promoting its private-label products, including the WAL-VERT product. Van Howe Test. at 41, 45.

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Applicant is not aware of any confusion between the ALAVERT and WAL-VERT marks. Van Howe Test. at 49. However, applicant has not conducted any research to determine whether there has been confusion. *Id.* at 55.

Applicant has registered and used several marks which employ the prefix "WAL" followed by a hyphen and a portion of the mark for a leading brand in the pharmaceutical field. Applicant uses these marks on its private-label versions of the products identified by the leading brands and promotes them as a less expensive alternatives to the leading brands. Van Howe Test. at 13-14. For example, in the allergy category applicant has used and registered the following marks: WAL-ITIN corresponding to CLARITIN for allergy medications; WAL-DRYL corresponding to BENADRYL for allergy and cold medicines; and WAL-PHED corresponding to SUDAPHED for allergy and cold medications. Applicant follows a similar practice in other pharmaceutical categories and for a wide range of other types of goods. Van Howe Test. at 13; Applicant's First Notice of Reliance Exhs. 1a-1k. Applicant sometimes also combines the "WAL" prefix with portions of generic terms, for example, WAL-PROFEN corresponding to

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ibuprofen for pain and fever medications.³ In addition, applicant uses marks which do not employ the "WAL" prefix to identify other private-label products from applicant.

Opposer's Second Notice of Reliance Exhs. 83-119.

Regarding applicant's selection of the WAL-VERT mark, Mr. Van Howe, an official of applicant, stated the following in cross-examination during his testimonial deposition:

Q. ... I take it that 'VERT' was selected to connote the ALAVERT product.

A. Correct.

Van Howe Test. at 55.

Mr. Van Howe also confirms in his discovery deposition that the "VERT" portion of the WAL-VERT mark is derived from the ALAVERT mark. Van Howe Disc. at 50. Mr. Rinka, another applicant official, also states that the choice of the WAL-VERT mark was to suggest that the product had the same ingredient as ALAVERT. Rinka Disc. at 31. Mr. Rinka also indicates that he is not aware of any other use of a mark which includes "VERT" for relevant products.

We conclude that applicant selected the "VERT" element of the WAL-VERT mark because potential purchasers were

³ *Merriam-Webster's Collegiate Dictionary* (11th ed. 2003) includes a definition for "**ibuprofen**" as a "nonsteroidal anti-inflammatory drug." The Board may take judicial notice of dictionary definitions. See *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).

familiar with opposer's ALAVERT mark and product due to the success of the ALAVERT product.

Likelihood of Confusion

The opinion in *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563, 567 (CCPA 1977) sets forth the factors to consider in determining likelihood of confusion. See also *In re Majestic Distilling Company, Inc.*, 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003). Below, we will consider each of the factors as to which the parties have presented arguments or evidence. *Specialty Brands, Inc. v. Coffee Bean Distributors, Inc.*, 748 F.2d 669, 223 USPQ 1281, 1282 (Fed. Cir. 1984).

The Goods and the Channels of Trade

The goods of the parties need not be identical to find a likelihood of confusion under Section 2(d) of the Trademark Act. They need only be related in such a way that the circumstances surrounding their marketing would result in relevant consumers mistakenly believing that the goods originate from the same source. *On-Line Careline Inc. v. America Online Inc.*, 229 F.3d 1080, 56 USPQ2d 1471 (Fed. Cir. 2000); *In re International Telephone & Telegraph Corp.*, 197 USPQ 910, 911 (TTAB 1978).

Furthermore, in comparing the goods we must consider the goods as identified in the application and registrations. See *Octocom Systems, Inc. v. Houston*

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Computers Services Inc., 918 F.2d 937, 16 USPQ2d 1783, 1787 (Fed. Cir. 1990) ("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 of trade or the class of purchasers to which the sales of goods are directed.") See also *Paula Payne Products v. Johnson Publishing Co.*, 473 F.2d 901, 177 USPQ 76, 77 (CCPA 1973) ("Trademark cases involving the issue of likelihood of confusion must be decided on the basis of the respective descriptions of goods."). Based on the identifications, we conclude that the goods of the parties are identical. In fact, the record establishes that applicant's WAL-VERT product and opposer's ALAVERT product, as sold, are the same. Van Howe Test. at 17.

