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PRECEDENT OF THE TTAB

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UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Carfax, Inc.
v.
American Automobile Association, Inc.

Cancellation No. 92056568

Keith A. Barritt of Fish & Richardson PC for Carfax, Inc.

Lawrence E. Laubscher, Jr. of Laubscher & Laubscher PC for the American Automobile Association, Inc.

Before Cataldo, Shaw, and Greenbaum, Administrative Trademark Judges.

Opinion by Shaw, Administrative Trademark Judge:

Petitioner, Carfax, Inc., has petitioned to cancel Registration No. 4081146¹ owned by Respondent, the American Automobile Association, Inc., for the mark AAA CarFacts, in standard characters with “CAR FACTS” disclaimed, for the following services:

Providing consumer information for prospective purchasers, namely, providing motor vehicle reports for the purpose of analyzing motor vehicle history and accident history; providing consumer information

¹ The registration issued on January 3, 2012, based upon underlying application Serial No. 85162689, filed on October 27, 2010, and claiming a date of first use and a date of first use in commerce of November 15, 2011.

for prospective purchasers, namely, providing a motor vehicle history report for purposes of purchasing a vehicle, in International Class 35.

Petitioner claims (1) likelihood of confusion with eleven CARFAX-formative marks, which it assertedly has used in commerce in association with “a variety of motor vehicle history information services,”² (2) contractual estoppel, and (3) lack of use by Respondent of the mark for the identified services. Petitioner also pleaded a claim of dilution but abandoned the claim in its brief.³

The Record

The record includes the pleadings and, pursuant to Trademark Rule 2.122(b)(1), Respondent’s registration file. The parties stipulated to submission of testimony by affidavit or declaration.⁴ Portions of the evidence have been designated confidential by the parties and submitted under seal. We discuss that evidence only in general terms.

A. Petitioner’s Evidence

Petitioner introduced the following evidence:

1. Petitioner’s eleven registrations for Carfax-formative marks, submitted via Notice of Reliance;
2. Testimonial declarations from Scott Fredericks, Petitioner’s Vice President of Marketing and Justin McCarthy, Petitioner’s Consumer Partner Development Director;
3. Portions of Respondent’s responses to Petitioner’s interrogatories and requests for admission, submitted via Notice of Reliance;

² Petitioner’s Br., p. 3.

³ *Id.* at 7, n.8.

⁴ 13 TTABVUE. Record citations are to TTABVUE, the Trademark Trial and Appeal Board’s publically available docket history system. *See Turdin v. Trilobite, Ltd.*, 109 USPQ2d 1473, 1476 n.6 (TTAB 2014).

4. Search results from USPTO trademark databases relating to third-party marks used in connection with vehicle history goods or services, submitted via Notice of Reliance;
5. A printout from Respondent's website purporting to show the national scope of Respondent's business, submitted via Notice of Reliance;
6. Copies of news stories and articles retrieved from the Lexis/Nexis computer database purporting to show the "extensive use and recognition of CARFAX,"⁵ and
7. Excerpts from third-party websites purporting to show the "common use of AAA by third parties."⁶

B. Respondent's Evidence

Respondent introduced the following evidence:

1. Testimonial declaration from James G. Brehm, Respondent's General Counsel, with exhibits; and
2. Testimonial declaration with exhibits from Sherrie A. Ryan, Chief Operating Officer of AAA Southern New England.

Before addressing Petitioner's grounds for cancellation, we first consider Respondent's affirmative defenses.

Laches

In order to prevail on the affirmative defense of laches, Respondent must establish that there was undue or unreasonable delay by Petitioner in asserting its rights, and that prejudice to Respondent resulted from that delay. *See Bridgestone/Firestone Research Inc. v. Automobile Club de l'Quest de la France*, 245 F.3d 1359, 58 USPQ2d 1460, 1462 (Fed. Cir. 2001) ("Mere delay in asserting a trademark related right does not necessarily result in changed conditions sufficient

⁵ Petitioner's Br., p.2.

