

THIS DISPOSITION IS NOT  
CITABLE AS PRECEDENT  
OF THE TTAB

Oral Hearing:  
August 26, 2003

Mailed: March 19, 2004  
Paper No. 104  
csl

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board

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Sara Lee Corporation

v.

Kayser-Roth Corporation

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Opposition No. 91101979  
to application Serial No. 74681296  
filed May 22, 1995

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J. David Mayberry of Kilpatrick Stockton LLP for Sara Lee Corporation.

William J. Spatz of Kramer Levin Naftalis & Frankel LLP for Kayser-Roth Corporation.

Before Simms, Walters and Bucher, Administrative Trademark Judges.

Opinion by Simms, Administrative Trademark Judge:

Sara Lee Corporation (opposer), a Maryland corporation, has opposed the application of Kayser-Roth Corporation (applicant), a Delaware corporation, to register the mark SHEER ENDURANCE for

"hosiery, including pantyhose."<sup>1</sup> Both parties took testimony and filed notices of reliance on various materials. Briefs were filed and an oral hearing was held.

### The Pleadings

In the notice of opposition, opposer alleges that applicant's mark SHEER ENDURANCE so resembles opposer's marks SHEER ENERGY, SHEER ELEGANCE and RESILIENCE, previously used and registered by opposer, as to be likely to cause confusion, to cause mistake or to deceive.<sup>2</sup> Opposer has pleaded ownership of Registration No. 978,180, issued February 5, 1974 (renewed), for the mark SHEER ENERGY for ladies' hosiery and pantyhose as well as Registration Nos. 1,604,767, issued July 3, 1990 (renewed), and 1,031,495, issued January 27, 1976 (renewed), for the mark SHEER ELEGANCE for hosiery and pantyhose, and for pantyhose, respectively. Opposer asserts that the public recognizes its marks as being used by opposer.

In its answer, applicant denied the allegations of the opposition, except that it admitted that opposer makes and sells ladies' hosiery. Applicant also asserted that "sheer" is descriptive of a type of hosiery and that there exist a number

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<sup>1</sup> Application Serial No. 74681296, filed May 22, 1995, based on an allegation of a bona fide intention to use the mark in commerce.

<sup>2</sup> While opposer pleaded ownership of the mark RESILIENCE in the notice of opposition, opposer did not argue in its brief or at the oral hearing that confusion was likely as a result of opposer's use and registration of this mark. Accordingly, we shall not consider this mark in determining the issue of likelihood of confusion.

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of third-party uses and registrations of marks, all for hosiery or pantyhose, which include the word "SHEER" as a part thereof, such as SHEERMODE, SHEERLASTIC, SHEER CHARM, SHEER ACTION, SHEER 'N SMOOTH, SHEER AMAZEMENT, SHEER JAZ, SHEER DIMENSIONS, SHEER INTRIGUE, SHEER DUSK, SHEER LADY, SHEER IMAGES, SHEER CLASS, SHEER MIRACLE, SHEERFINE, SHEER SUPREME, SHEER GOLD and SHEER PERFECTION.

#### The Record

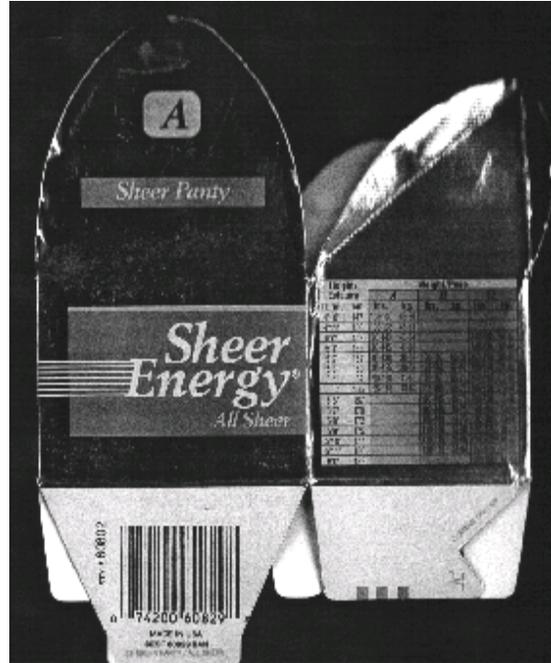
This record is voluminous, consisting of over 40 depositions and many hundreds of pages of exhibits. We have summarized pertinent parts of the record.

Opposer introduced the SHEER ENERGY brand of hosiery made of spandex in all markets in 1973, and the SHEER ENDURANCE brand in 1979-80. Upchurch dep., 11. These products are sold in the food, drug and mass merchandise channels of trade, as well as by catalog and in opposer's company-owned outlet stores. Over the years opposer has realized over \$3.5 billion in sales of SHEER ENERGY pantyhose (126 million dozen) and over \$1.2 billion in sales of SHEER ELEGANCE pantyhose (39 million dozen), while it has spent over \$333 million and \$121 million (all figures as of August 2001), respectively, in the promotion and advertising of these products, on television, radio and by print advertisements. Upchurch dep., 51, 53, 54. In 2001, sales of both of these brands were around \$120 million. Upchurch dep.,

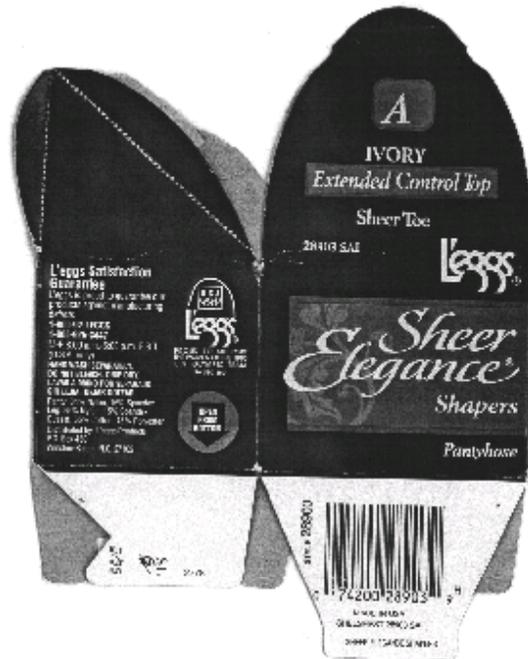
55. Opposer also promotes these goods through cross-promotions with other well-known products, and by sponsorship of events. However, advertising spending has declined in recent years.

The record also includes numerous articles from trade and other magazines and newspapers which mention opposer's SHEER ENERGY and SHEER ELEGANCE marks (often in connection with the house mark L'eggs). These are the best known brands of L'eggs Products, Inc., a part of opposer, and they account for about 15 percent market share of all sheer hosiery sales. Upchurch dep., 55. According to one study, more than 80 percent of all hosiery purchasers are aware of these brands, and about half of all pantyhose consumers have worn one of these brands. SHEER ENERGY pantyhose is probably the leading mass market brand of pantyhose. Applicant had admitted that opposer's SHEER ENERGY pantyhose is "well known." Applicant's brief, 30.

Opposer's SHEER ENERGY and SHEER ELEGANCE products have been sold in cardboard boxes resembling an egg, introduced in 1990-1991, which replaced a plastic egg-shaped container (Upchurch dep., 76):



The mark "L'eggs" appears above the SHEER ENERGY mark but did not reproduce in the image shown above.



The SHEER ELEGANCE pantyhose was re-launched in a flat package in 1998. Upchurch dep., 115, 120.

Applicant's former director of marketing testified that applicant began to develop a spandex or bi-component (as opposed to nylon) pantyhose under an advertising program called "No Nonsense American Woman." Hawkins dep., 70. This product, intended for the food, drug and mass merchandising channels of trade, eventually came to market in late 1995 under the mark SHEER ENDURANCE. The SHEER ENDURANCE mark was recommended by Lois USA, applicant's New York advertising agency. Hawkins dep., 89. Mr. George Lois testified that his advertising agency came up with the SHEER ENDURANCE name. Lois dep., 27, 48. When asked why he liked that name for applicant's new hosiery product, he testified, at 49:

- A. The first word was a generic word that clearly -- which is words [sic] used by since, you know, for forty years, fifty years in the hosiery business -- followed by the word "endurance" and my understanding of the project was that this was a sheer product, a very sheer product relatively, and that lasted with a long lasting attributes [sic] so Sheer Endurance very simply nailed what the product was all about and that's why I chose that...

The vice president copy supervisor with Lois USA, Ms. Elaine Kremnitz, testified, at 63-64, that she also believed SHEER ENDURANCE was a good name:

For this particular product because it's a sheer glamorous product that lasts longer than pantyhose have lasted in the past. It's a product that every

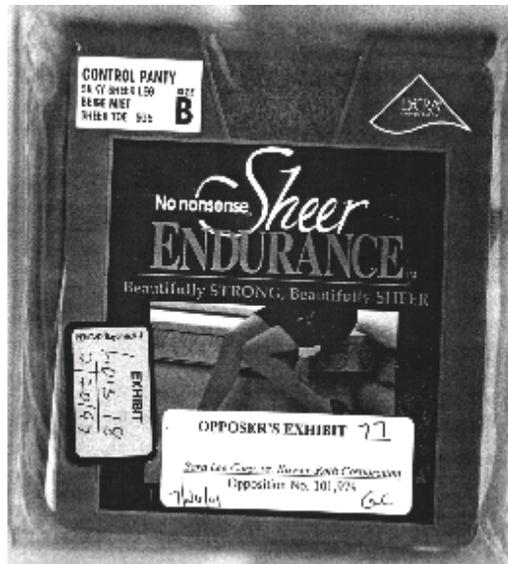
woman has wanted for the last thirty years. All the attributes were in the name, so this was a great name.

