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UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Brittex Financial, Inc.

v.

Dollar Financial Group, Inc.

Cancellation No. 92060888

Robert L. McRae and Nick Guinn of Gunn, Lee & Cave, P.C.,
for Brittex Financial, Inc.

Bassam N. Ibrahim, Bryce J. Maynard, and Laura K. Pitts of
Buchanan, Ingersoll & Rooney, PC, for Dollar Financial Group, Inc.

Before Bergsman, Heasley, and Lebow,
Administrative Trademark Judges.

Opinion by Lebow, Administrative Trademark Judge:

Respondent, Dollar Financial Group, Inc., owns the following registrations on the Principal Register:

> 1. Registration No. 4524540 for the mark MONEY MART (standard characters) for "pawn brokerage and pawn shops; providing monetary exchange services, namely, exchanging gold and silver of others for cash; issuing of prepaid debit cards; issuing of prepaid gift cards; gift card transaction processing services," in International Class 36;[1] and

[1] Registered May 6, 2014; Section 8 statement of use accepted.

2. Registration No. 4532073 for the mark 

for "loan financing; check cashing and electronic funds transfer services, but not including extensions of credit except to the extent evidence by a check; pawn brokerage and pawn shops; providing monetary exchange services, namely, exchanging gold and silver of others for cash; issuing of prepaid debit cards; issuing of prepaid gift cards; gift card transaction processing services," in International Class 36.[2]

Both registrations ("the Registrations") disclaim the exclusive right to use "MONEY" apart from the mark as shown.

Petitioner, Brittex Financial, Inc., petitioned to cancel the Registrations on grounds of (1) priority and likelihood of confusion with Petitioner's common law mark MONEY MART for pawn brokerage and pawn shop services, and (2) fraud in the procurement of the registrations.[3]

Respondent denied the salient allegations in the petition and asserted various "affirmative and other defenses," including lack of distinctiveness, laches, acquiescence, and unclean hands, which Respondent did not pursue at trial and are

[2] Registered May 20, 2014; Section 8 Statement of Use accepted. Color is not claimed as a feature of the mark. The mark consists of the stylized wording "MONEY MART" superimposed over a circular design.

[3] 13 TTABVUE. Petitioner also pleaded an affirmative defense that the registrations were abandoned due to nonuse, which was stricken during the proceeding. 51 TTABVUE 3-4.

Citations to the record reference TTABVUE, the Board's online docketing system. The number preceding "TTABVUE" corresponds to the docket entry number(s), and any number(s) following "TTABVUE" refer(s) to the page number(s) of the docket entry where the cited materials appear. Page references in this opinion to the record of the involved registrations or to any other registration or applications refer to the online database of the USPTO's Trademark Status & Document Retrieval ("TSDR") system.

therefore waived.[4] Respondent's other alleged affirmative defenses are either not defenses, improperly asserted, or mere amplifications of its denials.[5]

Before trial, Respondent filed a motion to amend its identification of services in the involved registrations to delete "pawn brokerage and pawn shops," pursuant to Section 18 of the Lanham Act, 15 U.S.C. § 1068, "as an alternative defense, in the event that the Board finds that Petitioner … proves priority and likelihood of confusion in connection with [Respondent's] existing identification of services."[6] The Board deferred consideration of Respondent's proposed amendment in the alterative until final decision.[7]

For the reasons that follow, we deny the petition for cancellation.

I. Preliminary Issues

Both parties filed a number of objections, which we address briefly here before turning to the merits. Petitioner objects to the following evidence submitted by

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[4] *See, e.g., Alcatraz Media, Inc. v. Chesapeake Marine Tours, Inc.*, 107 USPQ2d 1750, 1753 (TTAB 2013) (respondent's affirmative defense of failure to state a claim not argued in brief deemed waived), *aff'd mem.*, 565 F. App'x 900 (Fed. Cir. 2014); *Miller v. Miller*, 105 USPQ2d 1615, 1616 n.3 (TTAB 2013) (affirmative defense of unclean hands deemed waived because applicant failed to argue and present evidence regarding the defense at trial). They were also insufficiently pleaded.

[5] Respondent asserted failure to state a claim upon which relief can be granted, which is not an affirmative defense; abandonment of the Registrations through uncontrolled licensing, which is an impermissible collateral attack in the absence of a counterclaim, Trademark Rule 2.106(b)(3)(ii) (attack on validity of pleaded registration must be made by counterclaim or separate petition to cancel); *Fort James Operating Co. v. Royal Paper Converting Inc.*, 83 USPQ2d 1624, 1626 n.1 (TTAB 2007) (absent a counterclaim, Board cannot consider arguments against the validity of a pleaded registration); and a *Morehouse* defense, which was stricken by the Board during the proceeding. 51 TTABVUE 17.

[6] 52 TTABVUE.

[7] 54 TTABVUE.

Respondent during its testimony under a "Rule of Optional Completeness": (1) excerpts from the discovery deposition transcripts of Petitioner's witnesses, Larry Nuckols and Christopher Upton,[8] and (2) excerpts submitted by Respondent from a printed publication titled Fringe Banking: Check Cashing Outlets, Pawnshops, and the Poor, because only excerpts were provided.[9] Petitioner requests that the Board strike this evidence or, in the alternative, permit full copies to be submitted.[10]

As Respondent points out, there is no "Rule of Optional Completeness" in the Federal Rules of Evidence or applicable Trademark Rules. As to the deposition excerpts, Trademark Rule 2.120(k)(4), 37 C.F.R. § 2.120(k)(4), permits a party to "introduce under a notice of reliance any other part of the deposition which should in fairness be considered so as to make not misleading what was offered by the submitting party." However, Petitioner did not do so. As to the publication excerpts, there is no requirement that an entire copy of a printed publication be submitted in evidence to rely on a portion thereof. If Petitioner believed other portions of that publication were relevant, it should have made them of record during its rebuttal testimony period. These objections are overruled.

Petitioner also objects to Respondent's brief for being over length:[11]

> [I]t appears [Respondent] uses its appendix to avoid page limits. Several objections should have been raised in the brief and applied toward the page count. Main briefs are limited to fifty-five pages. DFG's brief is fifty-four (54) pages long—with a single paged, single spaced table of

[8] 117 TTABVUE 48-49.

