

THIS OPINION IS NOT A  
PRECEDENT OF THE TTAB

Mailed: November 4, 2022

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

*Brittlex Financial, Inc.*

*v.*

*Dollar Financial Group, Inc.*

Cancellation No. 92060888

Robert L. McRae and Nick Guinn of Gunn, Lee & Cave, P.C.,  
for Brittlex 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;<sup>1</sup> and

<sup>1</sup> 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.<sup>2</sup>

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.<sup>3</sup>

Respondent denied the salient allegations in the petition and asserted various “affirmative and other defenses,” including lack of distinctiveness, laches, acquiescence, unclean hands, and abandonment through uncontrolled licensing, which Respondent did not pursue at trial and were therefore waived.<sup>4</sup> Respondent’s

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<sup>2</sup> 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.

<sup>3</sup> 13 TTABVUE. Petitioner also pleaded 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.

<sup>4</sup> 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

other alleged affirmative defenses are either not defenses, improperly asserted, or mere amplifications of its denials.<sup>5</sup>

Before trial, Respondent filed a motion to amend its identification of services in the involved registrations to delete “pawn brokerage and pawn shops,” under 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.”<sup>6</sup> The Board deferred consideration of Respondent’s proposed amendment in the alternative until final decision.<sup>7</sup>

In a decision issued on September 30, 2020, the Board denied the petition for cancellation. As to likelihood of confusion, the Board found – based on the evidence presented in this case – that Respondent’s unchallenged prior registration for the mark MONEY MART for “loan financing” (Reg. No. 3206120) encompassed pawn brokerage and pawn shop services. Because Petitioner did not provide its pawn services until 1993, well after Respondent began providing its loan financing services in 1984, the Board concluded that Petitioner had failed to prove priority, a necessary

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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.

<sup>5</sup> Respondent also asserted failure to state a claim upon which relief can be granted, which is not an affirmative defense, and a prior registration defense, also known as a *Morehouse* defense (see *Morehouse Mfg. Corp. v. Strickland & Co.*, 407 F.2d 881, 160 USPQ 715 (CCPA 1969)), which was stricken by the Board during the proceeding. 51 TTABVUE 17.

<sup>6</sup> 52 TTABVUE.

<sup>7</sup> 54 TTABVUE.

element of the ground of likelihood of confusion, through its common law rights in the mark MONEY MART. Consequently, the Board dismissed Petitioner's likelihood of confusion claim without reaching the merits of whether Respondent's marks are likely to cause confusion with Petitioner's mark. The Board also found that Petitioner had failed to prove that Respondent made false, material representations of fact with an intent to deceive the USPTO in connection with procuring the subject MONEY MART registrations, and therefore dismissed the fraud claim, as well.<sup>8</sup>

Petitioner appealed the Board's September 30, 2020 decision finding that Petitioner had failed to prove priority in its likelihood of confusion claim to the U.S. Court of Appeals for the Federal Circuit (Federal Circuit), but did not appeal the Board's rejection of its fraud claim.<sup>9</sup> Respondent cross-appealed the Board's dismissal of its *Morehouse* defense.<sup>10</sup> In a nonprecedential decision dated November 4, 2021, the Federal Circuit reversed the Board's decision that Petitioner lacks priority, affirmed the Board's dismissal of Respondent's *Morehouse* defense, and remanded the cancellation proceeding for further proceedings consistent with its opinion.<sup>11</sup>

Specifically, the Federal Circuit found that while "[t]he evidence readily showed, of course, that one part of pawn brokerage and pawn shops services is one kind of loan financing," the Board erred in finding that Respondent's prior use of its mark MONEY MART in connection "loan financing," and more specifically, "payday

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<sup>8</sup> 131 TTABVUE 17, 23-24.

<sup>9</sup> 132 TTABVUE.

