

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

Oral Hearing: March 13, 2008                      Mailed: June 23, 2008

**UNITED STATES PATENT AND TRADEMARK OFFICE**

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**Trademark Trial and Appeal Board**

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PHYSICIANS FORMULA COSMETICS, INC.  
v.  
COSMED, INC.

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Cancellation No. 92040782

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

Jason M. Sneed of Alston & Bird LLP for Cosmed, Inc.

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Before Cataldo, Taylor and Wellington,  
Administrative Trademark Judges.

Opinion by Cataldo, Administrative Trademark Judge:

Physicians Formula Cosmetics, Inc. ("petitioner") has petitioned to cancel Registration No. 2055813 for the mark PHYSICIANS COMPLEX, owned by Cosmed, Inc. ("respondent"). The registration issued on April 22, 1997 on the Principal Register.<sup>1</sup> The goods are identified therein as "cosmetics, namely lip gloss, cosmetic facial and body skin care products, namely exfoliation and masques, cleansers,

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<sup>1</sup> Section 8 affidavit accepted; Section 9 affidavit granted. First renewal.

lotions, sprays, creams, gels, serums, and milks, and toners; and sunblocks," in International Class 3.

In its amended petition for cancellation, petitioner alleges that it is the owner of Registration No. 1187307, previously registered for the mark PHYSICIANS FORMULA for, inter alia, "skin lotions, skin astringents, skin cleansers, skin creams, make-up, lipsticks, face powders, mascara, eyebrow pencils, eye liners, eye shadows, eye cream, rouges, lip balm, sun screen preparations, eye makeup remover" in International Class 3.<sup>2</sup> Petitioner argues that as a result of the similarity between the parties' marks as applied to their respective goods, confusion is likely among consumers as to the source of those goods. In addition, petitioner alleges that respondent committed fraud upon the United States Patent and Trademark Office (USPTO).

In an order issued on March 11, 2005, the Board granted petitioner's motion for partial summary judgment on the issue of fraud, and allowed petitioner thirty days in which to inform the Board whether it wished to go forward on its likelihood of confusion claim. Petitioner elected to go forward on the claim of likelihood of confusion.

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<sup>2</sup> Registration No. 1187307 issued on January 26, 1982, with a claim of acquired distinctiveness under Section 2(f) of the Trademark Act, and asserting March 13, 1937 as the date of first use of the mark anywhere and in commerce in connection with the Class 3 goods. Section 8 and Section 9 affidavits accepted; Section 15 affidavit acknowledged.

**Cancellation No. 92040782**

Subsequently, respondent filed an amended answer to the amended petition for cancellation asserting a counterclaim to cancel petitioner's pleaded registration on the ground that petitioner committed fraud by falsely claiming use of its mark on hair spray when in fact petitioner never used its mark on such goods. Thus, the issues on final in this proceeding are petitioner's claim of priority and likelihood of confusion and respondent's counterclaim of fraud upon the USPTO.

**The Record**

The record in this case consists of the pleadings and the file of respondent's involved Registration No. 2055813 and petitioner's involved Registration No. 1187307. In addition, during its assigned testimony and rebuttal testimony periods, petitioner took the testimony depositions, with accompanying exhibits, of its Vice-President of Marketing, Vivian Durra and its Vice President and CFO, Joseph Jaeger. Petitioner also submitted two notices of reliance. During its assigned testimony period, respondent took the testimony deposition, with accompanying exhibits, of its President, William Brewer and several third-party owners of various PHYSICIAN formative marks. Respondent also submitted a notice of reliance.

The parties have designated portions of the record and

briefs as "confidential." While the information contained therein plays a role in determining the issues before us, we are mindful that such information was filed under seal. Thus, we will endeavor to refer to those portions of the record and briefs that are marked confidential only in a very general fashion.

Petitioner and respondent filed main briefs and rebuttal briefs on their respective claim and counterclaim. In addition, counsels for both parties presented arguments at an oral hearing held before the Board on March 13, 2008.

#### **Findings of Fact**

Petitioner was formed in 1937 and has continuously provided hypoallergenic cosmetics under the PHYSICIANS FORMULA mark since 1940.<sup>3</sup> Petitioner's cosmetics under the PHYSICIANS FORMULA mark are recommended by allergists, dermatologists, ophthalmologists, and plastic surgeons.<sup>4</sup> Petitioner has experienced a steady increase in sales, promotion, and expansion of its line of cosmetics under the PHYSICIANS FORMULA mark.<sup>5</sup> In 2003, a valuation analysis commissioned by petitioner assigned a value to the PHYSICIANS FORMULA mark of \$29.5 million.<sup>6</sup> Petitioner currently markets approximately 250 products under the

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<sup>3</sup> Durra Testimony, p. 11-15, Exhibits A-B.

