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UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

McNeil-PPC, Inc.

v.

Walgreen Co.

Opposition No. 91184978
to application Serial No. 76682070
filed on September 19, 2007

James D. Weinberger, Laura Popp-Rosenberg and Giselle C. Woo of Fross Zelnick Lehrman & Zissu PC for McNeil-PPC, Inc.

Mark J. Liss, Caroline L. Stevens and Michelle L. Calkins of Leydig Voit & Mayer Ltd. for Walgreen Co.

Before Zervas, Kuhlke and Mermelstein, Administrative Trademark Judges.

Opinion by Kuhlke, Administrative Trademark Judge:

Applicant, Walgreen Co., seeks registration on the Principal Register of the mark WAL-ZYR in standard characters for goods identified as “pharmaceuticals, namely, allergy medications” in International Class 5.¹

¹ Application Serial No. 76682070 filed on September 19, 2007, based on an allegation of a bona fide intention to use the mark in commerce under Section 1(b) of the Trademark Act, 15 U.S.C. § 1(b).

Opposer, McNeil-PC, Inc., has opposed registration of applicant's mark on the ground that, as used with applicant's goods, the mark so resembles the previously used mark ZYRTEC for allergy medications as to be "likely to cause confusion, cause mistake or deceive consumers and cause them to believe that the goods offered under Applicant's WAL-ZYR mark emanate from, or are sponsored by, manufactured by, endorsed by or otherwise connected with Opposer, in violation of Lanham Act Section 2(d), 15 U.S.C. § 1052(d)." Not. of Opp. ¶ 25. In support of this claim, opposer alleges, inter alia, that UCB Pharma, S.A. owns a registration for the mark ZYRTEC, that a prior licensee, opposer's predecessor, used the mark in connection with allergy medications since 1996 on a prescription basis and opposer is currently the exclusive licensee in the United States to use the mark ZYRTEC in connection with allergy medications, now offered over the counter (OTC).

In addition, opposer asserts a claim of dilution in that "use of WAL-ZYR by Applicant will cause dilution of the distinctive quality of the famous ZYRTEC mark, in violation of Section 43(c) of the Lanham Act, 15 U.S.C. § 1125(c)(1)." Not. of Opp. ¶ 30.

Applicant filed an answer by which it admitted that it markets its product next to or in close proximity to opposer's product on applicant's shelves, and that it sold ZYRTEC in its retail pharmacies since about when the product was first available. Applicant otherwise denied the remaining salient allegations.²

² Applicant's asserted affirmative defense based on a family of marks, is not a recognized defense.

EVIDENTIARY OBJECTIONS/RECORD

We begin by addressing the parties' respective evidentiary objections. Opposer seeks to exclude the testimony of Dr. Alex Simonson, applicant's survey expert, and accompanying report because of several alleged flaws in the survey. Specifically, opposer asserts that the survey: (1) did not capture the correct universe of respondents in that only 15% of the survey respondents were women in the 35-49 age range with no indication as to whether they have children, even though that is "the typical over-the-counter allergy medication purchaser";³ (2) used an inappropriate control because the control mark WAL-ZEE "emphasizes 'Z,' which is a portion of both the ZYRTEC and the WAL-ZYR mark, and could itself be a source of confusion, including since advertising for the Zyrtec product has emphasized the 'Z' portion of the mark";⁴ (3) only tested for confusion as to which company "makes or puts out" the product and as to confusion based on some undefined "affiliation or association" but did not test for all types of likely confusion present in the case (e.g., confusion of the marks, confusion as to source of active ingredient);⁵ (4) was administered improperly inasmuch as it was not known whether interviewers were affirmatively instructed not to probe or exhaust possible responses and at least in one case the respondent incorrectly recorded a control cell

³ Opp. Stmt of Objections p. 2.

⁴ Id. at 3.

⁵ Id. at 5.

as a test cell response;⁶ (5) may have been conducted near a Walgreens store (it was not explicitly stated whether or not a Walgreens was nearby) which could skew the results inasmuch the universe of respondents would consist of a high number of Walgreens customers; (6) included confusing compound questions and open-ended questions without clear instructions for follow-up; (7) did not include unredacted certification pages making it impossible to know whether the interview certification process was completed; (8) had incomplete verification of respondents (only 66%); and (9) was inaccurately analyzed because it does not show which responses were counted as confused (i.e., the expert did not show his work), and the responses were analyzed inconsistently.

