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UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

In re Flatiron Partners, LLC

Serial No. 85699903

Robert W. Adams of Nixon & Vanderhye P.C. for Flatiron Partners, LLC.

Brian P. Callaghan, Trademark Examining Attorney, Law Office 108, Andrew Lawrence, Managing Attorney.

Before Kuhlke, Mermelstein and Masiello, Administrative Trademark Judges.

Opinion by Masiello, Administrative Trademark Judge:

Flatiron Partners, LLC ("Applicant") seeks to register the mark FLATIRON PARTNERS in standard character form on the Principal Register for the following services:

> Managing hedge fund portfolios directed to high wealth, sophisticated individual investors and to sophisticated non-hedge fund corporate entities, in International Class 36.[1]

Applicant has disclaimed the exclusive right to use PARTNERS apart from the mark as shown.

[1] Application Serial No. 85699903, filed August 9, 2012, based on Applicant's asserted *bona fide* intent to use the mark in commerce, under Trademark Act § 1(b), 15 U.S.C. § 1051(b).

The Examining Attorney refused registration of the mark under Section 2(d) of the Trademark Act, 15 U.S.C. § 1052(d), on the ground that Applicant's mark, when used in connection with Applicant's services, so resembles the registered mark FLATIRON CAPITAL, in standard character form, as to be likely to cause confusion, to cause mistake or to deceive. The cited mark is registered for "Financing and loan services," in International Class 36.[2]

After the refusal became final, Applicant filed two requests for reconsideration followed by a notice of appeal. After the Examining Attorney denied both requests for reconsideration, this appeal proceeded. Applicant and the Examining Attorney have filed briefs and Applicant has filed a reply brief.

Our determination under Section 2(d) is based on an analysis of all probative facts in evidence that are relevant to the factors bearing on the issue of likelihood of confusion as set forth in *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563, 567 (CCPA 1973); *see also*, *In re Majestic Distilling Company, Inc.*, 315 F.3d 1311, 65 USPQ2d 1201, 1203 (Fed. Cir. 2003). In any likelihood of confusion analysis, two key considerations are the similarities between the marks and the similarities between the goods or services. *See Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24, 29 (CCPA 1976). In this case, Applicant and the Examining Attorney have also submitted evidence and arguments relating to the nature and sophistication of customers, the conditions under which sales are made, channels of trade, and the extent of potential confusion.

[2] Registration No. 3701067 issued October 27, 2009. No claim is made to the exclusive right to use CAPITAL apart from the mark as shown.

1. The marks.

We first consider the similarity or dissimilarity of the marks at issue in their entireties as to appearance, sound, connotation and commercial impression. *See Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772*, 396 F.3d 1369, 73 USPQ2d 1689 (Fed. Cir. 2005). In doing so, we bear in mind that "The proper test is not a side-by-side comparison of the marks, but instead 'whether the marks are sufficiently similar in terms of their commercial impression' such that persons who encounter the marks would be likely to assume a connection between the parties." *Coach Servs., Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 101 USPQ2d 1713, 1721 (Fed. Cir. 2012). The proper focus is on the recollection of the average customer, who retains a general rather than specific impression of the marks. *Winnebago Industries, Inc. v. Oliver & Winston, Inc.,* 207 USPQ 335, 344 (TTAB 1980); *Sealed Air Corp. v. Scott Paper Co.,* 190 USPQ 106, 108 (TTAB 1975).

The initial element of each mark is the term FLATIRON, and in each case this term is followed by a single highly descriptive or generic term: PARTNERS in the case of Applicant's mark and CAPITAL in the case of Registrant's mark. Applicant urges that the words PARTNERS and CAPITAL are significantly different in meaning, sound, and appearance,[3] all of which is quite true. However, we also note that both words are nearly devoid of distinctiveness in the field of finance. Although Applicant is not a partnership, the partnership is a common form of business entity and the evidence indicates that it is a common type of entity for the provision of

[3] Applicant's brief at 18, 7 TTABVUE 22.