[9] *Id*. at 50.

[10] 117 TTABVUE 48, 50.

[11] 124 TTABVUE 29-30.

> authorities, and no table of contents—and ten pages of appendix, most which [sic] belongs in the main brief.

Petitioner does not explain why Respondent should have raised certain objections within the body of its brief as opposed to its appendix. Trademark Rule 2.128(b) specifically permits a party to raise objections by way of an appendix, which is not counted toward the 55-page main brief limit. 37 C.F.R. § 2.128(b). Additionally, while a brief must contain an alphabetical index of cases cited, there is no requirement that the index be double spaced, or that a table of contents be included with the brief, although these features of a brief are certainly helpful to the Board's review.[12] Respondent also included a listing of statutes, rules, regulations and other authorities, which is not required. This objection is overruled.

The parties' remaining objections are also overruled. Because a cancellation proceeding is akin to a bench trial, the Board is capable of assessing the proper evidentiary weight to be accorded the testimony and evidence, taking into account the imperfections surrounding the admissibility of such testimony and evidence. As necessary and appropriate, we will point out any limitations in the evidence or otherwise note that we cannot rely on the evidence in the manner sought. We have considered all of the testimony and evidence introduced into the record. In doing so, we have kept in mind the various objections the parties have raised and we have

[12] Both parties' briefs contain numerous footnotes that are single-spaced, some of which are lengthy. Although the Board has not adopted the Federal Circuit's rule that footnotes, too, must be double-spaced, we have cautioned that single-spaced footnotes are not to be used as a subterfuge to avoid the page limitations set forth in Trademark Rule 2.128. *Consorzio del Prosciutto di Parma v. Parma Sausage Prods. Inc.*, 23 USPQ2d 1894, 1896 n.3 (TTAB 1992).

accorded whatever probative value the subject testimony and evidence merit. *See Luxco, Inc. v. Consejo Regulador del Tequila, A.C.*, 121 USPQ2d 1477, 1479 (TTAB 2017); *U.S. Playing Card Co. v. Harbro*, LLC, 81 USPQ2d 1542, 1540 (TTAB 2006); *Poly-America, L.P. v. Ill. Tool Works Inc.*, 124 USPQ2d 1508, 1510 (TTAB 2017) (where the objections refer to probative value rather than admissibility and the evidence that is subject to the objections is not outcome determinative, "we choose not to make specific rulings on each and every objection").

II. The Record

The record includes the Registrations by operation of Trademark Rule 2.122(b)(1), 37 C.F.R. § 2.122(b)(1), and the pleadings. The record also includes the following evidence introduced by the parties:

A. Petitioner's Evidence

- Notice of reliance ("NOR") on Respondent's responses to Petitioner's requests for production of documents[13] and interrogatories;[14] portions of the discovery depositions of Mark Prior, Roy Hibberd, and Tim Hickey ("Hickey Decl.");[15] pages from Respondent's website;[16] pawn and lending licenses produced by both parties;[17] correspondence between the parties' counsel;[18] and

[13] 55-56 TTABVUE 10-29 (Exhibit A). When documents are not produced in response to a propounding party's requests for documents, the responses to those requests are admissible solely for purposes of showing that the party stated that there are no responsive documents. *City National Bank v. OPGI Management GP Inc./Gestion OPGI Inc.*, 106 USPQ2d 1668, 1674 n.10 (TTAB 2013). We therefore only consider Respondent's responses indicating that there are no documents.

[14] *Id*. at 40-48 (Exhibit B).

[15] *Id*. at 50-335 (Exhibits C-E).

[16] *Id*. at 337-377 (Exhibit F).

[17] *Id*. at 379-453, 455-500 (Exhibits G-H).

[18] *Id*. at 502-503, 505 (Exhibits I-J).

- Testimony depositions and/or affidavits of Larry Nuckols ("Nuckols T-Dep.");[19] Christopher Upton ("Upton T-Dep.");[20] Amy Szwajkowski ("Szwajkowski T-Dep.);[21] Jeffrey Weiss ("Weiss Aff.");[22] and Alex Matthews.[23]

B. Respondent's Evidence

- NOR on copies of registration certificates, USPTO Trademark Electronic Search System (TESS) database records, and file histories, for other registrations owned by Respondent not involved in the proceeding (Registration Nos. 3206120 and 2244158) and third-parties;[24] dictionary definitions;[25] articles and excerpts from third-party websites;[26] newspaper articles;[27] excerpts from telephone and business directories;[28] copies of pawn licenses issued to Respondent and related companies;[29] excerpts of provisions from the State of Texas Code;[30] pages from the USPTO's website;[31] pages from Respondent's and Petitioner's websites;[32]

- Testimony affidavits or declarations of Nancy Fuschino ("Fuschino Decl."); Kathy Bazil; Jeffrey Weis; Kim Love-McLendon ("McLendon

[19] 58-59 TTABVUE 4-253.

[20] 60-61 TTABVUE 4-178.

[21] 76-77 TTABVUE 4-64.

[22] 80 TTABVUE 2-337.

[23] 104 TTABVUE 2-161.

[24] 100 TTABVUE 41-196, 278-300, 310-320, 341-414 (Exhibits 3-8, 26-33, 34-37, 44-68).

Respondent also provided TESS printouts for the involved registrations, which was unnecessary because they were already of record.

[25] *Id*. at 198-204 (Exhibits 9-11).

[26] *Id*. at 206, 260-276, 302-308, 322-339, 416-468 (Exhibit 12, 24-25, 33, 38-43, 69-77); 102 TTABVUE 33-55 (Exhibits 85-96).

[27] *Id*. at 209-259 (Exhibits 13-23).

[28] 101 TTABVUE 3-178 (Exhibits 78-81).

[29] 101 TTABVUE 180-211, 103 TTABVUE 4-31 (Exhibits 82-84).

[30] 102 TTABVUE 57-58 (Exhibit 97).

[31] 102 TTABVUE 60-63 (Exhibit 98).

[32] 103 TTABVUE (Exhibits 99-100).

