

**THIS DISPOSITION
IS NOT CITABLE AS
PRECEDENT OF
THE TTAB**

Hearing: December 8, 2004

Mailed: July 1, 2005

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Physicians Formula Cosmetics, Inc.

v.

Small Giant, LLC, assignee of Physicians Select, Inc.

Cancellation Nos. 92040553 and 92040585¹

Lile H. Deinard and Bruce R. Ewing of Dorsey & Whitney
for Physicians Formula Cosmetics, Inc.

David Sigalow and Barbara Rudolph Smith of Allen, Dyer,
Doppelt, Milbrath & Gilchrist for Small Giant, LLC.

Before Walters, Holtzman and Rogers, Administrative
Trademark Judges.

Opinion by Walters, Administrative Trademark Judge:

Physicians Formula Cosmetics, Inc. filed petitions
to cancel two registrations owned by Small Giant, LLC

¹ Upon the consented motion of petitioner, and by order of the Board on March 5, 2003, the cancellation proceedings were consolidated and Small Giant LLC was substituted as respondent in each case. The original registrant was Physicians Select, Inc., who subsequently assigned both marks and registrations to Small Giant, LLC, on January 1, 2002, and the assignment was recorded at the USPTO on July 23, 2002.

for the marks PHYSICIANS SELECT² for "cosmetics, namely, super-anti-oxidant skin moisturizer, skin and night creams, hard and liquid soaps for hands, face and body" and PHYSICIANS DIRECT³ for the same goods with the addition of "sunscreens."

As grounds for cancellation, petitioner asserts that respondent's marks, when applied to respondent's goods in each registration so resemble petitioner's previously used and registered mark PHYSICIANS FORMULA for the goods listed below⁴ as to be likely to cause confusion, under Section 2(d) of the Trademark Act:

"skin lotions, skin astringents, skin cleansers, skin creams, make-up, lipsticks, face powders, mascara, pencils, eye liners, eye shadow, eye cream, rouges, lip balm, sun screen preparations, eye make-up remover and hair spray," in International Class 3; and

"skin cleansing brushes and sponges and eye make-up applicators," in International Class 21.

Additionally, petitioner asserts that respondent has abandoned the registered marks PHYSICIANS SELECT and PHYSICIANS DIRECT because it has not used the marks

² Registration No. 2125309, issued December 30, 1997, in International Class 3. [Section 8 (six-year) affidavit accepted.]

³ Registration No. 2421620, issued January 16, 2001, in International Class 3.

⁴ Registration No. 1187307, issued January 26, 1982, with a claim of acquired distinctiveness under Section 2(f) of the Trademark Act. [Sections 8 (six-year and ten-year) and 15 affidavits accepted and acknowledged, respectively; renewed for ten years from January 26, 2002.]

in connection with the identified goods and has no bona fide intent to continue such use of these marks.

Respondent, in its answer to each petition, denied the salient allegations of the claims and asserted affirmatively that confusion is unlikely because third-party uses and registrations⁵ of marks containing PHYSICIAN or PHYSICIANS for cosmetics render petitioner's marks weak and entitled to only a narrow scope of protection.

Preliminary Issue

Petitioner raised, for the first time in its brief, a claim of fraud, contending that Dr. Levine conceded that neither of respondent's marks have been used in connection with "hard and liquid soaps for hands, face and body," which are goods listed in the registration; and that respondent has used its PHYSICIANS SELECT mark with the registration symbol in connection with sunscreen, for which the mark is not registered. Petitioner stated in its reply brief that the issue of fraud has been tried by implied consent. Respondent has objected to consideration of fraud as an issue in this case on the ground that it would be

⁵ Respondent submitted copies of third-party registrations with its answer. Those registrations that were not properly made of record during trial have not been considered.

greatly prejudiced because fraud was neither pled nor tried herein.

Clearly, petitioner did not plead the issue of fraud and we conclude, further, that the record does not reflect that the issue was tried by either express or implied consent of the parties. Therefore, the issue of fraud has not been considered.

Procedural Issues

1. Petitioner objects, on the basis of hearsay, to the admissibility of what it characterizes as "the unsworn testimonials from anonymous individuals" in Exhibits R-19, R-34 and R-35 to Dr. Levine's trial testimony; the affidavits of Cindy Meyer, Dr. Levine's former office manager, and of Dr. Levine, both of which were originally submitted in connection with respondent's motion for summary judgment; Dr. Levine's trial testimony at p. 133, line 5, through p. 134, line 24, recounting a conversation he had with Ms. Meyer about her conversations with petitioner's investigator; and Exhibit R-33 to Dr. Levine's trial testimony, a news article, to the extent it is offered for the truth of the statements contained therein.

In response, respondent contends that the "unsworn testimonials" are actually studies of his products that he conducted with his patients in the ordinary course

of his business and, thus, this material consists of admissible business records. Respondent argues that Ms. Meyer's affidavit is admissible because petitioner could have deposed Ms. Meyer if it had questions about the statements attributed to her; that Dr. Levine's statements about his conversations with Ms. Meyer are no more hearsay than are Ms. Rose's statements about her conversation with Ms. Meyer and, thus, the testimony of both witnesses should be either admitted or excluded; and that the news article has not been offered for its truth, but as proof of the use in commerce of respondent's marks.