Applicant argues that opposer does not challenge Dr. Simonson's qualifications, and the survey and report stand "unrebutted by anyone qualified or educated in the field" inasmuch as opposer did not retain a professional to either conduct their own survey or critique applicant's survey.⁷

Opposer's objections address the weight to be given the survey and do not merit exclusion of the survey. In view thereof, we find the survey admissible, and its probative value is discussed *infra*.

In addition, opposer objects to certain portions of Mr. Tompkins' testimonial deposition and certain exhibits. Specifically, Exhibit 19 is a collection of circular advertising inserts. Opposer objects that Mr. Tompkins did not properly

⁶ Id.

⁷ App. Resp. to Objections pp. 2-3.

authenticate the pages because he did not state for certain that they were true and correct copies but rather only that he believed them to be so. However, as applicant states because opposer did not raise this objection at the deposition is it waived. *Rocket Trademarks Pty Ltd. v. Phard S.p.A.*, 98 USPQ2d 1066, 1070 (TTAB 2011).

Further, opposer objects that Mr. Tompkins did not compile the reports of customer comments in Exhibits 23-25 and does not know if they represent every record with comments on WAL-ZYR and whether whoever did create the compilation searched for comments on ZYRTEC or only WAL-ZYR. However, again these objections, which really to go authentication, were not made during the deposition and are considered waived. As to the problems pointed out by opposer, we have taken them into account in evaluating the probative value of the compilations.

Applicant objects to the declaration of Giselle Woo and accompanying exhibits, which consist of brief excerpts of the results from a search of the Westlaw database for references to the mark ZYRTEC in U.S. media. While we agree that their probative value is limited by the fact that they are simply search result excerpts, *In re Bayer Aktiengesellschaft*, 82 USPQ2d 1828, 1833 (Fed. Cir. 2007), we do not strike the declaration or the exhibits from the record inasmuch as they were properly made of record. *Gen. Motors Corp. v. Aristide & Co.*, 87 USPQ2d 1179, 1183 (TTAB 2008).

With regard to applicant's renewed objections pertaining to documents produced after the close of discovery, that objection was already denied by Board order on May 6, 2011, and we do not disturb that order.

The record consists of: (1) the subject application file and pleadings; (2) testimony deposition with exhibits of Rohinish Hooda, Vice-President of U.S. Sales and Marketing for Ethicon, Inc., a subsidiary of Johnson & Johnson, opposer's parent company (Hooda Test.); (3) trial declaration by stipulation with exhibits of Giselle C. Woo, opposer's outside counsel; (4) discovery deposition by stipulation with exhibits, of James Donahue, Director of Media Team, Pfizer, Inc.; (5) opposer's Notices of Reliance on printed publications, applicant's discovery deposition testimony, applicant's discovery responses, Internet material and official records; (6) testimony deposition of Robert Tompkins, General Merchandise Manager of Health and Wellness for applicant (Tompkins Test.); (7) expert testimony by affidavit (on stipulation) with exhibits of Dr. Alex Simonson, President of Simonson Associates, Inc. (Simonson Test.); and (8) applicant's Notices of Reliance on discovery depositions, opposer's discovery responses and official records.

THE PARTIES

Opposer is the current exclusive licensee permitted to sell ZYRTEC branded OTC allergy medication in the United States.⁸ From 1996-2007, ZYRTEC branded medications were sold on a prescription basis by a third party, Pfizer and its subsidiaries, under an exclusive licensing arrangement with UCB, Inc. and UCB

⁸ Hooda Test. at 14, 148.

Pharma, S.A., the owner of the ZYRTEC registration.⁹ In 2006-2007, opposer's parent company, Johnson & Johnson, purchased Pfizer's Consumer Healthcare business which included the ZYRTEC brand.¹⁰

Applicant is a nationwide drugstore with approximately 800 drugstores across the United States.¹¹ Its stores offer a variety of beauty products, food products, OTC medications and prescription medications.¹² Applicant "sells many private label or store brand equivalents of brand name [OTC] medicines." App. Br. p. 9. Many of its private label products begin with "WAL-" and end with either a portion of the generic name of the drug (WAL-PROFEN), the end of a brand name (WAL-DRYL), or, as in a couple of instances, the beginning of the brand name (WAL-DRAM, WAL-ZAN).¹³ Over many years applicant has sold a substantial amount of a variety of private label "WAL-" branded products.