Decl."); and Alex Matthews;[33] and

- Transcripts or excerpts from the discovery depositions of Tim Hickey ("Hickey Disco. Dep.") Roy Hibberd, Mark Prior, Larry Nuckols ("Nuckols Disco. Dep."), and Christopher Upton ("Upton Disco. Dep.").[34]

III. Entitlement to a Statutory Cause of Action

To establish entitlement to a statutory cause of action under Section 14 of the Trademark Act, a plaintiff must demonstrate a "real interest" in the proceeding and a "reasonable belief of damage." *Australian Therapeutic Supplies Pty. Ltd. v. Naked TM, LLC*, 965 F.3d 1370, 2020 USPQ2d 10837 at *3 (Fed. Cir. 2020); *see also Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058 (Fed. Cir. 2014); *Coach Servs., Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 101 USPQ2d 1713, 1727 (Fed. Cir. 2012); *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999).

Petitioner introduced evidence that it has used the mark MONEY MART PAWN or MONEY MART PAWN & JEWELRY in connection with pawn services since January 1993, and currently operates over a dozen stores under the name "Money Mart Pawn & Jewelry."[35] This suffices to show that Petitioner is a competitor of Respondent with respect to the provision of the "pawn brokerage and pawn shops"

[33] 87 TTABVUE 2-96 (Fuschino Decl.); 90 TTABVUE 2-201 (Bazil Decl.); 96 TTABVUE 2-114 (Weiss Decl.); 98 TTABVUE 2-201, 99 TTABVUE 2-215 (McClendon Decl.); 116 TTABVUE 2-219 (Matthews Decl.). The parties stipulated that "both parties may introduce and rely upon the discovery deposition transcript of Respondent's 30(b)(6) representative, Mr. Hickey, along with attached exhibits, as evidence during the trial period, subject only to the objections raised during their depositions.[sic]." 72 TTABVE 2-3.

[34] 102 TTABVUE 164-678 (Exhibits 101-105).

[35] 58 TTABVUE 11, 15, 19-20, 59 (Nuckols T-Dep.).

services identified in the involved registrations and thus a real interest in this proceeding and a reasonable basis for its belief of damage. Petitioner has therefore established a right to entitlement to a statutory cause of action in this proceeding.[36] *See Cunningham v. Laser Golf Corp.,* 222 F.3d 943, 55 USPQ2d 1842, 1844 (Fed. Cir. 2000) (standing can be established by proving a direct commercial interest); *Lipton Indus. Inc. v. Ralston Purina Co.,* 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982) (standing may be established when a plaintiff proves a real commercial interest in its own marks and a reasonable belief that it will damaged); *Giersch v. Scripps Networks Inc.,* 90 USPQ2d 1020, 1022 (TTAB 2009) ("Petitioner has established its common-law rights in the [pleaded mark], and has thereby established his standing to bring this proceeding.").

Once a statutory basis for a cause of action is established, a petitioner may rely on any ground set forth in the Trademark Act that negates the respondent's right to registration. *Jewelers Vigilance Comm., Inc. v. Ullenberg Corp*., 823 F.2d 490, 493, 2 U.S.P.Q.2d 2021, 2024 (Fed. Cir. 1987); *Estate of Biro v. Bic Corp*., 18 USPQ2d 1382, 1385–86 (TTAB 1991) (Once the petitioner shows "a personal interest in the outcome of the case ... the Petitioner may rely on any ground that negates Respondent's right to the registration sought").

IV. Likelihood of Confusion

To prevail on its Section 2 (d) ground for cancellation, Petitioner, which does not own a registration, must prove that Respondent's marks, when used in connection

[36] Respondent does not contest Petitioner's entitlement to a statutory cause of action.

with Respondent's services, "so resembles . . . a mark or trade name previously used in the United States by another [in this case, Petitioner] and not abandoned," as to be likely to cause confusion. Trademark Act § 2(d), 15 U.S.C. § 1052(d). Thus, there are two elements of Petitioner's § 2(d) claim, i.e., that Petitioner has priority, and that a likelihood of confusion exists.

Because Petitioner has not pleaded ownership of a registered trademark, it must rely on its common law use of the mark MONEY MART as a service mark to prove priority. *Embarcadero Techs., Inc. v. RStudio, Inc.*, 105 USPQ2d 1825, 1834 (TTAB 2013) (citing *Hydro-Dynamics Inc. v. George Putnam & Co. Inc.*, 811 F.2d 1470, 1 USPQ2d 1772, 1773 (Fed. Cir. 1987) (The "decision as to priority is made in accordance with the preponderance of the evidence")); *Giersch v. Scripps Networks, Inc.*, 90 USPQ2d at 1023 (In the absence of a pleaded registration, a party may establish priority in a mark through common law use.). Accordingly, Petitioner must prove that it established rights in its unregistered mark or name before the earliest date on which Respondent can rely. Absent proof of such prior rights, Petitioner cannot prevail on its Section 2(d) claim.

A. The Parties and Their Respective First Use Claims

1. <u>Respondent</u>

Respondent, f/k/a Monetary Management Corporation,[37] was founded in 1979 and currently owns a network of more than 800 retail locations across North America,

[37] 96 TTABVUE 2-3, 10-12 (Weiss Decl. ¶ 3, and Exhibit 1); 87 TTABVUE 3 (Fuschino Decl. ¶ 7).

including the United States and Canada, through which it provides various consumer financial services primarily in connection with the mark MONEY MART.[38] Respondent claims use of the mark MONEY MART in connection with in loan financing, check cashing, and electronic funds transfer services in the United States since as early as 1984.[39] Respondent's evidence to support this claim includes the following:

- Jeffrey Weiss, the CEO and Chairman of Respondent between 1990 and 2014, testified, based on his personal knowledge and his review of corporate records and documents produced in this case, that Respondent "has used the MONEY MART mark continuously and without interruption in the United States in connection with check cashing and loan financing services, including payday lending, since the early 1980s;[40]

- Nancy Fuschino, currently the Director of Customer Acquisition and an employee of National Money Mart (a subsidiary of Respondent) since 2008, testified, based on her review of corporate records and documents, that "[f]rom the 1980s to present, [Respondent] (formerly Money Management Corporation) has used the MONEY MART mark in connection with check cashing, money transfer services, and loan financing services, including payday lending."[41]

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[38] 98-99 TTABVUE 3 (McLendon Decl., ¶ 6); 96 TTABVUE 2 (Weiss Decl., ¶ 2).