We find that Exhibits R-19, R-34 and R-35 to Dr. Levine's testimony are unsworn statements by unidentified individuals in the nature of testimonials about Dr. Levine's products referenced therein. Dr. Levine's vague statements characterizing these documents as "studies of his products" are insufficient. Even if we were to accept that the exhibits are in the nature of business records, that would not overcome hearsay problems inherent in the records themselves.

Regarding the affidavits of Cindy Meyer and Dr. Levine, the testimony of a witness may be submitted in the form of an affidavit only upon the written

agreement of the parties, and such an agreement is not present in this case. See Trademark Rule 2.123(b). Therefore, these two affidavits are not admissible evidence at trial. Petitioner's objections to the Exhibits R-19, R-34 and R-35 to Dr. Levine's testimony, and to the affidavits of Cindy Meyer, including Exhibit R-41G, and Dr. Levine are sustained and these items have not been considered.⁶

Regarding the admissibility of Dr. Levine's testimony at p. 133, line 5, through p. 134, line 24, we note that hearsay is an out-of-court statement offered to prove the truth of the matter asserted. Fed. R. Evid. 801(c). Courts have responded to the hearsay objection in varying ways. See generally, *J.T. McCarthy, McCarthy on Trademarks and Unfair Competition*, § 23:15 (4th ed. 2004). Each party has clearly offered, respectively, Dr. Levine's noted testimony, and by analogy, Ms. Rose's statements as to what Ms. Meyer said to her, for the truth of the statements made by Ms. Meyer to Dr. Levine or Ms. Rose, respectively. This testimony is, therefore, hearsay and has not been considered. This pertains only to the above-noted statements by Dr. Levine and to any

⁶ We note that, in his testimony, Dr. Levine affirmed the specific facts that he attested to in his affidavit, which acceptably puts that information into the record through his deposition.

statements by Ms. Rose in her testimony reporting what Ms. Meyer said to her. *See Toys "R" Us, Inc. v. Lamps R Us*, 219 USPQ 340, 346 (TTAB 1983); and *Finance Co. of America Corp.*, 205 USPQ 1016, 1035 (TTAB 1979).

Further, even if these statements were found not to be hearsay, in view of the completely contradictory statements by Dr. Levine and Ms. Rose about purported telephone conversations between and among Dr. Levine, Ms. Meyers, Ms. Rose and Mr. Moy, we have given no probative value to these statements.

Regarding the article submitted as Exhibit R-33 to Dr. Levine's testimony, the article is admissible and has been considered for the fact that it was written and contained the subject matter therein, not for the truth of that subject matter.

2. Petitioner objects, on the basis of relevance, to the admissibility of the twenty-two copies of third-party registrations submitted by respondent's notice of reliance, arguing that these registrations are not evidence of use of the marks therein; that sixteen of the registrations pertain to nutritional supplements rather than cosmetic products; and that several of the registered marks contain "M.D." not PHYSICIAN, or foreign words that do not translate exactly into PHYSICIAN. Petitioner also objects to Dr. Levine's

trial testimony at p. 166, line 16 through p. 169, line 5, on the ground of hearsay and lack of foundation; and to Exhibit R-42 to Dr. Levine's trial testimony (as well as the identical Exhibit H of Exhibit R-41) on the ground of relevance, arguing that it is a list of registrations that is insufficient to prove either registration or use of the listed marks, the list is outdated, the marks and goods are different, and the list includes applications. Respondent contends that the evidence of registration of third-party marks is very relevant to the strength or weakness of petitioner's mark.

Petitioner's arguments regarding the third-party registrations, Exhibits R-41H and R-42 to Dr. Levine's testimony,⁷ pertain to the probative value of these registrations and do not warrant finding them inadmissible. The third-party registrations have been considered for whatever probative value they may have.

⁷ These exhibits include applications as well. We note that pending applications are not evidence of anything other than that the applications were filed. *Olin Corp. v. Hydrotreat, Inc.*, 210 USPQ 62, 65 n.5 (TTAB 1981) ("Introduction of the record of a pending application is competent to prove only the filing thereof"). Exhibit 41H and the first few pages of Exhibit 42 consist of identical lists of registrations. This is not the proper means for making registrations of record. Copies of the registrations themselves, or the electronic equivalent thereof, i.e., printouts of the registrations taken from the electronic records of the USPTO's own database, should be submitted. See, *Weyerhaeuser Co. v. Katz*, 24 USPQ2d 1230 (TTAB 1992). Therefore, we have considered only the copies of the registrations themselves to be properly of record.