PRIORITY/STANDING

Opposer, as the licensee and not the owner of the pleaded registration, must prove its common law rights prior to applicant's priority date. *Hydro-Dynamics Inc. v. George Putnum and Company Inc.*, 811 F.2d 1470, 1 USPQ2d 1772, 1773 (Fed. Cir. 1987). "Under the rule of *Otto Roth*, a party opposing registration of a trademark due to a likelihood of confusion with his own unregistered term cannot

⁹ Hooda Test. at 12, 13.

¹⁰ Hooda Test. at 16, 19, 151-152, Exhs. 2-3.

¹¹ Tompkins Test. at 4, 7.

¹² Id.

¹³ Tompkins Test. at 63, 83.

prevail unless he shows by a preponderance of the evidence that his term is distinctive of his goods, whether inherently or through the acquisition of secondary meaning or through ‘whatever other type of use may have developed a trade identity.’” *Towers v. Advent Software Inc.*, 913 F.2d 942, 16 USPQ2d 1039, 1041 (Fed. Cir. 1990), citing *Otto Roth & Co. v. Universal Food Corp.*, 640 F.2d 1317, 209 USPQ 40, 43 (CCPA 1981). Thus, in order to prevail, opposer must establish that it acquired trademark rights in the ZYRTEC mark, that the mark is distinctive, either inherently or through acquired distinctiveness, and that its use predates applicant’s first actual or constructive use. Applicant relies on the filing date of the pending application; thus, opposer must establish use prior to applicant’s constructive use date of September 9, 2007.

We find that opposer has established its priority. The record shows that opposer’s predecessor used the mark ZYRTEC for the same goods beginning in 1996.¹⁴ The sales of these goods were by prescription. Opposer’s sales of ZYRTEC over the counter did not begin until January 2008. However, we find that opposer may rely on its predecessor’s prior prescription sales – the marks and the products are the same. To the extent there is any distinction it is the narrower channel of trade for prescription medication.¹⁵ Further, contrary to applicant’s contention, the record shows a clear chain of trademark rights from prior licensees to opposer.¹⁶

¹⁴ Hooda Test. at 12-13.

¹⁵ See, e.g., Hooda Test. at 28, 32-34.

¹⁶ See, e.g., Hooda Test. at 13-14, 19-20, Exhs 1-2. These records were submitted under seal.

Finally, there is no dispute that the mark is inherently distinctive. Thus, the first use date of 1996, upon which opposer may rely, is prior to applicant's September 9, 2007, constructive first use date.

Moreover, in view of the above findings, opposer has sufficiently established that it has standing to bring this proceeding inasmuch as it has demonstrated a real interest in preventing registration of the proposed mark. See *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999); *Jewelers Vigilance Committee, Inc. v. Ullenberg Corp.*, 823 F.2d 490, 2 USPQ2d 2021 (Fed. Cir. 1987; *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982).

We turn then to consider whether there is a likelihood of confusion.

LIKELIHOOD OF CONFUSION

Our likelihood of confusion determination under Section 2(d) is based on an analysis of all of the probative facts in evidence that are relevant to the factors set forth in *In re E.I. du Pont de Nemours and Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). See also, *In re Majestic Distilling Co. Inc.*, 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003). Further, “[a]lthough confusion, mistake or deception about source or origin is the usual issue posed under Section 2(d), any confusion made likely by a junior user’s mark is cause for refusal; likelihood of confusion encompasses confusion of sponsorship, affiliation or connection.” *Hilson Research, Inc. v. Society for Human Resource Management*, 27 USPQ2d 1423, 1429 (TTAB 1993); *Federal Bureau of Investigation v. Societe: “M. Bril & Co.”* 172 USPQ 310, 315 (TTAB 1971) (under Section 2(d) party must show purchasing public would

mistakenly assume that the applicant's goods or services originate with, are sponsored by, or are in some way associated with it"). See also *Majestic*, 65 USPQ2d at 1205 ("...mistaken belief that [a good] is manufactured or sponsored by the same entity ... is precisely the mistake that Section 2(d) of the Lanham Act seeks to prevent").

Fame/Strength

We begin with the strength of opposer's ZYRTEC mark in order to determine the scope of protection to be accorded opposer's mark as we analyze the other du Pont factors. ZYRTEC is fanciful and conceptually it is a strong mark. The commercial strength of a mark "may be measured indirectly, among other things, by the volume of sales and advertising expenditures of the goods traveling under the mark, and by the length of time those indicia of commercial awareness have been evident." *Bose Corp. v. QSC Audio Products, Inc.*, 293 F.3d 1367, 63 USPQ2d 1303, 1305 (Fed. Cir. 2002). In addition, some context in which to place raw statistics may be necessary. *Bose Corp.*, 63 USPQ2d at 1309.