This mark was thought to suggest more of the product's attributes or benefits than the American Woman mark. The American Woman name "was not a fast communication of the functional product concept." Jardine dep., 36. The mark SHEER ENDURANCE, on the other hand, "communicated... long lasting and sheerness" (Hawkins dep., 96; Holland dep., 190), a "sheer product that was durable." Jardine dep., 53. "It was important for the 'endurance' word to communicate the strength and durability of the product, because that was the positioning premise" (Jardine dep., 51), while the word "SHEER" was in a style or font that "had to represent the beauty and the emotional side of the positioning." Jardine dep., 53. "It delivers durability, it wears longer, and at the same time it's beautifully sheer... [W]e had developed a product that would deliver both durability and sheerness at the same time, hence the name Sheer Endurance." Holland dep., 16, 23.

The mark was submitted to in-house legal counsel for a trademark search. Jardine dep., 67. The product was shipped to mass merchandisers in December 1995. Holland disc. dep., 183, 261.

The packaging contains the slogan, "Beautifully STRONG, Beautifully SHEER." This packaging, which was eventually

developed after complaints from the largest mass retailer (Wal-Mart) about the necessity of creating new fixtures or shelving for a proposed CD (compact disk) box package (Hawkins dep., 88; Jardine dep., 57; Holland disc. dep., 80, 82), is a clear pouch with a colored cardboard insert showing a woman's legs.



According to discovery responses, applicant was aware of opposer's marks SHEER ENERGY and SHEER ELEGANCE when it introduced its new product.

We also were aware of the L'eggs packaging, and made an effort to stay away from their colorations.

Hawkins dep., 100, 130. Applicant's pouch is different from packaging used by opposer. Hefner dep., 149; Holland dep., 390. There were no attempts to emulate the packaging of competitors. Jardine dep., 56. In fact, as noted, the testimony reveals that applicant "wanted the package and the overall look of the package, including the graphics, to look different, because this

is [a] product that commanded a higher price" than applicant's lower-priced nylon pantyhose. Holland disc. dep., 219.

Applicant's SHEER ENDURANCE pantyhose is now sold in the No nonsense pantyhose area of retail stores (food, drug and mass merchandise stores) with applicant's other brands, under a No nonsense header. It was important that this new package look consistent with "the family heritage." Jardine dep., 52. The product achieved about \$9 million in sales in the first year (1996). Holland disc. dep., 183. Now being sold in 60-70,000 retail stores, SHEER ENDURANCE pantyhose sales are in the neighborhood of \$20 to \$25 million per year, with total sales over \$100 million (over 40 million pair) as of 2001. Holland dep., 10, 14. This brand has about 0.9 percent of a share point of total pantyhose sales for all retail outlets, and a 1.4 share for food, drug and mass merchandisers. SHEER ENDURANCE pantyhose is advertised by means of national print advertising.

There is testimony that applicant's main spandex competitors for its new product were SHEER ENERGY and SHEER ELEGANCE pantyhose, "mass merchandiser control labels" and, to some degree, department store spandex brands. Holland disc. dep., 255, 283-84. According to applicant's record, applicant has experienced no actual confusion with opposer's marks.

Opposer has made of record a photograph of opposer's SHEER ENERGY and applicant's SHEER ENDURANCE pantyhose sold side by side in retail outlets:



The top-of-the-mind awareness (unaided awareness) for the No nonsense brand in general (not the SHEER ENDURANCE brand) is around 9 or 10 percent, while this awareness for the L'eggs name is around 50 percent. Greeson dep., 50-51, 100.

The record reveals that there is a certain level of confusion in general as to which company makes the various brands of pantyhose. For example, Mr. Holland, applicant's vice president for marketing of mass retail brands, testified:

...L'eggs as a brand is 50 percent of the market.  
The awareness of the L'eggs brand is--is

significant - significantly greater than No Nonsense. And it's been my experience in the past when talking to loyal No Nonsense users at times that they sometimes think that their No Nonsense brand is made by Leggs. So there's -- there's some noise and confusion out there in the marketplace.

Holland dep., 388; Holland disc. dep., 76. When asked whether there was confusion between No nonsense and L'eggs brands in general, Mr. Holland further testified, at 43-44:

A. Oh, I--I think there's a certain amount of noise out there among consumers. I don't think a lot of consumers take the time to really study, you know, these are all the products that L'eggs markets, these are all the products that No nonsense markets. I've been part of focus groups with consumers who wear pantyhose, and you get some consumers that are very involved with the product, some that are, you know, not involved at all and can barely tell you the name of the product they use. And then you've got some consumers who just give you this--you know, they're just confused in general. I mean, you know, it's--there's just--it's just people. They're consumers, and it's going to vary in any category. But--I mean, I've heard women say that they thought No nonsense was made by Hanes or L'eggs. I've heard women say they thought, you know, L'eggs was made by Hanes or - you know, it's all over the place.<sup>3</sup>

Similarly, applicant's former national director of field sales operation, Mr. William See, testified, at 113-114:

If you spent - if you'd have spent a lot of time at retail, you kind of wonder if anybody - you kind of wonder where all this brand recognition stuff goes. Because the consumer often times looks at it, and they just go

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<sup>3</sup> Hanes Hosiery, Inc. is also a part of opposer.

it's pantyhose, and do you do this or do you do that. And because L'eggs is so big compared to No nonsense, you'd run into that a lot, you know, too. It's just folks think that you work for L'eggs. I mean, my friend, it's unbelievable, you know, you would tell them that you work for No nonsense pantyhose, and they'd go oh, yes, that's Bill, see, he works for L'eggs. And all that, too is to L'eggs credit because they have done a marvelous job trying to go we're L'eggs. So people have heard of L'eggs...

Further, opposer's witness, Ms. Elizabeth Smith, a consumer services specialist with Sara Lee Hosiery, testified that a "fair number" of hosiery consumers do not know which company makes a particular brand of pantyhose, and that some consumers think that No nonsense and L'eggs (or Sara Lee) are the same company. Smith dep., 67. However, Ms. Smith could not quantify these consumers.

Q. Excluding Sheer Endurance and Leg Looks [an earlier trademark of applicant], in your experience as a consumer services specialist do you have reason to believe that hosiery consumers confuse No nonsense hosiery and L'eggs hosiery?

A. Do I think they confuse the two? Some, yes...

\* \* \* \*

Q. Excluding Sheer Endurance and Leg Looks do you have reason to believe that hosiery consumers confuse No nonsense hosiery and Sara Lee hosiery?

A. Yes.

Smith dep., 87-88.

Several witnesses stated that mis-shelving - where one product may mistakenly be placed with another product - occurs in the marketplace. Sargent dep., 49. Opposer also has received returns of applicant's No nonsense pantyhose. Some of these have been applicant's control top pantyhose (not the SHEER ENDURANCE brand).

Ms. Candy Thoutsis, a retail merchandiser for the L'eggs company from 1996 to 1998, stated that "a couple of times" she saw SHEER ENDURANCE cardboard shippers placed in front of racks of L'eggs pantyhose. Two or three times during her 2 1/2 years as retail merchandiser, customers asked her (when she wore a L'eggs name tag) how SHEER ENDURANCE pantyhose compared. She testified that she told these shoppers that the SHEER ENDURANCE pantyhose was not a L'eggs product. Thoutsis dep., 36.

The parties stipulated to the admission into evidence of the August 1993 trial testimony (before the introduction of SHEER ENDURANCE pantyhose) of applicant's then-director of sales planning, sales training and development, Mr. Timothy Flavin, given in *Sara Lee Corp. v. Kayser-Roth Corp.*, Civil No. 6:92CV00460 (M.D.N.C.). That case involved applicant's mark "Leg Looks." Mr. Flavin had been employed by Hanes DSD, the sales and service arm of the L'eggs company of opposer, during the period from October 1979 to October 1989. He testified at that trial (at 126) that store customers would often ask him

about competitors' products, both when he was employed by opposer and then by applicant. Also, store managers and aisle clerks would often ask him, when he was working for opposer, to pick up shippers or returns in the back of the store when those shippers or returns were of the No nonsense product. Similarly, when employed by applicant, store managers and aisle clerks would often ask him to retrieve shippers and returns of L'eggs products. Also, occasionally the return boxes would have brands from both companies mixed in together. Flavin dep., 134. Sometimes print shops would incorrectly identify the products of one company as the products of the other in advertisements, printed signs and promotions. Flavin dep., 146, 148.

Opposer's promotions returns manager testified that retailers would sometimes return the hosiery of other companies, including applicant, Burlington and Harris Teeter, to opposer, but that no records were kept of the quantity of these damaged and returned products, which were disposed of at one time and later sent to a merchandise processor (the Sue Lynn company). Lafon dep., 47, 77. The number of hosiery returns dropped substantially when the consignment system of merchandising was replaced by a system that required the retailer to purchase the hosiery products. Lafon dep., 41, 85. Ms. Lafon had no recollection of the styles or types of the non-Sara Lee hosiery products which were returned to opposer. Lafon dep., 109.

