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**United States Patent and Trademark
Office
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451**

AZ

Mailed: May 13, 2008

Opposition No. 91171714

Target Brands, Inc.

v.

Alan Russ Gottlieb

Before Drost, Zervas and Kuhlke, Administrative Trademark
Judges.

By the Board:

On February 11, 2005, Alan Russ Gottlieb ("applicant")
filed an application (Serial No. 78566136) to register the
mark CLEARX (in standard character form) on the Principal
Register for goods and services including the following
International Class 35 services:

retail store services featuring optical products
in the nature of eyeglasses, sunglasses, contact
lenses, frames for eyeglasses, and parts and
accessories therefor, cosmetics in the nature of
skin and facial creams and lotions, skin
cleansers, nail and cuticle creams, non-medicated
lip balms and sunscreens, makeup in the nature of
lipstick, lip liners, lip gloss, foundation
makeup, pressed powder compacts, loose face
powder, eye shadow, eye liners, mascara,
concealers, blush and makeup remover,
pharmaceutical grade skin care preparations in
the nature of medicated skin creams and lotions
for use in conditions of acne, rosacea, scars,

hyperpigmentation, photoaging and wrinkles, medicated lip balms and medicated sunscreens, and nutritional supplements and vitamins.

The application states a claim of a bona fide intention to use the mark in commerce under Section 1(b) of the Trademark Act, 15 U.S.C. § 1051(b).

Target Brands, Inc. ("opposer") has opposed registration of applicant's mark for its International Class 35 services only, asserting priority based on (i) use of CLEARRX in connection with retail pharmacy services before the filing date of applicant's application, and (ii) opposer's application Serial No. 78555155, filed January 27, 2005, for the mark CLEARRX (in standard character form) for "retail pharmacy services," and a likelihood of confusion.

Applicant, in its answer, has admitted that there is a likelihood of confusion between applicant's and opposer's marks, but has denied opposer's allegation of priority. Applicant also asserted a number of affirmative defenses, including laches, estoppel and unclean hands.

This case now comes up on opposer's motion for summary judgment (filed March 22, 2007) on its claims of priority and likelihood of confusion, supported by the declaration and exhibits of Timothy Cruz, opposer's attorney, and the declarations of various employees of opposer and opposer's

parent corporation, Target Corporation. Applicant has responded to opposer's summary judgment motion; applicant's response is supported by the declaration and exhibits of Seth Appel, applicant's attorney.

The burden is on the party moving for summary judgment to demonstrate the absence of any genuine issue of material fact, and that it is entitled to summary judgment as a matter of law. Federal Rule of Civil Procedure 56(c). The evidence of record and any reasonable inferences that may be drawn from the underlying undisputed facts must be viewed in the light most favorable to the non-moving party. See *Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542 (Fed. Cir. 1992). In considering the propriety of summary judgment, the board may not resolve issues of material fact; it may only ascertain whether such issues are present. See *Lloyd's Food Products Inc. v. Eli's Inc.*, 987 F.2d 766, 235 USPQ2d 2027 (Fed. Cir. 1993).

Standing

We note that applicant has not challenged opposer's standing to oppose applicant's application. However, here, three of applicant's applications for marks containing CLEAR, discussed at greater length *infra*, have been cited as potential bars to registration of opposer's CLEARRX mark. See *Hartwell Co. v. Shane*, 17 USPQ2d 1569 (TTAB

1990); Cruz's dec. ex. A; Appel dec. ex. C. This is sufficient to confer standing on opposer to oppose applicant's mark.

Because opposer's standing is established and applicant has conceded opposer's likelihood of confusion claim, see brief at p. 7, we find there are no genuine issues of material fact relating to opposer's standing and opposer's claim of likelihood of confusion. We therefore proceed to the central question in this case, which is the question of priority.

Priority

We consider first opposer's claim based on the filing of its intent-to-use application for the mark CLEARRX for "retail pharmacy services" on January 27, 2005, approximately two weeks prior to the date applicant filed its application. On February 23, 2006, the Office suspended examination of opposer's application in view of three applications owned by applicant. Cruz dec. ex A; Appel dec. ex. D.

An opposer with an intent-to-use application may rely on the filing date of its application to establish

priority.¹ See *Larami Corp. v. Talk To Me Programs Inc.*, 36 USPQ2d 1840 at n. 7 (TTAB 1995) ("An opposer may rely on Section 7(c) to establish priority if it owns a registration for the mark it is asserting under Section 2(d) or if it has filed an application for registration of that mark. We might put the matter more simply by saying that in proceedings before the Board the constructive use provisions of Section 7(c) may be used both defensively and offensively.") See also *Zirco Corp. v. American Telephone & Telegraph Co.*, 21 USPQ2d 1542 (TTAB 1991). In this case, opposer may rely on the filing date of its intent-to-use application to establish priority.