Furthermore, we also conclude, by simple logic, based on the identifications of goods, that the channels of trade for the parties' goods and the potential purchasers for the parties' goods are also the same. Here too, the record, in fact, shows that opposer's ALAVERT product is sold in applicant's stores on the same shelves as applicant's WAL-VERT product inviting the same potential purchasers to compare the respective products.

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The heading for the section of applicant's brief addressing these factors states: "Similarities in Product, Consumers, and Channels of Trade Are Insignificant and Outweighed by Other Factors When Comparing Private Label Goods to their National Brand Brethren." Applicant's Brief at 17. In so arguing, applicant explicitly discounts the importance of the fact that the goods of the parties, the consumers and the channels of trade are identical.

In the process, applicant also disregards the controlling law. Instead, as opposer points out, applicant relies on a series of infringement cases from the federal courts, most notably *Conopco Inc. v. May Department Stores Co.*, 46 F.3d 1556, 32 USPQ2d 1225 (Fed. Cir. 1994), *cert. denied*, 514 U.S. 1078 (1995). Nearly all of the cases address issues of trade-dress infringement. Applicant's reliance on these cases is misplaced in arguing a case which addresses registration only.

If applicant succeeds in securing registration for the mark and goods identified in its application, the certificate of registration, among other things, will be "prima facie evidence of ... the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate, subject to any conditions or limitations stated in the

certificate." Trademark Act Section 7(b), 15 U.S.C. § 1057(b).

Throughout applicant argues that there would not be confusion because applicant only sells products bearing the WAL-VERT mark in its own stores, because applicant uses its WALGREEN house mark and company name repeatedly on the packaging for the WAL-VERT product, and because applicant promotes the WAL-VERT product in a comparison with opposer's ALAVERT product. However, none of these conditions are reflected in the application. Nor would the registration which might result from this application reflect any of these conditions. While these conditions might be relevant to any infringement action, we may not consider and have not considered them in our determination of applicant's right to register the WAL-VERT mark in this proceeding.

Accordingly, we conclude that the factors related to the goods and channels of trade favor opposer substantially in this case.

Strength of the Registered Mark

Applicant also argues that opposer's ALAVERT mark is weak and even that it "... has a significant descriptive undercurrent" or that it is "fairly descriptive" or that it "carries a significant descriptive connotation." Applicant's Brief at 5, 10 and 14. Applicant also argues that ALAVERT creates the impression that the product "acts

to avert allergies” and that “the ALAVERT mark is not well known among consumers due to its low unaided awareness scores.” Applicant’s Brief at 9.⁴

On the other hand, opposer argues that the ALAVERT mark is both conceptually and commercially strong and that applicant’s suggestions that it is somehow descriptive are off base.

First, we dismiss out of hand applicant’s suggestions that the ALAVERT mark is descriptive. We concur with opposer in concluding that these arguments are out of bounds in the absence of a counterclaim attacking the validity of the ALAVERT registration. In the absence of such a counterclaim, we must and do accord the ALAVERT registration all applicable respect, including as prima facie evidence that the registered mark is valid under Trademark Act Section 7(b), and moreover, that the mark is inherently distinctive. *See Tea Board of India v. Republic of Tea Inc.*, 80 USPQ2d 1881 (TTAB 2006).

We concede, as applicant argues, that ALAVERT combines “pieces of the words ALLERGY and AVERT.” Applicant’s Brief at 14. However, we conclude that ALAVERT is a coined term

⁴ Much of the evidence which forms the basis for applicant’s claim that the ALAVERT mark is weak is confidential, market research opposer itself performed both prior to launch of the ALAVERT product and since launch and the research Ms. Deradorian conducted prior to the product launch. Therefore, we will not be able to discuss that evidence in detail in this opinion.