We consider Dr. Levine's testimony at p. 166, line 16 through p. 169, line 5, to be merely his speculation about the use of the term "physician" by third parties. As such it is not hearsay and it does not require additional foundation. Petitioner's objection is overruled; however, we note that this testimony has not been considered for the truth of the allegations that such third-party use has been made. Similarly, Dr. Levine's speculation as to why a third party would choose to include the term "physician" in a mark, while admissible, is of no probative value.

3. Respondent objects on the basis of lack of authentication to petitioner's Exhibits 36-A, B, C and 37-A, B, C, D to Ms. Rose's testimony, which are alleged to be print-outs showing respondent's website at different times in the past from www.archive.org. Respondent contends that Ms. Rose's testimony about this evidence was inadequate to authenticate this evidence. Respondent's objection is overruled. Ms. Rose's testimony is acceptable to authenticate that the exhibits in question were found at the website www.archive.org; and that the documents are the result of the search she described. However, we note that neither these exhibits nor Ms. Rose's testimony in this regard establish, without more, that the exhibits are,

in fact, accurate or complete snapshots of the reported websites.

The Record

The record consists of the pleadings; the files of the involved registrations; a certified status and title copy of Registration No. 1187307, excerpts of articles from various publications and excerpts from the August 21, 2003 discovery deposition of respondent's trial witness, Dr. Scott David Levine, in rebuttal, all made of record by petitioner's notice of reliance; the testimony depositions by petitioner of Vivian Durra, petitioner's senior marketing and consumer relations manager, and Joanne Rose, an employee of a private investigator retained by petitioner, both with accompanying exhibits; copies of third-party registrations, submitted by respondent's notice of reliance; and the testimonial deposition by respondent of Dr. Scott David Levine,⁸ president of

⁸ We note that Dr. Levine's testimony and exhibits have been designated "confidential" in their entirety. However, respondent cannot shield from the public information that is not appropriately confidential. We find it unlikely that respondent's entire noted submission is appropriately designated as confidential. Therefore, within thirty days of the date of this decision, respondent must resubmit Dr. Levine's testimony and exhibits with those portions which are not truly confidential being submitted in the normal manner, and only those portions which truly need to be kept under seal being redacted. The redacted copy will be placed in the public record. If respondent fails to make this submission, the entire testimony deposition and exhibits will become part of the public record.

respondent corporation, with accompanying exhibits.⁹

Both parties filed briefs on the case and an oral hearing was held.

Factual Findings

Much of the testimony and evidence submitted in this case is confidential and, thus, the description of the facts will be general. Petitioner, founded in 1937 by Dr. Frank Crandall, manufactures and sells cosmetics and skin care products, including sun care products, under the trademark PHYSICIANS FORMULA COSMETICS. Dr. Crandall was an allergist who originally developed hypoallergenic cosmetics for his wife's sensitive skin. Petitioner's business began on the west coast of the United States and expanded across the country during the past decade. Petitioner markets to the general consumer, targeting women aged twenty-five to forty-five, as well as to physicians, particularly surgeons and dermatologists. The Skin Cancer Foundation has endorsed petitioner's Le Velvet makeup.

Petitioner has submitted its product pictures, brochures, advertisements and website print-outs, as

⁹ Respondent also filed what it characterized as a "conditional notice of reliance" consisting of various pages from web.archive.org. This information has not been properly authenticated and, as such, is not proper material for submission by notice of reliance. Petitioner, however, has not objected to this evidence, and we have considered it to be part of the record; but it is of little, if any, probative value absent proper testimony authenticating and explaining the material submitted.

well as third-party articles from various publications, demonstrating petitioner's use of the mark up to the time of trial. Additionally, petitioner established its ownership and status of its pleaded Registration No. 1187307. Petitioner's PHYSICIANS FORMULA products are sold through mass-market retailers and pharmacies, including Target, Wal-Mart, Eckerd and CVS. Petitioner advertises nationally, including in print and on television, through in-store displays and via e-mail. Petitioner's products have been mentioned in numerous national magazine and newspaper articles, primarily by beauty editors. Petitioner's sales figures are substantial and Ms. Durra, petitioner's senior marketing and consumer relations manager, testified that all of its products are sold under the PHYSICIANS FORMULA mark; and that its primary competitors include Revlon, Neutrogena, Almay and L'Oreal.¹⁰

Respondent submitted copies of twenty-two third party registrations in support of its position that PHYSICIANS is the weak portion of both parties' marks and entitled to a limited scope of protection. First, we do not consider the three registrations for marks

¹⁰ Ms. Durra also stated that petitioner's PHYSICIANS FORMULA products "rank in the top ten"; however, it is not clear what the basis of this ranking is, who made the ranking, and what group is being ranked. Therefore, this particular evidence is of little probative value.

that contain the word M.D., rather than PHYSICIANS, or the registration of a foreign word mark, or the registration that was cancelled in 2000,¹¹ to be probative of the strength or weakness of PHYSICIANS in a mark. Nor do we consider the fourteen registrations for nutritional, homeopathic or pharmaceutical products alone to be probative evidence on that point. Thus, there remain only three registrations, listed below, of any probative value that, like the marks in this case, begin with the word PHYSICIANS, followed by additional wording, and identify various skin care products:

PHYSICIANS COMPLEX (Reg. No. 2055813)¹²;

LUCRECE and a crest design in which the words PHYSICIANS', AESTHETIC and RESEARCH appear in small letters (Reg. No. 1868806); and

PHYSICIANS' AND SURGEONS' in stylized script (Reg. No. 434145).