As to actual third-party uses of "SHEER"-prefixed marks, George Holland, applicant's vice president of marketing for mass retail brands, testified that "Sheer" is commonly used in the hosiery industry to describe thickness. At 375-76, he testified that JC Penney "has a huge business in a brand called Sheer Caress. Kmart has a big business in a brand called Sheer Intrigue. We have another product called Sheer Indulgence. There are other sheers. I--you know, it's--it's a pretty common category."

Opposer's L'eggs Products, Inc. director of marketing also testified that she was aware of pantyhose sold under the mark SHEER BASICS. Sargent, 65. (A registration for this mark is owned by applicant.)

Applicant took the testimony of several people who purchased third-party brands of pantyhose in Manhattan, Queens and Jackson Heights, New York, the Poconos, Pennsylvania, as well as Greensboro, North Carolina. Applicant's witnesses testified that the word "SHEER" is frequently used as a part of brand names for pantyhose (Pearce dep., 46), and purchased pantyhose as evidence of actual use. These brands include SHEER and SILKY, SHEER SUPPORT, BURLINGTON SHEER LEGACY, EVAN-PICONE SHEER STRENGTH, SHEER INTRIGUE, SHEER CARESS, SHEEREST TONES, LEVANTE SHEER CONTROL, SHEER ESSENTIALS and SHEER INDULGENCE. The SHEER INTRIGUE brand is sold by Kmart and, since September

2000, has been made by applicant for Kmart. One of applicant's witnesses testified that there was an extensive selection of this pantyhose at the Kmart store she visited. According to industry or trade reports made of record of sheer pantyhose sales, over 1.5 million pair of these pantyhose were sold by Kmart in 2000. JC Penney's SHEER CARESS pantyhose achieved sales of over 2 million pair in 2000. Longs Drugstore, a west coast chain, sells SHEER ESSENTIALS pantyhose as its private label, with over 1 million pair sold in 2000.<sup>4</sup> SHEEREST TONES is a private label pantyhose sold by Wal-Mart.<sup>5</sup> Nearly 400,000 pair of BURLINGTON SHEER LEGACY pantyhose (also made by applicant) were sold in 2000.

From 1988 until 1994, applicant sold SHEER INDULGENCE pantyhose in the food, drug and mass market. Thereafter, this brand was sold by catalog and direct mail, and is now available over the Internet. Greeson, 23-24. According to applicant's testimony, opposer took no action against this mark.

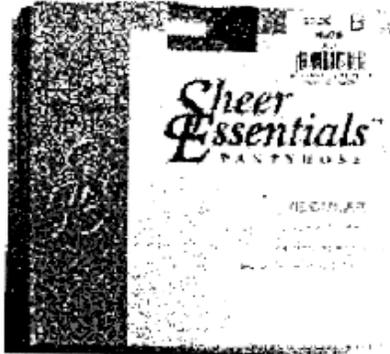
Opposer's vice president of sales and customer marketing was aware of Kmart's SHEER INTRIGUE pantyhose and JC Penney's SHEER CARESS pantyhose. Chancellor dep., 69, 70.

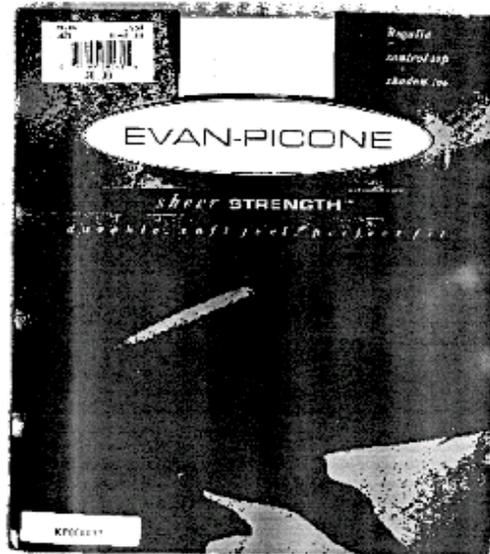
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<sup>4</sup> The record reveals that opposer filed an opposition against the application to register this mark, but that the opposition was dismissed with prejudice.

<sup>5</sup> In the 1990s, applicant made SHEER BASICS pantyhose as a private label for Wal-Mart. This pantyhose was sold through 1999. The pantyhose is now sold under the mark SIMPLY BASICS. Greeson dep., 23.

Some of these third-party "SHEER"-prefixed marks are shown below:





Other brands with the word "SHEER" somewhere in the mark include BERKSHIRE DAY SHEER, SILKEN SHEERS, BERKSHIRE SILKY SHEER, BERKSHIRE ULTRA SHEER, RITE AID DAYSHEER REGULAR, RITE AID SILKEN SHEER and CVS SILKY SHEER.

Also, applicant made of record a number of existing third-party registrations, all covering hosiery or pantyhose, for marks that include the word "SHEER." These include: SHEER ACTION, SHEER ACCLAIM, SHEER ATTITUDE, SHEER AND SENSUOUS, SHEER CHARM, SHEER CLASSIQUES, SHEER DELIGHT, SHEER DIMENSIONS, SHEER ECSTASY, SHEER EXCITEMENT, SHEER FLEX, SHEER JAZ with design, SHEER LUXURY, SHEER MADNESS, SHEERMODE, SHEER 'N LIVELY, SHEER 'N SHAPELY, SHEER PLEASURE, SHEER RADIANCE, SHEER SONG, SHEER SUPPORT, SHEER THERAPY, SHEER TOES, SHEER TREAT, SHEER VALUE and others that include the word "SHEER" at the end of the

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mark or as part of a suffix. Also, applicant owns current registrations of the marks SHEER BASICS ("SHEER" disclaimed) (Reg. No. 1,408,635, issued Sept. 9, 1986; Section 8 filed) and SHEER LEGACY ("SHEER" disclaimed) (Reg. No. 1,739,073, issued Dec. 8, 1992, renewed).

George Holland, applicant's officer, testified that he did not believe that consumers, at the point of sale, were confused by the SHEER ENDURANCE pantyhose. Holland dep., 390, 391:

Because of the distinctive look of the product, because of the -- the name of the product, for one thing. Sheer Endurance is different from any name that's out there, different from any product that's out there in terms of its appearance and the way it's packaged, and the product -- the way it's displayed on the rack. It's right there on the No Nonsense rack. I think it would be hard to confuse it with the L'eggs products that are in the cardboard boxes in a different section of the department.

See also Holland disc. dep., 168-69. During this discovery deposition, he stated that no one at applicant's business had expressed any concern to him that the mark SHEER ENDURANCE would cause confusion with opposer's marks. Holland disc. dep., 163. As to any alleged similarity between the proposed mark SHEER ENDURANCE and other trademarks, applicant's former director of marketing, Angela Hawkins, testified, at 97, that, among applicant's marketing people:

We realized that it was an S and an E, but

felt that--felt very strongly that L'eggs did not own the name Sheer, as there were several products on the marketplace that start with Sheer.

See also Holland dep., 190: "[S]heer is a common word used in our industry, in our business. It's an indicator to consumers that we're talking about pantyhose." It describes a characteristic of the pantyhose. Sargent, 39. Any pantyhose product that is not opaque is considered "sheer." Respass dep., 42.

Opposer took the testimony of a number of witnesses who purchased applicant's SHEER ENDURANCE pantyhose, were dissatisfied for some reason, and returned the merchandise to applicant for a new pair. Through discovery, opposer's law firm ascertained their names, interviewed about 700 of them and deposed eleven. Opposer's law firm contacted each of these witnesses by telephone. Each was told that the law firm is handling a case involving pantyhose and that the witness's name was on a SHEER ENDURANCE guarantee card that the witness had recently returned. Then each witness was asked questions about the SHEER ENDURANCE pantyhose, including who each thought made the pantyhose and why. If any witness indicated in any way that she believed that SHEER ENDURANCE pantyhose was made by opposer, the following statement was read to each witness:

SHEER ENDURANCE pantyhose are not made by the company that we represent, Sara Lee.

Sara Lee makes the L'EGGS brand of pantyhose, including SHEER ELEGANCE and SHEER ENERGY. SHEER ENDURANCE pantyhose are made by a different company, Kayser-Roth, the company that makes the No nonsense brand of pantyhose. Sara Lee and Kayser-Roth are currently involved in a legal proceeding concerning whether the Kayser-Roth's use of the name SHEER ENDURANCE on pantyhose is likely to cause confusion among consumers. The information you just gave me could be very helpful evidence for Sara Lee's case. Would you be willing to sign a statement which could be [used] in this case stating what you just told me?

Subsequently, opposer's law firm prepared a statement for each witness purportedly memorializing the customer's purchasing experience with the SHEER ENDURANCE pantyhose, which was then signed by the witness and sent back to opposer's law firm. Because a substantial period of time elapsed before each witness was eventually called to testify, opposer's law firm would periodically re-send copies of each witness's statement to the witness and update the witnesses on the status of this litigation. Later, each witness was called to testify during trial.

