Hearing: May 12, 2022 Mailed: May 13, 2022

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

In re Flexa Network Inc.

Application Serial No. 90002396

Cheryl L. Howard and Preetha Chakrabarti of Crowell & Moring LLP,
for Flexa Network Inc.

Jacquelyn A. Jones, Trademark Examining Attorney, Law Office 120,
David Miller, Managing Attorney.

Before Bergsman, Adlin, and English,
Administrative Trademark Judges.

Opinion by Bergsman, Administrative Trademark Judge:

Flexa Network Inc. ("Applicant") seeks registration on the Principal Register of the mark FLEXA CAPACITY (in standard characters) for "providing electronic processing of collateralized cryptocurrency payments via a secure global computer network; collateralized cryptocurrency exchange services," in International Class 36.[1] Applicant claimed ownership of Registration No. 5922714 for the mark FLEXACOIN,

[1] Application Serial No. 90002396 was filed on June 15, 2020, under Section 1(b) of the Trademark Act, 15 U.S.C. § 1051(b), based upon Applicant's bona fide intention to use the mark in commerce.

in standard characters for "cryptocurrency services, namely, providing a digital currency or digital token for use by members of an on-line community via a global computer network," in International Class 36, and Registration No. 6025150 for the mark FLEXA, in standard characters, for, inter alia, "providing electronic processing of cryptocurrency payments via a secure global computer network," in International Class 36.

The Examining Attorney refused to register Applicant's mark under Section 2(d) of the Trademark Act, 15 U.S.C. § 1052(d), on the ground that Applicant's mark so resembles the registered mark CAPACITY, in standard characters, for the services listed below as to be likely to cause confusion:

> Exchange services in the nature of execution, clearing, reconciling and settlement of trade and financial transactions via a global network involving credit derivatives, energy derivatives, foreign exchange derivatives, credit default swaps, structured financial products, bonds, commodities, commodity derivatives, futures, options, securities, shares, stocks, and/or related financial instruments; debt settlement services for trade and financial transactions involving credit derivatives, energy derivatives and/or foreign exchange derivatives; financial evaluation, tracking, analysis and forecasting services in real-time relating to securities and other financial instruments; providing a database in the field of financial analysis for generating reports on information and statistics relating to the execution, clearing and settlement of trade and financial transactions; clearing and reconciling financial transactions and debt settlement; providing financial information in the field of trade transaction execution data, namely, transaction prices, inter-commodity spread pricing, and best-bid/best-offer price discovery; providing financial information relating to financial transactions, including commodity data, providing financial market data, market views, financial data, product volume, weight, and pricing, settlement

> details, order quantities, delivery dates, transaction life-cycle status, contract symbols, and/or transaction summaries; credit-risk management services; providing any or all of the aforesaid services on-line via a website that is accessible by users via a computer terminal and/or a mobile communication device; credit card payment processing services; electronic payment, namely, electronic processing and transmission of bill payment data, in International Class 36.[2]

Citations to the record refer to the USPTO Trademark Status and Document Retrieval (TSDR) system by page number in the downloadable .pdf format. Citations to briefs refer to TTABVUE, the Board's online docket system. *See, e.g., New Era Cap Co., Inc. v. Pro Era, LLC*, 2020 USPQ2d 10596, at *2 n.1 (TTAB 2020).

I. Preliminary Issue

A. Applicant's proposed amendment to its description of services.

"As alternative relief, the Applicant seeks a remand to the Examining Attorney with instruction to amend the recitation of services to obviate any perceived likelihood of confusion."[3] By this amendment, Applicant seeks to amend its description of goods from

> Providing electronic processing of collateralized cryptocurrency payments via a secure global computer network; collateralized cryptocurrency exchange services

to

> Providing electronic processing of collateralized cryptocurrency payments via a secure global computer network; collateralized cryptocurrency exchange services

[2] Supplemental Register Registration No. 4805599 registered September 1, 2015; Section 8 declaration accepted.

[3] Applicant's Brief, pp. 17-18 (7 TTABVUE 18-19).

in the nature of enabling immediate settlement of payment transactions.

The Examining Attorney objects to Applicant's request for a remand on the grounds that it was not properly filed, Applicant failed to show good cause for the remand, and the proposed amendment is futile.[4] First, a request for remand should not be combined with Applicant's appeal brief. It should be made through a separate document. TBMP § 1204. *See also In re Best Western Family Steak House, Inc.*, 222 USPQ 827, 828 (TTAB 1984). When, as here, an applicant files a request for remand buried in its brief, the request for remand will not come to our attention until the briefing is complete and the Board has started to review the record. Thus, Applicant has unnecessarily delayed the deliberative process.