[39] 123 TTABVUE 5, 20.

[40] 96 TTABVUE 2-4 (Weiss Decl. ¶¶ 1, 5, 7, 13-29). A "payday lender" is a company that lends small amounts of money for a short time, usually at a very high rate of interest." Collins Dictionary: (https://www.collinsdictionary.com/us/dictionary/english/payday-lender). The Board may take judicial notice of definitions from dictionaries, including online dictionaries that exist in printed format. *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). Respondent also provided testimony that "payday loan services are a type of loan financing, namely, short-term, small dollar unsecured loans that rely upon the recipient of the loan having previous verifiable payroll and employment records. 87 TTABVUE 8 (Fuschino Decl. ¶ 31), as well as a Wikipedia article (Payday loans in the United States) explaining that a "payday loan" … is a small, short-term unsecured loan, "regardless of whether repayment of loans is linked to a borrower's payday." 100 TTABVUE 448 (Respondent's NOR, Exhibit 76).

[41] 87 TTABVUE 2-3, 9 (Fuschino Decl. ¶¶ 2-7, 41).

- Tim Hickey, Respondent's Vice President of Marketing for North America since 2014, testified on cross-examination that Respondent has been providing loan financing and check cashing services since 1984 under the name Money Mart.[42]

- Kim Love McLendon, Respondent's Licensing and Compliance Paralegal and an employee of Respondent since 2005, testified, based on her review of corporate records and documents, that "[Respondent] has offered a wide variety of consumer financial services under the MONEY MART mark in the United States for more than thirty (30) years, including check cashing; money order and transfer services; and loan financing services, including payday loans."[43]

- Telephone directory excerpts for Respondent's MONEY MART stores including a 1984-1985 White Pages listing for 2 of its original Detroit, Michigan stores; a 1989 Yellow Pages listing under the category of "Money Order Services" for 12 stores in and around Detroit, Michigan; and a 1990 Yellow Pages listing for a MONEY MART INC. store in Taylor, Michigan;[44] and

- City and business directory listings of Respondent's MONEY MART stores in Lincoln Park (1985, 1987-1988), Detroit (1989-1991, 1994-1996), and Taylor (1990), Michigan.[45]

Respondent also provided testimony that "[s]ince at least as early as 2012, [Respondent] has continuously offered pawn brokerage and pawn store services in connection with the MONEY MART Marks in commerce in the United States"; it began "recognizing revenue" for those services in March 2012.[46]

The foregoing evidence and unchallenged testimony establishes that Respondent

[42] 102 TTABVUE 546, 550 (Hickey Disco. Dep.).

[43] 98 TTABVUE 2-3, 5, 8 (McLendon Decl. ¶¶ 2, 4-5, 15, 27).

[44] 96 TTABVUE 5-6, 14-19, 64-66 (Weiss Decl. ¶ 16-17, 20, and Exhibits 2-3, 7); 87 TTABVUE 4-5, 12-17, 62-64 (Fuschino Decl. ¶¶ 11-12, 15, and Exhibits 1-2, 6).

[45] 96 TTABVUE 5-6, 21-62 (Weiss Decl. ¶¶ 18-20, and Exhibits 4-6); 87 TTABVUE 4-5, 19-60, 66-89 (Fuschino Decl. ¶¶ 13-16, and Exhibits 3-5, 7).

[46] 87 TTABVUE 8-9 (Fuschino Decl. ¶ 39-40).

has proprietary rights in the mark MONEY MART in connection with loan financing, check cashing, and electronic funds transfer services in the United States since as early as 1984 and, in any event, before Petitioner's alleged 1993 date of first use of the mark MONEY MART in connection with pawn brokerage and pawn services. *See Powermatics, Inc. v. Globe Roofing Prods. Co.*, 341 F.2d 127, 144 USPQ 430, 432 (CCPA 1965) (oral testimony alone of a single, credible witness is enough to establish common law use of a mark for the identified goods or services); *National Bank Book Co. v. Leather Crafted Prods., Inc.*, 218 USPQ 827, 828 (TTAB 1993) (oral testimony may be sufficient to prove the first use of a party's mark when it is based on personal knowledge, it is clear and convincing, and it has not been contradicted); *GAF Corp. v. Anatox Analytical Servs., Inc.,* 192 USPQ 576, 577 (TTAB 1976) (oral testimony may establish prior use when the testimony is clear, consistent, convincing, and uncontradicted).

2. Petitioner

Petitioner was founded in 2006 and currently owns "a little over a dozen" pawn shops in the State of Texas that it operates under the name Money Mart Pawn & Jewelry to provide pawn services.[47] Petitioner, through its predecessor-in-interest Pawn Management, Inc. ("PMI"), claims use the mark MONEY MART in connection with pawn services in Texas since as early as 1993.[48] Petitioner's evidence to support this claim includes the following:

- Larry Nuckols, the founder and one of the owners of Petitioner's

[47] 60 TTABVUE 11-12 (Upton T-Dep.); 58 TTABVUE 11, 20, 56 (Nuckols T-Dep.).

[48] *Id.* at 16-17.

predecessor-in-interest, PMI, in January 1993, as well as one of the founders of Petitioner in 2006 and "one of the principles and owners and director" of Petitioner, testified that he opened PMI's first pawn store under the name Money Market Pawn & Jewelry in 1993,[49] which used the mark MONEY MART PAWN or MONEY MART PAWN & JEWELRY for that store and subsequent stores acquired by Petitioner with the permission of PMI;[50] and that he has continued to operate stores under the name Money Mart Pawn from 1993 to the present;[51]

- Chris Upton testified that he met Larry Nuckols in 1986 and worked with him in the pawn industry from 1986 through 1993 when Mr. Nuckols started PMI;[52] that he visited PMI's first Money Mart Pawn store in the summer of 1993;[53] that Petitioner opened its first store under the mark Money Mart Pawn in January 2008; and that Petitioner has continued to either acquire or open new pawn stores under the mark MONEY MART or MONEY MART PAWN until the present day;[54]

- Undated photographs of stores that have operated or currently operate under the name MONEY MARKET PAWN showing signage, including PMI's/Petitioner's first store;[55]

- Petitioner promotional materials distributed under the name Money Mart Pawn & Jewelry for a couple of its store locations including a printers' proof for a mailing regarding a June 14, 2008 giveaway, and a holiday flyer for a November 29, 2003 holiday sale and promotional giveaway;[56] and

- Copies of 71 State of Texas lending licenses and/or pawn shop licenses issued to PMI, Petitioner, or licensees thereof, for the years 1993-1994, 1996-1997, 1999, 2001-2007, 2009-2015, including one to Petitioner indicating an issue date of July 14, 1993.[57]

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[49] *Id*. at 9, 11, 15,

[50] *Id*. at 48.