There is no evidence in the record of any third-party use of marks containing PHYSICIANS. We do not find the three registrations noted to be sufficient to establish that the PHYSICIANS portion of petitioner's mark is weak or that petitioner's mark as a whole is weak.

¹¹ Registration No. 2403054, for the mark PHYSICIAN'S CHOICE, was cancelled by the then-commissioner on May 17, 2000, as a result of Cancellation No. 92028430.

¹² This registration is the subject of a cancellation proceeding brought by the petitioner in this case.

Further, although petitioner's mark was registered under Section 2(f), petitioner's evidence establishes that its mark has acquired substantial renown in connection with the identified goods, and that it is a strong mark in the marketplace. However, we do not find the evidence sufficient to raise petitioner's mark to the level of a famous mark.

Respondent

Respondent is a limited liability company that is owned and operated by Dr. Scott Levine, a medical doctor with an internal medicine practice in Orlando, Florida. Respondent holds assets for two other companies owned and operated by Dr. Levine, Physicians Direct and Physicians Select,¹³ both of which Dr. Levine describes as health and nutrition companies. Dr. Levine's companies essentially constitute a small business offering for sale a small number of nutritional and skin care products through Dr. Levine's medical office and the Internet.¹⁴ Respondent does not and has never offered or sold "hard and liquid soaps

¹³ These two companies have gone through several different legal forms, but that history is not important for our discussion herein. We refer to Dr. Levine's actions regularly in discussing respondent's business because Dr. Levine is essentially the sole owner and operator of the business.

¹⁴ While there is some testimony about Dr. Levine's sales of nutritional products, we have not discussed this aspect of his business except when it directly relates to the marketing and sales of his skin care products.

for hands, face and body," which is identified in respondent's registrations. (Dr. Levine Deposition, August 21, 2003, p. 66.)

Dr. Levine testified that he contracted with another company or companies to manufacture his skin care products; that he separately bought and provided the jars for his skin cream product to the manufacturer; and that he separately bought and applied the PHYSICIANS SELECT labels to the skin cream products. Dr. Levine's testimony about what products he sold, during what time periods, and what trademarks identified those products is confusing at best. Further, the records submitted in support of his testimony about sales and advertising consist largely of disparate pieces of paper, many of which are duplicates and/or undated, with a great deal of information scribbled out. For example, some of the papers are excerpted from a notebook in which Dr. Levine or his office manager hand-wrote sales entries, often without identifying the product sold; some of the papers are entries he recorded in a software program, including deposits from sales or deductions for expenses that he explained were for various promotional activities; and some are sums that he identified as coming from a web-payment company that he used for

Internet sales. During his testimony, Dr. Levine tried to identify which pages of evidence of sales referred to which of his products, but this testimony was inconclusive. Dr. Levine acknowledged that his records were poorly kept and inconsistent. He noted that some of his sales were not recorded or may have been recorded as part of his medical practice; and that, because he experimented with selling his products at different "price points," it was difficult to discern from recorded dollar amounts what, or how many, products had been sold.

In addition to offering his products over the Internet and to his medical office patients, Dr. Levine stated that he also bartered his products for services, such as promotional services; that he regularly gave products, paid for by his medical practice, to his employees; that he brought products home for family and friends to use; and that he distributed samples of his products to a wide range of people, including to at least one other doctor's office.

The first order that Dr. Levine placed was for the manufacture of 500 jars of a skin cream in 1995 or 1996. The labels that he initially applied to these jars identified the skin cream as PHYSICIANS SELECT Reverse Complex AM, a moisturizing cream. His first

sales were in 1996. Also under the PHYSICIANS SELECT mark, beginning in 1996, Dr. Levine testified that he began offering Speed Screen, a sunscreen product.

Beginning in 1999, Dr. Levine also offered the Reverse Complex AM cream under the PHYSICIANS DIRECT mark by affixing a DIRECT sticker over the word SELECT on the label. Also under the PHYSICIANS DIRECT label, in 2002, Dr. Levine began offering Dr. Levine's Ultimate Anti-Aging Cream and Dr. Levine's Ultimate Sunblock. The skin creams he has offered since 1996, regardless of the mark or marks used thereon, are from the original batch of 500 jars ordered in 1995 or 1996.

Dr. Levine has had numerous websites where he has offered nutritional products and the abovementioned skin care, sunscreen and sunblock products. These websites include physicians-select.com, physicians-direct.com ultimate-skin-care.com, bestherb.com, fastweightloss-101.com, and thindoctor.com, among others.

