

# Confusing Trademarks:

## The Next Course of Action



By Tal Grinblat



ONE OF THE MOST COMMON OBJECTIONS raised by the U.S. Patent & Trademark Office (PTO) in reviewing applications is the likelihood of confusion with third party registrations and earlier filed applications.

In such a case, an applicant that receives an objection claiming that the mark is confusingly similar to another party's trademark has several options.

This article will explore the standard used by the PTO in evaluating applications for the likelihood of confusion and the various options available to applicants who receive objections to their applications on that ground.

### Standard for Likelihood of Confusion

The U. S. Code provides in pertinent part:

*"No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it...(d) Consists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive..."<sup>1</sup>*

In evaluating a trademark application, the PTO reviews existing registrations and previously filed pending applications to identify any possible conflicts.

The applicable question in conducting the review is not whether people will confuse the marks, but rather whether the marks will confuse people into believing that the goods or services they identify originate from the same source.<sup>2,3</sup>



**Tal Grinblat** is Chair of the Intellectual Property Practice Group at Lewitt Hackman in Encino. A Franchise and Distribution Law Specialist certified by the California State Bar Board of Legal Specialization, he can be reached at TGrinblat@lewithackman.com.

## Options to Overcome Refusals

The options available to try to overcome refusals based on likelihood of confusion are varied.

They include presenting arguments as to why the marks are dissimilar and/or the goods or services are different; seeking consent for the use and registration of your mark from the owner of the cited registration/earlier filed application; and initiating a concurrent use proceeding should the facts support that option.

## Addressing the Examiner's Objection

One of the tools available for practitioners to address an examiner's refusal that one mark is confusingly similar to another is by argument.<sup>4</sup>

The Trademark Office will take the following list of non-exhaustive features, known as Dupont factors, into account:

- The similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression. The more marks are different visually, phonetically, aurally and in other fashions, the less likely consumer confusion would arise. The basic principle in determining confusion between marks is that marks must be compared in their entireties—not dissected into parts—and must be considered in connection with the particular goods or services for which they are used and not in the abstract;<sup>5</sup>
- The relatedness of the goods or services as described in the application and cited registration(s) or earlier filed application(s). The more the parties' goods or services are different in terms of function, use or other aspect, the likelihood of consumer confusion is reduced. Specifically, two unrelated companies can have rights to the same mark if each party's mark is used in completely different fields;<sup>6</sup>
- The similarity or dissimilarity of the parties' trade channels—for example, how the goods or services are sold; whether one parties' goods are specialized, etc...
- Consumer sophistication. The more refined the consumer of a particular product or service, the less likely consumer confusion will arise;<sup>7</sup>
- The types of goods sold—for example, whether impulse or careful sophisticated purchasing. The more expensive an item, ordinarily, the more a consumer is likely to scrutinize the product therefore lessening the risk of consumer confusion;
- The number and nature of similar marks in use on similar goods. If a number of similar marks already exist

for similar goods or services, the more likely consumers would assess other aspects of the mark to differentiate source.

While any one factor may be sufficient to overcome the refusal, ordinarily, the more factors an applicant can show, the better the chance of overcoming the refusal of the application.<sup>8</sup>

## Obtaining the Cited Mark Owner's Consent

A second option to try to counter an examiner's refusal to register a mark based on consumer confusion is seeking consent of the owner of the cited registration/earlier filed application for the use and registration of the mark in question.

A consent agreement may take a number of different forms and come to be under a variety of circumstances. These can include:

- Entering into a formal agreement with the cited registrant/applicant whereby the parties agree on certain usage restrictions—font, stylization, logo usage, use with other words.;
- Agreeing on limits on how the products and services are sold; or,
- Specifying channels of trade by which each party's products or services will be sold or advertised, agreements to cooperate in the event of any confusion, and other manners.<sup>9</sup>

While there is no per se rule that a consent, whatever its terms, will always tip the balance to finding no likelihood of confusion, consent agreements are given great weight because the Trademark Office takes the position that the parties closest to the matter are best equipped to assess the marketplace.