services in Applicant's field. "Legally, hedge funds are most often set up as private investment partnerships…."[4] Accordingly, the term PARTNERS adds little (if any) distinctiveness to the mark, being similar in distinctiveness to words such as CORPORATION, COMPANY, and INC. *See, e.g. Goodyear's Rubber Mfg. Co. v. Goodyear Rubber Co.*, 128 U.S. 598, 602 (1888) ("The addition of the word 'Company' only indicates that parties have formed an association or partnership to deal in such goods, either to produce or to sell them."); *In re Wm. B. Coleman Co.*, 93 USPQ2d 2019, 2025 (TTAB 2010) (holding ELECTRIC CANDLE COMPANY generic for a company that sells electric candles. "We find the addition of the company designation in this case to have no significance. . . ."). The Examining Attorney, moreover, has demonstrated that PARTNERS appears frequently as an element of registered marks in financial fields.[5]

As for CAPITAL, it is similarly nondistinctive in the field of finance, in which it is understood to mean "accumulated assets"[6] and is, therefore, the principal subject of investment and financial services. The record shows that CAPITAL also appears in many registered trademarks in the finance field.[7]

We note also that the words PARTNERS and CAPITAL are equally nondistinctive regardless of whether they are applied to the services of Applicant or

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[4] Definition of "Hedge Fund" from <investopedia.com>, Applicant's response of December 21, 2012 at 39.

[5] Office Action of September 5, 2013 at 13-24; 28-38; and 49-54.

[6] 332 WEBSTER'S THIRD NEW INTERNATIONAL DICTIONARY (1993). The Board may take judicial notice of dictionary definitions, *Univ. of Notre Dame du Lac v. J.C. Gourmet Food Imp. Co.*, 213 USPQ 594 (TTAB 1982), *aff'd*, 703 F.2d 1372, 217 USPQ 505 (Fed. Cir. 1983).

[7] Office Action of September 5, 2013 at 1-15; 19-27; 52-63; 37-48.

Registrant. Customers would not necessarily know whether Registrant is a partnership; so they could readily consider "Flatiron Partners" a suitable trademark for Registrant's services. Similarly, Applicant's hedge fund service is concerned with investing the capital of its customers; accordingly, customers could well consider "Flatiron Capital" an apt trademark for Applicant's services. Thus, despite the differences in sound, appearance, and meaning in the words PARTNERS and CAPITAL, they do not effectively distinguish the two marks.

We note Applicant's argument that the term FLATIRON is a geographic term, identifying a district in lower Manhattan. Applicant argues that "it is improper to place extra emphasis on this alleged 'dominant' portion of the mark. … Here, where all of the words in a mark are either geographic or disclaimed, … there legally cannot be any 'dominant' portion of the marks. … In short, all portions of the parties' marks are weak – so that no one portion can be deemed to 'dominant.'"[8]

We are not persuaded that customers would likely perceive FLATIRON strictly as a geographic term. Applicant's evidence indicates that the expression "Flatiron District" was coined in about 1985 as a neighborhood category for use in the marketing of real estate.[9] Nothing in the evidence suggests that the Flatiron District is associated with the financial industry; rather, the district was historically associated with clothing, toys, photography, and technology.[10] The evidence does not suggest any likelihood that customers would perceive FLATIRON

[8] Applicant's brief at 19, 7 TTABVUE 23.

[9] Entry for "Flatiron District" from <Wikipedia.org>, Applicant's request for reconsideration of August 1, 2013 at 14.

[10] *Id*.

as an indication of the geographic location in which financial services originate, rather than as a mark indicating the commercial source of the services. It is far more likely that customers would interpret FLATIRON according to its ordinary dictionary meaning (*i.e.*, a tool for ironing clothes), which is arbitrary and strong as applied to financial services; or as a reference to the well-known architectural landmark, the Flatiron Building, in New York City. In either case, the designation FLATIRON would be distinctive, not weak, in connection with financial services.

Viewing the marks of Applicant and Registrant in their entireties, we find that the commercial impression of each mark is substantially dominated by the initial term FLATIRON; that the added wording in each mark has virtually no distinguishing effect; and that the two marks create, overall, highly similar commercial impressions. Accordingly, the *du Pont* factor of the similarity or dissimilarity of the marks weighs in favor of a finding of likelihood of confusion.

2. The services.

We next consider the similarity or dissimilarity of the services of Applicant and Registrant. Applicant's services are "managing hedge fund portfolios…," and Registrant's services are "financing and loan services." Applicant emphasizes that the services are different, that they are not competitive, and hedge fund management is not in any way encompassed within the scope of "financing and loan services."[11]

[11] Applicant's brief at 11-12, 7 TTABVUE 15-17.