<sup>4</sup> Id., Exhibits D and S.

<sup>5</sup> Id., Exhibits C-E.

<sup>6</sup> Id. at 17; Jeager Testimony, Exhibit 50.

**Cancellation No. 92040782**

PHYSICIANS FORMULA mark.<sup>7</sup> These products are sold nationwide through drug stores, mass merchandisers, food stores, petitioner's own Internet website as well as other Internet retailers, and by telephone. Retailers selling products under the PHYSICIANS FORMULA mark include CVS, Duane Reade, Albertson's, Kroger, Walgreen's, Wal-Mart, Target and K-Mart.<sup>8</sup> In addition, until 2003 petitioner directly marketed its products under the PHYSICIANS FORMULA mark to physicians via in-office visits and direct mail.<sup>9</sup> PHYSICIANS FORMULA products tend to retail for \$2.95 to \$13.95, with a new microderm abrasion product selling for \$29.95.<sup>10</sup> Wholesale sales of PHYSICIANS FORMULA products from 2004 through 2006 exceeded \$236 million, translating to \$330 million retail.<sup>11</sup> Petitioner advertises its PHYSICIANS FORMULA products on television; in print advertisements in such publications as *Women's Wear Daily*, *Glamour*, *Elle*, *Vogue*, *Cosmopolitan*, *Allure* and *Mass Market Retailer*; by printed mail circulars, which subsequently have been replaced with electronic mail messages; and, in 2005, on an electronic billboard in Times Square, in New York City.<sup>12</sup>

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<sup>7</sup> Durra Testimony, p. 10, 15, 20, 73-75, Exhibits C, D and S.

<sup>8</sup> Id. at 22-26, Exhibit E.

<sup>9</sup> Id. at 26-28, Exhibit F.

<sup>10</sup> Id. at 73-75, Exhibit S.

<sup>11</sup> Jaeger Testimony, Exhibit 50.

<sup>12</sup> Durra Testimony at 33-44, Exhibits I, K-M.

**Cancellation No. 92040782**

Advertising expenditures for the time period from 2004 to 2006 increased from nearly \$9 million to over \$12 million.<sup>13</sup>

Respondent has offered skin care products under its PHYSICIANS COMPLEX mark continuously since 1994.<sup>14</sup> Respondent primarily sells its skin care products under the PHYSICIANS COMPLEX mark directly to physicians and other medical professionals who, in turn, sell such products to their patients and clients. Respondent offers its products primarily to physicians, medical spas, skin care professionals, health maintenance organizations, podiatrists, chiropractors, universities and medical colleges. In so doing, respondent seeks to associate its products with physicians and connote that its products are endorsed or approved thereby.<sup>15</sup> In addition, respondent sells small amounts of its skin care products under the PHYSICIANS COMPLEX mark to persons personally known to respondent and its officers.<sup>16</sup> Respondent's products are also available to all purchasers through Internet websites such as lovelyskin.com, skincarex.com, totalskincare.com, and drugstore.com.<sup>17</sup> Respondent does not sell its products under the PHYSICIANS COMPLEX mark directly to end users of

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<sup>13</sup> Jaeger Testimony, Exhibit 50; Durra Testimony p. 58-62, Exhibit P.

<sup>14</sup> Brewer Testimony, p. 11, 25-28.

<sup>15</sup> Id. at 19.

<sup>16</sup> Id. at 16-17.

<sup>17</sup> Id. 43.

its products, or to retail establishments, drugstore chains or mass marketers.<sup>18</sup> Further, respondent refers consumers and patients of health care professionals seeking to purchase its goods directly from respondent back to the health care professionals from which they first purchased the products.<sup>19</sup> Sales, and corresponding advertising expenditures related to respondent's products sold under its PHYSICIANS COMPLEX mark, have been considerable. Respondent advertises its goods primarily in medical trade and marketing journals, including *Plastic Surgery Products*, *Cosmetic Surgery Times*, *Dermatology Times*, *Aesthetic Buyers Guide*, *Rhinoplasty Society Journal*, and *Society of Plastic Surgical Skin Care Specialists*. Occasionally, respondent advertises in publications directed toward end users, such as *Beautiful* and *Atlanta Woman*.<sup>20</sup> In addition, respondent attends annual trade shows and conventions, including those sponsored by the American Academy of Dermatology and Skin Care Society.<sup>21</sup> Respondent maintains an Internet website through which healthcare professionals and others may obtain information regarding its products under the PHYSICIANS COMPLEX mark.<sup>22</sup>

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<sup>18</sup> Id. at 16-17.

<sup>19</sup> Id. at 21-22.

<sup>20</sup> Id. at 32, 34.

<sup>21</sup> Id. at 29-30.