Second, a request for remand must include a showing of good cause. TBMP § 1209.04. *See In re Martin Container, Inc.*, 65 USPQ2d 1058, 1060 (TTAB 2002) (request for remand filed after notice of appeal in view of recent ruling by the Court of Appeals for the Federal Circuit). *Cf. In re Adlon Brand Gmbh & Co.*, 120 USPQ2d 1717, 1725 (TTAB 2016) ("Applicant's brief on the case is not the appropriate avenue for raising an objection to examination procedures. If Applicant believed that the issuance of the June 8, 2014 Office Action was procedurally erroneous, or if Applicant

[4] Examining Attorney's Brief (9 TTABVUE 5-6). The Examining Attorney also objects to the request for remand on the ground that it is untimely. However, an applicant may file a request for remand after its brief has been filed. TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PROCEDURE (TBMP) § 1209.04 (2021) ("If the request is filed more than six months after the issuance of the final refusal (generally after the filing of the notice of appeal), or within six months from issuance of a final Office Action but **after the applicant has filed a brief**, it will be treated as a request for remand, for which good cause must be shown, whether it is captioned as a request for remand or as a request for reconsideration.").

desired more time to address the Examining Attorney's new evidence, Applicant's recourse was to file with the Board, after the filing of the appeal but before briefing, a request for remand with a showing of good cause.") (citation omitted).

Third, Applicant's request for remand is premised on the basis that if the Board finds a likelihood of confusion with respect to the original description of services, the Board should remand the application to the Examining Attorney to consider Applicant's proposed amendment to the description of services. Applicant cannot, in effect, make a request for remand conditional on the outcome of the Board's decision in the appeal (i.e., to request, in the event that the Board affirms the refusal, that the application be remanded so that Applicant may submit an amended description of services). *See* Trademark Rule 2.142(g), 37 C.F.R. § 2.142(g) ("An application which has been considered and decided on appeal will not be reopened except for the entry of a disclaimer... or upon order of the Director...."). *See also Adlon Brand*, 120 USPQ2d at 1725.

Finally, even if we were to remand the application to the Examining Attorney for consideration of Applicant's proposed amendment, for the reasons explained below, the proposed amendment would not change our decision.

We deny Applicant's request for remand.

B. Untimely evidence.

The Examining Attorney objects to the evidence listed below on the ground that the evidence was not timely filed:

● Flexa Network Whitepaper (May 2019);[5]

● Applicant's Registration No. 6025150 for the mark FLEXA and Registration No. 5922714 for the mark FLEXCOIN;[6] and

● AMP Whitepaper (November 2020).[7]

Trademark Rule 2.142(d), 37 C.F.R. § 2.142(d), provides that "the record should be complete prior to the filing of an appeal. Evidence should not be filed with the Board after the filing of a notice of appeal."

Because Applicant's first reference to the Flexa Network Whitepaper and the AMP Whitepaper are in Applicant's brief, they are untimely and we give them no consideration. However, Applicant claimed ownership of the above-noted registrations in its application and referred to them in its October 4, 2021 Request for Reconsideration. Therefore, we will consider Applicant's prior registrations for whatever probative value they may have.

II. Likelihood of Confusion

We base our determination under Section 2(d) on an analysis of all of the probative facts in evidence that are relevant to the factors bearing on the likelihood of confusion. *In re E. I. du Pont de Nemours & Co.,* 476 F.2d 1357, 177 USPQ 563, 567 (CCPA 1973) (setting forth factors to be considered, referred to as "*DuPont* factors"), *cited in B&B Hardware, Inc. v. Hargis Indus., Inc.,* 575 U.S. 138, 113 USPQ2d 2045, 2049 (2015).

[5] Applicant's Brief, pp. 5 n.1 and 17 n.7 (7 TTABVUE 6 and 18).

[6] Applicant's Brief, p. 12 n.5 (7 TTABVUE 13).

[7] Applicant's Brief, p. 17 n.6 (7 TTABVUE 13).

See also In re Majestic Distilling Co., 315 F.3d 1311, 65 USPQ2d 1201, 1203 (Fed. Cir. 2003). "In discharging this duty, the thirteen *DuPont* factors 'must be considered' 'when [they] are of record.'" *In re Guild Mortg. Co.,* 912 F.3d 1376, 129 USPQ2d 1160, 1162 (Fed. Cir. 2019) (quoting *In re Dixie Rests. Inc.,* 105 F.3d 1405, 41 USPQ2d 1531, 1533 (Fed. Cir. 1997) and *DuPont,* 177 USPQ at 567). "Not all *DuPon*t factors are relevant in each case, and the weight afforded to each factor depends on the circumstances. Any single factor may control a particular case." *Stratus Networks, Inc. v. UBTA-UBET Commc'ns Inc.*, 955 F.3d 994, 2020 USPQ2d 10341, at *3 (Fed. Cir. 2020) (citing *Dixie Rests.,* 41 USPQ2d at 1533).

"Each case must be decided on its own facts and the differences are often subtle ones." *Indus. Nucleonics Corp. v. Hinde*, 475 F.2d 1197, 177 USPQ 386, 387 (CCPA 1973). "Two key factors in every Section 2(d) case are the first two factors regarding the similarity or dissimilarity of the marks and the goods or services, because the 'fundamental inquiry mandated by § 2(d) goes to the cumulative effect of differences in the essential characteristics of the goods and differences in the marks.'" *In re Embiid,* 2021 USPQ2d 577, at *10 (TTAB 2021) (quoting *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24, 29 (CCPA 1976)). *See also*) *In re i.am.symbolic, llc,* 866 F.3d 1315, 123 USPQ2d 1744, 1747 (Fed. Cir. 2017) ("The likelihood of confusion analysis considers all *DuPont* factors for which there is record evidence but 'may focus … on dispositive factors, such as similarity of the marks and relatedness of the goods.'") (quoting *Herbko Int'l, Inc. v. Kappa Books, Inc.*, 308 F.3d

1156, 64 USPQ2d 1375, 1380 (Fed. Cir. 2002)); *In re Chatam Int'l Inc.*, 380 F.3d 1340, 71 USPQ2d 1944, 1945-46 (Fed. Cir. 2004.