It is not necessary that the services of Applicant and Registrant be similar or competitive in character to support a holding of likelihood of confusion; rather, it is sufficient that they be related in some manner that they could be encountered by the same persons under circumstances that could, because of the similarities of marks used with them, give rise to the mistaken belief that they originate from or are in some way associated with the same source. *Edwards Lifesciences Corp. v. VigiLanz Corp.,* 94 USPQ2d 1399. 1410 (TTAB 2010).

To demonstrate that the services at issue are related, the Examining Attorney has sought to show that certain financial institutions perform both types of services, *i.e.*, that they manage hedge funds and make loans. Among the evidence, we note the following:

> A Bloomberg Businessweek article states that "Citigroup Alternative Investments LLC … manages client specific portfolios and investment funds including … hedge funds for its clients."[12] A web page from <citigroup.com> states that "Citi has been in some markets for more than 100 years – we use our country and sector expertise to lend money to our clients…."[13]
>
> A media release of Credit Suisse refers to a fund to be "managed by Credit Suisse First Boston (CSFB) Alternative Capital's Hedge Fund Investment Group, one of the world's largest managers of hedge fund portfolios…."[14] Another web page from <credit-suisse.com> states that "Credit Suisse also provides financing for investors … against their hedge fund portfolios,"[15] indicating that the bank lends to customers who are investors in hedge funds.

[12] Office Action of July 30, 2013 at 18.

[13] *Id*. at 21.

[14] *Id*. at 23.

[15] *Id*. at 25.

> A web page from <morganstanley.com> indicates that the bank invests its clients' funds in hedge funds of others.[16] Another page from the Morgan Stanley website states that the bank provides financing to hedge funds and to other institutional borrowers such as pensions and endowments.[17]
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> Web pages from <corp.bankofamerica.com> indicate that Bank of America provides consulting services to hedge funds; and offers "Asset-based Lending" and "Business Loans & Lines of Credit."[18]
>
> Web pages from <northerntrust.com> state that Northern Trust manages a "Hedge Fund of Funds"; and also offers "Home Equity Loans."[19]
>
> Web pages from <wellsfargo.com> show that Wells Fargo provides hedge fund administration services; and asset-backed lending services.[20]
>
> Web pages from <hsbcprivatebank.com> show that HSBC Private Bank invests its asset management clients' funds in hedge funds; and also offers mortgages and home equity loans.[21]

In reviewing all of this evidence, we bear in mind that managing a hedge fund is not the same as hedge fund administration, consulting to hedge funds, and investing in the hedge funds of others.

To further demonstrate that the services at issue are related, the Examining Attorney has made of record a number of third-party service mark registrations. Third-party registrations that individually cover a number of different services and are based on use in commerce may have some probative value to the extent that

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[16] Office Action of February 3, 2013 at 56-57.

[17] *Id*. at 55.

[18] *Id*. at 14-15.

[19] *Id*. at 31-34.

[20] *Id*. at 49-51.

[21] Office Action of December 13, 2012 at 56-59.

they serve to suggest that the listed services are of a type which may emanate from the same source. *In re Albert Trostel & Sons Co.,* 29 USPQ2d 1783, 1785-1786; *In re Mucky Duck Mustard Co. Inc.,* 6 USPQ2d 1467, 1470 n.6 (TTAB 1988). We note in particular that the following marks are registered for the services indicated below:[22]

Reg. No.	Mark	Services
3581000	CETUS	Hedge fund management; and asset based financing.
3434067	CROSSBAR CAPITAL	Hedge fund management; and asset based financing.
3408412	AMBIT	Management of hedge funds; financing services; providing loans secured by real estate and commercial paper; and other lending services.
3201050	GREAT POINT	Hedge fund management; and asset based financing.
3379435	CHARTVEST	Hedge fund management; and asset based financing.
3518321	RLJ COMPANIES	Hedge fund management; Banking services; mortgage banking and lending; loan financing and consultation; commercial and consumer lending.
4044830	DIGI-CAPITAL	Operation and management of hedge funds; Banking and financing services; Merchant banking.
4141262	BAYSIDE CAPITAL	Operation and management of hedge funds; commercial lending services, namely, loan origination and issuance.
4212773	GREAT CONSUMER	Operation and management of hedge funds; Banking and financing services.

[22] Office Action of July 30, 2013 at 29-73.