<sup>22</sup> Id. at 36, 43.

### Petitioner's Standing

Because petitioner has properly made its pleaded registration of record, and further has shown, by its use and registration of a mark that is at least arguably similar to respondent's mark that it is not a mere intermeddler, we find that petitioner has established its standing to petition to cancel respondent's registration for its involved mark. See *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842 (Fed. Cir. 2000); and *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982).

### Fraud

Prior to our consideration of petitioner's claim of priority and likelihood of confusion, we will address respondent's counterclaim to cancel petitioner's pleaded registration on the ground of fraud.<sup>23</sup>

The following facts regarding petitioner's challenged Registration No. 1187307 are not in dispute:

(1) petitioner's application Serial No. 73295966, which matured into its Registration No. 1187307, was filed February 6, 1981 with a declaration signed by its first

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<sup>23</sup> We note that there is no question as to respondent's standing to bring this counterclaim inasmuch as respondent's standing is inherent in its position as defendant in the cancellation proceeding. See *Syntex (U.S.A.) Inc. v. E.R. Squibb & Sons Inc.*, 14 USPQ2d 1879 (TTAB 1990); and *BankAmerica Corp. v. Invest America*, 5 USPQ2d 1076 (TTAB 1987).

**Cancellation No. 92040782**

President, B.W. Bixler, averring that petitioner had adopted and was using the PHYSICIANS FORMULA mark on, inter alia, hair spray;<sup>24</sup>

(2) petitioner's combined Section 8 and Section 15 affidavit for its Registration No. 1187307 was filed January 14, 1988, and signed by a subsequent President, Stephen F. Radcliffe, averring that petitioner had been using the PHYSICIANS FORMULA mark in commerce for the previous five years from the date of registration to the present on, inter alia, hair spray;<sup>25</sup>

(3) petitioner's January 3, 2002 combined Section 8 and Section 9 application for renewal of its registration and declaration of use in commerce omitted, inter alia, hair spray from its description of goods;<sup>26</sup>

(4) petitioner's renewed registration certificate, dated May 31, 2005, inadvertently included hair spray, but not the other goods excluded by petitioner in its January 3, 2002 application for renewal, in the description of goods;<sup>27</sup>

(5) petitioner's April 28, 2006 request for corrected certificate of registration points out the mistake and requests deletion of hair spray from the description of goods;<sup>28</sup>

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<sup>24</sup> Jaeger Testimony, Exhibit 1.

<sup>25</sup> Id.

<sup>26</sup> Id. at 9-12, Exhibit 2.

<sup>27</sup> Id. at 12-13, Exhibit 3.

<sup>28</sup> Id. at 13-14, Exhibit 4.

**Cancellation No. 92040782**

(6) petitioner's Rule 30(b)(6) witness indicated that to the best of her knowledge, petitioner does not sell hair spray and has not done so during the time periods of 1991-1996 and 1998-present. In addition, petitioner's 30(b)(6) witness could not identify any person employed by petitioner who would know whether petitioner sold hair spray under the PHYSICIANS FORMULA mark at any time;<sup>29</sup> and

(7) in response to respondent's written discovery requests, petitioner stated that none of its current employees has knowledge of the products sold by petitioner at the time its challenged registration was issued; that it was not selling hair spray at the time it renewed its registration in 2002; and that it has no documents demonstrating use of the PHYSICIANS FORMULA mark on or in connection with hair spray.<sup>30</sup>

Respondent argues that petitioner's registration was fraudulently obtained, and thus void ab initio, because there is no evidence of record that petitioner ever used the PHYSICIANS FORMULA mark on hair spray, despite its officers signing both the declaration in the original application and the combined Section 8 and Section 15 affidavit therefor indicating that the mark was so used. Respondent further argues that after it filed its January 3, 2002 application

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<sup>29</sup> Durra Testimony, p. 23-26.

<sup>30</sup> Respondent's notice of reliance.

**Cancellation No. 92040782**

for renewal that omitted hair spray from its identification of goods, petitioner held itself out as owning a registration that covered hair spray by failing to request deletion thereof when it filed a January 21, 2005 motion to correct an error in its registration regarding its state of incorporation; and asserting in a cease and desist letter to a third party that it owned a registration of PHYSICIANS FORMULA for the goods listed in its renewed registration, including hair spray.

Petitioner argues that when it renewed its registration in 2002 it did not seek renewal as to, inter alia, hair spray because it was no longer using the PHYSICIANS FORMULA mark on such goods. However, petitioner argues that it did not notice the USPTO's inadvertent failure to omit hair spray from its renewed registration until respondent raised the matter in this proceeding. Petitioner further argues that it subsequently requested correction of the error and that such correction has been made. Petitioner agrees with respondent that it has not used the PHYSICIANS FORMULA mark on hair spray since 1991, but contends that the two filings in which it avers such use were made previously, in 1981 and 1988. Petitioner further contends that ownership of petitioner has changed five times over the last twenty years<sup>31</sup> and that, as a result, it has not retained complete

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<sup>31</sup> Jaeger Testimony, p. 16-17.