In response to opposer's claim of priority, applicant has pleaded as an affirmative defense "superior legal rights arising from" application Serial No. 76629648 for the mark CLEARX (filed January 27, 2005) for "nutritional supplements and vitamins" in International Class 5; and application Serial Nos. 76620689 (filed November 15, 2004) and 76625903 (filed December 29, 2004) for the marks CLEARX and THE CLEAR PRESCRIPTION, respectively, both for "cosmetics, namely, skin and facial creams and lotions, skin cleansers, nail and cuticle creams, non-medicated lip

¹ This is true whether or not the application is in suspended status. Applicant's argument that opposer may not rely on its application because it is in suspended status is without merit.

balms, sunscreens" in International Class 3, and "pharmaceutical grade skin care preparations, namely, medicated skin creams and lotions for use in conditions of rosacea, scars, hyperpigmentation, photoaging and wrinkles, medicated lip balms, and medicated sunscreens" in International Class 5. Appel dec. exhibits A - C. According to applicant, when its first filed application (Serial No. 76620689) matures into a registration, applicant will have priority dating back to November 15, 2004.

Applicant's affirmative defense is essentially that it may tack constructive use of the marks which are the subject of these applications back to the filing dates of these applications, which precede the filing date of opposer's application. Applicant has not cited to any authority for the proposition that an applicant may tack the constructive use of a mark to establish priority, and we are not aware of any such authority. Without deciding whether it is possible for an applicant to tack on any priority rights from an earlier filed intent-to-use application, we find that even if it were possible to do so, applicant may not tack back to the filing date of any of its pleaded applications in seeking to establish its priority. In order to tack, the goods or services of the

prior mark must be "substantially identical" to the goods or services of the application. See, e.g., *Big Blue Products Inc. v. International Business Machines Corp.*, 19 USPQ2d 1072 (TTAB 1991) ("In other words, if the tacking of the use of one mark onto the use of a second mark - for the purposes of obtaining or maintaining a registration - is permitted only when the marks are 'legal equivalents' or 'indistinguishable,' the tacking of the use of a mark for certain goods or services onto the use of the same mark for other goods or services - for the purposes of obtaining or maintaining a registration - should be permitted only when the two sets of goods or services are "substantially identical."). Applicant's retail store services featuring particular goods are not substantially identical to those goods.

In view of the foregoing, opposer has established that there is no genuine issue of material fact that it has priority. Because we have awarded priority to opposer in view of its earlier filed application, we need not reach opposer's allegations regarding actual use of its mark.

Affirmative Defenses

Applicant has only raised three of its affirmative defenses in its brief. We therefore consider applicant to have waived those defenses it alleged but did not discuss

in its brief, and only consider the affirmative defenses of laches, estoppel and unclean hands.

"The elements of laches are (1) unreasonable delay in assertion of one's rights against another; and (2) material prejudice to the latter attributable to the delay. The elements of equitable estoppel are (1) misleading conduct, which may include not only statements and action but silence and inaction, leading another to reasonably infer that rights will not be asserted against it; (2) reliance upon this conduct; and (3) due to this reliance, material prejudice if the delayed assertion of such rights is permitted. As applied in trademark opposition or cancellation proceedings, these defenses must be tied to a party's registration of a mark ..."
Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes Inc., 23 USPQ2d 1701, 1703 (Fed. Cir. 1992) (citations omitted).

Applicant argues that laches and estoppel apply to opposer's claim because opposer learned of applicant's application and domain name years ago on December 13, 2004; and that applicant "has spent the past two-and-a-half years creating a business plan and developing his products. His business plan, not surprisingly, includes selling these products, and for that reason he filed App. No. 78566136." Brief at p. 15.

Laches and estoppel in the context of an opposition generally run from the time when the application is published for opposition, which in this case was on March 7, 2006. Inasmuch as opposer filed its opposition shortly after the mark was published for opposition and opposer did not indicate that it would not oppose applicant's application, we find no basis for applicant's laches and estoppel defenses. See *National Cable Television Ass'n v. American Cinema Editors, Inc.*, 937 F.2d 1572, 19 USPQ2d 1424 (Fed. Cir. 1991). Also, applicant has not established that he has suffered any prejudice; applicant has not introduced his business plan and has not specified those activities he has engaged in, in "developing his products." Further, with respect to applicant's unclean hands affirmative defense based on an allegation of bad faith "by invading Dr. Gottlieb' [s] rights and trying to steal his trademark," we find this, without more, is insufficient to establish an unclean hands defense.

In conclusion, opposer has established its standing and its priority, and applicant has conceded likelihood of confusion and cannot maintain its affirmative defenses. Opposer's summary judgment motion therefore is **granted**, the opposition is sustained with respect to applicant's

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International Class 35 services, and judgment is entered in favor of opposer contingent upon the issuance of a registration to opposer in application Serial No. 78555115.²

The parties are ordered to inform the Board within **thirty days** of the registration or abandonment of opposer's pending application (Serial No. 78555115).

² See Section 7(c) of the Trademark Act, 15 U.S.C. 1057(c); Trademark Rule 2.129(d), 35 C.F.R. § 2.129(d); *Larami*, 36 USPQ2d at n. 7 ("Of course, as we have noted, Section 7(c) provides that any judgment entered in favor of a party relying on constructive use -- whether that party is in the position of plaintiff or defendant in a Board proceeding -- is contingent upon the ultimate issuance of a registration to that party.").