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which is at most suggestive, but not conceptually weak. We have no evidence that there is any other mark made up of the "AL" and "VERT" or "AVERT" elements, nor any evidence that "VERT" or "AVERT" is an element of any other mark in the relevant field. We also observe that the suggestive possibilities embodied in ALAVERT may be more varied than applicant suggests. The mark may also suggest that the ALAVERT product will keep the user alert, based on its non-sedating feature. Accordingly, we conclude that ALAVERT is a strong mark conceptually.

With regard to its commercial strength, that is, the strength ALAVERT may have acquired on the basis of opposer's use and promotion, we likewise conclude that ALAVERT is a commercially strong mark.

Regarding the market research, on balance we find this evidence supportive of the conclusion that ALAVERT is at most suggestive and commercially strong. There is nothing in the Schering-Plough study which contradicts this conclusion. Quite understandably, applicant views opposer's market research through a more critical lens. We find opposer's criticisms of the Schering-Plough survey generally well taken. It is limited in its probative value because it was conducted before the launch of the ALAVERT product. Furthermore, the questions appear to be somewhat leading or biased. This is understandable since it was not conducted

to determine the strength or weakness of the ALAVERT mark, the purpose for which applicant now attempts to use it.

Also, as to opposer's own market research conducted over the course of opposer's promotion and sale of the ALAVERT product, applicant fails to consider the full results. The full results, viewed objectively, show both that the ALAVERT product has been successful and that the ALAVERT mark has achieved substantial recognition. The results support the conclusion that ALAVERT is a commercially strong mark.

In addition, the ALAVERT sales and related advertising and promotional efforts are impressive. They lend further support to the conclusion that ALAVERT is a strong mark. Applicant's own actions in adopting the WAL-VERT mark, in particular, the decision to use "VERT" as a significant element of the mark to associate its private-label product with the ALAVERT product lends further support to the conclusion that ALAVERT is a strong mark.

Accordingly, we conclude that this factor favors opposer.

Purchaser Sophistication

Applicant also argues, under *du Pont*, that the goods at issue here are not "impulse" purchases, but subject to "careful, sophisticated purchasing." *In re E. I. du Pont de Nemours & Co.*, 177 USPQ at 567. Applicant emphasizes that

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the packages and other related materials related to the goods at issue here carry a good deal of information, that there are many over-the-counter allergy products from which to choose, and that potential purchasers must consider that information, including potential side effects, carefully to ensure that the product they select will address their specific symptoms and needs. Applicant argues that these circumstances establish that "a higher degree of care and consideration must go into the purchasing decision."

Applicant's Brief at 27. Applicant, thus, argues that there is a diminished likelihood of confusion as a result.

Opposer disagrees, noting, among other things, that the products in question are relatively inexpensive.

The goods in question, over-the-counter allergy medications, are not in the category of impulse purchases. Nor are they particularly expensive. We conclude that a purchaser exercises a certain degree of care in purchasing any medication, even one which is relatively inexpensive. On the other hand, the products are not so expensive that the purchaser would engage in a protracted analysis attendant to purchases of expensive goods which are purchased infrequently. Furthermore, the potential purchasers of these products include a large segment of the general public, including some less sophisticated individuals.

While many purchasers may examine the information on the packaging to ensure that the product is suitable for their needs, this does not mean that purchasers would be less likely to confuse trademarks which are otherwise confusing. And, of course, even sophisticated purchasers are not immune to trademark confusion. *In re Pellerin Milnor Corp.*, 221 USPQ 558, 560 (TTAB 1983). Therefore, we conclude that the conditions of purchase in this case would not diminish the likelihood of confusion.

Accordingly, we find that this factor is neutral in this case.