A. The similarity or dissimilarity and nature of the services.

As noted above, Applicant is seeking to register its mark FLEXA CAPACITY for "providing electronic processing of collateralized cryptocurrency payments via a secure global computer network; collateralized cryptocurrency exchange services." In other words, Applicant is facilitating "real-time spending of any cryptocurrency in any context."[8] As Applicant explains in its brief,

> Applicant's electronic processing and exchange services provide a merchant payments network that enables merchants to receive secure U.S. dollar payments via their existing points-of-sale from a consumer who needs or wants to pay with a cryptocurrency or other digital asset. To accomplish this, Applicant facilitates the exchange of the consumer's digital assets to fiat currency and remits the fiat currency to the merchant for payment of goods. FLEXA CAPACITY "require[es] each transaction to be fully collateralized," while the consumer's digital assets are exchanged for fiat currency and remitted to the merchant for payment of goods.[9]

To wit, at the hearing, Applicant's counsel explained that "collateralized cryptocurrency exchange services" are not "exchange services" per se. Rather, they are services in connection with collateralizing cryptocurrency for the benefit of cryptocurrency transactions. In other words, Applicant confirms that a buyer who

[8] "Announcing Flexa Capacity" Medium.com attached to the October 4, 2021 Request for Reconsideration (TSDR 26).

[9] Applicant's Brief, pp. 16-17 (7 TTABVUE 17-18).

wants to use cryptocurrency to make a transaction has sufficient cryptocurrency to make the transaction.

Cryptocurrency is "a type of virtual currency that is secured through various cryptographic and computer-generated means."[10]

> 1. What is cryptocurrency?
>
> Cryptocurrency is a form of payment that can be exchanged online for goods or services. Many companies have issued their own currencies, often called tokens, and these can be traded specifically for the good or service that the company provides. Think of them as you would arcade tokens or casino chips. You'll need to exchange real currency for the cryptocurrency to access the good or service.[11]

Cryptocurrency is an asset one can hold as part of an investment portfolio but there are risks.[12] For example,

> ● More than 10,000 different cryptocurrencies are traded publicly, according to CoinMarketCap.com, a market research website. And cryptocurrencies continue to proliferate, raising money through initial coin offerings, or ICOs.[13]

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[10] Robert Farrington, "Cryptocurrency Is Everywhere, But Should You Invest?" (January 18, 2021), Forbes.com attached to the March 17, 2021 Response to Office Action (TSDR 8). *See also* Cryptocurrency, Ivestopedia.com attached to the October 4, 2021 Request for Reconsideration (TSDR 14) ("A cryptocurrency is a digital or virtual currency that is secured by cryptography, which makes it nearly impossible to counterfeit or double-spend. … a form of digital asset based on a network that is distributed across a large number of computers.").

[11] Author illegible, "What is Cryptocurrency? Here's What You Should Know" (October 3, 2021) Nerdwallet.com attached to the October 4, 2021 Request for Reconsideration (TSDR 15).

[12] Robert Farrington, "Cryptocurrency Is Everywhere, But Should You Invest?" (January 18, 2021), Forbes.com attached to the March 17, 2021 Response to Office Action (TSDR 8).

[13] Author illegible, "What is Cryptocurrency? Here's What You Should Know" (October 3, 2021) Nerdwallet.com attached to the October 4, 2021 Request for Reconsideration (TSDR 16).

● In October of 2020, PayPal launched a new service that made it possible for their account holders to buy, sell, or hold cryptocurrency, or to use it to buy stuff at 26 million different merchants.[14]

● Cryptocurrency is a good investment if you want to gain direct exposure to the demand for digital currency and the projects or businesses they facilitate.[15]

● Buying cryptocurrency is very much early-stage investing, and investors should expect venture capital-like outcomes in which the vast majority of crypto projects fail and become worthless. Only a small number of projects will ultimately succeed, and it's unclear if these big wins will be enough to offset the many losses.[16]

● Investing in a stock means ascertaining its value -- based on factors like competition, risks and, above all, profit generation -- and then putting money into ones that are undervalued. If other investors follow you, the stock rises, giving you an opportunity to take profit.

Speculation is naturally part of this: The Dot-com Bubble was all about pouring money into "pre-profit" companies in the hopes they'd make money someday. Cryptocurrency, however, takes speculation into the stratosphere. For the most part, cryptocurrency is pure speculation. People are investing in technology that produces nothing, and has no practical application.[17]

● [David] Gerard [an IT systems administrator whose job has been to examine new technology and discern what's useful and what's not] says the only thing you can do with Bitcoin is buy it and sell it. He's even harsher on altcoins.