**Cancellation No. 92040782**

sales, advertising and other records dating back to the relevant dates. Thus, petitioner contends that neither it nor respondent can be certain whether petitioner used, or did not use, the PHYSICIANS FORMULA mark on hair spray in 1981 or 1988. Petitioner contends in addition that it stated in the above-noted correspondence to a third party that hair spray was among the goods recited in its renewed registration for its PHYSICIANS FORMULA mark in 2005 because it overlooked the inclusion thereof in its identification of goods until it was notified of it by respondent. Petitioner maintains that, in any event, none of the actions complained of by respondent are sufficient to support a finding of fraud upon the USPTO.

For purposes of the Trademark Act, an applicant commits fraud by knowingly making a false statement as to a material fact in conjunction with a trademark application. See *Mister Leonard Inc. v. Jacques Leonard Couture Inc.*, 23 USPQ2d 1064, 1065 (TTAB 1992). The statement in question: (1) must be false; (2) must be made with knowledge that it is false; and (3) must be material to the examining attorney's decision to approve the application.

The standard of proof for a fraud claim is the rigorous clear-and-convincing-evidence standard, and it is strictly applied. See *Standard Knitting Ltd. v. Toyota Jidosha Kabushiki Kaisha*, 77 USPQ2d 1917, 1926 (TTAB 2006); and

**Cancellation No. 92040782**

Smith International Inc. v. Olin Corp., 209 USPQ 1033, 1044 (TTAB 1981) ("It thus appears that the very nature of the charge of fraud requires that it be proven 'to the hilt' with clear and convincing evidence. There is no room for speculation, inference or surmise and, obviously, any doubt must be resolved against the charging party.").

In American Flange & Manufacturing Co., Inc. v. Rieke Corp., 80 USPQ2d 1397, 1416 (TTAB 2006), the Board made the following observation:

In similar cases where the Board has found fraud, it is generally crystal clear that the statement in question is false. Usually the applicant or registrant effectively admits that the statement is false, or the record otherwise clearly establishes that the relevant statement is false.

See, e.g., Torres v. Cantine Torresella S.r.L., 808 F.2d 46, 1 USPQ2d 1483, 1484-85 (Fed. Cir. 1986); Medinol Ltd. v. Neuro Vasx Inc., 67 USPQ2d 1205, 1209 (TTAB 2003); and First International Services Corp. v. Chuckles Inc., 5 USPQ2d 1628, 1636 (TTAB 1988).

In this case, as in American Flange, "we do not have that kind of clarity. On the contrary, we have genuine ambiguity." *Id.* First, there is no admission by respondent that it made a false statement in either the declaration signed in support of its original application or its combined Section 8 and Section 15 affidavit. Rather, petitioner asserts that due to the passage of time and several changes in petitioner's ownership, it retains

neither personnel nor documentary evidence regarding use of the PHYSICIANS FORMULA mark on hair spray at the times the application and the combined Section 8 and Section 15 affidavit were filed. Thus, while petitioner has not presented arguments and evidence that it used its mark on hair spray at the relevant times, it has argued that it possesses neither knowledge nor evidence of such use. This falls far short of an admission by petitioner that the statements contained in the 1981 and 1988 filings are false. Similarly, the record in this case is insufficient to establish that the statements contained in these filings are false. Although petitioner's inability to produce evidence in support of its use of the PHYSICIANS FORMULA mark on hair spray would be troubling under certain circumstances, in this instance it is offset by the passage of time, i.e., 27 years and 20 years, since the filings in question and the multiple changes in petitioner's ownership. As a result, on this record we have no evidence that the statements in question are false. Nor do the circumstances of this case give us sufficient cause to infer either that the statements are false or were made with knowledge that they were false.

Further, petitioner acknowledges that in 2002, subsequent to the statements in question, it took the affirmative step of omitting from its application for renewal of its registration those goods, including hair

spray, upon which petitioner was no longer using its PHYSICIANS FORMULA mark. Hair spray was listed in the renewal certificate among those goods in use by petitioner apparently as a result of an error by the USPTO. We note respondent's argument that petitioner failed to correct this error until the issue was raised by respondent, resulting in petitioner falsely claiming to be the owner of a registration for the mark PHYSICIANS FORMULA for hair spray both on the register in general and to an assertedly infringing third party, after it had acknowledged that it no longer used the mark on such goods. However, even if petitioner was holding itself out as owning a mark used on hair spray, when in fact it knew it was not using the mark on such goods, these statements do not constitute fraud upon the Office since they were not made to the Office and thus were immaterial to the procurement or maintenance of its registration.