Actual Confusion

Applicant also argues that the absence of evidence of actual confusion indicates that there is no likelihood of confusion here noting, among other things, the substantial sales of both products and the side-by-side displays in its stores. Again, opposer disagrees noting that the absence of actual confusion, by itself, does not mean that there is no likelihood of confusion and that the circumstances present here explain the lack of such evidence.

We agree with opposer. First, we note that the absence of actual confusion does not necessarily lead to the conclusion that there is no likelihood of confusion. In this case, it is unclear whether there has been a true opportunity for confusion. Applicant has sold its WAL-VERT

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product under highly restricted conditions. As we noted, applicant sells its products, which are identical to those of opposer, only in its own stores and only in the packaging which repeatedly references applicant. Furthermore, the respective products are sold side-by-side based on a comparison. Again, none of these restrictions are stated in the application. The side-by-side comparison which is the rule here, would be an exception in the marketplace generally. We must evaluate the likelihood of confusion in this case apart from these restrictive conditions. Consequently, the absence of actual confusion with regard to sales under these conditions is of little probative value in assessing the likelihood of confusion apart from these conditions.

Accordingly, we conclude that this factor is neutral in this case.

The Marks

In comparing the marks we must consider the appearance, sound, connotation and commercial impression of the marks at issue. *Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1692 (Fed. Cir. 2005).

Furthermore, we note that, "the degree of similarity [between the marks] necessary to support the conclusion of likely confusion declines" when the goods are identical.

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Century 21 Real Estate Corp. v. Century Life of America, 970 F.2d 874, 23 USPQ2d 1698, 1701 (Fed. Cir. 1992), *cert. denied*, 506 U.S. 1034 (1992). The goods in this case are identical.

Opposer argues that ALAVERT and WAL-VERT are similar stating:

Here, the visual and aural similarities between ALAVERT® and WAL-VERT are glaring because both words are arbitrary terms, with prefixes that differ by only one letter (plus a hyphen) and identical suffixes. In addition, because both words are meaningless, there are no preexisting connotations that would enable consumers to distinguish between them.

Opposer's Brief at 12.

Applicant argues,

First, Applicant's mark begins with a distinctly different prefix, namely WAL-. Use of the WAL-prefix and the hyphen following same breaks the mark into two pieces. The hyphen adds a visually distinctive element to Applicant's mark.

Applicant's Brief at 22.

Applicant adds that the differences in spelling and presentation result in significant differences in appearance and sound, as well as commercial impression. Applicant also argues that the "WAL" prefix, which it has used for decades in numerous marks, is uniquely identified with applicant, the Walgreen Company. Furthermore, applicant argues that its mark does not suggest that the user of its product will avert allergies as ALAVERT suggests.

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First, we reject applicant's arguments to the effect that its WAL-VERT mark is distinguishable because of applicant's prior use of other comparable marks on its private label products, such as, WAL-DRYL and WAL-ITIN. As opposer correctly points out, we must limit our consideration to the marks at issue here. Applicant effectively asks us to recognize its "family of marks" as a defense in this case; we decline to do so. *Blansett Pharmacal Co. Inc. v. Carmrick Laboratories Inc.*, 25 USPQ2d 1473, 1477 (TTAB 1992) (NALEX for nasal decongestants held similar to NOLEX for nasal decongestants).

Furthermore, in its arguments applicant assumes that potential purchasers of the WAL-VERT product will understand the "WAL" prefix to identify a Walgreen private label product and that potential purchasers will understand further that applicant alone is the source of the product. This is not necessarily true. In questioning Mr. Marschall during his discovery deposition applicant's counsel states, "Not to be too cute, but my understanding is that sometimes the store labels are private labels, and are actually made by national brands, but they're just labeled differently." Marschall Disc. at 119. Thus, we cannot assume, as applicant urges, that potential purchasers all fully understand the arrangement which applies in this case, that is, that Walgreen produces the WAL-VERT product independent

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of others, including opposer. We must allow for the likelihood that potential purchasers will assume that the WAL-VERT product is simply labeled differently, but that it comes from the owner of the national brand or that it is otherwise associated with the owner of the strong national brand implicated in the mark.