Further, the PTO's position is that its personnel should not substitute their own judgment concerning likelihood of confusion for the judgment of the real parties in interest without good reason, that is, unless the other relevant factors clearly dictate a finding of likelihood of confusion.<sup>10</sup>

While consent agreements receive great deference, so-called naked consent agreements—agreements that contain little more than a prior registrant's consent to the registration of an applied-for mark and possibly a mere statement that source confusion is believed to be unlikely—are typically considered to be less persuasive than agreements that, first, detail the particular reasons why the relevant parties believe no likelihood of confusion exists and, second, specify in detail the arrangements undertaken by the parties to avoid confusing the public.<sup>11</sup>

The more information the parties place in a consent agreement explaining why the parties believe confusion is unlikely, the more the PTO assumes the consent is based on a reasoned assessment of the marketplace, and, consequently, will lend more weight to the consent.<sup>12</sup>

As an example, when a client's recent application for the mark Jailbird for restaurant services was refused due to another registration for the identical mark for wines, the owner of the Jailbird wine brand was contacted and the blocking registrant's consent was granted.

The letter of consent explained why the parties' products—wines for the registrant and restaurant services for the other party—were different and not related. The argument was made that the price points for both party's goods and services were sufficiently different so as to avoid a likelihood of confusion; that the parties' respective goods and services will be purchased by sophisticated end users.

As such, the relevant intended consumers would purchase the respective goods and services only after careful research and study of the products and their sources.

Finally, the letter explained that in the unlikely event the parties learn of any instance of actual confusion, they would work together in good faith to alleviate such confusion. The signed letter of consent convinced the examiner and allowed the client's Jailbird mark for restaurant services to proceed to publication.

### **Concurrent Use Proceedings**

Another option sometimes available to a party receiving a refusal based on likelihood of confusion arises when the party applying to register their mark has used it for a period of time which precedes the registration date of the cited registrant.

The process—called concurrent use proceedings—allows an applicant to apply to register their mark usually based on geographic limitation.

The statutory framework is found in the Trademark Act, which contains a proviso which mandates that an eligible applicant may request issuance of a registration based on rights acquired by concurrent use of its mark, either with the owner of an existing registration or earlier-filed application or with the common-law user of a conflicting mark.<sup>13</sup>

In a concurrent use application, the applicant normally requests a geographically restricted registration and identifies in its application one or more parties who concede to have rights to use the mark in other geographical areas.<sup>14</sup>

These other parties may own applications or registrations or they may have common law rights to a mark, but no application or registration.

There are two bases upon which a concurrent use registration may be issued:

- A determination by the Trademark Trial and Appeal Board that the applicant is entitled to a concurrent registration; or

- A final determination by a court of the concurrent rights of the parties to use the same or similar marks in commerce.<sup>15</sup>

An applicant is eligible to request a registration subject to concurrent use if it meets one or more of the following criteria:

- The owner of the registration consents to the grant of a concurrent use registration to the applicant;
- The concurrent use request is sought pursuant to a court decree determining the rights of the concurrent user; or,
- The applicant's date of use of its mark is before the filing date of the other pending application or existing registration.<sup>16</sup>

The applicant shoulders the burden of proving that it is entitled to a concurrent use registration.<sup>17</sup>

Thus, in circumstances when a client has used their mark before the filing date of another trademark, the concurrent use option is a viable and potentially effective option to obtain a registration.

This is true even if the identical mark for the identical goods or services has been used in another part of the country. The end result is that both parties obtain rights to their respective marks in their respective geographies.

## Available Options

Several options exist when receiving a refusal that a mark is confusingly similar to another previously filed application or existing registration.

These options can vary—for example, explaining to the examiner why the marks and/or goods or services associated with each party's marks are different or why the channels of trade are different; seeking and obtaining consent from the owner of the mark blocking your trademark; or initiating concurrent use proceedings if the client's own use predates the filing date of the other party's application or registration.

