

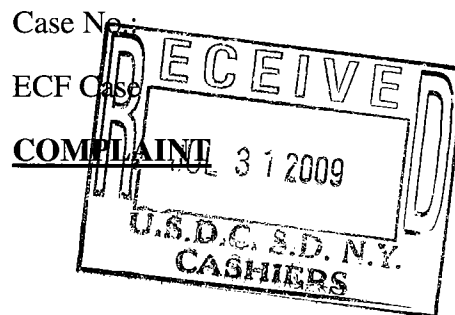
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COLGATE-PALMOLIVE COMPANY

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

Colgate-Palmolive Company,  
  
Plaintiff,  
  
- against -  
  
Chattem, Inc. and Signal Investment &  
Management Co.,  
  
Defendants.



Plaintiff Colgate-Palmolive Company (“Colgate-Palmolive” or “Plaintiff”), by its undersigned counsel, for its Complaint against Chattem, Inc. (“Chattem”) and Signal Investment & Management Co. (“Signal”) (collectively, “Defendants”), hereby alleges, on knowledge as to its own conduct and otherwise on information and belief as follows:

### NATURE OF THE ACTION AND RELIEF SOUGHT

1. This case concerns Defendants’ TOTAL CARE mouthwash, which infringes and dilutes Colgate-Palmolive’s famous COLGATE TOTAL and TOTAL brands, for which Colgate-Palmolive has multiple incontestable trademark registrations in connection with oral care products (the “TOTAL Brands”).

## **PARTIES**

2. Plaintiff Colgate-Palmolive is a Delaware corporation with its global headquarters at 300 Park Avenue, New York, New York 10022. Colgate-Palmolive is in the business of manufacturing and marketing oral care, personal care, home care, and pet nutrition products. Colgate-Palmolive has built up numerous valuable and trusted brands, including the TOTAL Brands.

3. Upon information and belief, Chattem, Inc. is a Tennessee corporation with its company address at 1715 West 38th Street, Chattanooga, Tennessee 37409. Upon information and belief, Chattem is in the business of manufacturing and marketing over-the-counter healthcare products, oral care products, toiletries, and dietary supplements, including ACT fluoride rinse and mouthwash. Chattem's products are sold throughout the United States, including in New York.

4. Upon information and belief, Signal Investment & Management Co. is a Delaware corporation with its company address at 1105 North Market Street, Suite 1300, Wilmington, Delaware 19801. Upon information and belief, Signal is a wholly-owned subsidiary of Chattem and is a holding company that owns the trademarks for the various products sold by Chattem throughout the United States, including in New York.

## **JURISDICTION AND VENUE**

5. This action asserts claims arising under the Lanham Act, 15 U.S.C. §§ 1114, 1116-1117, 1119, and 1125. This Court has federal question jurisdiction over these claims pursuant to 15 U.S.C. § 1121 and 28 U.S.C. §§ 1331 and 1338(a-b). This Court also has subject matter jurisdiction over Colgate-Palmolive's state law claims pursuant to the principles of pendant jurisdiction under 28 U.S.C. § 1367(a).

6. Upon information and belief, this Court has personal jurisdiction over Defendants because Defendants conduct continuous, systematic, and routine business within the State of New York, including, but not limited to, the sale of goods and use of trademarks in connection with the sale of those goods in the State of New York.

7. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b).

### **The TOTAL Brands: Among Colgate-Palmolive's Crown Jewels**

8. Colgate-Palmolive is a classic American success story that dates back to 1806 — over 200 years ago — when William Colgate started a starch, soap, and candle business on Dutch Street in New York City.

9. Today, Colgate-Palmolive is a leading global consumer products company whose business is focused on oral care, personal care, home care, and pet nutrition products. Colgate-Palmolive sells its products in over 200 countries and territories around the world. Colgate-Palmolive employs 37,000 people worldwide, with more than a thousand people employed in New York alone.