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[14] *Id.* at TSDR 9.

[15] Adam Levy, "Is Cryptocurrency a Good Investment?" (March 8, 2021), Fool.com attached to the March 17, 2021 Response to Office Action (TSDR 10) ("[L]ike most investments, crypto assets come with a host of risks but also vast potential rewards.").

[16] *Id.* at TSDR 11.

[17] Daniel Van Boom, "Beyond Bitcoin: The wild world of altcoin cryptocurrency trading" (February 11, 2021) CNET.com attached to the March 17, 2021 Response to Office Action (TSDR 15).

> "They're absolutely useless objects. Even by the standards of Bitcoin, altcoins are useless," he said.
>
> This is precisely what makes them so fascinating. Seemingly, all they can do is get internet punters to bet on their success.[18]
>
> ● In terms of ownership aspect, 20% of American citizens aged 18-34 claimed to invest in bitcoin, while those aged 35-44 account for 11%. The 45-54 and 55-4 age ranges indicated an equal ownership amounting to 5% with 2% of American retirees over 65 claimed to hold the biggest cryptocurrency.[19]
>
> ● Cryptocurrencies may go up in value, but many investors see them as mere speculations, not real investments. The reason? Just like real currencies, cryptocurrencies generate no cash flow, so for you to profit, someone has to pay more for the currency than you did.
>
> That's what's called "the greater fool" theory of investment. Contrast that to a well-managed business which increases its value over time by growing the profitability and cash flow of the operation.[20]

Cryptocurrency is akin to a commodity because it is something of value that can be traded. The MERRIAM-WEBSTER DICTIONARY (merriam-webster.com) (accessed April 25, 2022) defines "commodity" as follows:[21]

> **1:** an economic good: such as

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[18] *Id.* at TSDR 15-16.

[19] Helen Partz, "11% of Americans Own Bitcoin, Major Awareness Increased Since 2017 (April 30, 2019) Yahoo.com attached to the March 17, 2021 Response to Office Action (TSDR 23).

[20] Author illegible, "What is Cryptocurrency? Here's What You Should Know" (October 3, 2021) Nerdwallet.com attached to the October 4, 2021 Request for Reconsideration (TSDR 17).

[21] The Board may take judicial notice of dictionary definitions, including online dictionaries that exist in printed format or have regular fixed editions. *In re Cordua Rests. LP*, 110 USPQ2d 1227, 1229 n.4 (TTAB 2014), *aff'd,* 823 F.3d 594, 118 USPQ2d 1632 (Fed. Cir. 2016); *In re S. Malhotra & Co. AG*, 128 USPQ2d 1100, 1104 n.9 (TTAB 2018); *In re Red Bull GmbH*, 78 USPQ2d 1375, 1378 (TTAB 2006).

> **a:** a product of agriculture or mining agricultural *commodities* like grain and corn
>
> **b:** an article of commerce especially when delivered for shipment reported the damaged *commodities* to officials
>
> **c:** a mass-produced unspecialized product *commodity* chemicals *commodity* memory chips
>
> **2a:** something useful or valued that valuable *commodity*, patience *also* **:** THING, ENTITY

The registered mark CAPACITY is registered for, inter alia, "exchange services in the nature of execution, clearing, reconciling and settlement of trade and financial transactions via a global network involving … commodities, … or related financial instruments; … providing a database in the field of financial analysis for generating reports on information and statistics relating to the execution, clearing and settlement of trade and financial transactions; clearing and reconciling financial transactions and debt settlement; … electronic payment, namely, electronic processing and transmission of bill payment data." In other words, Registrant is providing electronic processing and exchange services.

We consider the services at issue as they are described in the application and registration. *Stone Lion Capital Partners, LP v. Lion Capital LLP*, 746 F.3d 1317, 110 USPQ2d 1157, 1161 (Fed. Cir. 2014); *Octocom Sys, Inc. v. Houston Comput. Servs. Inc.*, 918 F.2d 937, 16 USPQ2d 1783, 1787 (Fed. Cir. 1990) ("The authority is legion that the question of registrability of an applicant's mark must be decided on the basis of the identification of goods set forth in the application regardless of what the record may reveal as to the particular nature of an applicant's goods, the particular channels of trade or the class of purchasers to which the sales of goods are

directed."); *Paula Payne Prods. v. Johnson Publ'g Co.*, 473 F.2d 901, 177 USPQ 76, 77 (CCPA 1973) ("Trademark cases involving the issue of likelihood of confusion must be decided on the basis of the respective descriptions of goods").

We do not read limitations into the description of services based on what the evidence shows regarding the goods and services Applicant and Registrant actually offer. *In re i.am.symbolic, LLC*, 123 USPQ2d at 1748; *Squirtco v. Tomy Corp.*, 697 F.2d 1038, 216 USPQ 937, 940 (Fed. Cir. 1983) ("There is no specific limitation and nothing in the inherent nature of Squirtco's mark or goods that restricts the usage of SQUIRT for balloons to promotion of soft drinks. The Board, thus, improperly read limitations into the registration."); *New Era Cap Co., Inc. v. Pro Era, LLC*, 2020 USPQ2d 10596, at *47 (TTAB 2020); *In re Thor Tech Inc.,* 90 USPQ2d 1634, 1638 (TTAB 2009) ("We have no authority to read any restrictions or limitations into the registrant's description of goods.").