When asked who they thought had made the SHEER ENDURANCE pantyhose which they had purchased and returned to applicant, many said they thought that the L'eggs company or the company that put out SHEER ENERGY also made the SHEER ENDURANCE product. For example, Patricia Terrill, deposed in July 2001, said she purchased applicant's pantyhose in the fall of 1996, and

thereafter returned it when it proved unsatisfactory. She testified that, although the SHEER ENDURANCE flat pouch or package was different from opposer's SHEER ENERGY egg-shaped carton or box, she nevertheless thought SHEER ENDURANCE pantyhose was made by L'eggs "[p]robably because it said Sheer..." Terrill dep., 13; see also, 18.<sup>6</sup>

Another purchaser, Margaret Bessert, testified, more than four years after her purchase, that:

... I was looking for L'eggs, and I truly believed that Sheer Endurance was so close to the Energy that I just really thought that it was probably a division of or - you know, another style that they had...

\* \* \* \*

Q What made you think that it was a L'eggs product?

A Well, I guess probably Sheer Endurance is not that far from Sheer Energy, you know...

\* \* \* \*

... The name, Sheer, is what really triggered me more than a plastic pouch...

Bessert dep., 12-13, 15, 29. She stated that she did not notice the house mark No nonsense on the package or on the return card. When asked if the placement of the SHEER ENDURANCE pantyhose rack near the SHEER ENERGY pantyhose was a reason why she thought that both were made by the same company, she said: "Possible. I have no idea." Bessert dep., 55.

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<sup>6</sup> However, according to one of the exhibits, when phoned by an employee of opposer's law firm in July 1997, she said, "L'eggs probably but could be No nonsense."

Another witness, Nerita Schwabauer, when asked why she thought that the L'eggs company made SHEER ENDURANCE pantyhose, testified, at 35:

... endurance, to me, means the support it's going to give my legs through the day. And so I look at endurance and energy as being similar, because if your legs have energy, you're going to last through the whole day. And endurance, to me, means the same thing.

Similarly, Theresa Thomas, another purchaser who normally bought L'eggs SHEER ELEGANCE or SHEER ENERGY pantyhose, testified that when she bought SHEER ENDURANCE pantyhose in late 1996, she assumed it was made by the L'eggs company because of the word SHEER in the mark and because she thought the name SHEER ENDURANCE meant the same thing as SHEER ENERGY. T. Thomas dep., 39, 61, 68.

Yvonne Thomas testified that when she bought SHEER ENDURANCE pantyhose:

I only remember the sheer. That's why I grabbed it. That's what--that's what made me think it was Sheer Energy... I didn't take the time to read the rest of it. I see sheer, and the next word starts with an E, the same as energy. It's the same thing.

She also did not notice the house mark No nonsense on the package or the guarantee card. She stated that she would think that any product that had the word SHEER in the mark was made by the L'eggs company. Y. Thomas dep., 29. See also McCasland dep., 14, 27 ("Because Sheer Energy, Sheer Endurance, I guess

kind of associated the two, because I guess the sheer--the word, sheer," and that any pantyhose that started with the word SHEER would come from the L'eggs company.)

Another purchaser, Teresa Brewer, testified that she thought that the L'eggs company made SHEER ENDURANCE pantyhose:

I guess because of the word, sheer, and because I had always bought Sheer Energy, and so--you know, energy starts with an E, and so I thought Sheer Endurance--I think I just had it in my head that it was--that it was just probably a deviation or another product that L'eggs was--that it was a new product that they were putting out on the market and wanting people to try.

Brewer dep., 18.

Kimberly Bagi also testified that she thought that SHEER ENDURANCE pantyhose was a part of the L'eggs line:

The font--the way the word, Sheer, is done, is kind of an italic, looked real similar, so I figured it was just a brand extension of Sheer Energy.

Bagi dep., 13. Ms. Bagi stated that she did not notice the house mark No nonsense on the package.

Another purchaser, Dorothy Crews, stated that she thought the SHEER ENDURANCE pantyhose was made by the L'eggs company "[j]ust because of the sheer name on the package." Crews dep., 15. She also did not notice the No nonsense mark on the package or on the guarantee card, except when she sent the pantyhose back to the manufacturer. However, she also believed that the

L'eggs company made No nonsense hosiery. Crews dep., 27. Other witnesses also testified that they thought that various No nonsense pantyhose was made by the L'eggs company. See, for example, Sosebee dep., 75.

Another witness stated that she had sent an e-mail to opposer's L'eggs division thinking that it had made the SHEER ENDURANCE pantyhose she had purchased, because of the presence of the word "SHEER" in the mark, although she did not have the package with her at the time she sent the e-mail. Bradley dep., 21-22.

Vicki Chancellor testified that, as the vice president of sales and marketing of the L'eggs Division, she received more consumer complaints about SHEER ENDURANCE than any other competitive product (Chancellor dep., 31), and that the mark has caused confusion as well among employees of retailers and merchants. Chancellor dep., 32, 33, 52 and 81.

In response to some of this testimony, applicant called Dr. Elizabeth Loftus, a professor of psychology at the University of Washington in Seattle, who had prepared a report and then testified concerning the effect of post-event information (the "misinformation effect") on witnesses, as well as the effect of the length of time between an observation and the recollection of that event. Dr. Loftus' report dealt with the possibility that the consumers' memories of their pantyhose purchases were

contaminated by the interviewing script read to them and the tendency of this post-event information to become incorporated into witnesses' recollections.

Consider the sequence of events with one of the disclosed consumers, Margaret Bessert. She purchased No Nonsense pantyhose on January 18, 1997. She filled out a guarantee card explaining that the elastic in the waist did not hold up and the hosiery ran too easily. On May 20, 1997, she was interviewed by a member of the legal firm representing Sara Lee, the maker of L'eggs. During this interview she was essentially told that Sara Lee makes L'eggs brands, including Sheer Elegance and Sheer Energy. She was told that Sheer Endurance pantyhose are made by a different company, Kayser-Roth, the makers of No Nonsense. She was told that the litigation between the two companies concern whether name Sheer Endurance was likely to cause confusion. She was told that her information could be helpful for Sara Lee. Ms. Bessert was also interviewed again (on July 6, 1997), some six weeks after the suggestive information in the interview script, and she was again asked about her recollections. Finally, on July 15, 1997 she was sent a letter and a statement to sign; and she signed that statement on July 21. There were elements in her final statement that were not introduced prior to her receiving the suggestive script information. For example, in the final statement she claimed that she thought that Sheer Endurance was made by L'eggs because of the similarity of the names Sheer Endurance and Sheer Energy. But no where [sic] in her earlier information was there evidence for this belief. The suggestive script information could well have introduced this belief into her conscious mind and memory. Moreover, the suggestive information came from an individual who might be considered an authority figure, and it is known from the literature that higher authority sources are more influential in contaminating memory.

Another revealing analysis can be seen in the case of Patricia Terrill. She filled out a guarantee card (apparently in early 1997) explaining that when she opened the pantyhose, they had little black lines on them, and they ran on the first wearing. On July 20, 1997, she was interviewed by a member of the legal firm. When asked "Who do you think makes Sheer Endurance pantyhose?" she apparently claimed that she thought it might be L'eggs but could be No Nonsense. During this interview she was essentially told the same things that were described above in the case of Ms. Bessert. Ms. Terrill was interviewed again on July 23, 1997 and two days later was sent...a statement that was purportedly "based on" the conversation. In the statement, signed September 3, 1997, she claims with apparent certainty that she thought they were made by L'eggs. In other words, her statement (which followed months after the suggestive interview procedure), deviates from her earlier report.

A similar analysis can be done on many of the other disclosed consumers.

Report of Dr. Elizabeth F. Loftus, 2-3. Essentially, Dr. Loftus indicated that a person's recollection of a past experience could be affected by exposure to new information before he or she is asked about the past experience. Post-event suggestion is an even more important factor when memory fades over time, because it becomes more vulnerable to such suggestion.

So for example, in the case of Margaret Bessert, you have a four-month period between her purchase and the suggestive interview. This is ample time for the memory to fade and to become more vulnerable to post event information.

The other feature of the research is that if the new information is being introduced by

an authority figure or someone who is presumed to have knowledge, individuals are more susceptible to the contaminating information. And to the extent that the lawyer, or a lawyer or a law firm conducting this suggestive interview might be considered an authority figure, at least on these issues, you might expect to see people be especially susceptible to information coming from that source...

But I will say, from the research, where we find the maximum contamination is when we let some time pass between the event itself and the post event information, and then we have a relatively short period of time between the post event information and the test. So people at the time of the test are remembering that post event information and the original experience has--has significantly faded.

Loftus dep., 41-43. In other words, Dr. Loftus testified that witnesses may tend to adopt post-event information as their own memory, or at least that post-event information may supplement or change a recollection, so that individuals may report something never before reported.

E-mail communications to opposer (at leggs.com or hanesosiery.com), as well as letters and phone calls, also reveal that some consumers believe that SHEER ENDURANCE hosiery is made by opposer. For example, one e-mail concludes "P.S. I do use the Leggs [sic] brand, am glad they came out with the Endurance line, really like the lyrca [sic] in the hose, and for the cost like the pant socks also." Another e-mail asked opposer if it carried

product catalogs, stating that "I really like the Sheer Endurance line of Hosiery." Yet another e-mail asked if opposer sold "Sheer Induldgance" (sic, should be "Indulgence"), a pantyhose brand owned and sold by applicant. Another e-mail to opposer related to No nonsense hosiery while another was written to the Hanes company (a part of opposer) complaining about a No nonsense commercial. Opposer also received e-mails and inquiries about other non-Sara Lee products and promotions.