In addition, although applicant has sold the respective products side-by-side to date, for purposes of our analysis we cannot assume that, in all instances, the marks at issue here will be viewed side-by-side in applicant's stores. See *Sealed Air Corp. v. Scott Paper Co.*, 190 USPQ 106 (TTAB 1975). We must assume that potential purchasers may encounter opposer's mark in one context at a given time and applicant's mark separately in a different context at a later time. This circumstance enhances the likelihood of confusion.

While the marks do differ in appearance and sound, we find the common element, "VERT," of particular significance here. As we noted above, "AL" is used in other marks for allergy medications and related products. As such, it is common and apparently weaker than the "VERT" component. Based on this record "VERT" appears to be strong in the field. In fact, applicant selected "VERT" to refer to the ALAVERT product based on the likelihood that potential purchasers would recognize "VERT" in that way in the WAL-

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VERT mark. We also see common suggestive meanings in the marks. Contrary to applicant's argument, "VERT," as used in the WAL-VERT mark, may suggest that the product will help avert allergies. Again we noted that, under more typical marketplace conditions, potential purchasers will recognize the strong "VERT" element, and are likely to believe that the owner of the ALAVERT mark is associated with the WAL-VERT product in some fashion.

Finally, based on the full record, including the fact that the goods of the parties are identical, we conclude that WAL-VERT and ALAVERT are similar in appearance, sound, and most notably in connotation and commercial impression. *Blansett Pharmacal Co. Inc. v. Carmrick Laboratories Inc.*, 25 USPQ2d at 1477.

Accordingly, this factor favors opposer in this case.

Bad Faith

Opposer has also argued that applicant adopted the WAL-VERT mark in bad faith. In this connection, applicant's prior conduct in selecting and even successfully registering marks which combine the "WAL" prefix with a recognizable element from the mark of a related national-brand product, for example, WAL-DRYL and WAL-ITIN, is relevant. We have no evidence that anyone objected to applicant's prior uses of marks of this type. Applicant apparently relied on this experience in proceeding as it did here. This reliance is

sufficient in this case to negate the claim of bad faith. On the other hand, applicant's prior experience cannot deprive opposer of its right to object based on the particular facts present here.

In this regard we also reject applicant's suggestion that we should look at the likelihood-of-confusion question here in light of what applicant alleges to be a permissive industry practice regarding private label marks. Again, applicant asserts this theory based on actions by courts in certain infringement cases. *See, e.g., Pfizer, Inc. v. Perrigo Co.*, 988 F.Supp. 686 (S.D.N.Y. 1997). We decline to do as applicant suggests.

Conclusion

In conclusion, based on all evidence of record bearing on the *du Pont* factors, we find that there is a likelihood of confusion between opposer's ALAVERT mark for "pharmaceutical preparations, namely allergy relief and antihistamine preparations" in International Class 5 and applicant's WAL-VERT mark for "antihistamines and allergy relief preparations" in International Class 5.

Finally, we note that, though we have no doubt, we would resolve any doubt regarding likelihood of confusion in favor of opposer, the prior user. *Nina Ricci S.A.R.L. v. E.T.F. Enterprises Inc.*, 889 F.2d 1070, 12 USPQ2d 1901, 1904 (Fed. Cir. 1989)

Decision: We sustain the opposition.

Drost, J., dissenting,

I respectfully dissent, because I do not believe there is a likelihood of confusion in this case.

The first *du Pont* factor requires that we consider the similarity or dissimilarity of the marks "in their entirety" as to appearance, sound, connotation and commercial impression. *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563, 567 (CCPA 1973). When the marks ALAVERT and WAL-VERT are compared in their entirety, the dissimilarities in their sound, appearance, meaning, and commercial impression outweigh their similarities.