Notwithstanding Applicant's argument and evidence regarding the actual scope of its own mark and the cited Registrant's commercial use of its mark, we may not limit, by resort to extrinsic evidence, the scope of services as identified in the cited registration or in the subject application. *E.g., In re Dixie Rests. Inc.*, 105 F.3d 1405, 41 USPQ2d 1531, 1534 (Fed. Cir. 1997); *In re Fisher Scientific Co.*, 440 F.2d 43, 169 USPQ 436, 437 (CCPA 1971); *In re FCA US LLC*, 126 USPQ2d 1214, 1217 n.18 (TTAB 2018) ("[W]e may consider any such [trade channel] restrictions only if they are included in the identification of goods or services"). *In re La Peregrina Ltd.*,

86 USPQ2d 1645, 1646 (TTAB 2008); *In re Bercut-Vandervoort & Co.*, 229 USPQ 763, 764 (TTAB 1986).

Thus, where services are broadly identified in an application or registration, "we must presume that the services encompass all services of the type identified." *Sw. Mgmt., Inc. v. Ocinomled, Ltd.*, 115 USPQ2d 1007, 1025 (TTAB 2015) (where the services in an application or registration are broadly described, they are deemed to encompass all the activities of the nature and type described therein), *quoted in In re Country Oven, Inc.*, 2019 USPQ2d 443903, at * 4 (TTAB 2019) and *cited in In re AC Webconnecting Holding B.V.,* 2020 USPQ2d 11048, at *11-12 (TTAB 2020).

Finally, notwithstanding Applicant's explanation regarding Applicant's "collateralized cryptocurrency exchange services," we read the identification of goods as having its ordinary meaning. *See In re Fiat Grp. Marketing & Corporate Commc'n S.p.A,* 109 USPQ2d 1593, 1597 (TTAB 2014) ("Consideration of the "ordinary meaning" of wording in any identification of goods or services when attempting to define the scope of an identification is pragmatic and encourages consistent interpretation of various terms."); *In re Thor Tech, Inc.*, 85 USPQ2d 1474, 1477 (TTAB 2007). In this regard, we find that the ordinary meaning of "collateralized cryptocurrency exchange services" is a cryptocurrency exchange service despite Applicant's attempt to distinguish it from an exchange service.

Registrant's "exchange services in the nature of execution, clearing, reconciling and settlement of trade and financial transactions via a global network involving … commodities … or related financial instruments; clearing and reconciling financial

transactions and debt settlement; … electronic payment, namely, electronic processing and transmission of bill payment data," are not restricted or limited in a way that precludes Registrant from "exchanging," "clearing," "reconciling" or "processing" cryptocurrencies.[22] We must presume that Registrant's exchange services involving commodities or other financial instruments could include all types of commodities or financial instruments regardless of their nature, including cryptocurrencies.[23] Therefore, we find that the services are in part legally identical.

In addition to the presumption that the services are in part legally identical, the Examining Attorney submitted copies of six use-based, third-party registrations for services listed in both the application and the registration. Third-party registrations based on use in commerce that individually cover a number of different services may have probative value to the extent that they serve to suggest that the listed services are of a type that may emanate from the same source. *In re Country Oven, Inc.*, 2019 USPQ2d 443903, *8 (TTAB 2019); *In re Albert Trostel & Sons Co.,* 29 USPQ2d 1783, 1785-1786 (TTAB 1993); *In re Mucky Duck Mustard Co.,* 6 USPQ2d 1467, 1470 n.6 (TTAB 1988), *aff'd mem.* 864 F.2d 149 (Fed. Cir. 1988). The registrations, with relevant portions of the identifications, are listed below.[24]

[22] We disagree with Applicant's contention that "the services of both parties are narrowly defined and do not encompass the other." Applicant's Brief, p. 17 (7 TTABVUE 18).

[23] Registrant's identification of services belies Applicant's contention that "the services in the Cited Registration are not for cryptocurrency or payments transactions, but instead are for derivatives, commodities, futures, and options financial services transactions." *Id.* As indicated, cryptocurrency is a commodity and financial instrument, among other things.

[24] April 2, 2021 Office Action (TSDR 8-31).