From 1996 to the time of trial, Dr. Levine testified that he has sold, given away or bartered less than 450 jars of skin cream under either the PHYSICIANS SELECT or PHYSICIANS DIRECT mark, including the Reverse Complex AM cream and Dr. Levine's Ultimate Anti-Aging Cream; less than 150 containers of Speed Screen under

the PHYSICIANS DIRECT mark; and less than 60 containers of sunblock under the PHYSICIANS DIRECT mark.¹⁵

Dr. Levine testified that some of his records reflect promotional activities, including attending health fairs in Orlando and Tampa, Florida, although it is unclear to what extent he promoted skin care products rather than nutritional products. He also showed recorded expenses for a radio advertisement, a taped interview and to set up a network marketing company, although none of these efforts were completed or used. At some point in time, Dr. Levine also approached several pharmacy chains and mass-market retailers about carrying his products, but he was unsuccessful.

Dr. Levine testified that his promotion and sales of his skin care products under the PHYSICIANS SELECT and PHYSICIANS DIRECT marks has been continuous, albeit in small amounts, from the respective dates of first use of the abovementioned skin care products to the time of trial, both through his various Internet websites and at his medical office.

¹⁵ These sales numbers, given during Dr. Levine's trial testimony, differ slightly from the numbers he stated in his discovery deposition. However, the statements are not inconsistent and are similar enough for us to conclude that his statements provide rough estimates.

Regarding respondent's use of its marks on skin care products, petitioner submitted the testimony, with exhibits, of Joanne Rose, an investigator for TM Investigations Group (TMIG), an intellectual property investigations business operated by James Moy (also known as Yet Mui). Petitioner employed TMIG to investigate respondent's use of the marks PHYSICIANS SELECT and PHYSICIANS DIRECT in connection with skin care products. Ms. Rose conducted the investigation and drafted a report of her findings (Petitioner's Exhibit 35, dated November 19, 2001). She reported, in both her written report and testimony, that, on November 2, 2001, she browsed the entire websites at physicians-select.com and physicians-direct.com and printed all the screens from each website; and that she found no reference to any cosmetic or skin care products.¹⁶

Ms. Rose stated that in March 2003 she conducted a search of the Physicians Select and Physicians Direct websites at web.archive.org, a non-profit organization that maintains an electronic archive of Internet

¹⁶ Also on November 2 and 5, 2001, Ms. Rose telephoned respondent's business number and the toll-free number shown on the websites. In his testimony, Dr. Levine strongly disputed the truth and/or accuracy of Ms. Rose's testimony about her conversations with persons in his office. Because Dr. Levine directly contradicts Ms. Rose about who said what to whom in various telephone conversations, we have accorded little weight to their conflicting statements about telephone conversations between Ms. Rose and Dr. Levine's office.

website content (Rose Exhibit 36). She noted that the website states that not all pages from archived sites are available at web.archive.org, but that she printed all available archived pages from these sites for the period January 1, 1996 to November 11, 2003. She stated that the archived pages for physicians-select.com showed no reference to skin care products until May 25, 2002; and that the archived pages for physicians-direct.com showed no reference to skin care products until September 29, 2002.¹⁷

Dr. Levine, in his testimony, contends that the web.archive.org printouts are incomplete to the extent that the printouts do not include the sites' web links pages. However, we have considered Rose Exhibit 36, which she has identified as the print-out of the archived web pages from respondent's PHYSICIANS SELECT and PHYSICIANS DIRECT web sites, as identified above. Contrary to Dr. Levine's statement, noted above, the printouts do contain each site's web links page; however, they do not include printouts from the linked sites. Nonetheless, if those linked sites had evidence that was important to respondent's case, we assume respondent would have made such evidence part of its case. As it is, based on a review of the respective

¹⁷ The petitions to cancel were filed on February 25, 2002.

sites' home page indexes, Exhibit 36 appears to contain substantially complete representations of the two websites for the dates represented. Prior to the 2002 dates noted by Ms. Rose, the PHYSICIANS SELECT website, including the order form, is devoted entirely to nutritional information and the sale of Dr. Levine's Ultimate Antioxidant Formula supplement; and the PHYSICIANS DIRECT website, including the order form, is devoted entirely to nutritional information and the sale of Dr. Levine's New Attitude St. Johns Wort supplement. Thus, on this record we must conclude that, prior to the above-noted dates in 2002, respondent's skin cream, sun screen and sun block products were not advertised or sold at either the PHYSICIANS SELECT or the PHYSICIANS DIRECT websites; nor is there evidence in the record to support Internet sales of these products at other websites prior to 2002. Dr. Levine's records of website development and maintenance are limited and do not specify either the website names or what goods are to be promoted thereon.

However, we do find respondent's records and testimony sufficient to establish that there have been sales of its skin care products, including sun screen and sun block, from Dr. Levine's medical office, continuously each year from the products' respective

dates of first use to the time of trial, and via the Internet from at least 2002 to the time of trial. While the amount of sales is small, it is consistent with the fact that respondent's business is a small adjunct to Dr. Levine's medical practice.

