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UNITED STATES PATENT AND TRADEMARK OFFICE

SERIAL NO: 78/509295

APPLICANT: XE Capital Management, LLC

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BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD ON APPEAL

MARK: XE SELECT

CORRESPONDENT'S REFERENCE/DOCKET NO: 22311-1105 /

CORRESPONDENT EMAIL ADDRESS:

Please provide in all correspondence:

1. Filing date, serial number, mark and applicant's name.
2. Date of this Office Action.
3. Examining Attorney's name and Law Office number.
4. Your telephone number and e-mail address.

EXAMINING ATTORNEY'S APPEAL BRIEF

Initially, please note that the Office has reassigned this application to the undersigned Trademark Examining Attorney.

Applicant has appealed the Trademark Examining Attorney's final refusal to register the mark **XE SELECT** for "financial services for sophisticated investors, namely, offering hedge fund and fund of funds investment products" on the grounds that the mark, under Trademark Act Section 2(d), 15. U.S.C. Section 1052(d), is likely to be confused with U.S. Reg. No. 2,612,105.

I. FACTS

Applicant, XE Capital Management, LLC, applied for registration on the Principal Register of the trademark **XE SELECT**, in standard character form, for

"financial services, namely, asset management, structured finance and insurance." The Trademark Examining Attorney refused registration under Section 2(d) of the Trademark Act based on the highly similar mark **XE**, in typed form, for "currency exchange services through a global communications network."

While accepting the amended recitation of services and disclaimer of the term **SELECT**, the Trademark Examining Attorney issued a final refusal based upon the cited registration. This appeal now follows the Section 2(d) final refusal to register.

II. ARGUMENT

THE MARKS OF APPLICANT AND REGISTRANT ARE CONFUSINGLY SIMILAR AND THE SERVICES ARE RELATED SUCH THAT THERE EXISTS A LIKELIHOOD OF CONFUSION, MISTAKE, OR DECEPTION UNDER SECTION 2(d) OF THE TRADEMARK ACT.

Trademark Act Section 2(d) bars registration where an applied-for mark so resembles a registered mark that it is likely, when applied to the services, to cause confusion, mistake or to deceive the potential consumer as to the source of the services. TMEP §1207.01. The Court in *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (C.C.P.A. 1973), listed the principal factors to consider in determining whether there is a likelihood of confusion. Among these factors are the similarity of the marks as to appearance, sound, meaning and commercial impression, and the relatedness of the services. The overriding concern is to prevent buyer confusion as to the source of the services. *In re Shell Oil Co.*, 992 F.2d 1204, 1208, 26 USPQ2d 1687, 1690 (Fed. Cir. 1993).

A. THE MARKS ARE CONFUSINGLY SIMILAR

The marks are compared for similarities in sound, appearance, meaning or connotation. *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563

(C.C.P.A. 1973). Similarity in any one of these elements may be sufficient to find a likelihood of confusion. *In re White Swan Ltd.*, 8 USPQ2d 1534, 1536 (TTAB 1988).

In addition, disclaimed matter is typically less significant or less dominant when comparing marks. Although a disclaimed portion of a mark certainly cannot be ignored, and the marks must be compared in their entireties, one feature of a mark may be more significant in creating a commercial impression. *In re Dixie Restaurants Inc.*, 105 F.3d 1405, 41 USPQ2d 1531 (Fed. Cir. 1997).

Here, applicant's mark, **XE SELECT**, is confusingly similar to registrant's mark, **XE** for the following reasons. Marks may be confusingly similar in appearance where there are similar terms or phrases or similar parts of terms or phrases appearing in both applicant's and registrant's mark. *See e.g., Crocker Nat'l Bank v. Canadian Imperial Bank of Commerce*, 228 USPQ 689 (TTAB 1986), *aff'd* 1 USPQ2d 1813 (Fed. Cir. 1987); TMEP §§1207.01(b)(ii) and (b)(iii). Here, the marks are confusingly similar as both marks share the identical two-letter term, **XE**.