⁶ *Id.*

to support the defense of laches. There must also have been some detriment due to the delay.”).

Respondent argues that Petitioner’s delay in taking action by bringing this cancellation proceeding “was unreasonable” inasmuch as Petitioner allegedly knew of the underlying application as early as April 12, 2011, the date the application was published in the Official Gazette, but did not bring this proceeding until December 7, 2012, some twenty months later.⁷ Twenty months cannot generally be viewed as unreasonable, given that the Trademark Act provides that a cancellation action may be brought on the ground of likelihood of confusion up until the point that a registration is five years old. Nevertheless, the two factors of unreasonable delay and prejudice must be considered together.

Respondent alleges that in making its decision to begin using its mark, Respondent relied on Petitioner’s decision not to oppose registration. Respondent claims that its “loss of good will is prejudicial.”⁸ But the record is devoid of any figures regarding investments to develop Respondent’s mark, significant advertising expenditures, or other evidence of Respondent’s efforts to establish goodwill in its mark. In the absence of such evidence, it is impossible to assess the detriment, if any, suffered by Respondent during the alleged delay.

In light of the absence of evidence regarding prejudice, we find that Respondent has not demonstrated that Petitioner’s claim is barred by laches.

⁷ Respondent’s Br., p. 12.

⁸ *Id.*

Estoppel

Respondent, in its answer to the first amended petition to cancel, asserts that “Petitioner’s claims are barred under the equitable doctrine of Estoppel.”⁹ In its brief, Respondent simply states that the “estoppel defense arises from the prejudice to Registrant.”¹⁰

The elements required to establish the defense of equitable estoppel are (1) misleading conduct, which may include not only statements and action but silence and inaction, leading another to reasonably infer that rights will not be asserted against it; (2) reliance upon this conduct; and (3) due to this reliance, material prejudice if the delayed assertion of such rights is permitted. *See Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes Inc.*, 971 F.2d 732, 23 USPQ2d 1701, 1703 (Fed. Cir. 1992).

The record does not support Respondent’s assertion that it was led by Petitioner to infer that Petitioner would not assert its rights in the CARFAX marks against Respondent if it began using the AAA CarFacts mark. Rather, the record shows that Petitioner voiced its concerns about the AAA CarFacts mark beginning shortly after publication until the mark registered, and beyond.¹¹

Respondent admits that Petitioner contacted Respondent with concerns “about the AAA CARFACTS mark” as early as July, 2011.¹² On July 14, 2011, shortly after publication and before Respondent began using the mark, Petitioner sent

⁹ 10 TTABVUE 4.

¹⁰ Respondent’s Br., p. 12.

¹¹ 21 TTABVUE 20-74.

¹² Respondent’s Br., p. 12.

Respondent a cease and desist letter via email. As shown by numerous subsequent emails between the parties, Petitioner continued to voice its concerns about Respondent's mark until at least November, 2012—two months before the registration issued.¹³

Simply put, Respondent could not have reasonably believed that Petitioner would consent to Respondent's use of the AAA CarFacts mark. Accordingly, Respondent has not demonstrated that Petitioner's claim is barred by the doctrine of equitable estoppel.

Standing

Because Petitioner has properly made its pleaded registrations of record, and further has shown, by its use and registration of marks that are at least arguably similar to Respondent's mark that it is not a mere intermeddler, we find that Petitioner has established its standing to petition to cancel Respondent's registration for its mark. *See Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842 (Fed. Cir. 2000); *Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982).

Priority


Petitioner must prove priority of use in order to prevail in this cancellation proceeding. *See Brewski Beer Co. v. Brewski Bros., Inc.*, 47 USPQ2d 1281 (TTAB 1998). Petitioner has made of record eleven registrations for CARFAX formative marks used in connection with car buying services. All but one of these registrations were filed before the filing date of Respondent's underlying application and

¹³ 21 TTABVUE 20-74.

Respondent's claimed date of first use of the mark.¹⁴ Therefore, Petitioner has established that it has priority as to its earlier-filed registrations. *See King Candy Co. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974).