Analysis

Abandonment

Regarding its claim of abandonment, petitioner contends that it has established that, as of November 2001, respondent was not selling any of the identified goods under the PHYSICIANS SELECT and PHYSICIANS DIRECT marks; that, essentially, respondent's evidence of subsequent sales lacks credibility; that respondent has been unable to provide any evidence of customers or sales; that respondent has not adequately rebutted petitioner's evidence of respondent's non-use since at least November 2001; and that, even if respondent is found to have made some use of its marks in connection with the identified goods, such use has been only minimal, intermittent sales over a substantial period of time, which is insufficient to rebut the prima facie case of abandonment made by petitioner.

Respondent states that petitioner's entire contention of abandonment rests on the testimony of Joanne Rose, who investigated respondent's use of its

marks for petitioner; that Ms. Rose's testimony is incomplete and not credible, citing what respondent characterizes as Ms. Rose's limited education and training in investigation, as well as alleged inconsistencies in her statements. Respondent contends that its evidence clearly establishes its use of its mark on the identified products continuously since its first use in 1996; and that the evidence further establishes Dr. Levine's intention to continue the use of respondent's marks and development of its business.

Section 45 of the Trademark Act, 15 U.S.C. §1127, defines abandonment and creates a presumption of abandonment:

A mark shall be deemed to be "abandoned" ...
(1) When its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Non-use for 3 consecutive years shall be prima facie abandonment. "Use" of a mark means the bona fide use of that mark made in the ordinary course of trade, and not made merely to reserve a right in a mark.

Because registrations are presumed valid under the law, the party seeking cancellation must rebut this presumption by a preponderance of the evidence. See *On-Line Careline Inc. v. America Online Inc.*, 229 F.3d 1080, 56 USPQ2d 1471, 1476 (Fed. Cir. 2000). Further, abandonment, being in the nature of a forfeiture, must be strictly proved. See, *P.A.B. Produits v. Santinine*

Societa, 570 F.2d 328, 196 USPQ 801, 804 (CCPA 1978) and *7-11 Sales, Inc. v. Perma, S.A.*, 225 USPQ 170, 171 (TTAB 1984).

We consider, first, respondent's goods in its two registrations identified as "cosmetics, namely, super-anti-oxidant skin moisturizer, skin and night creams, ..." and the additional goods in the PHYSICIANS DIRECT registration only, "sunscreens."

While respondent's records are poorly kept and in disarray, we have found those records, along with Dr. Levine's testimony, to be sufficient to establish regular, albeit small numbers of, sales of its skin care products. Particularly relevant to this case is the case of *Persons Co. Ltd. v. Christman*, 900 F.2d 1565, 14 USPQ2d 1477 (Fed. Cir. 1990), *affirming* 9 USPQ2d 1477 (TTAB 1988), wherein the appellant argued that abandonment was established by Christman's intermittent sales during a four-year period, the paucity of orders to replenish the inventory during that period, and the lack of significant sales to commercial outlets. However, the court found that such circumstances do not necessarily imply abandonment and that appellant did not establish abandonment. The court stated (at 1477) that "there is no rule of law that the owner of a trademark must reach a particular

level of success, measured either by the size of the market or by its own level of sales, to avoid abandoning a mark." See also, *Wallpaper Manufacturers Ltd. v. Crown Wallpapering Corp.*, 680 F.2d 755, 759, 214 USPQ 327, 329 (CCPA 1982). Like the *Persons'* case, petitioner has failed to establish abandonment. As previously noted, we have given little weight to the contradictory testimony of Ms. Rose and Dr. Levine. Thus, petitioner has established, and respondent has not sufficiently rebutted, only that respondent did not sell its skin care products via the Internet prior to 2002. Petitioner has not successfully challenged Dr. Levine's testimony and records of sales establishing use of respondent's marks on these goods through his medical office from each product's respective first use date to the time of trial and via the Internet from at least 2002. Therefore, we find no abandonment with respect to either mark for "cosmetics, namely, super-anti-oxidant skin moisturizer, skin and night creams" or, with respect to PHYSICIANS DIRECT, for "sunscreen."

We consider, next, the goods identified in each of respondent's registrations as "cosmetics, namely, ... hard and liquid soaps for hands, face and body." Dr. Levine stated (Dr. Levine Deposition, August 21, 2003, p. 66) that respondent has never used the marks

PHYSICIANS SELECT or PHYSICIANS DIRECT on such products. This concession, along with the total lack of evidence or discussion about sales of such goods under the marks, or of any intent to use either mark in connection with these goods, clearly establishes a prima facie case of abandonment of respondent's marks with respect to these goods. Therefore, notwithstanding that, below, we grant the petitions for cancellation on another ground, if respondent were to successfully appeal our grant, the registrations would still be restricted by the deletion of these goods from each of the registrations. 15 U.S.C. §1068.

Likelihood of Confusion

Inasmuch as a certified copy of petitioner's registration is of record, and because the filing date of the application that matured into its registration is earlier than the filing date of respondent's underlying applications, petitioner has established priority. *King Candy Co., Inc. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974).