[51] *Id*. at 20.

[52] 60 TTABVUE 8-9 (Upton T-Dep.).

[53] *Id*. at 25-26.

[54] *Id*. at 13.

[55] 58 TTABVUE 20-31, 156-163 (Nuckols T-Dep. and Exhibits 5-12).

[56] *Id*. at 32-34, 164-165 (Testimony and Exhibits 13-14).

[57] *Id*. at 155, 179-249 (Exhibits 4 and 25).

The foregoing evidence and unchallenged testimony establishes that Petitioner has used the mark MONEY MART PAWN and/or MONEY MART PAWN & JEWELRY in connection with pawn services since as early as 1993.[58] *See Powermatics,* 144 USPQ at 432; *National Bank Book Co.,* 218 USPQ at 828; *GAF Corp. v. Anatox Analytical Servs., Inc.,* 192 USPQ at 577.

B. Summary of the Parties' Priority Dispute

Petitioner argues that it has superior rights in the mark MONEY MART with respect to pawn services because it and its predecessor-in-interest have used the mark in connection with those services since as early as 1993 and, in any event, prior to 2012, purportedly the earliest date upon which Respondent may rely upon for providing pawn services under its mark MONEY MART.[59]

Respondent does not dispute that Petitioner was the first party to use the term MONEY MART expressly in connection with pawn services. Nevertheless, Respondent argues that it has superior rights in the mark MONEY MART for pawn services because it has been providing loan financing, check cashing, and electronic

[58] Although several of Petitioner's witnesses used the term "MONEY MART" alone, either in a declaration/affidavit or in response to questioning by counsel, Petitioner's response to an interrogatory posed by Respondent clarifies that Petitioner has not actually used that term without other wording. Respondent's Interrogatory No. 8 asked Petitioner to "State whether Petitioner has ever used MONEY MART as a standalone mark or name (i.e., apart from the names "Money Mart Pawn" and/or "Money Mart Pawn & Jewelry,")." Answer: "'No.' However, 'pawn' describes Petitioner's services, and it is more common than not for Petitioner's customers and others in the pawn industry who know of Petitioner's services and pawn stores to simply refer to Petitioner and/or Petitioner's stores as 'Money Mart.'" 103 TTABVUE 120-121 [Respondent's NOR].

[59] 117 TTABVUE 9, 17-19.

funds transfer services since as early as 1984.[60] According to Respondent, pawn brokerage and pawn shop services are either (1) "a subset of and encompassed by 'loan financing services,' and are thus "extremely closely related" or "substantially identical," or they are (2) within Respondent's zone of natural expansion for its loan financing, payday lending or check cashing services, in that they are "so closely related that consumers would expect them to be offered by the same company under the same mark."[61]

C. Whether Petitioner's Pawn Services Are Encompassed by Respondent's Loan Financing Services

Earlier in the proceeding, the Board, granting Respondent's motion for leave to amend its answer, found—based on the materials provided by Respondent in its motion—that Respondent's loan financing services identified in its involved Registration No. 3206120 are "substantially the same" as Petitioner's pawn brokerage and pawn services.[62] Subsequently, in denying Respondent's motions for summary judgment, and viewing the facts in the light most favorable to Petitioner, the non-moving party, as it must in such a motion, the Board found that genuine issues of material fact remained as to whether Respondent could show that pawn shop and pawn brokerage services are indeed "encompassed by" loan financing services.[63]

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[60] 123 TTABVUE 20-21.

[61] *Id*. at 21

[62] 30 TTABVUE 10 (Board Order of December 16, 2016).

[63] 51 TTABVUE 15. In a motion for summary judgment, the evidence of record and any inferences which may be drawn from the underlying undisputed facts must be viewed in the

We now decide that issue in the absence of the evidentiary restraints dictated by a motion for summary judgment. If we find that pawn brokerage and pawn shop services are covered or encompassed by loan financing, then we must resolve the issue of priority in Respondent's favor. If we do not, we will discuss Respondent's secondary argument that such services are within its zone of natural expansion.

1. Dictionary, Encyclopedia, and Industry Evidence

Respondent provided evidence and testimony in the form of dictionary and encyclopedia definitions, and a third-party website, in support of its contention that "a 'pawn' is merely a type of loan" and that "pawn brokerage and pawn shop services are a form of short-term loaning financing services" and thus are encompassed by them,[64] including the following:[65]

- Pawnbroker – "one who makes loans on personal effects that are left as security" (The Columbia Electronic Encyclopedia); "a dealer licensed to lend money at a specified rate of interest on the security of moveable personal property" (Collins Discovery Encyclopedia, 1st edition); and "a small lender who lends money at a high interest rate and holds some of the borrower's personal goods as collateral, to be sold to the public (in a pawn shop) in the event of default (InvestorWords.com – Online Investing Glossary);

- Pawn – "To deliver personal property to another as a pledge or as security for a debt. A deposit of goods with a creditor as security for a sum of money borrowed" (West's Encyclopedia of American Law, Edition 2);

- How does a pawn work? A pawn is another term for a collateral loan. Pawnbrokers lend money on items of value ranging from gold and diamond jewelry, musical instruments, electronics, tools, household

light most favorable to the non-moving party. *See Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542 (Fed. Cir. 1992).

[64] *Id.*

[65] 100 TTABVUE 197-206 (Respondent's NOR, Exhibits 9-12).