<sup>10</sup> *Id.*

<sup>11</sup> 135 TTABVUE 12.

lending,” since 1984 encompassed “pawn brokerage and pawn shop services.” The Court found, “[t]he evidence makes clear that pawn brokerage and pawn shop services integrate two different components, only one of which can be labeled ‘loan financing’— the lending, but not the retail sale of collateral.”<sup>12</sup> “[T]he entirety of this mixed-character business” cannot be “covered or encompassed by loan financing.”<sup>13</sup> Hence, the Board erred in finding that Respondent’s unchallenged prior MONEY MART registration (Reg. No. 3206120) for broadly identified “loan financing,” alleging use in commerce since 1984, could encompass Petitioner’s services. The Court found that Respondent “was first to offer a different specific service that is a species of a genus that covers both services.”<sup>14</sup>

We now consider the case on remand, including addressing the merits of Petitioner’s likelihood of confusion claim. If we find that Petitioner has proven its claim, we will then consider Respondent’s Section 18 defense requesting partial restriction of its identifications of goods in the Registrations.

## **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 Respondent during its testimony under a “Rule of Optional Completeness”: (1) excerpts from the discovery deposition transcripts of Petitioner’s witnesses, Larry

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<sup>12</sup> 135 TTABVUE 8.

<sup>13</sup> *Id.*

<sup>14</sup> *Id.* at 8-10.

Nuckols and Christopher Upton,<sup>15</sup> 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.<sup>16</sup> Petitioner requests that the Board strike this evidence or, in the alternative, permit full copies to be submitted.<sup>17</sup>

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:<sup>18</sup>

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

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<sup>15</sup> 117 TTABVUE 48-49.

<sup>16</sup> *Id.* at 50.

<sup>17</sup> *Id.* at 48, 50.

<sup>18</sup> 124 TTABVUE 29-30.

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.<sup>19</sup> 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 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

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<sup>19</sup> Both parties' briefs contain numerous footnotes that are single-spaced, some of which are lengthy. 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).

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<sup>20</sup>

- Notice of reliance (“NOR”) on Respondent’s responses to Petitioner’s requests for production of documents<sup>21</sup> and interrogatories;<sup>22</sup> portions of the discovery depositions of Mark Prior, Roy Hibberd, and Tim Hickey (“Hickey Decl.”);<sup>23</sup> pages from Respondent’s website;<sup>24</sup> pawn and lending

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<sup>20</sup> We note that Petitioner failed to cite to TTABVUE docket entries in its briefs, and instead generally cited to evidence by its own document title and page or paragraph number, or transcript page number, or internal exhibit. This citation convention renders it significantly more difficult for the Board and other readers to find the cited evidence. In future cases before the Board, counsel is directed to follow the guidance provided in TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PROCEDURE (TBMP) § 801.01 (2022), which explains that “[t]o allow readers [of briefs] to easily locate materials in the record, the parties should cite to the evidence in the trial record by referencing the TTABVUE entry and page number....” *See also Turdin v. Trilobite, Ltd.*, 109 USPQ2d 1473, 1476 n.6 (TTAB 2014).

<sup>21</sup> 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.

<sup>22</sup> *Id.* at 40-48 (Exhibit B).

<sup>23</sup> *Id.* at 50-335 (Exhibits C-E).

<sup>24</sup> *Id.* at 337-377 (Exhibit F).



licenses produced by both parties;<sup>25</sup> correspondence between the parties' counsel;<sup>26</sup> and

- Testimony depositions and/or affidavits of Larry Nuckols ("Nuckols T-Dep.");<sup>27</sup> Christopher Upton ("Upton T-Dep.");<sup>28</sup> Amy Szwajkowski ("Szwajkowski T-Dep.");<sup>29</sup> Jeffrey Weiss ("Weiss Aff.");<sup>30</sup> and Alex Matthews.<sup>31</sup>

## **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;<sup>32</sup> dictionary definitions;<sup>33</sup> articles and excerpts from third-party websites;<sup>34</sup> newspaper articles;<sup>35</sup> excerpts from telephone and business directories;<sup>36</sup> copies of pawn licenses issued to Respondent and related companies;<sup>37</sup> excerpts of provisions from the State of Texas Code;<sup>38</sup> pages from the USPTO's website;<sup>39</sup> pages from Respondent's and Petitioner's

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<sup>25</sup> *Id.* at 379-453, 455-500 (Exhibits G-H).