Knowing the full landscape of available options can be instrumental in crafting a suitable strategy to address and overcome the examiner's refusal with the ultimate goal of obtaining the desired registration for the client's mark. 

precisely the mistake that § 2(d) of the Lanham Act seeks to prevent.”)

<sup>4</sup> *In re E. I. du Pont de Nemours & Co.*, the U.S. Court of Customs and Patent Appeals discussed the factors relevant to a determination of likelihood of confusion. 476 F.2d 1357, 177 USPQ 563 (C.C.P.A. 1973).

<sup>5</sup> *In re Nat'l Data Corp.*, 753 F.2d 1056, 1058, 224 USPQ 749, 750-51 (Fed. Cir. 1985).

<sup>6</sup> *See, e.g., Coach Servs., Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 1371, 101 USPQ2d 1713, 1723 (Fed. Cir. 2012) (holding that nothing in the record suggested a purchaser of test preparation materials who also purchases a luxury handbag would consider the goods to emanate from the same source, though both were offered under the identical COACH mark).

<sup>7</sup> *See, e.g., In re N.A.D., Inc.*, 754 F.2d 996, 999-1000, 224 USPQ 969, 971 (Fed. Cir. 1985) (concluding that, because only sophisticated purchasers exercising great care would purchase the relevant goods, there would be no likelihood of confusion merely because of the similarity between the marks NARCO and NARKOMED).

<sup>8</sup> *M2 Software, Inc. v. M2 Commc'ns, Inc.*, 450 F.3d 1378, 1383, 78 USPQ2d 1944, 1947-48 (Fed. Cir. 2006) (noting that relatedness between software-related goods may not be presumed merely because the goods are delivered in the same media format and that, instead, a subject-matter-based mode of analysis is appropriate).

<sup>9</sup> *See In re N.A.D. Inc.*, 754 F.2d 996, 224 USPQ 969, 971 (Fed. Cir. 1985).

<sup>10</sup> *See In re Four Seasons Hotels Ltd.*, 987 F.2d 1565, 26 USPQ2d 1071 (Fed. Cir. 1993); Trademark Office Manual of Examining Procedures, Sec. 1207.01(d)(viii) (2021).

<sup>11</sup> *See In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 1362, 177 USPQ 563, 568 (C.C.P.A. 1973) (noting that “[i]n considering agreements, a naked ‘consent’ may carry little weight,” but “[t]he weight to be given more detailed agreements . . . should be substantial).

<sup>12</sup> *In re Donnay Int'l, S.A.*, 31 USPQ2d 1953, 1956 (TTAB 1994).

<sup>13</sup> Trademark Act, 15 U.S.C. § 1052(d), Section 2(d).

<sup>14</sup> *See* 15 U.S.C. § 1051(a)(3)(D).

<sup>15</sup> *Id.*, § 1052(d); 37 C.F.R. § 2.99(h).

<sup>16</sup> *See Id.* § 2.99(e).

<sup>17</sup> *America's Best Franchising, Inc. v. Abbott*, 106 USPQ2d 1540, 1548 (TTAB 2013) (quoting *Over the Rainbow, Ltd. v. Over the Rainbow, Inc.*, 227 USPQ 879, 883 (TTAB 1985)).

<sup>1</sup> 15 U.S.C. § 1052.

<sup>2</sup> *See In re Shell Oil Co.*, 992 F.2d 1204, 1207, 26 USPQ2d 1687, 1689 (Fed. Cir. 1993) (“The degree of ‘relatedness’ must be viewed in the context of all the factors, in determining whether the services are sufficiently related that a reasonable consumer would be confused as to source or sponsorship.”).

<sup>3</sup> *See also In re Majestic Distilling Co.*, 315 F.3d 1311, 1316, 65 USPQ2d 1201, 1205 (Fed. Cir. 2003) (“[T]he . . . mistaken belief that [a good] is manufactured or sponsored by the same entity [as another good] . . . is