> items, firearms, and more. Some pawn shops may specialize in certain items. Loans are based on the value of the collateral. A customer may also choose to surrender your collateral as payment in full. Pawn shops may offer extensions/renewals (where permitted by state law). Why would someone go to a pawn broker to get a loan? Pawnbrokers offer the consumer a quick, convenience and confidential way to borrow money. A short-term cash need can be met with no credit check or legal consequences if the loan is not repaid. Pawnbroking imposes a discipline of the borrower that other lenders do not. Pawn loans do not cause people to overextend credit or go into bankruptcy. (National Pawnbrokers Association).

Neither party provides a definition for "pawn shop, or "pawnshop" (as that term is more commonly expressed). As simple as it may seem, we find it appropriate to have this term defined in the record for our later analysis. A "pawnshop" is a pawnbroker's shop,"[66] or "the shop of a pawnbroker."[67] Additionally, we note that "pawn brokerage ("pawnbrokerage") is defined as "pawnbroking."[68]

2. <u>News Articles</u>

Respondent also provided a number of articles in support of its contention that pawn brokerage and pawn shops are considered providers of loan services, including the following excerpts:

> Though pawnshops are often lauded by customers for their easy and speedy transactions, the real lure has been their willingness to act as the lender of last resort for the working poor, who often find themselves abandoned by the mainstream banking world. But they are being joined by increasing numbers of middle-class and even more affluent customers, hard hit by recession-related layoffs, bankruptcies, foreclosures and tight credit, as well as other modern money maladies, like high medical bills and costly divorce settlements.

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[66] https://www.merriam-webster.com/dictionary/pawnshop (Merriam-Webster Dictionary);

[67] https://www.ahdictionary.com/word/search.html?q=pawnshop (The American Heritage Dictionary).

[68] https://www.merriam-webster.com/dictionary/pawnbrokerage (Merrian-Webster Dictionary).

Pawnshops profit by making loans in exchange for items that serve as collateral. Monthly interest rates, excluding storage fees and other charges… If the interest is not paid on time, the collateral is forfeited to the pawnbroker, who often sells it at near-wholesale prices. On average, shops hold goods about 60 days before they are forfeited.

Some pawnshops are even becoming financial centers, cashing checks, taking payment on bills and making loans for tickets from other pawnshops. They promote their loan application process as quick and trouble free and are willing to make frequent and small loans (sometimes as little as $5). They also run ads on television and are moving away from seedier sections to more desirable areas, like suburban shopping centers. ["Upscale Down-and-Outers Try Pawning," The New York Times, September 11, 1991][69]

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The woman marched in from the bustle of Frankford Avenue with a quickness that left little doubt she was in a hurry. "I want to get $10 on this."…. In barely five minutes, she was out the door with no questions asked with what she wanted in hand, courtesy of Art's Money Loan Inc., a self-styled modern-day pawnshop. It's such quick services, along with new merchandising ideas, that Arthur Dansky, proprietor of Art's Money Loan, hopes will sell more and more people on using pawnshops as a source of loans. … "Instead of going to a bank, where there is red tape involved or where you have to put up collateral such as a house or a car, with us it's very quick, it's confidential… It's very simple." ["Lending Pawnshops a New Image," Philadelphia Inquirer, October 2, 1988][70]

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Pawn shops are used for lending as well as check cashing and money orders. … "People use pawn shops for loans – they are convenient, a transaction takes only about 10 minutes and there are no credit consequences." ["Pawn Shop Business Has Ripple Economic Effect," Tulsa World][71]

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"A pawnshop operates as an integral a part of a community as any

[69] 100 TTABVUE 209-211 (Exhibit 13).

[70] *Id*. at 213-216 (Exhibit 14).

[71] *Id*. at 237-238 (Exhibit 19).

bank," says Keithline, who opened a shop on Broad Street four years ago. "People of modest means need money, but the way things are now, it's very difficult for them to borrow. Banks won't loan $1,000. They'll loan $10,000 maybe, but not $1,000. So a lot of people use us as ATM machines. They get a little windfall, they buy a piece of jewelry and that becomes hard currency, and it becomes collateral. This is as fundamentally a collateral loan as any bank loan." ["When times get tough, the tough open up pawnshops," The Providence Journal, April 11, 1993][72]

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Pawn lending: Pawn lending is a short-term, secured lending transaction in which the lender typically takes physical possession of the item securing the loan (often jewelry or other personal goods). The lending agreement allows the pawn lender to take possession of and sell the collateral if the borrower does not meet the terms of the agreement. Recent estimates of the overall scale of pawn lending are not available. However, the largest publicly traded pawn lender, Cash America International Inc., with 500 stores in 22 states, reported making $514 million in pawn loans in 2007, with APRs ranging from 12 to 300 percent. ["Alternative Financial Services: A Primer" by the Federal Deposit Insurance Corporation, FDIC 2009][73]

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Despite their strong retail bias, "you have to think of pawnshops as lending institutions, because that's their strength and that's where they make their money," says Edward Antoian, portfolio manager of Delaware Management's DelCap growth fund, which owns more than 1.1. million Cash America shares. ["The pawnshop is working to polish its squalid image," Texas Journal, The Wall Street Journal, December 22, 1993][74]

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Bolstered by higher poverty rates, a sagging economy and tightening credit, pawnshops are becoming lenders of last resort for a growing number of strapped consumers. … [T]he ability to borrow a small amount of money simply by presenting identification, offering a piece of collateral and signing on the dotted line. … Driving the growth of pawnshops is the demand for small, short-term personal loans.

[72] *Id*. at 240-243 (Exhibit 20).

[73] *Id*. at 261-272 (Exhibit 24).

[74] 103 TTABVUE 58-60 (Exhibit 112).

["Pawnships [sic] Make a Comeback," Newsweek, December 3, 1990][75]

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When money becomes too tight to mention and small, short-term loans can't be found, more consumers are turning to one of the oldest lending institutions: the pawnshop. ["Lien On Me; More People Find Pawnshops Just The Ticket," The Commercial Appeal (Memphis), October 17, 1991][76]

3. Witness Testimony

Finally, Respondent provided the testimony of witnesses for both Respondent and Petitioner to further demonstrate that pawn brokerage and pawn shop services fall within loan financing:

a. Tim Hickey (Respondent's Vice President)[77]

Q: Okay. Now, when you say that [Respondent] provides loan financing services, can you explain what you mean by loan financing?