In short, we find insufficient evidence that petitioner knowingly made false statements in its original application and combined Section 8 and Section 15 affidavit. Further, we find insufficient evidence that petitioner's false statements regarding use of its PHYSICIANS FORMULA mark on hair spray after omitting those goods from its Section 9 affidavit were knowingly made or were material to petitioner's maintenance of the registration. While we

acknowledge that petitioner could produce no evidence to support use of its mark on hair spray, we likewise find no evidence to contradict petitioner's arguments regarding the lack of such evidence. Furthermore, we do not infer from the circumstances of this case that petitioner's statements regarding its use of the PHYSICIANS FORMULA mark on hairspray were false, and were made with the knowledge that they were false. Particularly given the changes in petitioner's ownership and the elapsed time since the questioned filings, and in the absence of clear and convincing evidence required to support a finding of fraud, we conclude, on this record, that petitioner did not commit fraud in the procurement or maintenance of its Registration No. 1187307.

We turn then to petitioner's pleaded ground of priority and likelihood of confusion.

**Priority of Use**

It is well settled that in the absence of any evidence of earlier use, the earliest date upon which a respondent may rely is the filing date of its underlying application. See Trademark Act Section 7(c), 15 U.S.C. §1057(c). See also Larami Corp. v. Talk to Me Programs, Inc., 36 USPQ2d 1840 (TTAB 1995). In this case, the application that matured into respondent's registration at issue was accorded a filing date of September 9, 1994. Inasmuch as respondent

has neither alleged nor introduced any evidence to support a finding that it made earlier use of its PHYSICIANS COMPLEX mark, we find that September 9, 1994 is the earliest date upon which respondent is entitled to rely for purposes of priority. Because the February 6, 1981 filing date of the application which matured into petitioner's pleaded registration predates the September 9, 1994 filing date of respondent's underlying application, petitioner clearly has established its priority.

**Likelihood of Confusion**

Our likelihood of confusion determination under Section 2(d) is based on an analysis of all of the facts in evidence that are relevant to the factors bearing on the likelihood of confusion issue. See *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). See also *Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772*, 396 F.3d 1369, 73 USPQ2d 1689 (Fed. Cir. 2005); *In re Majestic Distilling Company, Inc.*, 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003); and *In re Dixie Restaurants Inc.*, 105 F.3d 1405, 41 USPQ2d 1531 (Fed. Cir. 1997).

The Goods

Turning first to our consideration of the similarities or dissimilarities between the parties' goods, we note that it is well established that the goods of the parties need not be similar or competitive, or even offered through the

**Cancellation No. 92040782**

same channels of trade, to support a holding of likelihood of confusion. It is sufficient that the respective goods of the parties are related in some manner, and/or that the conditions and activities surrounding the marketing of the goods are such that they would or could be encountered by the same persons under circumstances that could, because of the similarity of the marks, give rise to the mistaken belief that they originate from the same source. See *Hilson Research, Inc. v. Society for Human Resource Management*, 27 USPQ2d 1423 (TTAB 1993); and *In re International Telephone & Telephone Corp.*, 197 USPQ 910, 911 (TTAB 1978). The issue, of course, is not whether purchasers would confuse the goods, but rather whether there is a likelihood of confusion as to the source thereof. *In re Rexel Inc.*, 223 USPQ 830 (TTAB 1984).

In this case, registrant's "cosmetics, namely lip gloss, cosmetic facial and body skin care products, namely exfoliation and masques, cleansers, lotions, sprays, creams, gels, serums, and milks, and toners; and sunblocks" are identical in part to the goods identified in petitioner's pleaded registration, namely, "skin lotions, skin astringents, skin cleansers, skin creams, make-up, lipsticks, face powders, mascara, eyebrow pencils, eye liners, eye shadows, eye cream, rouges, lip balm, sun screen preparations, eye makeup remover." Specifically, both

petitioner and respondent provide skin cleansers, lotions and creams under their respective marks. In addition, respondent's sunblocks appear on their face to be identical or closely related to petitioner's sun screen preparations. Thus, as identified the parties' goods are identical in part or closely related. We note in addition that respondent does not argue that the parties' goods are unrelated. In view of the fact that respondent is using its mark on goods that are identical in part to certain of the goods identified in petitioner's pleaded registration, this du Pont factor heavily favors petitioner.