Our determination of likelihood of confusion under Section 2(d) must be based on an analysis of all of the probative facts in evidence that are relevant to the factors bearing on the likelihood of confusion issue. *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177

USPQ 563 (CCPA 1973). See also, *In re Majestic Distilling Company, Inc.*, 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003). In considering the evidence of record on these factors, we keep in mind that “[t]he fundamental inquiry mandated by Section 2(d) goes to the cumulative effect of differences in the essential characteristics of the goods and differences in the marks.” *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24 (CCPA 1976). See also *In re Azteca Restaurant Enterprises, Inc.*, 50 USPQ2d 1209 (TTAB 1999) and the cases cited therein.

Petitioner contends that confusion is likely because the marks are similar, stating that PHYSICIANS is the dominant and first component of the parties’ marks; and that the connotation of PHYSICIANS in the context of cosmetics essentially lauds the purity and quality of such products and has been emphasized by both parties in their marketing efforts. Petitioner states that many of petitioner’s and respondent’s goods are identical and the remaining ones are closely related; and that, in view of the lack of limitations in the identifications of goods, these products are presumed to travel in the normal trade channels for, and to the ordinary purchasers of, cosmetic products and, as such, the trade channels and purchasers of the

parties' goods are the same.¹⁸ Petitioner states that its mark "has acquired a high degree of recognition" (Brief, p. 17) and is entitled to a wide scope of protection, noting that it has extensively advertised its products bearing the PHYSICIANS FORMULA mark in stores, on the Internet, in magazines and other print media and on television; and that its sales have been substantial.¹⁹

On the other hand, respondent contends that its marks are not similar in sound, appearance, connotation or commercial impression to petitioner's mark; that the term PHYSICIANS is merely descriptive in connection with the identified goods and is contained in many third-party marks²⁰ and, thus, is not the dominant

¹⁸ Petitioner argues, further, that the evidence establishes that both parties, in fact, have sold their products over the Internet and through doctors' offices.

¹⁹ Both petitioner and respondent filed their entire briefs as confidential. The parties are advised that only matter that is truly confidential should be so labeled. The proper procedure is to file a brief with the confidential matter redacted, designated as confidential and submitted separately. In view of the confidential designation, we have not discussed petitioner's actual dollar totals or numbers of sales, although such figures are significant. However, within thirty days of the date of this decision, both parties are directed to resubmit their briefs with only those portions which are not truly confidential being submitted in the normal manner, and only those portions which truly need to be kept under seal being redacted. The redacted copy will be placed in the public record. If either party fails to make this submission, the party's entire brief will become part of the public record

²⁰ As petitioner points out, to the extent that respondent has referred in its brief to third-party registrations that are not properly of record, such registrations have been given no consideration.

portion of either party's marks; that the Court in *Physician's Formula Cosmetics, Inc. v. West Cabot Cosmetics, Inc.*, 857 F.2d 80, 8 USPQ2d 1136 (2d Cir. 1988), found petitioner's mark to be suggestive²¹ and, thus, it is not conceptually strong; that petitioner has provided insufficient contextual evidence to establish the commercial strength of its marks²²; and that the distinguishing terms in the parties' marks look different and have quite different connotations.

Respondent argues, further, that petitioner has not established that its mark is strong or famous, stating that the articles relied on by petitioner to establish its strength pertain primarily to its make-up products rather than to its skin cream or sunscreen products²³; and that there has been no actual confusion between the parties' marks during eight years of

²¹ Petitioner responded that the Court in the cited case found petitioner's mark to be suggestive and therefore inherently distinctive; and that any lack of commercial strength at the time of that 1988 decision has been remedied. Petitioner's point is well taken.

²² Petitioner replied that, in addition to sales and advertising figures that respondent concedes are "impressive," petitioner submitted evidence showing substantial media and press coverage of its products.

²³ Petitioner replied that, contrary to respondent's statements, its advertising includes both skin care products and cosmetics, that all of its products have the benefits of both skin care and cosmetics; and, further, skin care products and cosmetics are substantially similar and related products.

coexistence.²⁴ Respondent claims that the parties' goods are different because it markets a moisturizer, spray-on sunscreen, a sun block and an anti-aging cream, whereas petitioner primarily markets facial make-up; and, further, that the parties' trade channels and purchasers are different because respondent markets its products primarily over the Internet, via telephone and in Dr. Levine's office, whereas petitioner markets its products primarily through mass market retail outlets.

With respect to the goods of the parties, we observe that there is a substantial overlap in the goods identified in respondent's registrations and in the pleaded registration. Both petitioner's registration and respondent's PHYSICIAN'S DIRECT registration include "sunscreen"; and petitioner's "skin lotions" are the same as, or encompass, respondent's skin moisturizer and creams. There is no evidence in the record regarding any relationship between petitioner's remaining goods and respondent's identified goods, but such a finding is unnecessary. Thus, we conclude that the noted goods of the parties are either identical or closely related.

²⁴ Petitioner replies that in view of the minimal sales of respondent's products under its marks herein, there has certainly been no significant opportunity for actual confusion to occur.