<sup>26</sup> *Id.* at 502-503, 505 (Exhibits I-J).

<sup>27</sup> 58 TTABVUE 4-253, 59 TTABVUE (Confidential)

<sup>28</sup> 60-61 TTABVUE 4-178.

<sup>29</sup> 76-77 TTABVUE 4-64.

<sup>30</sup> 80 TTABVUE 2-337.

<sup>31</sup> 104 TTABVUE 2-161.

<sup>32</sup> 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.

<sup>33</sup> *Id.* at 198-204 (Exhibits 9-11).

<sup>34</sup> *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).

<sup>35</sup> *Id.* at 209-259 (Exhibits 13-23).

<sup>36</sup> 101 TTABVUE 3-178 (Exhibits 78-81).

<sup>37</sup> 101 TTABVUE 180-211, 103 TTABVUE 4-31 (Exhibits 82-84).

<sup>38</sup> 102 TTABVUE 57-58 (Exhibit 97).

<sup>39</sup> 102 TTABVUE 60-63 (Exhibit 98).

websites;<sup>40</sup>

- Testimony affidavits or declarations of Nancy Fuschino (“Fuschino Decl.”); Kathy Bazil; Jeffrey Weis; Kim Love-McLendon (“McLendon Decl.”); and Alex Matthews;<sup>41</sup> 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.”).<sup>42</sup>

### 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

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<sup>40</sup> 103 TTABVUE (Exhibits 99-100).

<sup>41</sup> 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.

<sup>42</sup> 102 TTABVUE 164-678 (Exhibits 101-105).

Mart Pawn & Jewelry.”<sup>43</sup> This suffices to show that Petitioner is a competitor of Respondent with respect to the provision of the “pawn brokerage and pawn shops” 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 its entitlement to a statutory cause of action in this proceeding.<sup>44</sup> 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 be 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 USPQ2d 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”).

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<sup>43</sup> 58 TTABVue 11, 15, 19-20, 59 (Nuckolls T-Dep.).

<sup>44</sup> Respondent does not contest Petitioner’s entitlement to a statutory cause of action.

#### **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 with Respondent's services, "so resemble[] . . . 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 there is a likelihood of confusion.

##### **A. Priority**

###### **1. Petitioner Was First to Provide Pawn Services**

Petitioner Brittex, through its predecessor-in-interest Pawn Management, Inc. ("PMI"), has used the mark MONEY MART PAWN or MONEY MART PAWN & JEWELRY in commerce in connection with pawn services since 1993.<sup>45</sup> Petitioner currently owns "a little over a dozen" pawn shops in the State of Texas that it operates under the name Money Mart Pawn & Jewelry.<sup>46</sup>

Respondent Dollar, f/k/a Monetary Management Corporation,<sup>47</sup> was founded in 1979 and currently owns a network of more than 800 retail locations across North America, including the United States and Canada, through which it provides various

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<sup>45</sup> See 131 TTABVUE 13-15 (Board's September 30, 2020 Decision) and the evidentiary citations therein.

<sup>46</sup> 60 TTABVUE 11-12 (Upton T-Dep.); 58 TTABVUE 11, 20, 56 (Nuckols T-Dep.).