Channels of Trade

Because the parties' goods are identical in part, and because there are no recited restrictions in either respondent's challenged registration or petitioner's pleaded registration as to the channels of trade or classes of purchasers, we are not persuaded by respondent's arguments that its goods move in trade channels that are separate and distinct from those in which petitioner's goods are encountered. Rather, we must assume that the goods are available in all the normal channels of trade to all the usual purchasers for such goods, and that the channels of trade and the purchasers for respondent's goods include those of petitioner. See *Interstate Brands Corp. v. McKee Foods Corp.*, 53 USPQ2d 1910 (TTAB 2000). It is settled that

in making our determination regarding the relatedness of the parties' goods and/or services, we must look to the goods and services as identified in the involved registration and the pleaded registration. See *Octocom Systems, Inc. v. Houston 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.") In addition, we note that respondent's goods are sold in physician's offices and over the Internet. Petitioner's goods are also sold over the Internet and, until 2003, were marketed directly to physicians. Thus, the parties' actual trade channels are, in part, identical. Further, because the parties are marketing identical goods through trade channels that are identical in part and otherwise presumed to be identical, and there is nothing in the record to support a finding that such goods are marketed to different

classes of purchasers, we find that the goods would be purchased by the same purchasers, namely, ordinary consumers.

Because the trade channels for the parties' goods are presumed to be identical, and moreover are identical in part, this du Pont factor also favors petitioner.

Conditions of Sale

The next du Pont factor discussed by the parties is that of the conditions of sale. Respondent asserts that consumers purchasing its goods "typically do so through their doctor's office and tend to be purchasing such goods in the context of a medical setting, under the supervision of a physician or other medical professional, or while visiting their doctor for a medical condition" (brief, p. 29). Thus, respondent argues, its goods "are typically purchased not as 'impulse' purchases, but instead in a relatively careful and considered environment" (brief, p. 29-30). However, while respondent may sell its goods to medical and health care professionals, the ultimate purchasers of respondent's goods, as resold by such health care professionals, are the general public, who may not be particularly discriminating purchasers. In other words, simply because respondent's goods are available from, for example, physicians, medical spas, skin care professionals, health maintenance organizations, podiatrists, or

chiropractors, it does not necessarily follow that such goods are available only by prescription or under the advice of a health care professional. In addition, respondent has testified that its products are also available through Internet websites such as lovelyskin.com, skincarex.com, totalskincare.com, and drugstore.com to ordinary consumers who may not exercise a high degree of care. Furthermore, the goods of both parties are relatively inexpensive, and thus may be purchased without a great deal of deliberation. As a result, we find this du Pont factor to be neutral or to slightly favor petitioner.

Actual Confusion

Another du Pont factor discussed by the parties is the lack of instances of actual confusion despite 13 years of use by the parties of their respective marks. Respondent asserts that the absence of actual confusion suggests no likelihood of confusion. Petitioner, on the other hand, argues that two calls received by respondent assertedly inquiring into petitioner's products are instances of actual confusion. We find, on this record, that such evidence is too tenuous to support a finding that actual confusion has occurred. However, it is not necessary to show actual confusion in order to establish likelihood of confusion. See *Weiss Associates Inc. v. HRL Associates Inc.* 902 F.2d 1546, 223 USPQ 1025 (Fed. Cir. 1990). Thus, while evidence

of actual confusion would strongly support a finding of likelihood of confusion, the absence thereof does not require a finding of no likelihood of confusion. See *In re Majestic Distilling Company, Inc.*, 315 F.3d 1311, 65 USPQ2d 1201, 1205 (Fed. Cir. 2003) (“The lack of evidence of actual confusion carries little weight.”)

Accordingly, this du Pont factor must be considered to be neutral or to favor respondent only slightly.

The Marks

We turn then to the first du Pont factor, i.e., whether respondent’s and petitioner’s marks are similar or dissimilar when viewed in their entirety in terms of appearance, sound, connotation and overall commercial impression. See *Palm Bay Imports, Inc. v. Veuve Clicquot*, supra. The test, under the first du Pont factor, is not whether the marks can be distinguished when subjected to a side-by-side comparison, but rather whether the marks are sufficiently similar in terms of their overall commercial impression that confusion as to the source of the goods and/or services offered under the respective marks is likely to result.

We note that when marks would appear on identical goods, as they do here, the degree of similarity between the marks necessary to support a finding of likely confusion declines. See *Century 21 Real Estate v. Century Life*, 970

F.2d 874, 23 USPQ2d 1698 (Fed. Cir. 1992). We further note that 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).