I would not find that "vert" is "of particular significance here" (slip op. at 23). Rather, I would find that consumers would view these marks in their entirety, WAL-VERT and ALAVERT. Because of the differences in their initial term (WAL- and ALA), they are pronounced and look different. Even if there is no evidence that the term "vert" is used as part of others' marks, it does not necessarily follow that consumers will assume that all marks with this ending are associated with the same source. "The fact that one mark may bring another to mind does not in itself establish likelihood of confusion as to source."

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Jacobs v. International Multifoods Corp., 668 F.2d 1234, 212 USPQ 641, 642 (CCPA 1982).

It is often held that the first word is the most prominent term in a mark. *Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1692 (Fed. Cir. 2005) ("To be sure, CLICQUOT is an important term in the mark, but VEUVE nevertheless remains a 'prominent feature' as the first word in the mark and the first word to appear on the label"). In this case, I believe that the difference in the first syllable would lead consumers to understand that the sources of the goods are different.

Regarding the meanings of the marks, there are significant differences. The majority does indicate that opposer's mark "is at most suggestive" (slip op. at 16). Their only similarity in meaning is that they both may suggest "avert." To the extent that both marks may suggest "averting" a medical problem, it is unlikely that consumers would assume that this common meaning of the last syllable is significant in view of the entirely different meanings of the first terms "Wal-" and "Ala." *Accord Smith v. Tobacco By-Products and Chemical Corp.*, 243 F.2d 188, 113 USPQ 339 (CCPA 1957) (GREEN LEAF and BLACK LEAF not confusingly similar); *General Mills, Inc. v. Frito-Lay, Inc.*, 176 USPQ 148 (TTAB 1972) (The "nature of the marks (FUNYUMS and

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ONYUMS), and the nature of the differences between them are considered sufficient to avoid a likelihood" of confusion).

The fact that the marks have a common ending does not compel a finding that the marks are similar. *Lever Brothers Co. v. Producers Chemical Service*, 283 F.2d 879, 128 USPQ 7, 8 (CCPA 1960) (We "can see no likelihood of the marks 'LUX' and 'SHUX' being confused by a potential purchaser"). The commercial impressions of WAL-VERT and ALAVERT are also different, inasmuch as they begin with different syllables that have little in common.

If there were any doubt that the differences in the marks are sufficient to avoid confusion, these doubts should evaporate when the factor involving the lack of actual confusion is considered. Certainly, case law recognizes that the lack of actual confusion is often a very weak reed to support an argument that there is no likelihood of confusion. *In re Majestic Distilling Co.*, 315 F.3d 1311, 65 USPQ2d 1201, 1203 (Fed. Cir. 2003); *Giant Food, Inc. v. Nation's Foodservice, Inc.*, 710 F.2d 1565, 218 USPQ 390, 396 (Fed. Cir. 1983); and *J & J Snack Foods Corp. v. McDonald's Corp.*, 932 F.2d 1460, 18 USPQ2d 1889, 1892 (Fed. Cir. 1991). Nonetheless, in appropriate situations, it may be entitled to weight. *Mr. Hero Sandwich Systems, Inc. v. Roman Meal Co.*, 781 F.2d 884, 228 USPQ 364, 367 (Fed. Cir. 1986) ("These distinctions coupled with the lack of actual

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confusion over a period of years lead us to conclude that use of the mark ROMANBURGER is not likely to cause confusion, mistake or deception"). See also *King Candy Co. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108, 110 (CCPA 1974) ("In the absence of evidence to the contrary, such lack of actual confusion over so many years must be considered in this case as supportive of a finding that confusion is not likely in the future").