10. While many companies have come and gone over the years, Colgate-Palmolive has endured by consistently offering innovative, high-quality products that appeal to consumers. Further, Colgate-Palmolive has worked hard and has made significant investments to distinctively brand and market its products so that consumers would be able to recognize and trust them in today's crowded marketplace. Colgate-Palmolive's many well-known brands include PALMOLIVE, IRISH SPRING, COLGATE, TOM'S OF MAINE, AJAX, HILL'S SCIENCE DIET, HILL'S PET NUTRITION, SOFTSOAP, MURPHY OIL SOAP, MENNEN, SPEED STICK, LADY SPEED STICK, and TEEN SPIRIT.

11. The TOTAL Brands are among Colgate-Palmolive's "crown jewels."

12. Colgate-Palmolive sells toothpaste under the TOTAL Brands (the "TOTAL Toothpaste"). TOTAL Toothpaste is the leading toothpaste brand in the United States, significantly outselling the next leading brand.



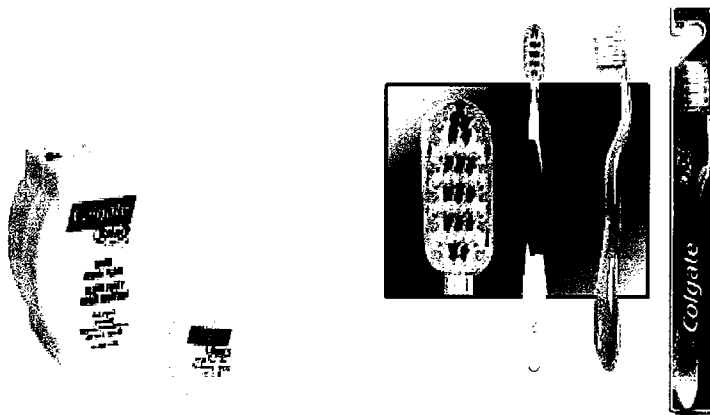
13. Since its launch, TOTAL Toothpaste has generated over \$3 billion in sales in the United States. Worldwide, TOTAL Toothpaste is approaching \$1 billion in sales annually.

14. TOTAL Toothpaste is well respected by dental care professionals and has been highly recommended by dentists and hygienists since its launch in 1997.

15. TOTAL Toothpaste is a multi-benefit product whose revolutionary formula is protected under United States patent law. In fact, it is the only toothpaste to be approved by the FDA and the first to be accepted by the American Dental Association for the prevention of gingivitis.

16. Toothpaste sold under the TOTAL Brands is available in a variety of flavors and forms, including Advanced Whitening Paste, Advanced Clean Paste, Advanced Clean Gel, Advanced Fresh Gel, Clean Mint Paste, Whitening Paste, Whitening Gel, Whitening Liquid and Mint Stripe Gel.

17. In addition to TOTAL Toothpaste, Colgate-Palmolive sells and has sold other oral care products under the TOTAL Brands, including floss and toothbrushes (collectively, with TOTAL Toothpaste, the “TOTAL Products”):



18. Over the years, Colgate-Palmolive has built up tremendous brand equity in the TOTAL Brands, both in the United States and globally. In the United States, the TOTAL Brands have become famous with very high recognition among consumers.

19. Colgate Palmolive has spent tens of millions of dollars each year in advertising and marketing support to build its TOTAL Brands in the United States.

20. Colgate-Palmolive frequently runs print ads for TOTAL Toothpaste in a wide variety of national publications, including *Good Housekeeping*, *Shape*, *Parents*, *Reader's Digest*, *Time*, *People*, *Newsweek*, *US Weekly*, *In Touch*, and *Better Homes and Gardens*.

21. In addition, Colgate-Palmolive frequently runs television advertisements for TOTAL Toothpaste during top prime-time television programs, including *House*, *The Simpsons*, *Law and Order*, *American Idol*, *Heroes*, *30 Rock*, *Lost*, *Grey's Anatomy*, *Desperate Housewives*, and *Dancing with the Stars*.