Mark	Reg. No.	Services
AGATE	5632718	Cryptocurrency exchange services; cryptocurrency trading services; Investment fund transfer and transaction services; financial exchange; Online trading of financial instruments, shares, options and other derivative products; credit card and debit card transaction processing services
	6037846	Cryptocurrency exchange services; providing a financial exchange for cryptocurrency; Providing financial information; financial information processing, financial management and financial analysis services; providing financial information in the nature of exchange rates
CELSIUS	6158723	Cryptocurrency deposit, lending, and exchange services; financial brokerage services for cryptocurrency trading; Financial services, namely, assisting others, via a website or mobile application, with the completion of financial transactions in financial markets
COINLOCK	5726908	Cryptocurrency exchange services; Commodities exchange services; financial exchange; financial services, namely, assisting others with the completion of financial transactions for stocks, bonds, securities and equities
CRYPTEORITE	6241282	Cryptocurrency exchange and payment processing services; Processing electronic payments made through prepaid cards; providing electronic processing of electronic funds transfer, ACH, credit card, debit card, electronic check and electronic payments

Mark	Reg. No.	Services
CRYPTO: DECRYPTED	6102138	Cryptocurrency exchange services; Hedge fund investment services

We find, therefore, that Applicant's "providing electronic processing of collateralized cryptocurrency payments via a secure global computer network; collateralized cryptocurrency exchange services" are related to Registrant's "exchange services in the nature of execution, clearing, reconciling and settlement of trade and financial transactions via a global network involving … commodities … or related financial instruments."[25]

In sum, Applicant's services are in part legally identical to and otherwise related to Registrant's services.

B. Established, likely-to-continue channels of trade and classes of consumers.

Because the services described in the application and the cited registration are in part legally identical, we presume that the channels of trade and classes of purchasers are the same. *See In re Viterra Inc.,* 671 F.3d 1358, 101 USPQ2d 1905, 1908 (Fed. Cir. 2012) (identical goods are presumed to travel in same channels of trade to same class of purchasers) (cited in *Cai v. Diamond Hong, Inc.*, 901 F.3d 1367,

[25] Applicant's proposed amendment to change its description of services to read, in part, as "collateralized cryptocurrency exchange services **in the nature of enabling immediate settlement of payment transactions**" would not change the finding of fact that the services are in part legally identical. The proposed amendment does not change the nature of Applicant's services because it merely describes how fast Applicant will perform the activity. In addition, the proposed amendment does not distinguish Applicant's services from Registrant's broadly described activities.

127 USPQ2d 1797, 1801 (Fed. Cir. 2018) ("With respect to similarity of the established trade channels through which the goods reach customers, the TTAB properly followed our case law and 'presume[d] that the identical goods move in the same channels of trade and are available to the same classes of customers for such goods…."'); *In re Inn at St. John's, LLC,* 126 USPQ2d 1742, 1745 (TTAB 2018), *aff'd mem.* (No. 18-2236) (Fed. Cir. September 13, 2019) ("Because the services described in the application and the cited registration are identical, we presume that the channels of trade and classes of purchasers are the same."); *Primrose Retirement Cmtys., LLC v. Edward Rose Senior Living, LLC*, 122 USPQ2d 1030, 1033 (TTAB 2016) ("Given the identity of the services, at least in part, and the lack of restrictions on trade channels and classes of consumers in the recitations of services, we presume that these services travel through the same channels of trade . . . .").

C. The strength of Registrant's CAPACITY mark.

As noted above, Registrant's CAPACITY mark is registered on the Supplemental Register. A registration on the Supplemental Register is, in effect, an admission that an applicant believed that the mark in question was merely descriptive when the application was filed or when it was amended to seek registration on the Supplemental Register. *See In re Consumer Prot. Film Pllc,* 2021 USPQ2d 238, at *23-24 (TTABVUE 2021) ("Applicant disclaimed FIRM.COM on the Supplemental Register and therefore has conceded it is generic."); *In re Future Ads, LLC,*

103 USPQ2d 1571, 1574 (TTAB 2012); *In re Hester Indus., Inc.* 230 USPQ 797, 798 (TTAB 1986); *In re Cent. Ctys. Bank*, 209 USPQ 884, 887 (TTAB 1981).[26]

Nevertheless, in view of the registration of the cited mark on the Supplemental Register, we will consider the registered mark to be inherently or conceptually weak and, therefore, entitled only to a narrow scope of protection. *See In re Hunke & Jochheim,* 185 USPQ 188, 189 (TTAB 1975) (a mark registered on the Supplemental Register normally will be a Section 2(d) bar to registration of an applicant's mark only where the respective marks are substantially identical and the respective goods are substantially similar).[27]

D. The similarity or dissimilarity of the marks.

We now turn to the *DuPont* factor focusing on the similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial

[26] This is necessarily so because Section 23 of the Trademark Act, 15 U.S.C. § 1091, specifically provides, inter alia, that all marks capable of distinguishing an applicant's goods and services, and not registrable on the Principal Register, except those unregistrable under Sections (a) through (d), and (e)(3) may be registered on the Supplemental Register. *See In re W. Union Tele. Co.*, 199 USPQ 499, 501 n.1 (TTAB, 1978).