In support of its assertion of fame, opposer has shown that it has used the ZYRTEC mark in connection with its allergy medication for 15 years.¹⁷ Sales of allergy medication under the ZYRTEC mark and advertising expenditures have been substantial throughout that time.¹⁸ In particular, since the switch from prescription to OTC in January 2008, the brand has been heavily advertised in all

¹⁷ For purposes of a claim under Section 2(d), a plaintiff may rely on the establishment of fame through the trial period.

¹⁸ These records were submitted under seal.

types of media, including television, print, point-of-sale displays, and newspaper inserts. In launching the OTC product, opposer produced a high-profile advertising campaign that included setting up a dome for three days in New York City's Central Park, allowing people to walk through 80 degree temperatures and enjoy various forms of entertainment while it was snowing outside. This particular campaign received wide media coverage.¹⁹ Opposer has also used celebrities to increase the impact of the advertising. Several brand awareness studies have ranked ZYRTEC very high.²⁰ In addition, several third parties that track brand loyalty have ranked ZYRTEC at high levels.²¹ Putting its numbers in context, opposer has approximately 21 percent of the OTC allergy medicine market, second only to Claritin at 27 percent. Suffice it to say, opposer enjoys a healthy market share in this product category.

Based on this record, we find that opposer has shown that its ZYRTEC mark is both conceptually and commercially very strong. In view thereof, we accord it a broad scope of protection. *Recot Inc. v. M.C. Becton*, 214 F.3d 1322, 54 USPQ2d 1894, 1897 (Fed. Cir. 2000).

¹⁹ Hooda Test. at 77-83, Exh. 26.

²⁰ Hooda Test. at 80, Exhs 51-62. Applicant attempts to minimize the probative value of opposer's brand awareness results by arguing that opposer relies on the aided awareness results, but the unaided awareness results, not surprisingly, are lower. While unaided awareness numbers are more significant, that does not mean that aided awareness numbers have no significance. *Carefirst of Maryland Inc. v. FirstHealth of the Carolinas Inc.*, 77 USPQ2d 1492, 1506-07 (TTAB 2005), *aff'd*, 479 F.3d 825, 81 USPQ2d 1919 (Fed. Cir. 2007). Moreover, the very high aided awareness numbers have significance and have not been shown to be compromised. *Nat'l Pork Bd. v. Supreme Lobster & Seafood Co.*, 96 USPQ2d 1479 (TTAB 2010).

²¹ Hooda Test. at 116-122, Exhs 64, 66.

Applicant did not present argument on the factor pertaining to possible third-party uses of similar marks for similar goods. Opposer points out that the only “evidence” of third-party marks consist of registrations which may not serve as evidence of use and are for unrelated products. Thus, based on this record ZYRTEC stands alone in its field.

Goods/Channels of Trade/Classes of Purchasers

Applicant’s goods are “pharmaceuticals, namely, allergy medications” and opposer’s goods are allergy medications. There is no dispute that the goods are commercially identical, including sharing the same active ingredient, and are, in fact, sold in the same channels of trade to the same classes of customers.²² The most stark examples in the record are found in Exhibit 22 of the Hooda testimony where WAL-ZYR and ZYRTEC are displayed next to each other on shelves; WAL-ZYR promotional balloons are prominently displayed directly above the ZYRTEC display shelf; and THE ZYRTEC display bin is filled with WAL-ZYR product.²³ In view thereof, these du Pont factors weigh heavily in opposer’s favor.

²² We note that opposer, relying on prior use, has proven its channels of trade which include all variety of retail stores (big-box, general merchandise, grocery stores, chain drug stores, independent drug stores, and convenience stores). Hooda Test. at 37, 93, 121-126. However, as to the application, in view of the absence of limitations in the identification we must presume all ordinary channels of trade for such goods and may not limit our analysis to only applicant’s stores. To be clear, however, we do consider applicant’s stores as one of several channels of trade.

²³ See also App. Answer ¶ 20. “Applicant admits that one of the ways it markets and intends to market its WAL-ZYR product is next to or in close proximity to Opposer’s product on Applicant’s shelves as alleged in Paragraph 20 of the Notice of Opposition. Answering further, Applicant denies that it *intends* to market its WAL-ZYR product ‘in Opposer’s in-store display units; as alleged in Paragraph 20 of the Notice of Opposition.’ (emphasis added).