In response to this evidence, applicant's witness, Dr. Michael Rappeport, testified that the number of communications received by opposer concerning SHEER ENDURANCE pantyhose was what one would expect based upon the market share of SHEER ENDURANCE pantyhose relative to all third-party or non-Sara Lee pantyhose, about which opposer also received letters, phone calls and e-mails.

#### Surveys

During April 1996, Mr. Lacy Bellomy of Bellomy Research, Inc. conducted a telephone survey of females between the ages of 16 and 59. They were qualified for the survey by being asked if they had worn pantyhose during the past month. People who had been interviewed about pantyhose in the last two months and those in certain occupations were excluded from the study. In Cell 1 (403

respondents), telephone respondents were told the following: "There is a new pantyhose on the market called 'Sheer Endurance'. Who do you think makes this brand?" After a response, they were asked, "Why do you say that?" In Cell 2 (402 respondents), the control group, the respondents were told that the new pantyhose was called "Iron Weave," a made-up name. Among Cell 1 respondents, 37.5 percent answered that they believed SHEER ENDURANCE pantyhose was made by L'eggs or by the maker of SHEER ENERGY pantyhose, while 17.4% of the Cell 2 respondents said they thought Iron Weave was made by L'eggs or the SHEER ENERGY company, yielding a net level of confusion of 20.1%. Bellomy dep., 40-41. Only 2.3% of the respondents in Cell 1 correctly answered that SHEER ENDURANCE pantyhose was made by the No nonsense company or Kayser-Roth. Mr. Bellomy testified that a control brand with the word "SHEER" in it would have been inappropriate as a control because it may well have generated confusion itself with the test mark SHEER ENDURANCE. Bellomy dep., 86, 96.

Mr. Kenneth Hollander, of Kenneth Hollander Associates, a custom marketing research firm, conducted another survey for opposer, a shopping center intercept study of women 18 years of age and older who had bought pantyhose in the last six months. A total of 504 women

were surveyed. Using the mark LASTING IMPRESSIONS as a control, the net level of confusion of this survey was 14%. In this survey, a number of respondents indicated that they associated SHEER ENDURANCE with L'eggs because it sounded like a sheer hose or because it had the word "SHEER." Hollander dep., 34, 35.

In response to this testimony, applicant took the testimony of Dr. Michael Rappeport of RL Associates, a market and survey research firm. He has done "a couple of hundred" likelihood of confusion studies in his career. Concerning the Bellomy study, he stated that it "shouldn't be given any credibility at all for a variety of reasons."<sup>7</sup> Rappeport dep., 12. Among other reasons was that it could not be ascertained if it was a "double-blind" survey or whether the interviewers may have known that the L'eggs company was the client on whose behalf the survey was undertaken. He also stated that the control used by Mr. Bellomy was inappropriate. Also, some of the interviewers had not conducted similar numbers of interviews in each cell (e.g., the test cell and the control cell). In fact,

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<sup>7</sup> At one point, he stated that the survey was "worthless" (Rappeport dep., 18) and that "I refuse to accept the Bellomy study to have any value whatsoever, I won't even discuss it. It is so abysmal as to be not worth talking about." Rappeport dep., 101-102. According to Dr. Rappeport, among other things the Bellomy survey did not account for the existence of a variety of other brands that include the word "SHEER."

"in many, many cases" the interviewer worked in only one cell. Rappeport dep., 16. The purpose of this aspect of a study is to prevent unconscious interviewer bias.

Rappeport dep., 28. Concerning the control mark, Dr.

Rappeport indicated that it should include the word

"SHEER."

A large part of the problem in this case as I now understand it, as I've come to understand it from working on this, is that Sheer is a commonly used word, obviously commonly used for hosiery, it's a kind of puff word for hosiery. Most pantyhose nowadays, unless intentionally not being Sheer, would be in any case and is used by a lot of people.

To the degree that the claimed confusion or alleged confusion is arising because of the word Sheer in a name, I think my understanding is that that's simply not actionable confusion, it doesn't mean anything in a legal sense. In particular that's true because as we will see some other words when used with Sheer that are not, in my judgment, being alleged to be confusing or infringing on Sheer Energy.

Rappeport dep., 31-32. According to Dr. Rappeport, respondents often look for clues as to the correct answer and will tend to name the "closest" brand even if they would not be confused. Therefore, unless the L'eggs company is claiming exclusive rights in all two-word brand names beginning with the word "SHEER," a proper set of controls is needed to allow for this tendency; that is, at

least one control should be as close as possible to the test mark without being infringing.

In a report concerning the surveys conducted in this case (applicant's exhibit 356), he elaborated:

In particular, in the absence of any other clues, asking what company makes a previously unknown "brand" will generally lead a significant proportion of people to "guess" the company they are most familiar with. Consequently, where a given company has a significant level of market dominance, a significant proportion of individuals will "guess" that company. It is this tendency to guess the company they are most familiar with that results in the significant proportion of respondents who (in the absence of other clues) guess L'eggs as the maker regardless of the name shown. This tendency accounts for the relatively high proportion of 18% who name L'eggs for Lasting Impressions; (absent a factor such as market dominance, such guessing or "noise" is typically in the single digits).

From this perspective, the presence of a "clue" that reinforces market dominance will "lead" an additional proportion of respondents to perceive the market dominant company as the maker (i.e. as the "right" answer). In our opinion, this is the role played by "Sheer" in the Hollander survey methodology; that is, the inclusion of Sheer in a name is a second clue reinforcing the perception of the market dominant company (L'eggs makers of Sheer Energy) as the marker of the brand "Sheer Endurance". Thus, one would expect that there would be a somewhat higher level of naming of L'eggs as the maker of Sheer Endurance (where the extra clue of Sheer is available to the respondents) than would name L'eggs as the maker of Lasting Impressions (where no such clue is available).

In other words, the L'eggs company, as well as the well-known brand SHEER ENERGY that is strongly associated with the L'eggs company, are very visible names in pantyhose. When respondents are asked to guess the source of a particular brand of pantyhose, "it is natural that a significant fraction of consumers will guess L'eggs... [and] some respondents are liable to answer L'eggs for those names that are in some sense closest to Sheer Energy." "Likelihood of confusion as to the Source of Sheer Endurance pantyhose," June 2001, 2, 3. ("The substantial market position of L'eggs, combined with the visibility of Sheer Energy, means that when consumers are presented with one or more hosiery names, and asked (forced) in a survey to identify the source, they will tend to see (guess) the most similar (closest) name to Sheer Energy as emanating from L'eggs. As a result, essentially every survey designed to study the source of names with any similarity to Sheer Energy (e.g. Sheer Endurance) tends to be biased in the direction of finding a likelihood of source confusion. These combined biases in the direction of finding source confusion lead to the need for controls..." *Id.*)

Even opposer's expert witness, Kenneth Hollander, testified that respondents may tend to associate a new product with the industry leader.<sup>8</sup>

Discarding the unreliable results from one of the Hollander survey interviewers, Dr. Rappeport concluded that that survey yields a net level of likelihood of confusion as to the source of SHEER ENDURANCE of 11%, not 14%. According to Dr. Rappeport, 11% reflects a "most minimal" level of confusion. Rappeport dep., 35-36, 37-38, 50-51.

Dr. Rappeport also testified that another way of calculating the net likelihood of confusion from the Hollander survey would be to look at the percentage of people who believed that the SHEER ENDURANCE pantyhose came from the L'eggs company (29%) versus the percentage of people who thought SHEER ENDURANCE pantyhose came from the Hanes company (22%), because the Hanes company is not associated with the SHEER ENERGY mark. This calculation yields a net level of confusion of seven percent.

Dr. Rappeport conducted a total of three surveys - two replication surveys similar to the Hollander survey, conducted in the same six metropolitan areas but using

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<sup>8</sup> "We're testing in a field that's dominated by L'eggs. So you would expect no matter what name we would use to generate people saying it's made by L'eggs, because L'eggs has a high share of mind." Hollander dep., 13, 31, 39.

other control marks, and a sorting board survey. All were conducted in 2001.

For the first replication survey, Dr. Rappeport picked the marks SHEER IMPRESSIONS and SHEER INDULGENCE as controls. He picked these controls because "I'm trying to get as close to the mark at issue, which in this case really is Sheer Energy, that is the mark that's claimed to be infringed on without being infringing." Rappeport dep., 48. The survey revealed that 28% of the respondents believed that SHEER ENDURANCE pantyhose came from the L'eggs company, 17% believed that SHEER IMPRESSIONS pantyhose was put out by that company, while 25% believed that SHEER INDULGENCE pantyhose came from that company. These results yielded a net level of likelihood of confusion of SHEER ENDURANCE of 11% when SHEER IMPRESSIONS was used as the control, or measure of noise, and a net level of confusion of three percent when SHEER INDULGENCE was used as the control. In other words, subtracting for the control, the survey revealed a maximum net level of confusion of 11% of the respondents who attributed SHEER ENDURANCE to the makers of SHEER ENERGY.