In this case, petitioner's PHYSICIANS FORMULA mark is similar to respondent's PHYSICIANS COMPLEX mark in that both share the identical word PHYSICIANS as their first term. We find that the word PHYSICIANS, being the first term on both parties' marks, is the dominant feature in the commercial impression created thereby. See Presto Products, Inc. v. Nice-Pak Products Inc., 9 USPQ2d 1895, 1897 (TTAB 1988) ("...[it is] a matter of some importance since it is often the first part of a mark which is most likely to be impressed upon the mind of a purchaser and remembered."). See also Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin, supra, ("Veuve" is the most prominent part of the mark VEUVE CLICQUOT because "veuve" is the first word in the mark and the first word to appear on the label). Furthermore, the

word FORMULA in petitioner's mark refers back to, and reinforces, the first word PHYSICIANS. Likewise, the word COMPLEX in respondent's mark refers back to, and reinforces, PHYSICIANS. In addition, both marks as a whole suggest that physicians endorse, recommend, or otherwise are responsible for the parties' products under their marks. Indeed, both petitioner and respondent have testified that they have sought to establish such a connotation in the minds of consumers of their goods, and both have marketed their products directly to physicians and other medical professionals. Thus, we find that the word PHYSICIANS in the parties' marks contribute more significantly to their commercial impressions than the terms FORMULA and COMPLEX.

In terms of appearance, sound, connotation and overall commercial impression, we find that the similarities between the parties' marks which result from the presence of PHYSICIANS as their first term outweigh the dissimilarities resulting from the different second terms, FORMULA and COMPLEX. Viewing the marks in their entireties, we find that they are similar because the word PHYSICIANS is the dominant, and identical, feature of both.

We are not persuaded by respondent's argument that petitioner's PHYSICIANS FORMULA mark is weak or otherwise entitled to a narrow scope of protection. As discussed above, petitioner's mark suggests a feature or

characteristic of its goods, namely, that they are endorsed by physicians. However, petitioner has used its mark for approximately 50 years, and has introduced testimony and evidence indicating that it has experienced a high degree of success in marketing and selling its goods under the PHYSICIANS FORMULA mark. Further, and as noted above, petitioner's goods offered under its PHYSICIANS FORMULA mark are encountered in numerous, well-known mass market retailers, drug stores and grocery stores, as well as the Internet, and are extensively advertised on television and in well-known print publications. This evidence suggests a substantial degree of recognition of petitioner's goods. In addition, petitioner has testified and introduced evidence that it has undertaken a number of enforcement actions against individuals and companies assertedly undermining its mark in an effort to maintain its commercial strength.

Respondent's evidence of eight third-party registrations is entitled to limited probative value. First, the registrations are not evidence of use of the marks shown therein. Thus, they are not proof that consumers are familiar with such marks so as to be accustomed to the existence of the same or similar marks in the marketplace. See *Smith Bros. Mfg. Co. v. Stone Mfg. Co.*, 476 F.2d 1004, 177 USPQ 462 (CCPA 1973); and

**Cancellation No. 92040782**

Richardson-Vicks, Inc. v. Franklin Mint Corp., 216 USPQ 989 (TTAB 1982).

Further, we do not consider Registration No. 2865758 for the mark PCA SKIN, which does not contain the word PHYSICIANS, or Registration No. 2125309 for the mark PHYSICIANS SELECT, that was cancelled as a result of Cancellation No. 92040553 involving petitioner herein, to have any probative value as to the strength of petitioner's mark. Moreover, petitioner has introduced testimony and evidence that the owner of Registration No. 2403056 for the mark PHYSICIAN'S CHOICE, has entered into an agreement with petitioner herein regarding limitations to the use thereof resulting from an earlier cancellation proceeding. Of the remaining marks, Registration No. 1868806 consists of the wording LUCRECE and a crest design with the additional wording PHYSICIAN'S AESTHETIC RESEARCH appearing in very small letters between them, and Registration No. 3024088 displays the wording CLEAR FACTOR in large letters and a leaf design with the wording BY PHYSICIANS SKIN SOLUTION displayed in much smaller letters. As a result, these marks convey commercial impressions that are vastly different from either party's marks herein. The remaining three registrations, arguably, are somewhat relevant to the marks and goods at issue here. These include Registration No. 0434145 for the mark PHYSICIANS' AND SURGEONS' for soap;

**Cancellation No. 92040782**

Registration No. 2848803 for the mark PHYSICIAN MANAGED SKIN REJUVENATION SYSTEM for a variety of skin care products; and Registration No. 2903740 for the mark PHYSICIAN'S SKIN SOLUTIONS, also for a variety of skin care products.