Conditions of Sale

Applicant argues that consumers of OTC drugs are more careful than an ordinary purchaser of a low-cost item and take care in their decisions by, for example, reading packages prior to purchase. There is evidence to suggest that consumers do read labels of OTC products.²⁴ Nonetheless, the OTC purchasers are ordinary consumers with no special knowledge or expertise and the fact that consumers spend time confirming the uses for a particular product does not indicate that they are immune from source or sponsorship confusion. In *re Pellerin Milnor Corp*, 221 USPQ 558, 560 (TTAB 1983). Therefore, we conclude that the conditions of purchase in this case would not diminish the likelihood of confusion. However, the goods also are not impulse items such that the conditions of purchase would increase a likelihood of confusion. We find that this factor is neutral in this case.

²⁴ Applicant also argues that consumers make their purchasing decision “with a knowledge of the private label or store brand marketing scheme.” App. Br. p. 34. Applicant cites to observations made in a case involving trade dress infringement. *Conopco, Inc. v. May Department Stores Co.*, 32 USPQ2d 1225, 1231 (Fed. Cir. 1994) (“This is a case in which a retailer markets a national brand product and at the same time markets its own private label product in direct competition. The retailer packages its product in a manner to make it clear to the consumer that the product is similar to the national brand, and is intended for the same purposes. At the same time, the retailer clearly marks its product with its private logo, and expressly invites the consumer to compare its product with that of the national brand, by name. With the rise of regional and national discount retailers with established names and logos, retailers who market both national brands and their own private label brands in direct competition, this form of competition has become commonplace and well-known in the marketplace. When such packaging is clearly labeled and differentiated – as was the case here, ...we are unwilling to attribute to the Eighth Circuit ... a rule that would make such competition presumptively unlawful.”). The observations in that case were not made in connection with the circumstances presented here where the private label product mark includes a portion of the national brand name and registration is sought for that mark. More importantly, there is no evidence in the record to support applicant’s contention. We further note that opposer’s testimony is not sufficient to prove the opposite.

Similarity/Dissimilarity of the Marks

We turn then to consider the similarities and dissimilarities of the marks in terms of their appearance, sound, connotation and overall commercial impression.²⁵ *Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1691 (Fed. Cir. 2005) quoting *du Pont*, 177 USPQ at 567. In making this finding, the focus is on the recollection of the average purchaser, who normally retains a general rather than a specific impression of trademarks. See *Sealed Air Corp. v. Scott Paper Co.*, 190 USPQ 106 (TTAB 1975). Further, because the goods here are commercially identical, we keep in mind 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, 1701 (Fed Cir. 1992).

There is no dispute that applicant’s mark purposefully incorporates the first half of opposer’s mark ZYRTEC, rather than the generic ingredient name.²⁶ Applicant contends that the name is “intended to convey equivalence to the ZYRTEC product, not a connection.” App. Br. p. 11. Opposer counters that it conveys an association or connection with the ZYRTEC brand. Opp. Br. p. 17.

²⁵ There was a good deal of argument in the briefs regarding the trade dress employed by both parties. However, for purposes of this factor we note that applicant seeks registration of a standard character word mark. Applicant’s standard character mark is not limited to any particular display, but can be used in any stylization, including that identical to opposer’s. *Citigroup Inc. v. Capital City Bank Group Inc.*, 637 F.3d 1344, 98 USPQ2d 1253, 1258-59 (Fed. Cir. 2011).

²⁶ See Tompkin’s Disc. Dep., Opp. Exh. 107, at 62, 140-141, Exh. 5.

Applicant's mark combines the first portion, WAL, of its house mark WALGREENS with the distinctive first portion, ZYR, of opposer's fanciful mark ZYRTEC. Certainly, if the ZYR portion is recognized as referring to ZYRTEC, as applicant intends, an appreciable number of consumers could believe some sort of sponsorship or affiliation exists between the two sources where they have taken the first and most prominent portion of the respective marks to create a combined mark identifying both of them.²⁷ Whatever applicant's intent was, such affiliation goes beyond merely "calling to mind" a prior user's mark. See *Am. Express Co. v. Payless Cashways, Inc.*, 222 USPQ 907 (TTAB 1984); *Jacobs v. Int'l Multifoods Corp.*, 212 USPQ 641 (CCPA 1982). We find that because ZYRTEC is a strong mark, applicant's incorporation of the distinctive first portion of the mark creates a substantially similar mark to opposer's previously-used mark. In general, the addition of other matter, to another's mark is not sufficient to dispel likely confusion.²⁸ In re *Mighty Leaf Tea*, 601 F.3d 1342, 94 USPQ2d 1257, 1260 (Fed Cir. 2010); *Palm Bay*, 73 USPQ2d 1689; and *Hewlett-Packard Co. v. Packard Press, Inc.*, 281 F.3d 1261, 62 USPQ2d 1001, 1004 ((Fed. Cir. 2002).