A: So we view loan financing as really any type of loan, whether that be a loan that is collateralized or not collateralized. So that could include payday loans, installment loans, pawn loans.

b. Amy Szwajkowski (Respondent's Director of Marketing Communications)[78]

Q: So what is your understanding of loan financing?

A: Loan financing, it's when somebody borrows money and promises to pay it back.

Q: And would that include pawn lending?

A: Yes.

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[75] *Id*. at 77-78 (Exhibit 117).

[76] *Id*. at 92-93 (Exhibit 120).

[77] 102 TTABVUE 554 (Respondent's NOR, Disco. Dep., Exhibit 105)

[78] 76 TTABVUE 35-36 (Szwajkowski T-Dep.).

c. Larry Nuckols (Petitioner's Founder and Owner)

(Discovery Deposition)[79]

Q: How would you describe pawn brokerage services?

A: It is collateral lending, loans in tangible merchandise to the public.

Q: And those are short-term loans?

A: Yes, sir.

Q: And how would you describe pawn store services.

A: It's the same thing.

Q: Same thing as pawn brokerage services?

A: Yes, sir.

(Testimony Deposition)[80]

Q: Okay. And describe briefly what you, in your experience, believe the pawn business to be.

A: The pawn business is, we're in the business of loaning money secured by asserts, collateral that we hold on behalf of our customers.

d. Christopher Upton (Petitioner's Owner, President and COO)[81]

Q: Okay. Does Brittex offer the same services in every Money Mart Pawn store?

Objection by Petitioner's counsel: Objection. Vague. Go ahead.

A: The same?

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[79] 102 TTABVUE 442 (Respondent's NOR, Exhibit 103) (emphasis added).

[80] 58 TTABVUE 11-12 (Nuckols T-Dep.) (emphasis added).

[81] 60 TTABVUE 33-34.

Q: The same services.

A: We offer pawn loans.

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D. Analysis of Priority

The evidence indicates that pawn shops are the location from which pawnbrokers provide pawn brokerage (the provision of loans based on personal collateral). The evidence further indicates that the media and public view pawn loans as an alternative way of obtaining a fast, short-term loan. Most persuasive was the evidence provided by Petitioner's own witnesses. Larry Nuckols (an owner and founder of Petitioner) testified that pawn shop services and pawn brokerage (collateral lending) are the same thing. Christopher Upton (an owner and president of Petitioner) testified that Petitioner provides the same services in all of its pawn shops: pawn loans. Petitioner's pawn shop loans thus comprise its "pawn services."

Respondent owns Registration 3206120 for the mark MONEY MART for loan financing, which is incontestable and unchallenged in this proceeding. That registration grants Respondent the exclusive right to use that mark in connection with those services. *Stone Lion Capital Partners, L.P. v. Lion Capital LLP*, 746 F.3d 1317, 110 USPQ2d 1157, 1162 (Fed. Cir. 2014); *see also* 15 U.S.C. § 1057(b) (the registration is prima facie evidence of the registrant's exclusive right to use the mark "in connection with the goods or services specified in the certificate"). As such, we construe Respondent's "loan financing" in that registration as encompassing all services that fall within that broad specification, including pawn services, *See Sw. Mgmt., Inc. v. Ocinomled, Ltd.*, 115 USPQ2d 1007, 1025 (TTAB 2015) (Where services

are identified broadly, "we must presume that the services encompass all services of the type identified.") *quoted in In re Country Oven, Inc.*, 2019 USPQ2d 443903, * 4 (TTAB 2019) and *cited in In re AC Webconnecting Holding B.V.,* 2020 USPQ2d 11048, *11-12 (TTAB 2020).

Consequently, since Petitioner did not provide its pawn services until 1993, well after Respondent began providing its loan financing services in 1984, Petitioner has failed to establish priority through its common law rights in the mark MONEY MART PAWN or MONEY MART PAWN & JEWELRY and thus cannot prevail in its petition to cancel Respondent's registrations on grounds of priority and likelihood of confusion. We therefore do not reach the issue of likelihood of confusion. *See Corp. Document Servs. Inc. v. I.C.E.D. Mgmt. Inc.*, supra, 48 USPQ2d at 1479 n.4.

V. Fraud

Fraud in procuring a trademark registration occurs when an applicant knowingly makes false, material representations of fact in connection with its application with the intent to deceive the USPTO. *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009). A party opposing registration of a trademark on the ground of fraud bears a heavy burden of proof. *W. D. Byron & Sons, Inc. v. Stein Bros. Mfg. Co.*, 377 F.2d 1001, 1004, 54 C.C.P.A. 1442, 153 USPQ 749, 750 (CCPA 1967). Indeed, "the very nature of the charge of fraud requires that it be proven 'to the hilt' with clear and convincing evidence. There is no room for speculation, inference or surmise and, obviously, any doubt must be resolved against the charging party." *Smith Int'l, Inc. v. Olin Corp.*, 209 USPQ 1033, 1044 (TTAB 1981); *see also Asian and W. Classics B.V. v. Selkow*, 92 USPQ2d 1478, (TTAB 2009).

Petitioner's fraud arguments can be boiled down to the following allegations:

(1) Respondent, through its representatives or counsel, falsely represented in its sworn declarations provided during procurement of the Registrations that, to the best of their knowledge, no one else had the right to use the mark MONEY MART in commerce in connection with the identified services despite having knowledge of Petitioner's superior rights in the mark for pawn services;

(2) Respondent, through its representatives or counsel, falsely represented in its sworn declarations provided during procurement of the Registrations that the mark MONEY MART was in use in commerce in the Registrations as of 1997 and 2005;

(3) Respondent "testified falsely in its interrogatory answers" and during "several depositions" regarding its provision of pawn services under the mark MONEY MART; and

(4) Respondent failed to withdraw or repudiate its "false evidence" during this proceeding.[82]

Petitioner relies on two cease and desist letters Respondent sent to Petitioner to show that Respondent knew of Petitioner's prior use of the mark MONEY MART for pawn services, but nevertheless falsely and knowingly declared in its applications that no other party had the right to use the mark for pawn brokerage and pawn shops.[83] The first letter, dated December 4, 2000, was sent by Respondent's former counsel and alleged prior use of the mark MONEY MART by Respondent for "consumer financial services, including short-term consumer loans, using the MONEY MART® in varied media," and that Petitioner's use of the mark MONEY MART name and mark "for consumer financial services" is, inter alia, likely

[82] 117 TTABVUE 39-40.