Likelihood of Confusion

Our determination of the issue of likelihood of confusion is based on an analysis of all the probative facts in evidence relevant to the factors set forth in *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). *See also, In re Majestic Distilling Co., Inc.*, 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003). In any likelihood of confusion analysis, two key considerations are the similarities between the marks and the similarities between the goods and/or services. *See Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24 (CCPA 1976).

We focus our likelihood of confusion analysis on only one of Petitioner's marks inasmuch as this mark is the most similar to Respondent's mark, AAA CarFacts: Registration No. 3443736, for the mark  in special form for services identified as "providing business and consumer information in the field of motor vehicles, namely, providing online vehicle history information affecting a vehicle's value, safety and performance for purposes of comparison shopping and purchasing decisions," in International Class 35.¹⁵

¹⁴ The application underlying Petitioner's Registration No. 4233254 was filed after Respondent's underlying application and has not been considered for purposes of priority.

¹⁵ Issued March 14, 2007; Section 8 affidavit accepted.

If we find that there is a likelihood of confusion with this CARFAX mark, there is no need for us to consider the likelihood of confusion with the other CARFAX marks. Conversely, if we find there is no likelihood of confusion with this CARFAX mark, we would find no likelihood of confusion with the other CARFAX marks as they comprise or merely incorporate CARFAX as part thereof. *See In re Max Capital Group Ltd.*, 93 USPQ2d 1243, 1245 (TTAB 2010).

A. The similarity or dissimilarity of the services

We first consider the *du Pont* factor regarding the similarity or dissimilarity of the parties' respective services. In making our determination, we compare Respondent's services as they are identified in its registration, as quoted above, and Petitioner's services, also as quoted above. *See Packard Press Inc. v. Hewlett-Packard Co.*, 227 F.3d 1352, 56 USPQ2d 1351, 1354 (Fed. Cir. 2000). The respective services need only be "related in some manner and/or the circumstances surrounding their marketing [be] such that they could give rise to the mistaken belief that the services emanate from the same source." *Coach Servs., Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 101 USPQ2d 1713, 1722 (Fed. Cir. 2012).

Both Petitioner and Respondent provide information to prospective purchasers about motor vehicle histories. Respondent admitted in its answer that its services are "highly similar and related to the vehicle history information services offered by Carfax."¹⁶ We find that Respondent's services of "providing consumer information for prospective purchasers, namely, providing a motor vehicle history report for

¹⁶ Respondent's Substitute Answer to First Amended Petition to Cancel, para. 16, 10 TTABVUE 3, 7 TTABVUE 14.

purposes of purchasing a vehicle” are legally identical to Petitioner’s services of “providing online vehicle history information affecting a vehicle’s value, safety and performance for purposes of comparison shopping and purchasing decisions.”

In its brief, Respondent seeks to distinguish its services from those of Petitioner by suggesting that Respondent’s services are not directed to the history of particular vehicles. Instead, Respondent suggests that its vehicle information services are directed to providing more general information such as “make, model and year.”¹⁷ This argument is unavailing. The services identified in Respondent’s registration make no such distinction and Respondent has admitted that the services are highly similar and related. *See, Stone Lion Capital Partners, LP v. Lion Capital LLP*, 746 F.3d 1317, 110 USPQ2d 1157, 1162 (Fed. Cir. 2014) (stating that “[i]t was proper ... for the Board to focus on the application and registrations rather than on real-world conditions”). This *du Pont* factor weighs in favor of a finding of likelihood of confusion.

B. Channels of trade

Both parties are providing vehicle history information online to consumers seeking to purchase automobiles.¹⁸ Because the services described in the registrations are in part legally identical, we must presume that the channels of trade and classes of purchasers are the same. *See In re Yawata Iron & Steel Co.*, 403 F.2d 752, 159 USPQ 721, 723 (CCPA 1968) (where there are legally identical goods, the channels of trade and classes of purchasers are considered to be the same);

¹⁷ Respondent’s Br., p. 7.

¹⁸ Ryan Declaration, p. 2, 25 TTABVUE 8.