Based on the above data, the mark that best meets these criteria [for an appropriate control] is Sheer Indulgence (i.e., it gives the most similar results to Sheer Endurance but Sheer Indulgence is accepted as non-

infringing of Sheer Energy). Thus, **limiting our results only to the most appropriate control would yield a net of noise confusion of just 3%**. (Emphasis in original)... [T]he net of survey artifact (noise) likelihood of confusion as to source of Sheer Endurance ranges from a low of 3% (the replication survey using No Nonsense's own brand Sheer Indulgence) to a maximum of 12% (the sorting board survey data using an average of Hanes' own brand of Silk Reflections, and the made-up name Sheer Glamour). ... Since as we understand it, there is no claim that either Sheer Indulgence or Silk Reflections are likely to be confused as to source (i.e. as emanating from L'eggs), in our opinion, the net of noise likelihood that Sheer Endurance will be seen as emanating from L'eggs lies somewhere between these numbers (i.e. between 3% and 12%).

While averaging the data from different surveys must be done with caution, we think it instructive that the proportion of all respondents who said Sheer Endurance emanates from L'eggs is consistently about 30%, while the average proportion of respondents who said each of the five controls cited emanates from L'eggs is about 21%, thus, **overall, we believe these results say that a conservative (in the sense that it favors L'eggs) estimate of the net of noise likelihood that Sheer Endurance will be seen as emanating from L'eggs is 8-10%**. (Emphasis in original).

In our experience, unless there are special circumstances none of which apply here, no court has ever upheld a claim of a net of noise of likelihood of confusion as to source on the basis of survey evidence of 8-10%.

"Likelihood of confusion as to the Source of Sheer Endurance pantyhose," June 2001. Dr. Rappeport compared

the "pure puffery" word "SHEER" to words such as "HEALTH" or "HEALTHY" for food products.

As to the sorting board survey, twelve different names (with ten controls) were used in the Rapoport sorting board survey, conducted in the states of Colorado, Florida, Wisconsin, Massachusetts and Washington. This survey provided both family or company names (Hanes, Kathie Lee, L'eggs and No nonsense) and brand names to respondents so that it was relatively easy for respondents to guess the source of various brand names. This survey is designed to eliminate unaided recall as a factor. After being qualified, respondents were seated in the interview room and the interviewer was instructed to shuffle a deck of twelve cards, hand them to the respondent, place the sort board in front of the respondent and tell the respondent that each of the cards has the name of a brand of a pantyhose printed on it. If the respondent thought the brand of the pantyhose on the card was likely to come from a company whose name appeared on the sort board, the respondent was to place the card under that name. If the respondent thought the brand came from a company whose name did not appear on the sort board, or if she was not sure what company made that brand, the respondent was told to place that card in the appropriate place. Using SHEER

GLAMOUR as the control yielded a net level of confusion of 12%.

The conclusions I draw from the sorting board survey are that it tends to support the belief that there is no likelihood of confusion. That the number, the percentage you get with these kinds of controls runs in the same 11, 12 percent, 11 percent number that Dr. [Gerald] Ford claims are the numbers from the Hollander survey. There were some interesting things that occur but our basic conclusion is that the pattern of data substantiates that Sheer is [a] critical word. It's interesting to rank order the percentage of people assigning each of these to L'eggs. What happens is the three Sheer numbers come out at the top..

It tends to corroborate that Sheer is driving a large part of this..

Rappeport dep., 60-61.

Finally, Dr. Rappeport conducted another replication survey with the control mark SHEER CONTROL. 120 interviews were conducted, 20 in each of six shopping malls, in November 2001. Using this control, 28% stated that they believed that this brand was made by the L'eggs company, the same percentage who said that the SHEER ENDURANCE product came from that company in the earlier replication survey. "We conclude that in fact, a 'good' measure of the noise (i.e. a "good" control) indicates that net of measured noise there is essentially no likelihood that consumers will perceive L'eggs as the source of 'Sheer

Endurance' pantyhose."<sup>9</sup> "A Supplementary Survey of the Likelihood of Confusion as to the Source of Sheer Endurance pantyhose," 2.

... After you remove the noise. If you use Sheer Indulgence and Sheer Control both and you average them and then you subtract that from the average value you got from the Sheer Endurance, you get somewhere between 1 and 2 percent, if you just use Sheer Control you get zero.

Rappeport dep., 69. According to Dr. Rappeport, the two best control marks are SHEER INDULGENCE and SHEER CONTROL, because they best describe the "noise" in this case.

Rappeport dep., 53, 70 and 142. "[T]he best control is as close as you can get without being infringing. The reason being that that gives enough clues that that kind of guessing now becomes random and spreads out evenly."

Rappeport dep., 167-168.

Dr. Rappeport did acknowledge, on cross-examination, that the SHEER ENDURANCE mark produced a higher level of association with the L'eggs company than any control mark. Rappeport dep., 99, 100.

In all the surveys taken for this case, the levels of "noise" are high. Specifically, 18% of the respondents thought that LASTING IMPRESSIONS, which bears no relation

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<sup>9</sup> According to Dr. Rappeport, a "good" control is one that comes as close as possible to the trademark claimed to be infringing without itself being infringing.

to any L'eggs brand, emanated from the L'eggs company, 25% of the respondents in one replication survey thought that SHEER INDULGENCE pantyhose emanated from the L'eggs company, 17% thought that SHEER IMPRESSIONS pantyhose came from that company, while, in the sorting board survey, 21% of the respondents thought that SHEER GLAMOUR came from the L'eggs company.

On rebuttal, opposer's witness Dr. Gerald L. Ford of Ford Bubala & Associates, a market research and consulting firm, testified that he agreed that the control mark should be a two-word mark that included the word "SHEER."

There may be--not a trademark interaction. That's what you're trying to control for. As I understand the controls in this case, Sara Lee is not claiming exclusive rights to the word sheer with respect to the hosiery. So one of the things that you're trying to control for when testing whether or not Sheer Endurance is going to create a likelihood of confusion, one of the things you're trying to test for is whether or not, in fact, it is the sheer portion in that mark that's creating the confusion or the composite mark. So you need to take--you need to remove sheer out that's one of the reasons why the controls for the most part had sheer in them so that the sheer part of the mark could be accounted for.

...And because of that, we need to control the likelihood of confusion survey data for the magnitude of people that are likely to say Sheer Endurance comes from L'eggs because of the sheer portion of that mark.

Ford dep., 54, 55. In other word, in order to control for those people that may believe SHEER ENDURANCE pantyhose comes from the makers of SHEER ENERGY (and SHEER ELEGANCE) merely because of the word "SHEER," the control mark should include the word "SHEER." Ford dep., 40, 52, 64, 68, 76-77, 85, 87 and 133. "[T]he descriptive element is also in the accused or alleged infringing element, then you want that same descriptive element in both the experimental and the control..." (66) and "...any likelihood of confusion due to sheer alone is something you're trying to control for in the survey" Ford dep., 76-77.

Even though, Dr. Ford testified that the word "SHEER" should be in the control mark, he stated that the survey control should not have any interaction with the likelihood-of-confusion elements of the test mark. Ford dep., 33, 34. Therefore, because of the existence of opposer's L'eggs SHEER COMFORT Control Top pantyhose as well as the fact that the word "Control" is used by third parties, often in a descriptive context, in association with their brands of hosiery, Dr. Ford testified that, due to possible interaction, Dr. Rappeport's use of SHEER CONTROL was an inappropriate control mark in his second replication survey. Ford dep., 35, 36, 76 and 100. Nevertheless, because Dr. Rappeport's control mark SHEER

IMPRESSIONS and Hollander's LASTING IMPRESSIONS control produced almost the same percentage of association with L'eggs, it appears that the use of the term "SHEER" in the control may not have made any difference, according to Dr. Ford. Ford dep., 89. In addition, Dr. Ford opined that, because of the "en" sound and the similarity in meaning to the "ELEGANCE" part of opposer's mark SHEER ELEGANCE, the control SHEER INDULGENCE used by Dr. Rappeport was also not an appropriate control mark. Ford dep., 91, 122. He did state, however, that SHEER IMPRESSIONS and SHEER GLAMOUR are appropriate control marks.<sup>10</sup> Ford dep., 40.

Arguments of the Parties

Opposer argues that applicant's mark SHEER ENDURANCE so closely resembles its marks in sound, appearance (SHEER ELEGANCE) and meaning (SHEER ENERGY) that, as applied to identical impulsively purchased goods sold in the same channels of trade, confusion is likely. Opposer contends that even descriptive words may play a role in the likelihood-of-confusion determination. Opposer also points to the fame of its marks in the sheer hosiery field, marks which have been used for over 30 years (SHEER ENERGY) and for nearly 25 years (SHEER ELEGANCE), and which have been

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<sup>10</sup> Because of a similarity in the meanings of "GLAMOUR" and "ELEGANCE," it appears to us that the control mark SHEER GLAMOUR suffers from a possible interaction with opposer's mark SHEER ELEGANCE as well.

the subject of extensive sales and widespread advertising. Further, the survey evidence in this case, argues opposer, also supports a finding of likelihood of confusion, with even the Rapoport sorting board survey showing the SHEER ENDURANCE mark as having the highest association with the L'eggs company. Opposer points to its numerous actual confusion witnesses, and maintains that each expressed an initial opinion in the first phone call before the caller from opposer's law firm revealed the purpose of the call. Opposer also contends that applicant intended to trade on the reputation of opposer's two most well-known marks. According to opposer, applicant gained the same share of the spandex market as opposer's SHEER ELEGANCE brand lost in recent years.