[27] In *Hunke & Jochheim*, the Board was not laying down a different rule for finding likelihood of confusion in cases involving descriptive or suggestive marks, or marks on the Supplemental Register. Rather, the Board was merely observing that, for such marks, the scope of protection is, in the absence of other considerations, more limited than with arbitrary or coined marks. *In re Southern Belle Frozen Foods Inc.,* 48 USPQ2d 1849, 1851 n.2 (TTAB 1998). *See also In re Clorox Co.*, 578 F.2d 305, 198 USPQ 337, 341 (CCPA 1978) ("Appellant next posits a requirement that citation of marks on the Supplemental Register under 2(d) be limited to marks identical to that sought to be registered. No reason exists, however, for the application of different standards to registrations cited under 2(d). The level of descriptiveness of a cited mark may influence the conclusion that confusion is likely or unlikely..."); *In re Smith and Mehaffey*, 31 USPQ2d 1531, 1533 (TTAB 1994) ("Because in most cases marks are registered on the Supplemental Register because they are descriptive, the scope of protection accorded to them has been consequently narrow, so that likelihood of confusion has normally been found only where the marks and goods are substantially similar.").

impression. *DuPont,* 177 USPQ at 567. "Similarity in any one of these elements may be sufficient to find the marks confusingly similar." *In re Inn at St. John's,* 126 USPQ2d at 1746 (quoting *In re Davia*, 110 USPQ2d 1810, 1812 (TTAB 2014)), *aff'd mem.*, 777 F. App'x 516 (Fed. Cir. 2019); *accord Krim-Ko Corp. v. Coca-Cola Bottling Co.*, 390 F.2d 728, 156 USPQ 523, 526 (CCPA 1968) ("It is sufficient if the similarity in either form, spelling or sound alone is likely to cause confusion.") (citation omitted).

In comparing the marks, we are mindful that where, as here, the services are in part legally identical, the degree of similarity necessary to find likelihood of confusion need not be as great as where there is a recognizable disparity between the services. *Coach Servs., Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 101 USPQ2d 1713, 1721 (Fed. Cir. 2012); *Century 21 Real Estate Corp. v. Century Life of Am.,* 970 F.2d 874, 23 USPQ2d 1698, 1700 (Fed. Cir. 1992); *Jansen Enters. Inc. v. Rind,* 85 USPQ2d 1104, 1108 (TTAB 2007); *Schering-Plough HealthCare Prod. Inc. v. Ing-Jing Huang,* 84 USPQ2d 1323, 1325 (TTAB 2007).

"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." *Cai v. Diamond Hong,* 127 USPQ2d at 1801 (quoting *Coach Servs.,* 101 USPQ2d at 1721; *Midwestern Pet Foods, Inc. v. Societe des Produits Nestle S.A.,* 685 F.3d 1046, 103 USPQ2d 1435, 1440 (Fed. Cir. 2012). We keep in mind that "[s]imilarity is not a binary factor but is a matter of degree." *In re St. Helena Hosp.*,

774 F.3d 747, 113 USPQ2d 1082, 1085 (Fed. Cir. 2014) (quoting *In re Coors Brewing Co.*, 343 F.3d 1340, 68 USPQ2d 1059, 1062 (Fed. Cir. 2003)).

As noted above, Applicant is seeking to register the mark FLEXA CAPACITY and the cited mark is CAPACITY. The marks are obviously similar because they both include the word "Capacity." THE AMERICAN HERITAGE DICTIONARY OF THE ENGLISH LANGUAGE (5th ed. 2020) (ahdictionary.com) defines "Capacity," inter alia, as follows:[28]

- "The ability to receive, hold, or absorb something";
- "The maximum amount that can be contained";
- "The ability to do, make, or accomplish something"; and
- "The maximum or optimum amount that can be produced."

The word "Capacity" in both marks means and engenders the commercial impression of the ability to process financial exchanges.[29]

The word "Flexa" in Applicant's mark is a coined term modifying the word "Capacity." "Flexa" resembles the word "Flexible." The MERRIAM-WEBSTER DICTIONARY (merriam-webster.com) (accessed April 25, 2022) defines "Flexible," inter

[28] April 2, 2021 Office Action (TSDR 6).

[29] Applicant contends that when used in connection with Registrant's services, "capacity" is merely descriptive, in part, because when Registrant was prosecuting its application, it stated that it "is proposing to create a new asset class from excess and available *capacity*" and that "the exchange that is being built is a novel economic architecture in [sic] that it facilitates non-monetary trade, which may be in the form of excess or available *capacity* of a member entity." Applicant's Brief, pp. 11-12 (7 TTABVUE 12-13) (citing May 1, 2013 Final Office Action in Registrant's underlying application that is not of record). Based on these excerpts, we fail to see how "capacity" is merely descriptive inasmuch as it means "the ability to do make, or accomplish something." In addition, the excerpts support our finding of fact that "capacity" means and engenders the commercial impression of the ability to process financial exchanges.

alia, as "characterized by a ready capability to adapt to new, different, or changing requirements." It also resembles the word "Flex." The MACMILLAN DICTIONARY (macmillandictionary.com/dictionary/American/) (accessed May 12, 2022) defines "Flex," inter alia, as "to approach flexibility, to adapt." Accordingly, Applicant's mark FLEXA CAPACITY when used in connection with Applicant's cryptocurrency exchange services means and engenders the commercial impression of the ready ability to process all forms of exchange for all modes of assets.