<sup>47</sup> 96 TTABVUE 2-3, 10-12 (Weiss Decl. ¶ 3, and Exhibit 1); 87 TTABVUE 3 (Fuschino Decl. ¶ 7).

consumer financial services, primarily in connection with the mark MONEY MART.<sup>48</sup> Respondent has used the mark MONEY MART in commerce in connection with payday loans and check cashing services since 1984, and in connection with pawn brokerage and pawn store services since 2012.<sup>49</sup>

As between Petitioner and Respondent, Petitioner was clearly the first to offer pawn brokerage and pawn shop services under their respective marks, and this fact is not in dispute.<sup>50</sup>

## **2. Respondent's Natural Expansion Argument**

Notwithstanding Petitioner's apparent priority with respect to pawn services, Respondent maintains that it has priority in this proceeding because "pawn shop services and pawn brokerage services are within the zone of natural expansion for a company offering check cashing and payday loan services, in that these services are so closely related that consumers would expect them to be offered by the same company under the same mark."<sup>51</sup>

Petitioner, on the other hand, contends that Respondent's zone of natural expansion argument should be disregarded because Respondent did not properly

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<sup>48</sup> 98-99 TTABVUE 3 (McLendon Decl., ¶ 6); 96 TTABVUE 2 (Weiss Decl., ¶ 2).

<sup>49</sup> See 131 TTABVUE 10-13 (Board's September 30, 2020 Decision) and the evidentiary citations therein.

<sup>50</sup> Respondent argued, extensively, that pawn services are encompassed by and substantially identical to loan services it provided since 1984, and that it therefore has priority of use with respect to pawn services. 123 TTABVUE 5, 19, 21-23, 40-43 (Respondent's Brief). However, as the Federal Circuit determined on appeal of the original decision in this case, the evidence does not establish that pawn brokerage and pawn shop services are encompassed by check cashing services or "payday loan services" (the only particular loan services Respondent argues it provided since 1984). 135 TTABVUE 7-10.

<sup>51</sup> 123 TTABVUE 21 (Respondent's Brief).

plead it as an affirmative defense, and did even not make the argument until “more than two-and-a-half years after this proceeding was filed and a year after [Respondent] moved to amend its answer.”<sup>52</sup> “Assuming *arguendo* the Board allows [Respondent] to present its zone of natural expansion argument,” Petitioner asserts, “the Board should dismiss this narrow defense as unsupported by the fact of this case.”<sup>53</sup>

Under the doctrine of natural expansion, “the first user of a mark in connection with particular goods or services possesses superior rights in the mark not only as against subsequent users of the same or similar mark for the same or similar goods or services, but also as against subsequent users of the same or similar mark for any goods or services which purchasers might reasonably expect to emanate from it in the normal expansion of its business under the mark.” *Mason Eng’g and Design Corp. v. Mateson Chem. Corp.*, 225 USPQ 956, 962 (TTAB 1985). The doctrine is typically “used in the context of parties’ dueling claims of priority.” *Orange Bang, Inc. v. Olé Mexican Foods, Inc.*, 116 USPQ2d 1102, 1119 (TTAB 2015).

Although Petitioner contends that the doctrine of natural expansion argument must be pled as an affirmative defense or it is waived, Petitioner points to no precedent establishing such pleading requirement for this issue. Nor have we found a precedent for such a requirement.<sup>54</sup> Furthermore, we find that the issue was tried

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<sup>52</sup> 117 TTABVUE 31 (Petitioner’s Brief).

<sup>53</sup> *Id.* at 32-33.

<sup>54</sup> The Court of Customs and Patent Appeals (CCPA) has held that the doctrine of natural expansion is “merely another facet” of the relatedness inquiry. *J.C. Hall Co. v. Hallmark Cards, Inc.*, 340 F.2d 960, 144 USPQ 435, 438 (CCPA 1965) (quoting *Kautenberg Co. v. Ekco*

by the implied consent of the parties.<sup>55</sup>

Nonetheless, for the reasons expressed below, we agree that Respondent cannot rely on the doctrine of natural expansion to expand into Petitioner's established field of pawn services. As held by the Federal Circuit's predecessor, the United States Court of Customs and Patent Appeals (CCPA), in *Jacks-Evans Mfg. Co. v. Jaybee Mfg. Corp.*, 481 F.2d 1342, 179 USPQ 81, 83 (CCPA 1973), "the 'expansion of business' doctrine is purely a defensive doctrine," one used only to prevent another's registration or use of a mark, not to expand into an area where another party has established intervening rights.