22. Many of Colgate-Palmolive's advertisements for TOTAL Toothpaste feature Brooke Shields as a "celebrity mom" spokesperson.

23. In connection with its TOTAL Products, Colgate-Palmolive owns a number of United States trademark registrations, including (i) two incontestable trademark registrations for TOTAL in connection with toothpaste and toothbrushes (Registration Nos. 2,142,102 and 2,015,843), (ii) a registration for TOTAL COLGATE in connection with toothpaste (Registration No. 2,046,285), and (iii) 13 registrations for COLGATE TOTAL in connection with toothpaste, toothbrushes, and/or floss (Registration Nos. 1,928,463; 2,027,973;

2,036,248; 2,041,471; 2,155,821; 2,155,825; 2,157,065; 2,162,290; 2,162,924; 2,211,928; 2,211,929; 2,219,115; and 2,408,460) (collectively, the “TOTAL Marks”).

24. In addition, Colgate-Palmolive owns the domain name for its COLGATE TOTAL website, [www.ColgateTotal.com](http://www.ColgateTotal.com).

25. As referenced above, Colgate-Palmolive sells toothpaste, toothbrushes, and floss under the TOTAL Brands in the United States. These products represent three of the four core oral care products. Clearly, mouthwash — the fourth core oral care product — is a logical next step and is in the natural zone of expansion for the TOTAL Brands in the United States.

#### **Defendants’ Infringing “TOTAL CARE” Brand**

26. Based in Tennessee, Chattem manufactures and sells ACT brand mouthwash, which, upon information and belief, currently has approximately 7.2% of the market for mouthwash in the United States. Upon information and belief, Signal is a holding company wholly owned by Chattem and which owns Chattem’s trademarks.

27. In October 2006, Chattem announced that it had agreed to purchase five consumer brands, including ACT mouthwash, from Johnson & Johnson. Chattem purchased the ACT brand in January 2007.

28. After purchasing the ACT brand, Chattem made many public statements, indicating that it was aware of the value of Colgate-Palmolive’s TOTAL Brands, that it saw “great potential for bringing the Total concept . . . into the mouthwash category,” and that its plan was to launch a mouthwash trading off the unique concept and goodwill of TOTAL.

29. In early February 2009, Defendants launched TOTAL CARE mouthwash in the United States.

30. In connection with its new launch, Signal filed an application with the United States Patent and Trademark Office for “ACT TOTAL CARE” in Class 5 for an anti-cavity mouthwash on January 4, 2008.

31. While Signal applied for a federal registration for “ACT TOTAL CARE,” it is clear from Defendants’ packaging pictured below that “TOTAL CARE” is a separate and distinct mark from Defendants’ house mark “ACT.” The mark “TOTAL CARE” is physically set apart from the house mark “ACT” on the label. In addition, the word “ACT” is in a different font from the words “TOTAL CARE.” Moreover, the mark “TOTAL CARE” is used alone (without the “ACT” house mark) on the plastic cap wrap. Also, the mark “TOTAL CARE” is denoted by a “TM” symbol on the label and plastic cap wrap. This use creates a likelihood of confusion with and dilution of Colgate-Palmolive’s TOTAL Marks.

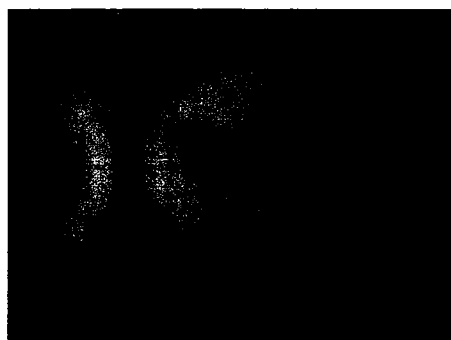
32. In addition, Defendants have exacerbated the likelihood of confusion and dilution referenced above by emphasizing the word “**Total**” and downplaying the word “CARE” on the TOTAL CARE mouthwash label, thereby making it even more similar to Colgate-Palmolive’s TOTAL Marks. The word “**Total**” is on a different line from the word “CARE.” In addition, the word “**Total**” is in larger, thicker, and darker typeface than that used for the word “CARE,” rendering the word “CARE” virtually invisible to consumers as they scan drugstore or supermarket shelves for mouthwash products. Moreover, the typeface used for the word “**Total**” is different from the typeface used for the word “CARE” and is virtually identical to the typeface used for the mark “TOTAL” on Colgate-Palmolive’s TOTAL Products. In addition to