Further, it is well settled that it is more difficult to remember a series of arbitrarily arranged letters than it is to remember words or figures, for example, such that confusion is more likely between arbitrarily arranged letters than between other types of marks. *Cf. In re Infinity Broadcasting Corp. of Dallas*, 60 USPQ2d 1214, 1218 (TTAB 2001) (finding confusion between registrant's KING FM and KING-TV and applicant's KYNG). This principle was set forth in the decision of the Court of Customs and Patent Appeals in *Crystal Corp. v. Manhattan Chemical Mfg. Co.*, 75 F.2d 506, 25 USPQ 5, 6 (C.C.P.A. 1935) wherein the following reasoning was applied in holding Z.B.T. likely to be confused with T.Z.L.B. for talcum powder: "We think that it is well known that it is

more difficult to remember a series of arbitrarily arranged letters than it is to remember figures, syllables, words or phrases. The difficulty of remembering such lettered marks makes confusion between such marks, when similar, more likely." The same principle has applied in numerous other decisions in which lettered marks comprising two letters in common, used on identical or closely related goods, have been held likely to be confused. *See, e.g., Feed Service Corp. v. FS Services, Inc.,* 432 F.2d 478, 167 USPQ 407 (C.C.P.A. 1970).

It is also significant that **XE** is the ***first*** term in applicant's mark and forms the entirety of registrant's mark since the Trademark Trial and Appeal Board (TTAB) has held that the first word, prefix, or syllable in a mark is typically the dominant portion. *Presto Products v. Nice-Pak Products, Inc.,* 9 USPQ2d 1895 (TTAB 1998). With respect to the first word, prefix, or syllable of a mark, the TTAB has stated:

> "[i]t is often the first part of a mark which is most likely to be impressed upon the mind of a purchaser and remembered when making purchasing decisions." *Id.* at 1897.

Further, the mere addition of the term **SELECT** to the registered mark does not obviate the similarity between the marks nor does it overcome a likelihood of confusion since this term is descriptive and has been disclaimed. *See In re Chatam International Inc*., 380 F.3d 1340, 71 USPQ2d 1944 (Fed. Cir. 2004).

In support of registration, applicant reference six (6) third-party registrations containing the term **XE**. According to applicant, the coexistence of six (6) other marks using the term **XE** demonstrates that the strength of marks containing the term **XE** is

weakened, and that such marks are entitled to a narrower range of protection. *See* Applicant's Appeal Brief at page 16. Unfortunately, third-party registrations, by themselves, are entitled to little weight on the question of likelihood of confusion. *In re Melville Corp.*, 18 USPQ2d 1386, 1388 (TTAB 1991). Third-party registrations are not evidence of what happens in the marketplace or that the public is familiar with the use of those marks. *In re Comexa Ltda*, 60 USPQ2d 1118 (TTAB 2001). Existence on the register of other confusingly similar marks would not assist applicant in registering yet another mark which so resembles the cited registered mark that confusion is likely. *In re Total Quality Group Inc.*, 51 USPQ2d 1474 (TTAB 1999).

Moreover, none of the third-party registrations referenced by applicant are for goods or services related to financial services. In fact, the goods identified in some of the registrations include totally unrelated goods like medical gas, clothing and computer software. Further, prior decisions and actions of other Trademark Examining Attorneys in registering different marks are without evidentiary value and are not binding upon the Office. Each case is decided on its own facts, and each mark stands on its own merits. *AMF Inc. v. American Leisure Products, Inc.*, 177 USPQ 268, 269 (C.C.P.A. 1973).

Even if applicant had shown that the cited mark is somehow "weak" in any ***relevant*** field, such marks are still entitled to protection against registration by a subsequent user of the same or similar mark for the same or closely related goods or services. *See Hollister Incorporated v. Ident A Pet, Inc.*, 193 USPQ 439 (TTAB 1976) and cases cited therein.