Further, both petitioner's and respondent's identifications of goods are broadly worded, without any limitations as to channels of trade or classes of purchasers. We must presume that the goods of the petitioner and respondent are sold in all of the normal channels of trade to all of the usual purchasers for goods of the type identified. See *Canadian Imperial Bank v. Wells Fargo*, 811 F.2d 1490, 1 USPQ2d 1813 (Fed. Cir. 1987). In other words, we conclude that the channels of trade and classes of purchasers of the parties' goods are the same. Because we must consider the parties' goods as identified in their registrations, respondent's argument that the "actual" goods, channels of trade and purchasers differ is unavailing.

Turning to the marks, we note that "when marks would appear on virtually identical goods or services, the degree of similarity necessary to support a conclusion of likely confusion declines." *Century 21 Real Estate Corp. v. Century Life of America*, 970 F.2d 874, 23 USPQ2d 1698, 1700 (Fed. Cir. 1992). Further, while we must base our determination on a comparison of the marks in their entireties, we are guided, equally, by the well established principle that, in articulating reasons for reaching a conclusion on the issue of

confusion, "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 ultimate conclusion rests on consideration of the marks in their entireties." *In re National Data Corp.*, 732 F.2d 1056, 224 USPQ 749, 751 (Fed. Cir. 1985).

We find that the word PHYSICIANS is the dominant feature in the commercial impression created by each of the marks at issue. The word FORMULA in petitioner's mark refers back to, and reinforces, the first term, PHYSICIANS, and the mark as a whole suggests that physicians are responsible for, or approve, the formulation of petitioner's products. The words SELECT and DIRECT in respondent's respective PHYSICIANS SELECT and PHYSICIANS DIRECT marks also refer back to, and reinforce, the first term in each mark, PHYSICIANS. SELECT is laudatory in this context and the PHYSICIANS SELECT mark as a whole suggests that physicians have selected, or recommended, respondent's products. The word DIRECT would appear to be highly suggestive of the direct sales method employed by respondent and the PHYSICIANS DIRECT mark as a whole suggests that physicians will directly offer this product, implying also the recommendation of physicians for the product. The terms FORMULA, SELECT and DIRECT contribute

relatively less to the commercial impressions of the respective marks. In terms of appearance, sound, connotation and overall commercial impression, we find that the similarity between the marks which results from the presence of the word PHYSICIANS in all three marks outweighs the points of dissimilarity between the marks, i.e., the different second words in the respective marks. Viewing the marks in their entireties, we find that they are similar because the dominant feature of each mark is the distinctive and first word PHYSICIANS and, further, because of the demonstrated strength of petitioner's mark.²⁵

In conclusion, in view of the substantial similarity in the commercial impressions of respondent's marks, PHYSICIANS SELECT and PHYSICIANS DIRECT, and petitioner's mark, PHYSICIANS FORMULA, their contemporaneous use on the same and closely related goods involved in this case is likely to cause confusion as to the source or sponsorship of such goods. Consumers familiar with petitioner's well-known and widely distributed products might very well consider respondent's marks to denote, respectively, a "select" class of PHYSICIANS FORMULA products and a

²⁵ This is not a conclusion that all two word marks beginning with PHYSICIANS for the same or related goods or services will be confusingly similar to petitioner's mark. Each case must be decided on its particular facts.

class or group of products specifically promoted for "direct" sales. The likelihood of confusion is not avoided merely because consumers might be able to differentiate one mark from another, if they would nonetheless believe that all the marks identify products from a single source. See *Creative Playthings, Inc. v. Fisher-Price Toys, Inc.*, 169 USPQ 58 (TTAB 1971) (Board sustained opposition against registration of CREATIVE BLOCKS, with BLOCKS disclaimed, based on opposer's prior use of CREATIVE PLAYTHINGS as mark and trade name, finding that purchasers familiar with opposer's mark and goods would be likely to believe that applicant's mark identified a particular line of opposer's toys).

We are not persuaded otherwise by respondent's arguments. Respondent places great emphasis on the third-party registrations in the record; however, as previously stated, there are only three such registrations of any relevance and we find the marks herein to be more similar to petitioner's mark in all respects. Regarding respondent's contention that the PHYSICIANS portion of petitioner's mark is descriptive and weak and that petitioner has provided insufficient evidence to establish that its mark is strong, we have found otherwise. Finally, regarding respondent's

argument that it is unaware of any instances of actual confusion between the marks herein, notwithstanding contemporaneous use of the marks for a period of years, the evidence clearly establishes that the nature and scope of respondent's actual use of its marks has been sufficiently limited that there has been little, if any, meaningful opportunity for actual confusion to occur.

Decision: The petition to cancel is granted as to each registration on the ground of abandonment, but only with respect to the goods identified in both registrations as "hard and liquid soaps for hands, face and body." These goods shall be deleted from the registrations.

The petition to cancel on the ground of abandonment is denied as to the remaining goods in each registration.

The petition to cancel is granted on the ground of likelihood of confusion as to each registration.