American Lebanese Syrian Associated Charities Inc. v. Child Health Research Inst., 101 USPQ2d 1022, 1028 (TTAB 2011). In addition, while Petitioner's recitation of services specifically indicates that its services are provided on line, these trade channels are presumed to be encompassed by Respondent's services which recite no limitations thereto. Respondent argues that its services are available only to its members, which in turn, limits the likelihood of confusion between the marks.¹⁹ Nonetheless, in the absence of language limiting the channels of trade, Respondent's unrestricted trade channels are presumed to overlap with or encompass those of Petitioner. This *du Pont* factor weighs in favor of a finding of likelihood of confusion.

C. Consumer sophistication and market interface

Petitioner's services are priced between \$40 and \$55, although some consumers receive the reports for free from car dealers.²⁰ Respondent states that its services are free to members.²¹ Although cars are certainly expensive purchases, there is no evidence to indicate that automotive consumers have an elevated degree of sophistication as to a particular vehicle offered for sale. And even sophisticated purchasers are not necessarily knowledgeable in the field of trademarks or immune from source confusion. *See In re Decombe*, 9 USPQ2d 1812, 1814-1815 (TTAB 1988). Additionally, Petitioner and Respondent have a long history of working together to market their respective services.²² This only increases any potential for confusion

¹⁹ Respondent's Br. p. 8.

²⁰ Petitioner's Br., p. 17.

²¹ Respondent's Br., p. 8.

²² McCarthy Declaration, p. 1, 21 TTABVUE 5.

because Respondent's consumers may be used to seeing Petitioner's services offered on Respondent's web site. This *du Pont* factor weighs in favor of a finding of likelihood of confusion.

D. Actual confusion

Neither party has alleged any instances of actual confusion by consumers as to the source of the services. But proof of actual confusion is not necessary to show a likelihood of confusion, and its absence is not dispositive. *See Weiss Assocs. Inc. v. HRL Assocs. Inc.*, 902 F.2d 1546, 14 USPQ2d 1840, 1843 (Fed. Cir. 1990); and *Giant Food Inc. v. Nation's Foodservice, Inc.*, 710 F.2d 1565, 218 USPQ 390, 396 (Fed. Cir. 1983). This *du Pont* factor is neutral.

C. Strength of the marks

Regarding the strength of the CARFAX mark, Petitioner does not assert that it is famous. Rather, Petitioner argues that "CARFAX is a very strong trademark," and such marks are entitled to a broader scope of protection.²³

In assessing the overall strength of Petitioner's CARFAX mark, we consider both the inherent strength of the term CARFAX based on the nature of the term itself and its commercial strength, based on the marketplace recognition value of the mark. *See Tea Board of India v. Republic of Tea Inc.*, 80 USPQ2d 1881, 1899 (TTAB 2006).

Respondent admits that "the CARFAX mark is well-known" and "when viewed visually . . . is arbitrary and distinctive."²⁴ Respondent nevertheless argues that the

²³ Petitioner's Br., p. 10.

²⁴ Respondent's Br., p. 8.

CARFAX mark, when spoken, sounds like the descriptive phrase “car facts” and therefore is entitled to a narrower scope of protection.²⁵

It is well settled that a novel spelling that is the phonetic equivalent of a merely descriptive word or term is also merely descriptive, if purchasers would perceive the different spelling as an equivalent of the descriptive term or word. *In re Carlson*, 91 USPQ2d 1198 (TTAB 2009). But CARFAX is more than a “mere misspelling” of “car facts.” *Carlson*, 91 USPQ2d at 1200. Rather, the combination of “car” and “fax” creates an incongruous or “arbitrary and distinctive” mark, as admitted by Respondent. Nor can we ignore the absence of any evidence of third party use of the term “car facts” relating to information about motor vehicle histories.