Given the similarities between the marks and the in part legally identical nature of the services, consumers familiar Registrant's financial exchange services identified by Registrant's CAPACITY mark encountering Applicant's FLEXA CAPACITY mark in connection with Applicant's cryptocurrency exchange services may mistakenly believe that FLEXA CAPACITY is a variant mark denoting a service line extension. *See, e.g., In re Toshiba Med. Sys. Corp.,* 91 USPQ2d 1266, 1271 (TTAB 2009) (VANTAGE TITAN "more likely to be considered another product from the previously anonymous source of TITAN medical diagnostic apparatus, namely, medical ultrasound devices."); *Schieffelin & Co. v. Molson Cos., Ltd.,* 9 USPQ2d 2069, 2073 (TTAB 1989) ("Those consumers who do recognize the differences in the marks may believe that applicant's mark is a variation of opposer's mark that opposer has adopted for use on a different product.").

While there is no per se rule that we must find marks similar where an applicant's mark contains in part the whole of the registrant's mark, "'likelihood of confusion has often been found where the entirety of one mark is incorporated within another."

Double Coin Holdings Ltd. v. Tru Dev., 2019 USPQ2d 377409, at *6-7 (TTAB 2019) (quoting *Hunter Indus., Inc. v. Toro Corp.*, 110 USPQ2d 1651, 1660 (TTAB 2014)). *See e.g., China Healthways Inst. Inc. v. Xiaoming Wang,* 491 F.3d 1337, 83 USPQ2d 1123, 1125 (Fed. Cir. 2007) (applicant's mark CHI PLUS is similar to opposer's mark CHI both for electric massagers); *Coca-Cola Bottling Co. of Mem., TN, Inc. v. Joseph E. Seagram and Sons, Inc.,* 526 F.2d 556, 188 USPQ 105 (CCPA 1975) (applicant's mark BENGAL LANCER for club soda, quinine water and ginger ale is similar to BENGAL for gin); *In re West Point-Pepperell, Inc.,* 468 F.2d 200, 175 USPQ 558 (CCPA 1972) (WEST POINT PEPPERELL and griffin design for fabrics is similar to WEST POINT for woolen piece goods).

Applicant argues that the term "Flexa" is the dominant portion of Applicant's mark because, inter alia, "Flexa" is Applicant's house mark.[30] However, there is no evidence in the record that consumers recognize "Flexa" as a house mark and, therefore, we focus our analysis on a comparison of Applicant's mark FLEXA CAPACITY and the cited mark CAPACITY. *See Denney v. Elizabeth Arden Sales Corp.*, 263 F.2d 347, 120 USPQ 480, 481 (CCPA 1959) ("In determining the applicant's right to registration, only the mark as set forth in the application may be considered ...."); *Bellbrook Dairies, Inc. v. Hawthorn-Mellody Farms Dairy, Inc.*, 253 F.2d 431, 117 USPQ 213, 214 (CCPA 1958) ("The fact that each of the parties applies an additional name or trademark to its product is not sufficient to remove the likelihood of confusion.").

[30] Applicant's Brief, p. 12 (7 TTABVUE 13).

In addition, Applicant contends that the term "Flexa" is the dominant part of Applicant's mark because the word "Capacity" is a weak term entitled to a narrow scope of protection and because the term "Flexa" is the first part of Applicant's mark.[31] There is no mechanical test to select the dominant element of a mark. *Tao Licensing, LLC v. Bender Consulting Ltd.*, 125 USPQ2d 1043, 1059 (TTAB 2017). While the first term in a mark generally is considered to be the feature which will be called for, and so remembered, by consumers, this is not invariably the case. *See Stone Lion Capital Partners,* 110 USPQ2d at 1161 ("the Board did not err in finding that 'STONE LION CAPITAL' is 'similar in sight, sound, meaning, and overall commercial impression' to 'LION CAPITAL' and 'LION.'"); *In re Chatam Int'l Inc.*, 380 F.3d 1340, 71 USPQ2d 1944, 1946 (Fed. Cir. 2004) ("Viewed in their entireties with non-dominant features appropriately discounted, the marks [GASPAR'S ALE for beer and ale and JOSE GASPAR GOLD for tequila] become nearly identical."). As discussed above, we find that "Flexa" modifies "Capacity" and, therefore, tells us something about "Capacity." We do not find "Flexa" to be the dominant element of Applicant's mark.

We find the marks are similar in their entireties in terms of appearance, sound, connotation and commercial impression.

E. Conclusion

Despite the fact that the Registrant's mark is inherently or conceptually weak, we

[31] Applicant's Brief, pp. 11 and 13-14 (7 TTABVUE 12 and 14-15) ("[T]he Examining Attorney further ignores the well held legal tenant that consumers are generally more inclined to focus on the first word in any trademark or service mark.").

find that the similarity of the marks outweighs the dissimilarities. In addition, the marks are used in connection with in part legally identical services that we presume are offered in the same channels of trade to the same classes of consumers. Accordingly, we find that Applicant's mark FLEXA CAPACITY for "providing electronic processing of collateralized cryptocurrency payments via a secure global computer network; collateralized cryptocurrency exchange services" is likely to cause confusion with the registered mark CAPACITY for the services set forth in the registration.

Decision: We affirm the refusal to register Applicant's mark FLEXA CAPACITY under Section 2(d) of the Trademark Act.