Somewhat less on point, but still relevant, are registrations that cover lending or financing services together with "hedge fund *investment* services,"[23] a term that is not clearly identical to Applicant's service of *managing* hedge funds.[24]

The internet evidence indicates that some banks that engage in lending and financing also manage hedge funds; that some of them operate mutual funds that consist of investments in the hedge funds of others; that some such lenders that are charged with managing the assets of their customers offer to invest such assets in the hedge funds of others; and that some of them administer the hedge funds of others. The third-party registrations, although less probative, confirm that many financial entities have sought to register a trademark for use in connection with both lending services and hedge fund management and other hedge fund-related services. While the evidence does not indicate an inextricable link between the business of lending and the business of managing hedge funds, it is clear that many banks are involved in the business of hedge funds in various capacities, whether as managers, administrators, consultants, investors, or intermediaries between their own customers and hedge funds. A customer of a bank could reasonably believe that his bank is involved in some way with the business of hedge funds. Accordingly, we find that there is a commercial relationship between the services of Applicant and

[23] *See, e.g.*, Office Action of December 13, 2012 at 10-12; 16-22; 29-40; 44-46; and 50-52; and Office Action of February 3, 2013 at 74-75; 82-86; 96-101.

[24] For example, "hedge fund investment services" could possibly signify administration of hedge funds of others or investment of customer funds in hedge funds of others.

Registrant, and that the *du Pont* factor relating to the similarity or dissimilarity of the services weighs in favor of a finding of likelihood of confusion.

3. Trade Channels.

Although both the Examining Attorney and Applicant have made arguments relating to the trade channels for the services at issue, there is little evidence that illustrates the channels through which the services may be offered, advertised, marketed or sold. Contrary to the Examining Attorney's contention,[25] we cannot assume that the services travel in the same channels of trade merely because they are identified in the application and registration without restrictions as to trade channels. That presumption is valid where the services are identical, but not in a case, such as this one, where the services are different in nature. As for the fact that Applicant's services are, as identified, directed only to sophisticated customers and Applicant's arguments regarding the conditions under which sales are made to such customers, we view those as a separate *du Pont factor* (discussed below), rather than as an issue of trade channels.

We do note, however, that the evidence discussed above in Section 2 shows that banks that perform asset management services sometimes invest their clients' funds in hedge funds of others; and that some banks have managed hedged funds.[26] This evidence shows that banks are a trade channel through which hedge fund services are made available to hedge fund customers. Our discussion above also

[25] Examining Attorney's brief, 9 TTABVUE 11.

[26] Office Action of February 3, 2013 at 55; Office Action of December 13, 2012 at 56-59; Office Action of July 30, 2013 at 21.

shows that banks, of course, make loans. Accordingly, there is an overlap of trade channels for the types of services offered by Applicant and Registrant, and the *du Pont* factor of trade channels weighs in favor of a finding of likelihood of confusion.

4. Relevant customers; Conditions of sale.

We next consider the conditions under which and the customers to whom sales of the services at issue are made. The customers to whom Applicant's services are offered are limited, by the terms of the identification of services in the application, to "high wealth, sophisticated individual investors" and "sophisticated non-hedge fund corporate entities." The cited registration does not include any limitation as to the class of customers for Registrant's "Financing and loan services"; accordingly, we assume that Registrant's services are offered to the full range of normal customers for such services. *Paula Payne Products Co. v. Johnson Publishing Co.*, 473 F.2d 901, 177 USPQ 76 (CCPA 1973); *Kalart Co. v. Camera-Mart, Inc.*, 258 F.2d 956, 119 USPQ 139 (CCPA 1958). We therefore construe registrant's services to include financing and loan services ranging from payday loans of a few dollars to the financing of huge projects involving many millions of dollars.

Applicant argues:

> [T]he customers of hedge fund management services are so highly sophisticated that they always know with whom they are dealing. For example, because the amounts of money are so large (typically over $500,000), investing decisions are made only after a high degree of care and a thorough investigation as to whether the hedge fund investment is worthwhile or not. In addition, the hedge fund customer will have direct contact, such as via face-to-face meetings, with any other hedge fund company and its personnel.

> …
>
> In addition, hedge fund customers also must qualify as being financially savvy and they must meet strict qualification criteria relating to both their assets and investment experience. For example, they typically are required to have millions of dollars in assets and many years of experience in investing in complicated equity products.