*Jacks-Evans* illustrates this principle. There, the applicant appealed a Board

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*Products Co.*, 251 F.2d 628, 116 USPQ 417, 419 (CCPA 1958)). The Board has held that "arguments and evidence presented under this doctrine are better analyzed by sampling adding to our understanding of consumer perceptions regarding the [ ] goods and whether they are related in the minds of consumers in a way that is likely to cause confusion." *Gen. Mills, Inc. v. Fage Dairy Processing Indus. S.A.*, 100 USPQ2d 1584, 1598 (TTAB 2011). Accordingly, the doctrine of natural expansion or zone intervening rights is an integral part of any defense in a priority fight and need not be separately pled.

<sup>55</sup> Fed. R. Civ. P. 15(b)(2) provides, in relevant part, that "[w]hen an issue not raised by the pleadings is tried by the parties' express or implied consent, it must be treated in all respects as if raised in the pleadings." Implied consent can only be found where the non-offering party (1) raised no objection to the introduction of evidence on the issue, and (2) was fairly apprised that the evidence was being offered in support of the issue. *Citigroup Inc. v. Capital City Bank Grp., Inc.*, 94 USPQ2d 1645, 1656 (TTAB 2010) ("Citigroup I") (quoting TBMP § 501.03(b)), *aff'd*, 637 F.3d 1344, 98 USPQ2d 1253 (Fed. Cir. 2011) ("Citigroup II"). "The question of whether an issue was tried by consent is basically one of fairness. The non-moving party must be aware that the issue is being tried, and therefore there should be no doubt on this matter." *Morgan Creek Prods. Inc. v. Foria Int'l Inc.*, 91 USPQ2d 1134, 1139 (TTAB 2009). As Respondent notes, "both parties engaged in discovery, and discovery disputes on evidence related to this issue (*see, e.g.*, 74 TTABVUE, 110 TTAVUE" and "both parties have briefed and offered evidence on this issue at summary judgment..." 123 TTABVUE 24, n. 17 (Respondent's Brief). Although Petitioner expressed surprise that Respondent offer[ed] evidence regarding the defense of zone of natural expansion" in its May 25, 2018 Response to Respondent's Motion to Strike and vowed to "move to strike that evidence at the appropriate time," Petitioner did not actually do so.

decision sustaining an opposition to its mark, used on padlocks, in favor of the opposer, which owned prior registrations for various types of “builders’ finish hardware” such as catches, hinges, pulls, knobs, brackets for shelves and rails, and the like, and other similar goods, but not padlocks. *Id.* at 82-83. The applicant argued “that it had a long established name in the hardware field, and that ‘padlocks are a natural area of expansion’ for [its] business.” The Court, however, disagreed with the applicant and affirmed the Board’s decision, explaining that:

The policy underlying [the expansion of business] doctrine is that when a consumer who is familiar with a mark which has been established for a particular line of goods sees the same or a similar mark on goods which the supplier would logically expand his business to include, he would be likely to attribute those goods to that supplier. There is no comparable consideration to be made in the case of an application where the applicant had previously registered or used the mark on different goods [or services], for the statute deals only with a likelihood of confusion between the mark on the goods [or services] applied for and the opposer's mark on his goods. There is no right to register one's mark on an expanded line of goods [or services] where the use of the mark covered by such registration would lead to a likelihood of confusion, mistake or deception.

*Id.* at 84, cited in *Made in Nature, LLC v. Pharmavite LLC*, 2022 USPQ2d 557, \*61 (TTAB 2022). Thus, “[w]hile the doctrine of ‘natural expansion of business’ can be considered in determining whether a senior user can prevent registration of the same or similar mark to a junior user for related goods, the doctrine does not represent the test to be applied when the senior user himself seeks to register a mark for certain goods [or services] by relying on his earlier use of the same mark for ‘related’ (but not ‘substantially identical’) goods.” *Big Blue Prods. v. IBM*, 19 USPQ2d 1072, 1075 n. 4 (TTAB 1991).