Even if we were to find that CARFAX was not an inherently strong mark, Petitioner has submitted evidence showing that over the past thirty years, CARFAX has become a strong mark when used in connection with motor vehicle histories. Petitioner’s revenues and advertising expenditures, while confidential, are substantial.²⁶ Petitioner is the market leader in its field and surveys show that the CARFAX brand is recognized by a substantial number of consumers seeking vehicles.²⁷ Petitioner’s services also have been the subject of a large number of unsolicited national news stories.²⁸ We recognize that Petitioner has not placed its sales and advertising figures in context, i.e., we do not know how substantial these figures are in terms of businesses that offer similar services, but our primary

²⁵ *Id.* at 9.

²⁶ Fredericks Testimony, p. 7-8, 24 TTABVUE 11-12.

²⁷ *Id.* at 8, 24 TTABVUE 12.

²⁸ 20 TTABVUE.

reviewing court has accepted sales and advertising figures as indicia of the fame and strength of a mark even in the absence of the context for such figures. *See Bose Corp. v. QSC Audio Prods. Inc.*, 293 F.3d 1367, 63 USPQ2d 1303, 1306 (Fed. Cir. 2002).

Based on this evidence, we find that Petitioner's CARFAX mark is at least a fairly strong mark and entitled to a concomitantly broad scope of protection. This *du Pont* factor weighs in favor of a finding of likelihood of confusion.

D. The similarity or dissimilarity of the marks in their entirety as to appearance, sound, connotation and commercial impression

We next consider the marks, comparing them for similarities and dissimilarities in appearance, sound, connotation and commercial impression. *See Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1692 (Fed. Cir. 2005). Similarity in any one of these elements is sufficient to support a determination of likelihood of confusion. *See Krim-Ko Corp. v. The Coca-Cola 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"); and *In re White Swan Ltd.*, 8 USPQ2d 1534, 1535 (TTAB 1988) ("In appropriate cases, a finding of similarity as to any one factor (sight, sound or meaning) alone 'may be sufficient to support a holding that the marks are confusingly similar.'") (citations omitted).

Although we must consider the marks in their entirety, in articulating reasons for reaching a conclusion on the issue of likelihood of confusion, there is nothing improper in stating that, for rational reasons, more or less weight has been given to

a particular feature of a mark. *See In re Nat'l Data Corp.*, 753 F.2d 1056, 224 USPQ 749 (Fed. Cir. 1985). Finally, we are mindful that where, as here, the services are 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.*, 101 USPQ2d at 1721; *Century 21 Real Estate Corp. v. Century Life of America*, 970 F.2d 874, 23 USPQ2d 1698, 1700 (Fed. Cir. 1992).

The word portion of the mark, CARFAX, is the most prominent element of Petitioner's mark. The "odometer" design portion of the mark is less significant. *L.C. Licensing, Inc. v. Cary Berman*, 86 USPQ2d 1883, 1887 (TTAB 2008) ("[I]t is well settled that if a mark comprises both a word and a design, then the word is normally accorded greater weight because it would be used by purchasers to request the goods."); *In re Viterra Inc.*, 671 F.3d 1358, 101 USPQ2d 1905, 1908 (Fed. Cir. 2012). In this case, the odometer design serves as a carrier for the wording CARFAX and serves primarily to reinforce the terms comprising the mark and also indicate that the services associated therewith relate to automobiles.

Respondent's mark is AAA CarFacts. Respondent has disclaimed "car facts" but a disclaimer does not remove the disclaimed matter from the mark. The mark must still be regarded as a whole, including the disclaimed matter, in evaluating similarity to other marks. *See In re Nat'l Data Corp.*, 224 USPQ at 751.