[83] *Id*. at 19-20, 40-42.

to cause confusion with Respondent's mark.[84] Petitioner's former counsel responded to this letter by disputing Respondent's allegations of priority with respect to the territory of the San Antonio, Texas metropolitan area, where it alleged it had operated under the same name, Money Mart Pawn & Jewelry since January 1993."[85]

The second letter, sent by Respondent's current counsel on September 19, 2011, referred to its Registration Nos. 2244158 and 3206120 for MONEY MART for check cashing, electronic funds transfer, and loan financing services, and alleged prior use of the mark MONEY MART since as early as 1984. It charged that Petitioner's "use of Money Market Pawn in connection with the sale of jewelry and other items on the internet and your pawn shops is causing harm to our client's rights and could lead to confusion in the marketplace."[86] According to Petitioner, its counsel responded to Petitioner's letter, but "there wasn't an outcome" and no resolution was reached with regard to the substance of Respondent's second letter.[87]

There are many reasons why Petitioner's claim of fraud must fail, not the least of which is that it has not proven that Respondent had an intent to deceive the USPTO. That is, Respondent may have had a good faith belief that it had superior rights in the mark MONEY MART when it filed its applications for the Registrations, such

[84] 58 TTABVUE 174-175 (Nuckols T-Dep., Exhibit P-22).

[85] *Id*. at 176 (Exhibit P-23).

[86] *Id*. at 177-178. Respondent objects to this letter on the bases that it was not properly authenticated and is hearsay. We find that the letter was properly introduced into evidence by Petitioner's witness, Mr. Nuckols, who testified that he received the letter around the time that it was sent. It is hearsay, so we consider only what was asserted in the letter, not the truth of the assertions.

[87] Petitioner's response letter is not of record, so there is no evidence regarding how it responded to Respondent's letter.

that it could truthfully state in the application declaration that no other person, firm, corporation, or association has the right to use that mark in commerce, either in identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods/services of such other person to cause confusion, or to cause mistake, or to deceive.[88] There is simply no evidence from which we could infer that Respondent did not believe it had superior prior rights in the MONEY MART mark. Moreover, such a belief by Respondent's executives is supported by our finding that Petitioner failed to established priority of use. The fact that Respondent sent Petitioner two letters asserting prior rights in the mark, without more, is not sufficient for Petitioner to meet the stringent requirement that fraud be proven to the hilt with clear and convincing evidence, including of intent to deceive the Office. *Smith Int'l, Inc. v. Olin Corp*., 209 USPQ at 1044; *Asian and W. Classics B.V. v. Selkow*, 92 USPQ2d 1478, (TTAB 2009).

Respondent objects to the second prong of Petitioner's fraud argument related purported false representations by Respondent in the declarations of its applications for the Registrations that it had used the mark MONEY MART in commerce as of 1997 and 2005, respectively, because those allegations were not pleaded, were raised by Petitioner for the first time in its trial brief, and Respondent does not consent to trial on those unpleaded allegations.[89] Petitioner, in response, asserts that these additional allegations "do not amount to additional theories—they simply bolster the

[88] Declaration language from the Registration Nos. 4532073 (March 28, 2013 Application, TSDR 5) and 4524540 (March 22, 2013 Application, TSDR 5).

[89] 123 TTABVUE 47 at n. 26, 52.

single theory" that Respondent 'did not have superior rights with regard to all of the goods/services."[90]

We agree with Respondent that these allegations were unpleaded and that they were not tried by consent. Contrary to Petitioner's understanding, in all averments of fraud, the circumstances constituting fraud shall be stated with particularity. *See, e.g., King Auto., Inc. v. Speedy Muffler King, Inc.*, 667 F.2d 1008, 212 USPQ 801, 803 (CCPA 1981) ("While [Fed. R. Civ. P.] Rule 9(b) does not require the pleading of detailed evidentiary matters, we agree with the board that appellant has not stated with sufficient specificity the factual bases for its allegations of appellee's fraudulent misrepresentation to the PTO … Rule 9(b) requires that the pleadings contain explicit rather than implied expression of the circumstances constituting fraud"). Therefore, we do not consider these additional allegations, which in any event, would not amount to fraud. We also agree with Respondent that Petitioner's remaining allegations regarding purported Respondent's false statements made during this proceeding in an interrogatory answer,[91] and during depositions, are irrelevant and have no bearing

[90] 124 TTABVUE 23-24. Petitioner conflates Respondent's assertion of claimed dates of use for all of the services recited in the Registrations, which include additional services beyond pawn brokerage and pawn services, with Respondent's purported knowledge of Petitioner's superior rights in the mark for loan financing services. Regardless, if a mark was in use at the time an application is filed, a claim of first use, even if false, is not fraud. *See W. Worldwide Enters. Grp. Inc. v. Qinqdao Brewery*, 17 USPQ2d 1137, 1141 (TTAB 1990) ("The Board repeatedly has held that the fact that a party has set forth an erroneous date of first use does not constitute fraud unless, inter alia, there was no valid use of the mark until after the filing of the [Section 1(a)] application.").

[91] Respondent's purported false statement in response to Petitioner's Interrogatory No. 1 was that it "began offering pawn shop services, including cash for gold services, under the MONEY MART since at least as early as May of 2008." 55-56 TTABVUE 42 (Petitioner NOR, Exhibit 2). Respondent's purported false statements made in depositions was that it began

on whether Respondent committed fraud during **procurement** of the Registrations.

Petitioner has failed to establish that Respondent made false, material representations of fact in connection with the procurement of its applications to register the mark MONEY MART in the Registrations with an intent to deceive the USPTO. I*n re Bose Corp*., 91 USPQ2d at 1941.

Decision: Because Petitioner has failed to meet its burden of proving priority or fraud, the petition to cancel is denied.

preparing to offer pawn loans in 2010, and began recognizing revenue from pawn loans in 2012. 55 TTABVUE 259 (Hickey T-Dep., Exhibit E).