Normally, assertions of no actual confusion are easily dismissed because of the lack of evidence that there was a significant opportunity for such confusion to occur. *Nina Ricci S.A.R.L. v. E.T.F. Enterprises Inc.*, 869 F.2d 1070, 12 USPQ2d 1901, 1903 (Fed. Cir. 1989) ("The absence of any showing of actual confusion is of very little, if any, probative value here because (1) no evidence was presented as to the extent of ETF's use of the VITTORIO RICCI mark on the merchandise in question in prior years..."). Therefore, when "neither party has submitted evidence as to the extent of its use of its mark (and hence the extent of the opportunity for such confusion to occur)," the lack of actual confusion is not a significant factor. *Midwest Biscuit Co. v. John Livacich Produce, Inc.*, 203 USPQ 628, 630 (TTAB 1979). Here, the evidence shows that the goods of the parties are sold together - not only in the same store but side-by-side. There has also been a significant

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opportunity for confusion to occur inasmuch as applicant itself has sold over two million individual units of opposer's ALAVERT product since the product was introduced in 2002. Applicant's Brief at 4; Van Howe Tr. at 16. In 2004, applicant also began selling its WAL-VERT antihistamine product. While applicant has indicated that its sales are confidential, it is clear that, despite the rather short period of time for overlapping sales, there has been a truly significant opportunity for confusion to occur. Despite hundreds of thousands of sales of both products in side-by-side sales, there have been no reported instances of actual confusion.

I cannot easily discount this type of evidence. First, it is consistent with what one could expect when marks as different as WAL-VERT and ALAVERT are involved. Second, I would not find that the "circumstances present here explain the lack of such evidence." Slip op. at 20. Opposer has had substantial sales of its ALAVERT product. Applicant operates approximately 5500 drug stores. Applicant has sold millions of opposer's ALAVERT products and a substantial number of its WAL-VERT products. Hundreds of thousands of purchasers have entered applicant's stores and encountered both applicant's and opposer's products. These products are displayed side-by-side. Despite these hundreds of thousands of opportunities for confusion to arise, there has been no

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reported instance of confusion. If the lack of evidence of actual confusion can be so easily dismissed, this factor becomes a mirage for defendants - an illusion that is within sight but never reachable.

The majority points to the fact that applicant's "packaging repeatedly references applicant." The fact that applicant identifies itself with a house mark or with its address is hardly unusual. It would be surprising if products did not contain a house mark and trade names. See *In re General Motors Corp.*, 23 USPQ2d 1465, 1470 (TTAB 1992) (Lack of actual confusion supported determination of no likelihood of confusion even though applicant's GRAND PRIX is often used in association with applicant's PONTIAC mark).

Regarding the "compare" language on the packaging, even if this could prevent some confusion, it can hardly explain its entire absence. Disclaimers of association with a senior user are not often considered particularly effective in avoiding trademark infringement. *Weight Watchers International Inc. v. Luigino's Inc.*, 76 USPQ2d 1361, 1366 (2d Cir. 2005) ("In all the circumstances, Luigino's did not sustain its burden, and the district court lacked a sufficient basis to conclude that the disclaimer solved the problem"). In fact, "[c]onsumer studies indicate that disclaimers are ineffective in curing customer confusion over similar marks." 4 *McCarthy on Trademarks and Unfair*

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Competition § 23:51 (4th ed. 2008). It is unlikely that the use of this "compare" language in this case has eliminated actual confusion. In addition, this statement is simply a comparison statement, not a disclaimer. A company could use such a statement for its own products to distinguish different versions of its products. Therefore, the labeling of applicant's packaging is not likely the primary reason that there is no evidence of actual confusion.

The majority also finds that "it is unclear whether there has been a true opportunity for confusion to occur" apparently because of applicant's "highly restrictive conditions." I would have thought that selling the products side-by-side, which means that they are sold in the same stores at the same time to the same consumers, would have been a true opportunity for confusion to occur. The majority also maintains that the "side-by-side comparison which is the rule here, would be an exception in the marketplace generally." While a side-by-side comparison is not the *test* when comparing the parties' marks, it is not a rule of evidence that prohibits the courts or the board from considering the lack of evidence of actual confusion when the goods are indeed sold side-by-side. 4 *McCarthy on Trademarks and Unfair Competition* § 23:59 (4th ed. 2008) ("A side-by-side comparison of the conflicting marks is improper if that is not the way buyers see the products in the