Applicant's brief at 13 (emphasis in original).[27]

Applicant's contentions, quoted above, are only partly supported by evidence of record. Applicant has submitted the first page of the Wikipedia entry for "Hedge fund," which states, in pertinent part, as follows:

> A **hedge fund** is an investment fund that can undertake a wider range of investment and trading activities than other funds, but which is generally only open to certain types of investors specified by regulators. These investors are typically institutions, such as pension funds, university endowments and foundations, or high-net-worth individuals, who are considered to have the resources to understand the nature of the funds.
>
> …
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> Because hedge funds are not sold to the public or retail investors, the funds and their managers have historically not been subject to the same regulations that govern other funds and investment fund managers.[28]

Applicant also submitted a definition of "Hedge Fund" from Investopedia, which states, in pertinent part, as follows:

> Definition of 'Hedge Fund'
>
> An aggressively managed portfolio of investments that uses advanced investment strategies … Legally, hedge

[27] 7 TTABVUE 17.

[28] Applicant's response of December 21, 2012 at 37.

> funds are most often set up as private investment partnerships that are open to a limited number of investors and require a very large initial minimum investment. …
>
> Investopedia explains "Hedge Fund'
>
> For the most part, hedge funds (unlike mutual funds) are unregulated because they cater to sophisticated investors. In the U.S., laws require that the majority of investors in the fund be accredited. That is, they must earn a minimum amount of money annually and have a net worth of more than $1 million, along with a significant amount of investment knowledge. You can think of hedge funds as mutual funds for the super rich. …[29]

Applicant has also submitted one two-page advertisement for its services, which displays the mark, explains in general terms Applicant's investment strategy, and states, "It is currently only available to U.S. accredited investors." The advertisement includes a disclaimer that states, "THIS IS NOT AN OFFERING OR THE SOLICITATION OF AN OFFER TO PURCHASE AN INTEREST IN FLATIRON PARTNERS, LP (THE 'FUND'). ANY SUCH OFFER OR SOLICITATION WILL ONLY BE MADE TO QUALIFIED INVESTORS BY MEANS OF A CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM AND ONLY IN THOSE JURISDICTIONS WHERE PERMITTED BY LAW."[30]

Because Applicant's services are, according to the application, only for sophisticated customers, we attribute some degree of sophistication to Applicant's customers, but we note that the record provides us no basis for determining with any specificity what the word "sophisticated" means, or for determining the level of

[29] *Id*. at 39.

[30] Applicant's request for reconsideration of August 1, 2013 at 10-11.

wealth of the "high-wealth … individual investors" mentioned in Applicant's recitation of services. There is no evidence of record to explain what is meant by the expressions "accredited investor," "qualified investor," and "high-net-worth individual" mentioned in the Wikipedia and Investopedia excerpts, other than the vague explanation provided in Investopedia, stating that the "majority" of hedge fund investors must be "accredited," meaning that they have unspecified earnings, unspecified investment knowledge, and net worth in excess of $1 million. Neither has Applicant cited or made of record any specific provisions of law or regulation that might limit the types of investors permitted to invest in a hedge fund or that might impose a minimum initial investment or define the amount of investment knowledge that an investor is required to have. There is no evidence to support Applicant's contentions that investments in hedge funds are "typically over $500,000" or that investment decisions are made by means of "face-to-face meetings." The only support for the contention that customers will have "direct contact" is the reference in Applicant's advertisement to a "confidential private placement memorandum," and there is no evidence to indicate that such a memorandum is a required aspect of hedge fund sales in general.

The term "Accredited investor" is defined in Regulation D of the Securities and Exchange Commission at 17 C.F.R. § 230.501(a). Briefly, an individual or a married couple qualify as accredited investors if their net worth, jointly, exceeds $1 million (not including the value of their primary residence); or if their current annual income exceeds $200,000 (individually) or $300,000 (jointly). Other accredited

investors include certain financial institutions, as well as trusts, charitable organizations, or employee benefit plans having assets in excess of $5 million.[31]

Assuming that Regulation D's definition of "accredited investor" applies to Applicant's customers, it is safe to say that Applicant's service is not directed to the economically vulnerable. However, it is far from clear that individuals or married couples having $1 million in assets are particularly sophisticated as to the selection of financial services. One need not be a financial professional to have amassed a life's savings exceeding $1 million. While we attribute some level of sophistication to Applicant's customers, we must base our decision on the least sophisticated potential customer. *Stone Lion Capital Partners, LP v. Lion Capital LLP*, 746 F.3d 1317, 110 USPQ2d 1157, 1163 (Fed. Cir. 2014), *citing Ford Motor Co. v. Summit Motor Prods., Inc.*,930 F.2d 277, 18 USPQ2d 1417, 1431 (3d Cir. 1991) ("when a buyer class is mixed, the standard of care to be exercised by the reasonably prudent purchaser will be equal to that of the least sophisticated consumer in the class"). We agree that because of the nature of the services at issue, customers of Applicant and Registrant would likely exercise an elevated degree of care, and would be unlikely to select such services on impulse.