Furthermore, both marks lack any design elements that could potentially aid in distinguishing the marks. As the "points of similarity are of greater importance than the

points of difference," a sufficient resemblance exists between the two marks to deny registration. *Esso Standard Oil Co. v. Sun Oil Co.*, 229 F.2d 37, 108 USPQ 161 (D.C. Cir.), *cert. denied*, 351 U.S. 973, 109 USPQ 517 (1956).

B. <u>THE SERVICES ARE RELATED</u>

The services of the parties need not be identical or directly competitive to find a likelihood of confusion. Instead, they need only be related in some manner, or the conditions surrounding their marketing are such that they would be encountered by the same purchasers under circumstances that would give rise to the mistaken belief that the services come from a common source. *On-line Careline Inc. v. America Online Inc.*, 229 F.3d 1080, 56 USPQ2d 1471 (Fed. Cir. 2000); TMEP §1207.01(a)(i).

Applicant's "financial services for sophisticated investors, namely, offering hedge fund and fund of funds investment products" are related to registrant's "currency exchange services through a global communications network." The respective services are similar since they are financial in nature and involve international markets.

In the Final Office Action, the Trademark Examining Attorney attached Internet evidence from http://broker.compassweb.com/mfgHI.htm, an online mutual fund glossary, defining the term "hedge fund" as a type of mutual fund that is "used extensively in international funds that attempt to minimize currency risks." Additional Internet evidence attached in the Final Office Action demonstrates that hedge funds are dependent on international markets.

Due to their dependence on international markets, the services are complementary in that consumers could use the services together. For instance, as applicant's hedge fund services involve international speculation, they presumably require information about

markets and currency rates in other countries. Likewise, registrant's services involve international currency rate information. Thus, a consumer could use registrant's foreign currency exchange service to find currency information to better make decisions before using applicant's hedge fund services or follow the performance of applicant's hedge funds.

Further, two (2) third-party registrations enclosed with the Final Office Action demonstrate that consumers are familiar with seeing entities offering the exact services of registrant and applicant, *i.e.*, currency exchange services *and* hedge fund services. These registrations have probative value to the extent that they serve to suggest that the services listed therein, namely currency exchange services and hedge fund services, are of a kind that may emanate from a single source. *See In re Infinity Broad. Corp.*, 60 USPQ2d 1214, 1217-1218 (TTAB 2001).

Applicant argues that the services are disparate and cites *American Stock Exchange v. American Express Co.*, 207 U.S.P.Q. 356, 364-65 (TTAB 1980) in support of this assertion. *See* Applicant's Appeal Brief at page 6. In *American Stock Exchange*, the Board held that applicant's international banking services, military banking services, and insurance underwriting services under the mark **AMEX** were not sufficiently related to registrant's exchange services under the mark **AMEX** as to create a likelihood of confusion. *See id.* at 365. The Board did find a likelihood of confusion between registrant's services and applicant's investment banking services, mutual fund services, investment management services, and international trust and investment services. *See id.* at 364-65. *American Stock Exchange* can be distinguished here as registrant does not offer exchange services, in the nature of a securities exchange, but rather currency

exchange services, *i.e.*, services relating to the transfer of foreign money. As discussed above, applicant's services feature hedge funds, which speculate in foreign markets. Thus, as the respective services are dependent upon foreign markets, the services are more closely related than the services at issue in *American Stock Exchange.*

Furthermore, the fact that the services of the parties differ is not controlling in determining likelihood of confusion. The issue is not likelihood of confusion between particular services, but likelihood of confusion as to the source of those services. *In re Shell Oil Co.*, 992 F.2d 1204, 1208, 26 USPQ2d 1687, 1690 (Fed. Cir. 1993), and cases cited therein.