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market") (emphasis added). See also *Fun-Damental Too, Ltd. v. Gemmy Industries Corp.*, 111 F.3d 993, 42 USPQ2d 1348, 1357 (2d Cir. 1997) (Side-by-side comparison is improper when the products "are not sold side-by-side on a shelf") and *Lever Brothers Co. v. The Winzer Co. of Dallas, Inc.*, 326 F.2d 827, 140 USPQ 247, 249 (CCPA 1964) ("[T]he very nature of supermarket displays is conducive to the side-by-side or adjacent display of competing products and thus actually affords an unique opportunity for the purchaser to simultaneously compare the marks used thereon"). While the majority concludes that this evidence is of "little probative value," the CCPA cautioned that: "We find no warrant, in the statute or elsewhere, for discarding any evidence bearing on the question of likelihood of confusion"). *du Pont*, 177 USPQ 567. When national competitors distribute their competitive products on a nationwide basis, rather than being an exception, it should be expected that many times, if not most of the time, these products will appear on the same shelves in the same stores. To give this evidence "little probative value" because the parties' goods are not sold in separate stores discounts the fact that most consumers will actually encounter nationally-marketed products at the same time in the same stores. Also, selling one's products only in one's own stores would normally reduce the chance that confusion could occur,

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because the seller can refrain from selling the other product. However, in this case, applicant's stores actually sell both products.

The majority also raises an interesting point when it maintains that "potential purchasers will assume that the WAL-VERT product is simply labeled differently, but that it comes from the owner of the national brand or that it is otherwise associated with the owner of the strong national brand implicated in the mark." Because these goods are chemically identical and applicant truthfully markets its product as a house brand, it is possible that some consumers may assume that opposer is somehow associated with all generic equivalents, especially those whose marks have some minimal similarity. Inasmuch as this assumption could occur even if the marks were totally different, this speculation should not be a basis for finding that there is confusion here.

Finally, the majority says that "none of these restrictions are stated in the application." These restrictions are the fact that the packaging contains "four references to applicant, including a prominent display of the WALGREEN house mark, a statement that the product is distributed by Walgreen Co. and the following statement:

'Compare to ALAVERT active ingredient.'" Slip op. at 9.⁵

As discussed above, these restrictions are not likely the explanation for the lack of actual confusion.

I do not mean to suggest that there is no validity to any of the majority's criticism of the evidence. Applicant could have marketed its product without any other trademarks on the package in a variety of stores without any comparison language. Its failure to do so does not explain the lack of actual confusion and I would give this evidence weight, inasmuch as it supports the argument that the marks are dissimilar enough to avoid confusion.

Ultimately, we must determine whether there is probability of confusion, not simply a possibility of confusion. *Electronic Design & Sales Inc. v. Electronic Data Systems Corp.*, 954 F.2d 713, 21 USPQ2d 1388, 1393 (Fed. Cir. 1992). "It is beyond question that an opposer alleging likelihood of confusion under Section 2(d) has the burden of proof to establish that applicant does not have the right to register its mark." *Yamaha International Corp. v. Hoshino Gakki Co. Ltd.*, 840 F.2d 1572, 6 USPQ2d 1001,

⁵ Interestingly, the majority points out that applicant's product "uses colors similar to those on the ALAVERT product." Normally, this should increase the likelihood that there would be confusion. *Specialty Brands, Inc. v. Coffee Bean Distributors, Inc.*, 748 F.2d 669, 223 USPQ 1281, 1284 (Fed. Cir. 1984) ("But the trade dress may nevertheless provide evidence of whether the word mark projects a confusingly similar commercial impression"). With this similarity of trade dress, it is more significant that there has been no evidence of actual confusion.

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1007 (Fed. Cir. 1988) (internal punctuation eliminated). In this case, because of the differences in the marks and the extensive side-by-side marketing of both applicant's and opposer's goods with the marks ALAVERT and WAL-VERT, I would conclude that opposer has not met its burden of showing that there is a likelihood of confusion.