Petitioner argues that the terms CarFacts and CARFAX are phonetic equivalents and similarity in sound alone is sufficient to cause a likelihood of

confusion.²⁹ Respondent does not dispute that CarFacts and CARFAX are pronounced the same but argues that the terms “differ in spelling and appearance” and the “dominant portion of [its] mark is AAA since it is the first term in the mark.”³⁰

When we view the marks in their entirety, as we must, we find that Respondent has simply added its well-known AAA house mark to the phonetic equivalent of Petitioner’s mark. The addition of AAA to CarFacts does not change the connotation or commercial impression of the term CarFacts. Rather, it merely tells consumers that the CarFacts service is offered by AAA. Thus, consumers familiar with Petitioner’s CARFAX mark, upon encountering Respondent’s AAA CarFacts service, could mistakenly believe some sort of sponsorship or affiliation exists between Respondent and Carfax. This potential for mistaken belief of affiliation among consumers is heightened due to the evidence of record discussed above indicating that the parties do in fact have a history of working together to market their services under their marks. The addition of the AAA house mark does not reduce the likelihood of confusion. It has long been held that a likelihood of confusion is not avoided merely by adding a house mark to otherwise similar terms. Indeed, “such addition may actually be an aggravation of the likelihood of confusion as opposed to an aid in distinguishing the marks so as to avoid source confusion.” *In re Christian Dior, S.A.*, 225 USPQ 533, 534 (TTAB 1985) (addition of house mark in LE CACHET De DIOR does not avoid likelihood of confusion with registered

²⁹ Petitioner’s Br., p. 14.

³⁰ Respondent’s Br., p. 6.

CACHET mark); *Celanese Corp. of America v. E. I. Du Pont de Nemours & Co.*, 154 F.2d 143, 69 USPQ 69 (CCPA 1946) (addition of surname “Du Pont” to one of two otherwise confusingly similar trademarks was not of itself sufficient to avoid likelihood of confusion); *Hammermill Paper Co. v. Gulf States Paper Corp.*, 337 F.2d 662, 143 USPQ 237 (CCPA 1964) (“Hammermill E-Z Carry Pak” is so similar to “E-Z Pak” and “E-Z Cari” that confusion is likely); *In re Dennison Mfg. Co.*, 229 USPQ 141, 144 (TTAB 1986) (holding use of “Glue Stic,” for general purpose adhesive in stick form, and “Uhu Glu Stic,” for adhesives for paper and stationery, is likely to cause confusion).

Respondent also argues that there is no likelihood of confusion because “CarFacts is descriptive of registrant’s information services relating to car facts of interest to car buyers and has been disclaimed.”³¹ Even if we assume that the term “car facts” is descriptive of facts about cars, it does not follow that CARFAX is not entitled to protection from phonetically similar marks for legally identical services. We have long held that a likelihood of confusion should be avoided as much between “weak” marks as between “strong” marks, or as between a “weak” and a “strong” mark. *King Candy Co.*, 182 USPQ at 109; *see also China Healthways Inst., Inc. v. Wang*, 491 F.3d 1337, 83 USPQ2d 1123 (Fed. Cir. 2007) (the common word in CHI and CHI PLUS is likely to cause confusion despite differences in the marks’ designs); *Specialty Brands, Inc. v. Coffee Bean Distrib., Inc.*, 748 F.2d 669, 223 USPQ 1281, 1283 (Fed. Cir. 1984) (“Of paramount interest is not the descriptive nature of SPICE, but the overall commercial impression derived by viewing the

³¹ *Id.*

marks in their entirety. . . . Arguments to the effect that one portion of a mark possesses no trademark significance leading to a direct comparison between only what remains is an erroneous approach.”).

In view of the foregoing, we find that the similarities between the marks outweigh the dissimilarities and Respondent’s use of AAA CarFacts, incorporating the phonetic equivalent of CARFAX, creates a substantially similar mark to Petitioner’s previously-used mark. This *du Pont* factor weighs in favor of a finding of likelihood of confusion.

E. Balancing the factors

After considering all of the applicable *du Pont* factors, we find that Respondent’s mark, AAA CarFacts, used on the services identified in Respondent’s registration is likely to cause confusion with the Petitioner’s CARFAX and design mark, used on the services identified in Petitioner’s registration.

In light of the foregoing, we do not reach the claims relating to contractual estoppel and lack of use by Respondent of the mark for the identified services.

Decision: The petition for cancellation is granted on the ground of likelihood of confusion based on Petitioner’s CARFAX marks. Registration No. 4081146 will be cancelled in due course.