²⁷ Much of applicant's arguments go to the issue of fair use in informing consumers about their product. However, this case is not about use of a designation to inform consumers; rather, it is about registering and obtaining exclusive rights to a trademark. Applicant has cited no authority suggesting that the fair use doctrine affords a competitor the right to *register* a mark which is likely to cause confusion.

²⁸ The exceptions to this general rule, where the common matter is merely descriptive or diluted, are not present here. See *Shen Mfg. Co. v. Ritz Hotel Ltd.*, 393 F.3d 1238, 73 USPQ2d 1350 (Fed. Cir. 2004); *Citigroup Inc. v. Capital City Bank Group, Inc.*, 94 USPQ2d 1645 (TTAB 2010), *aff'd*, 637 F.3d 1344, 98 USPQ2d 1253 (Fed. Cir. 2011).

In view of the above, we find that the similarities in appearance, sound, connotation and overall commercial impression outweigh the dissimilarities.

Survey

Survey results can be used to show likelihood or no likelihood of confusion. The level of confusion found to support a determination of likely confusion varies from case to case. Even a survey report indicating only 8.5 percent of respondents to be confused was considered to support a finding of likelihood of confusion. *Grotian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons*, 365 F. Supp. 707, 716, 180 USPQ 506, 513 (SDNY 1973), modified, 523 F.2d 1331, 186 USPQ 436 (2d Cir. 1975). By contrast, where survey results have a low percentage of confused respondents, such results may support the ultimate conclusion of no likely confusion. *Henri's Food Products Co. v. Kraft, Inc.*, 717 F.2d 352, 220 USPQ 386, 391 (7th Cir. 1983). Whatever the survey results, they must be weighed based on their probative value and in the context of the totality of the evidence as we weigh the various du Pont factors. See *Miles Laboratories Inc. v. Naturally Vitamin Supplements Inc.*, 1 USPQ2d 1445, 1457 (TTAB 1986) (survey results may be corroborative of likelihood of confusion holdings).

As to the “flaws” asserted by opposer, the survey overall comports with the Ever-Ready survey structure.²⁹ The survey questions are set forth below:

²⁹ *Union Carbide Corp. v. Ever-Ready, Inc.*, 531 F.2d 366, 188 USPQ 623 (7th Cir. 1976). We do note that the control WAL-ZEE may be somewhat flawed in that as Dr. Simonson's report states “control stimulus shown to a control group should be similar to the test stimulus but absent the alleged infringing elements” and here the hyphenated prefix/suffix with the suffix beginning with Z may, in fact, include “infringing elements” to the extent that the Z in ZYRTEC is highlighted in opposer's advertising, putting it in consumers'

Q1a: Though you may or may not have seen or heard of this specific brand name before, do you have an opinion as to what company makes or puts out the products using the name shown on this card?

Q1b: What company?

Q1c: What makes you say that?

Q2a: Do you believe that the company that makes or puts out the products using the name shown on this card makes or puts out any other products or brands, or not?

Q2b: What products or brands?

Q2c: What makes you say [respondent's answer]?

Q3a: Do you believe that the company that makes or puts out the products using the name shown on this card is affiliated with or authorized by any other company or brand, or not affiliated with or authorized by any other company or brand?

Q3b: What company or brand?

Q3c: What makes you say that?

We find the survey to be proper in form, but considering the goods and marks in question here find that the questions do not expose the full potential for confusion. The record shows that applicant incorporated the first part of opposer's mark ZYRTEC in its WAL-ZYR mark because it conveyed equivalence with ZYRTEC.³⁰ Although the survey included an "affiliation" question, the answers were less than illuminating. In most instances there is no response. In many instances the response is the same company in answer to the first question as to source. In some cases the respondent lists a brand name (e.g., Claritin, ZYRTEC,

minds, and this would impact both the questions regarding who makes or puts out the product and whether there is an affiliated company.