Applicant also argues that its customers are highly sophisticated and thus exercise a heightened degree of care when evaluating services before making purchasing decisions. *See* Applicant's Appeal Brief at page 8. However, the fact that purchasers are sophisticated or knowledgeable in a particular field does not necessarily mean that they are sophisticated or knowledgeable in the field of trademarks or immune from source confusion. *See In re Decombe*, 9 USPQ2d 1812 (TTAB 1988); TMEP §1207.01(d)(vii). Therefore, despite being sophisticated with respect to hedge fund investments, applicant's costumers are still susceptible to source confusion.

In addition, a determination of whether there is a likelihood of confusion is made solely on the basis of the services identified in the application and registration, without limitations or restrictions that are not reflected therein. *In re Dakin's Miniatures Inc.*, 59 USPQ2d 1593, 1595 (TTAB 1999). If the cited registration describes the services broadly and there are no limitations as to their nature, type, channels of trade or classes of purchasers, then it is presumed that the registration encompasses all services of the type

described, that they move in all normal channels of trade, and that they are available to all potential customers. *In re Linkvest S.A.*, 24 USPQ2d 1716 (TTAB 1992); TMEP §1207.01(a)(iii). Similarly, if the application describes the services broadly and there are no limitations as to their nature, type, channels of trade or classes of purchasers, it is presumed that the application encompasses all services of the type described, that they move in all normal channels of trade, and that they are available to all potential customers. *See In re Melville Corp.*, 18 USPQ2d 1386, 1388 (TTAB 1991); TMEP §1207.01(a)(iii).

Applicant asserts that there is no reasonable basis to conclude that the same consumers will encounter applicant's services and registrant's services. *See* Applicant's Appeal Brief at page 12. Applicant claims that registrant's services are limited to activities "through a global communications network," and that registrant does not conduct business on the Internet. *Id.* Although applicant admits to an Internet presence, applicant claims the website is not interactive nor does the website contain any reference to currency exchange. *See id.* However, applicant's recitation of services places no limit on the channels of trade, thus incorporating the use of global communications networks to conduct business, regardless of whether applicant does so presently. Therefore, the channels of trade do overlap. Additionally, as registrant's recitation of services contains no restrictive language relating to the class of purchasers, it is assumed that registrant's services target ***all*** classes of purchasers, including applicant's target class, "sophisticated investors." For these reasons, there is a reasonable basis for assuming the same consumers will encounter both registrant's and applicant's services as the channels of trade and class of purchasers overlap.

The Trademark Examining Attorney must also consider any services in the registrant's normal fields of expansion to determine whether the registrant's goods or services are related to the applicant's identified goods or services under Section 2(d). *In re General Motors Corp.*, 196 USPQ 574 (TTAB 1977). TMEP §1207.01(a)(v). Applicant argues that there is no evidence that registrant will bridge the gap from currency exchange services to hedge fund investment services. *See* Applicant's Appeal Brief at page 14. However, the two (2) third-party registrations enclosed with the Final Office Action showed two different entities offering both currency exchange services *and* hedge fund services. Therefore, it is conceivable that registrant could bridge the gap from offering currency exchange services to services relating to hedge funds.

In closing, any doubt regarding a likelihood of confusion is resolved in favor of the prior registrant. *Hewlett-Packard Co. v. Packard Press Inc.*, 281 F.3d 1261, 62 USPQ2d 1001, 1004 (Fed. Cir. 2002); TMEP §§1207.01(d)(i). Thus, for the reasons set forth above, the Trademark Examining Attorney finds that the similarities among the marks and the services of the parties are so great as to create a likelihood of confusion. Therefore, the refusal should be affirmed.

III. CONCLUSION

The marks are highly similar and the services are related. Consumers encountering the highly similar marks in the marketplace are likely to mistakenly believe that the services derive from a common source. Accordingly, since confusion is likely under Section 2(d) of the Trademark Act, the refusal should be affirmed.

Respectfully submitted,

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