Applicant has argued strenuously, in its brief and at oral argument, that the customer classes of Applicant and Registrant are almost entirely separate and that

[31] We note that the requirement that individual customers have $1 million in assets is consistent with Applicant's contentions made at oral argument. However, Applicant's contention in its brief that customers "typically are required to have millions of dollars in assets" is substantiated by the regulation only as to business entities, not as to individual investors.

any overlap between them would be "miniscule." Applicant describes its customers as the "super rich" and the "1%."[32] Contrasting this customer class against that of Registrant, Applicant argues:

> … Registrant's "financing and loan services" are provided to the general public. … With very rare exceptions, Registrant's customers fall within the 99% and they are not within the "super rich" 1%. Significantly, this 99% does not engage hedge fund management services and they are unqualified (by SEC and other regulations) to participate in more highly speculative hedge funds.
>
> This point is important, because hedge fund customers are defined to be exactly the opposite of Registrant's FLATIRON CAPITAL customers. In other words, hedge fund customers are a very miniscule percentage of the population and they fall squarely within the 1% class. …
>
> Thus, the former [unsophisticated, non-qualified] customers [for "financing and loan services"] are simply irrelevant with respect to a likelihood of confusion relating to hedge fund management services.[33]

The thrust of Applicant's argument is that its customers constitute a minuscule component of the general public; that only a minuscule component of its own customers would also be customers for financing and loan services; and that, therefore, it is highly unlikely that an "appreciable number" of relevant customers could experience confusion.[34] We do not agree that only a minuscule percentage of Applicant's customers would also be within the customer class of Registrant. Applicant contended at oral argument that the super rich have no need for loans and financing. This contention is both counterintuitive and unsupported in the

[32] Applicant's brief at 14, 7 TTABVUE 18.

[33] *Id*. at 14-15, 7 TTABVUE 18-19.

[34] *Id*. at 16, 7 TTABVUE 20.

record. Much of the finance industry is oriented toward giving already successful entrepreneurs and businesses access to additional capital for new enterprises. The web site of Bank of America offers, among its "Financing" products, "Asset-Based Lending," "Business Loans & Lines of Credit," and "Equipment Finance/Leasing."[35] The website of KeyBank boasts, "Key arranged a $200 million revolving credit facility for Gibraltar Industries; Key provided $17 million in revolving credit and term loan facilities for Pettit Oil Company; Key provided a $35 million revolving credit facility for New Sunshine LLC."[36] The website of Morgan Stanley indicates that the bank "provides financing alternatives to support the needs of specific client groups, such as pensions and endowments,"[37] two types of entities that, according to the record, are types of investors in hedge funds.[38] The evidence also includes an advertisement of Wells Fargo that offers "asset backed financing" to hedge funds themselves,[39] as well as to "Asset managers … banks and financial institutions … corporations … [and] private equity firms."[40] The website of Credit Suisse indicates that it makes loans to customers of hedge funds, secured by the customer's hedge fund portfolio ("Credit Suisse also provides financing for investors … against their hedge fund portfolios.")[41]

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[35] Office Action of February 3, 2013 at 15.

[36] *Id*. at 29.

[37] *Id*. at 55.

[38] Wikipedia entry for "Hedge fund," Applicant's response of December 21, 2012 at 37.

[39] Office Action of December 13, 2012 at 65.

[40] Office Action of February 3, 2013 at 51-52.

[41] Office Action of July 30, 2013 at 25.

In view of the evidence discussed above, we are not persuaded that there is no overlap between the customers of Applicant and Registrant. Rather, on this record, there is no reason to doubt that virtually all of Applicant's customers are potential customers of a lending institution like Registrant. Thus, even though Applicant's services may appeal to only a very small segment of the marketplace, virtually all of its potential customers are in a position to be exposed to trademarks for lending services like those of Registrant.