However, the fact that there are a few registrations for such items does not indicate, even if there were evidence of use, that petitioner's mark is entitled to only a very narrow scope of protection. The marks in the parties' registrations herein are much more similar than any of the third-party registrations made of record by respondent. These third-party registrations simply show that the USPTO has considered each of the marks and the goods in those registrations in view of the unique facts of each case. In addition, even if the goods in these registrations are related to the goods in petitioner's pleaded registration, these third-party registrations may be used to demonstrate that a mark or a portion of a mark is suggestive or descriptive, but they cannot be used to justify the registration of another confusingly similar mark. See *In re J.M. Originals Inc.*, 6 USPQ2d 1393, 1394 (TTAB 1987). See also *Plus Products v. Star-Kist Foods, Inc.*, 220 USPQ 541, 544 (TTAB 1983) ("[T]hird party registrations relied on by applicant cannot justify the registration of another confusingly similar mark"). Therefore, while we can agree that petitioner's mark is somewhat suggestive of the goods,

such evidence does not show that it is so highly suggestive as to be entitled to only a narrow scope of protection.

In addition, respondent has introduced testimony and evidence regarding use by five third parties of various PHYSICIAN formative marks.<sup>32</sup> The first, V-SAB Medical Laboratories, Inc., uses the mark BALANCE DERMACEUTICALS PHYSICIAN'S FORMULA and the design of a human figure, and is the owner of Registration No. 3037173 therefor, for goods identified as "nutritional supplements, namely, oral nutritional supplements and transdermal patches, lotions and creams used to transmit nutritional supplements." We note, however, that not only is V-SAB's mark less similar to the parties' marks than they are to each other, the goods identified thereby are nutritional supplements delivered in a variety of ways, that also are dissimilar from the goods identified by the marks in the parties' registrations. As such, this registered third-party use is of limited probative value regarding the strength of petitioner's mark.

The second, Lane Labs, Inc., uses the unregistered mark ANTI-AGING PHYSICIAN in connection with soap, skin cream and skin gel. However, such mark conveys a commercial impression that is quite different from those conveyed by the parties' marks herein and, as such, has little probative

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<sup>32</sup> As noted above, we will refer to the largely confidential testimony and evidence regarding such third-party use only in a very general fashion.

value as to the strength of petitioner's PHYSICIAN'S FORMULA mark.

The third, Dr. Ray Sahelian, uses PHYSICIAN FORMULAS and physicianformulas.com primarily in connection with nutritional supplements and also in connection with some cosmetics. However, testimony and evidence of record indicates that all of Dr. Sahelian's cosmetics and the vast majority of his nutritional supplements carry third-party brands and do not carry the designation PHYSICIAN FORMULAS. In addition, petitioner has testified that due to actual confusion with Dr. Sahelian's products, it has engaged in two separate court actions against this third-party user, one of which is ongoing. Thus, despite the similarities between Dr. Sahelian's mark and domain name to that of petitioner, such mark or domain name does not appear to be in use on related goods.

The fourth, PHYSICIAN'S ADVICE, offered goods on the Home Shopping Network until 2005, and further use of PHYSICIAN'S ADVICE on that channel's liquidation website on the Internet appears to have ceased.

The fifth, FORMULARY FOR PHYSICIANS, INC., offers two or three cosmetic products under separate marks. Testimony and evidence of record indicates that FORMULARY FOR PHYSICIANS does not appear in advertising or marketing

materials for such goods, and is not widely recognized as a mark or trade name.

Taken as a whole, the evidence of third-party use and registration of various PHYSICIAN formative marks suggests that there has been use of marks and trade names similar to that of petitioner for similar goods; however, such uses have largely been challenged or otherwise addressed. The evidence further suggests use of various PHYSICIAN formative marks and trade names on unrelated, or less closely related, goods. Accordingly, we find on the totality of this record that the evidence is insufficient to show that petitioner's PHYSICIANS FORMULA mark is weak and thus entitled only to a narrow scope of protection. We note in addition that even if petitioner's PHYSICIANS FORMULA mark was found to be a weaker mark entitled to a narrower scope of protection, such scope would nonetheless be sufficient to prevent the registration of such a highly similar mark as that of respondent for goods that are, in part, identical.

**Conclusion**

We have carefully considered all of the testimony and evidence pertaining to priority of use and the relevant du Pont factors, and fraud, as well as all of the parties' arguments with respect thereto, including any evidence and arguments not specifically discussed in this opinion.

**Cancellation No. 92040782**

We conclude that petitioner has established priority of use and that consumers familiar with petitioner's goods under its PHYSICIANS FORMULA mark would be likely to believe, upon encountering respondent's PHYSICIANS COMPLEX mark for its goods, that the parties' goods originate with or are associated with or sponsored by the same entity. In making our determination, we have balanced the relevant *du Pont* factors. The factors of the identity in part of the goods and the similarities in the marks weigh strongly in petitioner's favor.

DECISION: By operation of the Board's March 11, 2005 order granting petitioner's motion for partial summary judgment, the petition to cancel on the ground of fraud is granted. Based upon our findings above, the petition to cancel on the ground of priority and likelihood of confusion is granted. Registration No. 2055813 will be cancelled in due course. The counterclaim petition to cancel petitioner's pleaded registration is denied.