using a similar typeface as Colgate-Palmolive, the word “**Total**” on Defendants’ label is written with a capital “T” followed by lower case letters — just like the word “Total” on Colgate-Palmolive’s TOTAL Products.



33. Moreover, as depicted below, the plastic cap wrap of Defendants’ TOTAL CARE mouthwash reads: “**Total** CARE™. Similar to the label discussed above, the cap wrap emphasizes the word “**Total,**” while the word “CARE” is much less prominent and almost impossible to see from a distance. Further, the plastic cap wrap does not include the “ACT” house mark, and the wrap uses a typeface and letter case that is virtually identical to that used on Colgate-Palmolive’s TOTAL Products:



34. Notably, the plastic cap wrap used on the new TOTAL CARE product differs significantly from Defendants' other ACT products, which read "#1 Dentist Recommended":



35. In sum, Defendants' "ACT TOTAL CARE" and "TOTAL CARE" marks (collectively, the "TOTAL CARE Marks") are likely to cause confusion with and dilute Colgate-Palmolive's famous TOTAL Marks.

36. In addition to their use of the TOTAL CARE Marks, Defendants have further copied Colgate-Palmolive's branding by designing and running similar television commercials using Christie Brinkley as the spokesperson for the new TOTAL CARE brand. Upon information and belief, Defendants' commercials with Christie Brinkley — a "celebrity mom" — as a spokesperson for Defendants' TOTAL CARE mouthwash were intended to imitate Colgate-Palmolive's ads for TOTAL Toothpaste featuring Brooke Shields.

**COUNT ONE — FEDERAL TRADEMARK INFRINGEMENT**  
**(15 U.S.C. § 1114(1))**

37. Colgate-Palmolive hereby repeats and realleges, and incorporates by reference, each and every allegation contained in ¶¶ 1 through 36, inclusive, as if set forth fully herein.

38. Colgate-Palmolive is the owner of U.S. registrations for the TOTAL Marks.

39. Defendants' unauthorized and willful use of copies, variations, reproductions, simulations, or colorable imitations of Colgate-Palmolive's federally-registered TOTAL Marks (i.e., the TOTAL CARE Marks) in connection with mouthwash constitutes use in commerce. Such use infringes Colgate-Palmolive's exclusive rights in its federally-registered trademarks, explicitly misleads as to the source or sponsorship of the TOTAL CARE mouthwash, and has caused and is likely to cause confusion, mistake, and/or deception as to the source of the TOTAL CARE mouthwash.

40. The aforesaid acts of Defendants constitute trademark infringement in violation of 15 U.S.C. § 1114(1).

41. As a direct and proximate result of the foregoing acts of Defendants, Colgate-Palmolive has been damaged and has suffered and will continue to suffer significant damages, in an amount to be proved at trial.

**COUNT TWO — UNFAIR COMPETITION,  
FALSE ENDORSEMENT AND FALSE DESIGNATION OF ORIGIN  
(15 U.S.C. § 1125(a)(1)(A))**

42. Colgate-Palmolive hereby repeats and realleges, and incorporates by reference, each and every allegation contained in ¶¶ 1 through 41, inclusive, as if set forth fully herein.

43. Colgate-Palmolive's TOTAL Marks have come to identify its TOTAL Products and their source.

44. Through its use of the TOTAL CARE Marks for their mouthwash, Defendants are knowingly and intentionally misrepresenting and falsely designating to the general public the affiliation, connection, association, nature, origin, source, endorsement, sponsorship, and approval of their TOTAL CARE mouthwash, and intends to misrepresent and falsely designate to the general public the affiliation, connection, association, origin, source, endorsement, sponsorship and approval of its TOTAL CARE mouthwash, so as to create a likelihood of confusion by the public as to the affiliation, connection, association, nature, origin, source, endorsement, sponsorship, and approval of the TOTAL CARE mouthwash.