To summarize, our finding with respect to the *du Pont* factor of the conditions under which and the customers to whom sales of the services at issue are made is a mixed one. We find that Applicant's potential customers are also potential customers of Registrant. Those customers are likely to exercise a heightened degree of care in selecting financial services. They have the sophistication of persons who are financially comfortable. There is no evidence of specific conditions of sale, such as direct customer contacts, face-to-face meetings, or minimum investment amounts. It appears that formal offers of the Applicant's services may be made by a private placement memorandum, but advertisements of Applicant, like the one that is in the record, may be seen by all, and we have no other evidence of specific conditions of sale that might reduce the likelihood of confusion. We will take all of these findings into consideration in balancing the *du Pont* factors.

5. Extent of potential confusion.

Under *du Pont*, we must consider any evidence of "[t]he extent of potential confusion, i.e., whether de minimis or substantial." 177 USPQ2d at 567. Applicant

argues that the number of customers that would be exposed to both marks would be "a number way below 1% of Registrant's customers," suggesting that the potential confusion is *de minimis* and not rising to a level against which Section 2(d) of the Trademark Act should protect.

There is no evidence of record regarding the percentage of potential borrowers who might also be in a position to invest in a hedge fund. However, even assuming that it is small, in this case we would not consider it to be *de minimis*. We have found that virtually all of Applicant's potential customers are also potential customers for lending services, and we must assume that at least some of Registrant's potential customers are potential customers for Applicant's hedge fund services. If Applicant's customer base is meaningful to Applicant, there is no reason to believe that Registrant would consider it negligible (especially considering that these would be customers of high net worth). We find that reputational confusion as between Applicant and Registrant, even if limited to the select group of potential hedge fund investors, would be commercially substantial, not *de minimis*.

6. Non-use of Registrant's mark in connection with hedge funds.

Applicant has emphasized as an important point the fact that Registrant does not use the mark FLATIRON CAPITAL in connection with hedge fund services.[42] Applicant appears to be responding to evidence submitted by the Examining

[42] Applicant's brief at 10, 20, 7 TTABVUE 14, 24.

Attorney showing use of the mark "Wells Fargo Securities," but not FLATIRON CAPITAL, for hedge fund services.[43]

The fact that a registrant does not use its cited registered mark on the very services of an applicant is not the relevant question in a *du Pont* analysis. The relevant question is whether the services at issue are similar or dissimilar, not whether they are identical. We have addressed this factor above in Section 2.

In any event, we note that the evidence shows that Registrant (or an affiliate of Registrant) does, in fact, use the "Wells Fargo" designation in connection with both lending and hedge fund administration services (but not hedge fund management services).[44] Although this does not demonstrate that Registrant is actually engaged in Applicant's field of business, it does nonetheless support a finding of likelihood of confusion, as we discuss in Section 2.

7. Balancing the factors.

We have considered all of the arguments and evidence of record, including those not specifically discussed herein, and all relevant *du Pont* factors. The marks at issue are extremely similar in commercial impression: they are identical in their distinctive components and they differ only by virtue of highly descriptive or generic terminology that has virtually no distinguishing power. The services of Applicant and Registrant are related: they are types of services that may be expected to emanate from a single entity, such as a bank; and entities that provide loans are also known to engage in investment-related services for their clients, including

[43] *Id*.

[44] Office Action of February 3, 2013 at 49-51.

managing hedge fund portfolios. The evidence also shows that banks, which are lending institutions, are sometimes a trade channel for Applicant's type of services. The customers who are most likely to be exposed to both of the marks at issue are somewhat sophisticated and are likely to exercise an elevated degree of care in selecting the services. However, in view of the extreme similarity of the marks and the substantial degree of relatedness between the services, we think that even careful, sophisticated customers would not be immune to confusion. *See HRL Associates, Inc. v. Weiss Associates, Inc.*, 12 USPQ2d 1819 (TTAB 1989), *aff'd,* 902 F.2d 1546, 14 USPQ2d 1840 (Fed. Cir. 1990) (similarities of goods and marks outweigh sophisticated purchasers, careful purchasing decision, and expensive goods). Finally, there is no specific evidence as to any particular conditions of sale that would guard against confusion.

After due consideration, we find that Applicant's mark, as used in connection with Applicant's services, so closely resembles the cited registered mark as to be likely to cause confusion, mistake or deception as to the source of Applicant's services.

Decision: The refusal to register is affirmed.