With respect to the third-party use of SHEER- marks, it is opposer's position that the third-party registrations should have no bearing on the issue of likelihood of confusion, and that there is no evidence of consumer awareness of any of the third-party marks. Furthermore, the third-party marks are less similar in sound, appearance and meaning to opposer's marks than is applicant's mark. In its reply brief, opposer also points to the double entendre or dual connotation of the word "SHEER" in its marks--the type of hosiery (sheer) and a play on the

dictionary meaning of this word ("pure, simple, absolute, unadulterated, unmitigated"), as in the expression "sheer determination."

Finally, opposer points to the similarity of background colors of the SHEER ENDURANCE package (one is blue and magenta) and those of the L'eggs Smooth Silhouettes package.

It should be noted that opposer does not claim a family of "SHEER"- prefixed marks, nor could it, in view of the genericness of the common term "SHEER."<sup>11</sup> Moreover, opposer does not generally advertise or promote the two brands together.

It is applicant's position that opposer's marks consist of the descriptive (generic) term "SHEER" plus a

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<sup>11</sup> Specifically, as explained in *Land-O-Nod Co. v. Paulison*, 220 USPQ 61, 65-66 (TTAB 1983), in order to establish the existence of a family of marks:

[I]t must be shown by competent evidence, first, that ... the marks containing the claimed "family" feature, or at least a substantial number of them, were used and promoted together ... in such a manner as to create public recognition coupled with an association of common origin predicated on the "family" feature; and second, that the "family" feature is distinctive (i.e., not descriptive or highly suggestive or so commonly used in the trade that it cannot function as a distinguishing feature of any party's mark).

As noted, the word "sheer" is clearly a generic term for a category of pantyhose and cannot be the shared or common word of any family of marks.

term which is a laudatory, positive or desirable attribute of hosiery, so that opposer's marks are entitled to a narrow or limited scope of protection. Giving more weight to the second and more dominant word in each mark, applicant maintains that the word "ENDURANCE" has a distinct meaning (that of durability) from the words "ENERGY" and "ELEGANCE" in opposer's marks. Applicant maintains that "ENDURANCE" and "ENERGY" are not synonyms. Applicant also points to the differences in the marks' sound and appearance. While applicant concedes that opposer's marks are well known (brief, 30), applicant maintains that they are not famous. Among other things, applicant's attorney points to a decline in opposer's advertising expenditures during the mid- and late-1990s.

Applicant also points to the crowded field of SHEER-marks, such as SHEER INTRIGUE (Kmart), SHEER CARESS (JC Penney), SHEER ESSENTIALS (Longs Drugstore) and SHEER LEGACY, and the dozens of brands which feature the word "Sheer" on packaging as part of the brand name or as part of the description of the product.

Concerning the evidence of actual confusion by eleven witnesses who returned SHEER ENDURANCE pantyhose to applicant, it is applicant's position that we should exclude this testimony for a variety of reasons.

Essentially, applicant argues that this testimony is unreliable because of the "misinformation effect" attributable to the scripted interviews conducted by opposer's law firm, from a few to many months after the purchases and long after the memories of the purchases had faded. According to applicant, there is no credible evidence of actual confusion because the consumer testimony is contaminated by information told to them by opposer's law firm. Applicant points to various inconsistencies from the early interview answers, to the statements prepared by opposer's law firm, to the testimony eventually given by these witnesses. Applicant also notes that some of these witnesses believed that No nonsense hosiery in general was made by the L'eggs company, or that applicant's SHEER ENDURANCE pantyhose came from the L'eggs company merely because of the presence of the word "SHEER." Applicant also asks us to exclude this testimony as a discovery sanction because opposer's supplemental discovery answers revealing this actual confusion evidence was provided to applicant after the discovery period had closed. Applicant contends that it was deprived of the opportunity to take discovery of these witnesses before these witnesses were subjected to opposer's interviews and before their memories had faded.

Concerning the surveys, applicant's attorney contends that we should place greater reliance upon the Rappeport replication surveys involving the control marks SHEER INDULGENCE (25% identified this mark with L'eggs) and SHEER CONTROL (28% associated this mark with L'eggs). Using these controls, the net level of confusion of the mark SHEER ENDURANCE was three percent and less than one percent, respectively. Applicant asks us to disregard the Bellomy and Hollander surveys because those surveys did not include a SHEER-prefixed mark as a control. Further, applicant asks us to give little weight to its own witness's sorting board survey which, while a "valuable qualitative tool," is not "an accurate measure of net of noise survey confusion" and should be "accepted only as qualitative evidence of the terms which consumers tend to associate with Opposer and of the high level of noise present in hosiery surveys" (brief, 47). It is applicant's contention that the level of survey confusion net of noise is lower than the level of actionable confusion. Applicant contends that the survey evidence shows only a minimal level of confusion.

Concerning the alleged similarity of colors between applicant's package and another of opposer's brands of pantyhose (L'eggs Smooth Silhouettes), it is applicant's

position that the SHEER ENDURANCE package merely used colors similar to those previously used by applicant on its No nonsense Great Shapes package, which was introduced before the Smooth Silhouettes brand. Holland dep., 318. Applicant also notes the testimony of numerous witnesses that applicant did not copy or imitate any competitors' package.

#### Evidentiary Rulings

With respect to the testimony of opposer's actual-confusion witnesses--those people called by opposer who had returned applicant's pantyhose to applicant because they were dissatisfied--applicant's witness, Dr. Loftus, has demonstrated why much of this testimony should be given little weight. Aside from the inherent problems involved in having witnesses try to recall their beliefs and thought processes months or years after they purchased an inexpensive pair of pantyhose, the interview script that each of these witnesses was read may have had a tendency to influence their subsequent recall of these purchasing decisions. As applicant has pointed out, the position of some of these witnesses appears to have changed. For example, Ms. Y. Thomas stated that she thought she was buying SHEER ENERGY pantyhose when she purchased

applicant's SHEER ENDURANCE pantyhose, but she later told friends about this *new* product of opposer. One of these witnesses also stated that the prepared statement did not reflect what she had told opposer's law firm. Also, to the extent that any of the witnesses stated that they believed that opposer (L'eggs) made No nonsense hosiery, or that they thought that SHEER ENDURANCE pantyhose was put out by opposer merely because of the word "SHEER" in the marks (see below), we have given that testimony little weight. Accordingly, while we decline to strike this evidence because opposer's supplemental answers were provided after the close of discovery, we nevertheless have given this testimony little weight.

#### Analysis and Decision

First, because opposer is the owner of valid and subsisting registrations, priority is not an issue in this case. *King Candy Company v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974); and *Carl Karcher Enterprises Inc. v. Stars Restaurants Corp.*, 35 USPQ2d 1125 (TTAB 1995). The only issue before us is whether the marks, as used on pantyhose, are likely to cause confusion.

Our determination under Section 2(d) of the Act is based on an analysis of all the probative facts in evidence

that are relevant to the factors bearing on the likelihood-of-confusion issue. See *In re Majestic Distilling Co., Inc.*, 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003); and *In re E.I. du Pont de Nemours and Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). Two key considerations are the marks and the goods or services. *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24, 29 (CCPA 1976) ("The 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."). See also, *In re Dixie Restaurants Inc.*, 105 F.3d 1405, 41 USPQ2d 1531 (Fed. Cir. 1997).

With respect to the goods, applicant seeks registration of its mark for "hosiery, including pantyhose," while opposer's registrations cover hosiery and pantyhose. There is no question but that we must consider these goods, for all practical purposes, identical. These goods are also relatively inexpensive and often the subject of impulse purchases. Moreover, the record demonstrates that the parties' pantyhose are usually sold in the same aisles of food, drug and mass merchandise stores, sometimes even side by side. As our principal reviewing court, the U.S. Court of Appeals for the Federal Circuit, has pointed out, "[w]hen 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). See also *In re L.C. Licensing, Inc.*, 49 USPQ2d 1379, 1381 (TTAB 1998).

As to the marks themselves, there is no question that "sheer" is a generic term in the industry for a type of pantyhose ("sheer hosiery"). Greeson, 13; Holland, 24; Holland discovery dep., 33, 118, 135, 136, 165, 199; Thoutsis dep., 69. However, as opposer argues in its reply brief, the word "SHEER" in all of the marks being compared here has two meanings--one referring to the generic category of hosiery and one referring to the meaning of "utter" or "pure", as in "sheer determination." See *No Nonsense Fashions, Inc. v. Consolidated Foods Corp.*, 226 USPQ 502, 507 (TTAB 1985).

We start from the proposition that we must compare the mark applicant seeks to register (SHEER ENDURANCE) in typed form without any other wording or stylization. While, as shown above, applicant's package of SHEER ENDURANCE pantyhose also bears the house mark "No nonsense" in smaller lettering, and opposer's packages also contain the house mark "L'eggs," it is well-settled that use of a house

mark in conjunction with a product mark will not serve to prevent a finding of likelihood of confusion when the house mark is not included in the mark for which registration is sought. *See, e.g., Interstate Brands Corp. v. McKee Foods Corp.*, 53 USPQ2d 1910, 1914-15 (TTAB 2000) (When neither the applied-for mark nor a cited registered mark includes a house mark, "determination of likelihood of confusion must be based on the specific marks at issue").