45. Further compounding the confusion created by the TOTAL CARE Marks, Defendants have copied Colgate-Palmolive's advertisements for TOTAL Toothpaste by using Christie Brinkley as a celebrity spokesperson.

46. Defendants' conduct has been intentional and willful and is calculated specifically to trade off the goodwill that Colgate-Palmolive has developed in its TOTAL Marks in connection with the TOTAL Products.

47. The aforesaid acts of Defendants constitute false designation of origin, false endorsement, and unfair competition in violation of 15 U.S.C. § 1125(a)(1)(A).

48. As a direct and proximate result of the foregoing acts of Defendants, Colgate-Palmolive has been damaged and has suffered and will continue to suffer significant damages, in an amount to be proved at trial.

**COUNT THREE — TRADEMARK DILUTION**  
**(15 U.S.C. § 1125(c))**

49. Colgate-Palmolive hereby repeats and realleges, and incorporates by reference, each and every allegation contained in ¶¶ 1 through 48, inclusive, as if set forth fully herein.

50. Defendants' unauthorized advertising, marketing, manufacture and sale of mouthwash bearing the TOTAL CARE Marks are likely to dilute the distinctive quality and commercial value of Colgate-Palmolive's famous TOTAL Marks, and to lessen the capacity of the TOTAL Marks to identify and distinguish Colgate-Palmolive's TOTAL Products from those of others, including Defendants.

51. The aforesaid acts of Defendants constitute a willful violation of 15 U.S.C. § 1125(c).

52. As a direct and proximate result of the foregoing acts of Defendants, Colgate-Palmolive has been damaged and has suffered and will continue to suffer significant damages, in an amount to be proved at trial.

**COUNT FOUR — UNFAIR COMPETITION**  
**(New York Common Law)**

53. Colgate-Palmolive hereby repeats and realleges, and incorporates by reference, each and every allegation contained in ¶¶ 1 through 52, inclusive, as if set forth fully herein.

54. The aforesaid acts of Defendants in using the TOTAL CARE Marks in connection with their mouthwash constitute unfair competition under the common law of New

York in that Defendants have misappropriated, and unfairly competed with, Colgate-Palmolive's commercial business and will continue to do so.

55. As a direct and proximate result of the foregoing acts, Defendants unlawfully derived and will continue to derive, income, profits, and ever-increasing goodwill from their activities, and Colgate-Palmolive has been damaged and has suffered and will continue to suffer significant damages, in an amount to be proved at trial.

**COUNT FIVE — DILUTION UNDER NEW YORK LAW**  
**(New York General Business Law § 360-1)**

56. Colgate-Palmolive hereby repeats and realleges, and incorporates by reference, each and every allegation contained in ¶¶ 1 through 55, inclusive, as if set forth fully herein.

57. The aforesaid acts of Defendants of using the TOTAL CARE Marks in connection with mouthwash are likely to dilute the distinctive quality of Colgate-Palmolive's TOTAL Marks, and to lessen the capacity of such marks to identify and distinguish its TOTAL Products from those of others, including Defendants.

58. The aforesaid acts of Defendants constitute a violation of New York General Business Law § 360-1.

59. As a direct and proximate result of the foregoing acts, Defendants unlawfully and wrongfully have derived, and will continue to derive, income, profits and ever-increasing goodwill from their activities, and Colgate-Palmolive has been damaged and has suffered and will continue to suffer significant damages, in an amount to be proved at trial.

**COUNT SIX – DECEPTIVE TRADE PRACTICES**  
**(New York General Business Law § 349)**

60. Colgate-Palmolive hereby repeats and realleges, and incorporates by reference, each and every allegation contained in ¶¶ 1 through 59, inclusive, as if set forth fully herein.