³⁰ Opp. NOR Exh. 107 (Tompkins Disc. Dep. pp. 66-70, Exh. 5)

etc.), pointing at least to either an awareness of the link between private label and brand name products or assuming WAL-ZYR is a brand name product. This is also revealed by respondents who do not answer question 1 (who makes it) or 3 (who is affiliated), but in response to question 2 (do they make another product) they respond with a name brand. These responses were not counted as confused. Essentially, if the response did not name ZYRTEC, McNeil or Johnson & Johnson, it was not counted as confusion. However, because consumers often do not know the name of the source, a response like this could indicate, at a minimum, that the consumer views WAL-ZYR as originating from a brand pharmaceutical source rather than a store brand. See Trademark Act § 45, 15 U.S.C. § 1127 (trademark is used to “identify and distinguish [a person’s] goods ... and to indicate the source of the goods, *even if that source is unknown.*” (emphasis added)).

In addition, the results rely on assumptions as to how respondents would interpret the questions regarding the affiliation aspect. For example, Dr. Simonson assumes that respondents would, in answering question 3, include in the category of affiliation the circumstance where WAL-ZYR and ZYRTEC contain ingredients from the same supplier.³¹ However, the results of the survey do not specifically reflect that understanding.

The survey report indicated a 3 - 3.5 percent rate of confusion among participants. Even considering opposer’s re-interpretation of the responses, the highest confusion rate, without discounting the potentially problematic WAL-ZEE control group, is 6.9 percent. While this number is low, given the circumstances of

³¹ Simonson Test. p. 82.

this case, where confusion is more focused on the sponsorship/affiliation aspect or the possible perception of potential consumers that the ingredients come from the same manufacturer, we do not find the results of this survey to be particularly probative. Moreover, a review of the actual responses revealed more a lack of knowledge about sources of OTC drugs in general, rather than clearly showing a lack of confusion.³² Finally, in these circumstances, where the goods are drugs, there is a heightened need to better understand consumer perception to guard against likely confusion. *Alfacell Corp. v. Anticancer Inc.*, 71 USPQ2d 1301, 1306 (TTAB 2004), citing, *Glenwood Lab., Inc. v. Am. Home Pro. Corp.*, 455 F.2d 1384, 173 USPQ 19 (CCPA 1972) (“[W]here the marks are used on pharmaceuticals and confusion as to source can lead to serious consequences, it is extremely important to avoid that which will cause confusion.”)

Actual Confusion

Applicant argues that the lack of evidence of actual confusion strongly supports a determination that confusion is not likely. As of the close of plaintiff’s testimony period, January 24, 2011, the goods have been sold side by side in applicant’s stores for approximately 3 years. It has frequently been observed that evidence of actual confusion is difficult to come by, in particular with relatively inexpensive items. *General Mills, Inc. v. General Mills IP Holdings II, LLC v. Fage Dairy Processing Industry S.A.*, 101 USPQ2d 1584 (TTAB 2011). See also *Lebanon Seaboard Corp. v. R&R Turf Supply Inc.*, 101 USPQ2d 1826 (TTAB 2012).

³² In fact, many of the responses point to a third party, Walmart, as the source. Simonson Aff. Survey Report at 11-12.

Moreover, because customer confusion often comes to light when fielding complaints about the parties' branded products, a lack of evidence of actual confusion may reflect little more than that both parties' goods are of acceptable quality. We have carefully considered this factor in the context of the parties' use of their respective marks, and find that the absence of evidence of actual confusion is not significant in this case.³³ A showing of actual confusion would of course be highly probative, if not conclusive, of a likelihood of confusion. The opposite is not true, however. The lack of evidence of actual confusion carries little weight. *J.C. Hall Co. v. Hallmark Cards, Inc.*, 340 F.2d 960, 144 USPQ 435, 438 (CCPA 1965). Moreover, as often stated, proof of actual confusion is not necessary to establish likelihood of confusion. *Giant Food, Inc. v. Nation's Foodservice, Inc.*, 710 F.2d 1565, 218 USPQ 390, 396 (Fed. Cir. 1983).

Accordingly, the eighth *du Pont* factor of the length of time during and conditions under which there has been contemporaneous use without evidence of actual confusion is considered neutral.