When we compare the marks in their entireties in sound, appearance and meaning or commercial impression, we note that the second word in both of opposer's marks and applicant's mark (ENERGY and ELEGANCE vs. ENDURANCE) all have three syllables, and all begin with an "E." Moreover, the words ENERGY and ENDURANCE both begin with the letters "EN" while ELEGANCE and ENDURANCE both end with "ANCE." While SHEER ENERGY and SHEER ENDURANCE have specifically different and distinct meanings, these marks nevertheless do bear some resemblance in meaning or connotation in the sense that, as applied to the goods, if one has "energy" from wearing opposer's support pantyhose, it is also possible to think that the wearer may be able to "endure" longer than if one were to wear another pantyhose. In other words, the suggestive qualities of the words SHEER ENERGY and SHEER ENDURANCE are somewhat overlapping, and

certainly not mutually exclusive. Compare *In re White Swan Ltd.*, 8 USPQ2d 1534, 1536 (TTAB 1988)(with related goods and marks that were similar in sight and sound, arguable difference in connotations of marks held insufficient basis on which to find no likelihood of confusion, because at least a significant minority would view marks as having same connotation). Also, it should be noted that we need not find similarity in each of the elements of the "sound, appearance or meaning" trilogy to find that the marks are similar for purposes of the likelihood-of-confusion analysis. *In re Lamson Oil Co.*, 6 USPQ2d 1041, 1042 (TTAB 1988). We also observe that both the registered marks and the mark sought to be registered are set forth in typed form in the application and in Registration Nos. 978,180 and 1,604,767. When one applies to register a mark in typed form, the Board must consider that it could be displayed in any form or size of lettering, and thus we must consider the use of applicant's mark in the same form of script lettering. *Phillips Petroleum Co. v. C. J. Webb, Inc.*, 442 F.2d 1376, 170 USPQ 35 (CCPA 1971); and *Jockey International Inc. v. Mallory & Church Corp.*, 25 USPQ2d 1233 (TTAB 1992). Currently, applicant displays the word "SHEER" in script lettering similar to opposer's script lettering, but the word "ENDURANCE" is in capital letters.

However, this may change and applicant could well display the word "ENDURANCE" in a form more closely resembling that of the word "SHEER" in its mark, which would be similar to the display of opposer's marks as actually used. See *Squirtco v. Tomy Corp.*, 697 F.2d 1038, 216 USPQ 937, 939 (Fed. Cir. 1983); and *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1847-48 (Fed. Cir. 2000).

While the parties have argued about whether applicant's SHEER ENDURANCE package has background colors more similar to opposer's L'eggs Smooth Silhouettes pantyhose or to applicant's already existing Great Shapes pantyhose, it appears to us that the blue and magenta colors of one of applicant's packages (Regular Panty) bears more resemblance to the colors of opposer's SHEER ELEGANCE Control Top pantyhose shown in Exhibit 177 submitted on rebuttal. It should be noted, however, that opposer uses numerous colors on its various types of SHEER ENERGY and SHEER ELEGANCE pantyhose, and we have reached our opinion of likelihood of confusion on the other evidence in this case.

As opposer has argued and as our primary reviewing Court has made clear, fame of the prior mark plays a dominant role in cases featuring a famous or strong mark. "Famous or strong marks enjoy a wide latitude of legal

protection" and a famous mark "casts a long shadow which competitors must avoid." *Kenner Parker Toys, Inc. v. Rose Art Industries, Inc.*, 963 F.2d 350, 22 USPQ2d 1453, 1456 (Fed. Cir. 1992); and *Recot, Inc. v. M.C. Becton*, 214 F.3d 1322, 54 USPQ2d 1894 (Fed. Cir. 2000). In this regard, the Court has noted that there is "no excuse for even approaching the well-known trademark of a competitor ... and that all doubt as to whether confusion, mistake, or deception is likely is to be resolved against the newcomer, especially when the established mark is one which is famous." *Kenner Parker Toys*, 22 USPQ2d at 1456; and *Nina Ricci S.A.R.L. v. E.T.F. Enterprises, Inc.*, 889 F.2d 1070, 2 USPQ2d 1901, 1904 (Fed. Cir. 1989). This is so because "a well-known mark enjoys an appropriately wider latitude of legal protection, for similar marks tend to be more readily confused with a mark that is already known to the public." *Opryland USA, Inc. v. Great American Music Show Inc.*, 970 F.2d 847, 23 USPQ2d 1471, 1474 (Fed. Cir. 1992). See also *Specialty Brands, Inc. v. Coffee Bean Distributors, Inc.*, 748 F.2d 669, 223 USPQ 1281 (Fed. Cir. 1984)(involving the marks SPICE ISLANDS and SPICE VALLEY).

While opposer's house mark "L'eggs" may be perhaps more well known than its product marks SHEER ENERGY and SHEER ELEGANCE, we have no doubt that the marks SHEER

ENERGY and SHEER ELEGANCE must be considered famous pantyhose brands, with billions of dollars in sales, substantial advertising and use for many years. "Because fame plays such a dominant role in the confusion analysis, ... those who claim fame for product marks that are used in tandem with a famous house mark can properly be put to tests to assure their entitlement to the benefits of fame for the product marks." *Bose Corp. v. QSC Audio Products Inc.*, 293 F.3d 1367, 63 USPQ2d 1303, 1308 (Fed. Cir. 2002). Opposer's has demonstrated the fame of these product marks apart from any fame of its house mark.

Further, while applicant has introduced credible evidence of the existence of third-party marks that contain the word "SHEER" in the marks, none appears as close to us as applicant's mark, in sound, appearance and meaning. Moreover, many of the alleged third-party marks appear less than arbitrary, and are used by others, indicating that they may be descriptive (for example, DAY SHEER, DRESS SHEER, SILKY (or SILKEN) SHEER, SHEER to WAIST, SHEER SUPPORT and ULTRA SHEER). These marks are entitled to very little weight in our determination.

With respect to the surveys, the parties are at odds on the question of whether the control should include the word "SHEER." Opposer, relying upon Diamond, "Reference

Guide on Survey Research," Reference Manual on Scientific Evidence (2d ed. 2000), 229, 258, maintains that the control should not be like the experimental stimulus feature whose impact is being tested. However, opposer's own rebuttal expert witness indicated that the control should be a two-word mark which includes the word "SHEER," in view of the fact that opposer does not claim exclusive rights in this term and because of the extensive evidence of third-party use. We agree. See *Conagra, Inc. v. Geo. A. Hormel & Co.*, 784 F.Supp. 700 (D. Neb. 1992), aff'd, 26 USPQ2d 1316 (8<sup>th</sup> Cir. 1993)(control should have included the word "HEALTHY," common to plaintiff's and defendant's marks); and *Nabisco v. Warner-Lambert Co.*, 32 F.Supp.2d 690 (SDNY 1999), aff'd, 55 USPQ2d 1051 (2d Cir. 2000)(control should have included the formative "ICE" common to both marks, or a variation thereof). Suffice it to say that we have considered all the surveys here and that those with appropriate control marks tend to show some level of confusion above 10 percent. With SHEER IMPRESSIONS as a control, for example, the net level of confusion of SHEER ENDURANCE was 11 percent. See the discussion of various levels of confusion in *Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F.3d 455, 38 USPQ2d 1449 (4<sup>th</sup> Cir.), cert. denied, 519 U.S. 976 (1996); and 5 J. Thomas McCarthy, McCarthy on

Trademarks and Unfair Competition §32:187 (4<sup>th</sup> ed. 2002).

It does appear to us, based upon all the testimony of the expert witnesses, that SHEER INDULGENCE, SHEER GLAMOUR and SHEER CONTROL may not be the best control marks, because of their possible interaction with opposer's marks and opposer's use of "Control," albeit descriptively or generically, but nevertheless as the leader in the sheer pantyhose market.

Finally, if we had any doubt as to the presence of likelihood of confusion, as observed above, we would be obligated to resolve that doubt against the newcomer, because the newcomer had the opportunity to avoid confusion, and was obligated to do so, and in favor of the longstanding prior user and registrant. *TBC Corp. v. Holsa Inc.*, 126 F.3d 1470, 44 USPQ2d 1315, 1318 (Fed. Cir. 1997); *J & J Snack Foods Corp. v. McDonald's Corp.*, 932 F.2d 1460, 18 USPQ2d 1889, 1892 (Fed. Cir. 1991); *In re Hyper Shoppes (Ohio) Inc.*, 837 F.2d 840, 6 USPQ2d 1025, 1026 (Fed. Cir. 1988); *In re Martin's Famous Pastry Shoppe, Inc.*, 748 F.2d 1565, 223 USPQ 1289, 1290-1291 (Fed. Cir. 1984); and *In re Pneumatiques, Caoutchouc Manufacture*, 487 F.2d 918, 179 USPQ 729 (CCPA 1973) ("If there be doubt on the issue of likelihood of confusion, the familiar rule in trademark cases, which this court has consistently applied since its

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creation in 1929, is that it must be resolved against the newcomer or in favor of the prior user or registrant." ).

Decision: The notice of opposition is sustained and registration to applicant is refused.