61. The aforesaid acts of Defendants of using the TOTAL CARE Marks in connection with mouthwash have deceived, misled, and confused the general public and will continue to do so, and constitute deceptive trade practices in violation of the New York Deceptive Trade Practices Act, § 349 of the General Business Law.

62. As a direct and proximate result of the foregoing acts, Defendants unlawfully and wrongfully have derived, and will continue to derive, income, profits, and ever-increasing goodwill from their activities, and Colgate-Palmolive has been damaged and has suffered and will continue to suffer significant damages, in an amount to be proved at trial.

**COUNT SEVEN — UNJUST ENRICHMENT**  
**(New York Common Law)**

63. Colgate-Palmolive hereby repeats and realleges, and incorporates by reference, each and every allegation contained in ¶¶ 1 through 62, inclusive, as if set forth fully herein.

64. The aforesaid acts of Defendants of using the TOTAL CARE Marks in connection with their mouthwash to take advantage of consumer recognition of the goodwill and reputation associated with Colgate-Palmolive's TOTAL Marks have resulted in Defendants being unfairly enriched at the expense of Colgate-Palmolive. Equity and good conscience

militate against permitting Defendants to retain what they have derived by their use of the TOTAL CARE Marks.

65. As a direct and proximate result of the foregoing acts, Defendants have been and will continue to be enriched at the expense of Colgate-Palmolive, and Colgate-Palmolive has been damaged and has suffered and will continue to suffer significant damages, in an amount to be proved at trial.

**PRAYER FOR RELIEF**

WHEREFORE, the Plaintiffs respectfully demand that the Court:

- a. Find that Defendants' TOTAL CARE Marks infringe Colgate-Palmolive's TOTAL Marks;
- b. Find that Defendants have used the TOTAL CARE Marks to falsely suggest Colgate-Palmolive's endorsement of Defendants' TOTAL CARE mouthwash, falsely designate the origin of the TOTAL CARE mouthwash, and unfairly compete with Colgate-Palmolive;
- c. Find that Defendants have diluted Colgate-Palmolive's famous TOTAL Marks under federal and state law;
- d. Find that Defendants have engaged in deceptive trade practices and unfair competition and have been unjustly enriched;
- e. Find a substantial likelihood that Defendants will continue to infringe and dilute Colgate-Palmolive's TOTAL Marks unless permanently enjoined from doing so;
- f. Issue a permanent injunction restraining Defendants, and their agents, servants, employees, attorneys, successors and assigns, and all persons, firms and corporations acting in concert with them, from directly or indirectly infringing and diluting Colgate-Palmolive's TOTAL Marks, including but not limited to continuing to sell, offer, distribute, market, advertise, and promote the mouthwash bearing the TOTAL CARE Marks, and from participating or assisting in any such activity;



g. Order Signal to withdraw its trademark application for ACT TOTAL CARE, which is currently pending in the U.S. Patent and Trademark Office and/or order the U.S. Patent and Trademark Office to cancel or reject such application and/or resulting registration;

h. Enter judgment for Colgate-Palmolive and against Defendants for Colgate-Palmolive's actual damages according to proof, and for any profits attributable to infringements and dilution of Colgate-Palmolive's TOTAL Marks and unfair trade practices and unfair competition, in accordance with proof;


i. Grant an award under the appropriate provisions of the Lanham Act and federal statutory law for trademark infringement, dilution, and unfair competition, three times the greater of (i) Colgate-Palmolive's damages for the wrongful acts of Defendants in an amount the Court deems appropriate, together with appropriate interest on such damages or (ii) Defendants' profits, pursuant to 15 U.S.C. § 1117;

j. An award of Colgate-Palmolive's costs and disbursements in this action, including reasonable attorneys' fees, pursuant to 15 U.S.C. § 1117; and

k. That the Court grant such other, further, and different relief as the Court deems just and proper.

Respectfully submitted:

Dated: July 31, 2009



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