Intent

Opposer contends that:

[Applicant] intended to create a close association with [opposer's] ZYRTEC product and thereby appropriate the goodwill built up in the ZYRTEC mark when it co-opted for its own product the 'ZYR' portion of [opposer's] mark; Walgreens has repeatedly admitted as much. Walgreens did not need to take the most prominent portion of the brand name product, 'ZYR,' in order to compete successfully with [opposer]; no other retailer of which [opposer] is aware has found it

³³ We have considered the compilation of consumer comments received by applicant, discussing the WAL-ZYR and ZYRTEC products, and do not find them sufficiently probative on the question of likely confusion, so as to tilt this factor in applicant's favor.

necessary to copy the ZYRTEC mark in this manner in connection with a cetirizine HCl product. The fact that it chose, among the unlimited options available to it, to take the dominant portion of the ZYRTEC mark speaks volumes about its intentions.

Opp. Br. 39-40.

In further support of its position, opposer points to applicant's similar trade dress, e.g., employing the color green in its packaging.

Applicant responds that in choosing its mark, its intent was "not to confuse but rather to assist consumers in making their own purchasing decisions and to assist consumers in understanding the options available to them." App. Br. p. 41. The WAL-ZYR mark "assists consumers in identifying the origin of the product (WALGREENS) and the name brand equivalent (ZYRTEC) while ensuring that consumers who view the mark will not be confused and will instead understand that this is the value-priced alternative to the ZYRTEC product." *Id.*

Bad faith, or intent to confuse, falls under the thirteenth du Pont factor "any other established fact probative of the effect of use." *L.C. Licensing Inc. v. Berman*, 86 USPQ 1883, 1890 (TTAB 2008). "[A] party which knowingly adopts a mark similar to one used by another for related goods should not be surprised to find scrutiny of the filer's motive." *L'Oreal S.A. and L'Oreal USA, Inc. v. Robert Victor Marcon*, 102 USPQ2d 1434, 1442 (TTAB 2012). "[W]hen there is evidence of an applicant's intent to adopt a mark that suggests to purchasers a successful mark already in use by another, the Board may, and ought to, take into account that intent when resolving the issue of likelihood of confusion when that issue is not free from doubt." *First International Services Corp. v. Chuckles Inc.*, 5 USPQ2d 1628,

1633 (TTAB 1988). However, “an inference of ‘bad faith’ requires something more than mere knowledge of a prior similar mark.” *Sweats Fashions, Inc. v. Pannill Knitting Co., Inc.*, 833 F.2d 1560, 1565, 4 USPQ2d 1793 (Fed. Cir. 1987). A finding of bad faith must be supported by evidence of an intent to confuse, rather than mere knowledge of another’s mark or even an intent to copy. E.g., *Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 588 F.3d 97, 92 USPQ2d 1769, 1782 (2d Cir. 2009) (“[T]he ‘only relevant intent is intent to confuse. There is a considerable difference between an intent to copy and an intent to deceive.” (quoting J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 23:113 (4th ed. 2012))); see *Restatement (Third) of Unfair Competition* § 22 (“A likelihood of confusion should not be inferred from proof that the actor intentionally copied the other’s designation if the actor acted in good faith under circumstances that do not otherwise indicate an intent to cause confusion or to deceive.”).

Essentially the arguments and evidence presented here come down to determining whether applicant’s intent was to confuse or inform consumers. Intent is difficult to prove and on this record we find the evidence to be inconclusive. In view thereof, we find this factor to be neutral.

Balancing the Factors

We have carefully considered all of the evidence pertaining to the relevant du Pont factors, as well as the parties’ arguments with respect thereto (including any evidence and arguments not specifically discussed in this opinion). In balancing the relevant factors, we conclude that because opposer’s mark is strong, the goods are

identical, the channels of trade and classes of customers are identical, the purchasing decision does not involve a high level of sophistication and the marks are similar, there is a likelihood of confusion.

In view thereof, opposer has proven its claim under Section 2(d) of the Trademark Act. Finally, to the extent we have any doubt we resolve it, as we must, in favor of the prior user. See *Hewlett-Packard Co.*, 281 USPQ2d at 1003; *Hard Rock Cafe*, 56 USPQ2d at 1514 and *W. R. Grace & Co. v. Herbert J. Meyer Industries, Inc.*, 190 USPQ 308, 311 (TTAB 1976).

In view of our decision on the claim of likelihood of confusion we do not reach the dilution claim. See *Miss Universe L.P. v. Cmty. Mktg. Inc.*, 82 USPQ2d 1562, 1572 (TTAB 2007).

Decision: The opposition is sustained under Section 2(d).