Here, as in *Jacks-Evans*, Respondent Dollar, the senior user of a similar mark (for payday loans and check cashing services since 1984) is attempting to expand its scope of protection to “pawn brokerage and pawn shops.” However, Petitioner had already established intervening rights in its mark for pawn services in 1993, nearly two decades before Respondent began to provide those services in 2012.

“[A] trademark owner cannot by the normal expansion of its business extend the use or registration of its mark to distinctly different goods or services not comprehended by its previous use or registration where the result could be a conflict with valuable intervening rights established by another through extensive use and/or registration of the same or similar mark for like or similar goods or services.” *Am. Stock Exch., Inc. v. Am. Express Co.*, 207 USPQ 356, 364 (TTAB 1980). Similarly, under the circumstances of this case, we find that Respondent cannot rely on its prior rights in the term ‘MONEY MART’ used in connection with the payday loans and check cashing services fields as a basis for subsequent expanded use of the term in connection with pawn services, as that would conflict with Petitioner’s established intervening rights in that field. We therefore reject Respondents zone of natural expansion argument.

### **B. The *DuPont* Factors**

The fundamental purpose of Trademark Act Section 2(d) is to prevent confusion as to source, and to protect registrants from damage caused by registration of marks likely to cause confusion. *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 224 USPQ 327, 331 (1985). Our analysis is based on all of the probative evidence of

record. *In re E. I. DuPont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563, 567 (CCPA 1973) (“*DuPont*”) (setting forth factors to be considered, hereinafter referred to as “*DuPont* factors”).

In making our determination, we consider each *DuPont* factor for which there is evidence and argument. *See In re Guild Mortg. Co.*, 912 F.3d 1376, 129 USPQ2d 1160, 1162-63 (Fed. Cir. 2019). Varying weights may be assigned to each *DuPont* factor depending on the evidence presented. *See Citigroup Inc. v. Capital City Bank Grp. Inc.*, 637 F.3d 1344, 98 USPQ2d 1253, 1261 (Fed. Cir. 2011); *In re Shell Oil Co.*, 992 F.2d 1204, 26 USPQ2d 1687, 1688 (Fed. Cir. 1993) (“[T]he various evidentiary factors may play more or less weighty roles in any particular determination”).

In any likelihood of confusion analysis, two key considerations are the similarities between the marks and the similarities between the goods or services. *See In re Chatam Int’l Inc.*, 380 F.3d 1340, 71 USPQ2d 1944, 1945-46 (Fed. Cir. 2004); *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24, 29 (CCPA 1976) (“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.”).

### **1. Identity of the Services and Trade Channels**

The second *DuPont* factor concerns the “similarity or dissimilarity and nature of the goods or services described in an application or registration...,” and the third *DuPont* factor concerns the “similarity or dissimilarity of established, likely-to-continue trade channels.” *DuPont*, 177 USPQ at 567; *Stone Lion Capital Partners, LP v. Lion Capital LLP*, 746 F.3d 1317, 110 USPQ2d 1157, 1161 (Fed. Cir. 2014). It is

sufficient for a finding of likelihood of confusion as to a particular class if relatedness is established for any one of the identified services within Respondent's one-class registrations. *Tuxedo Monopoly, Inc. v. Gen. Mills Fun Grp.*, 648 F.2d 1335, 209 USPQ 986, 988 (CCPA 1981).

There is no dispute that the "pawn brokerage and pawn shops" services identified in Respondent's Registrations are encompassed by Petitioner's pawn shop services, rendering them identical, at least in part. A "pawnbroker" is "one who lends money in exchange for personal property that can be sold if the loan is not repaid by a certain time";<sup>56</sup> and a "pawnshop" is simply "a pawnbroker's shop."<sup>57</sup>

There is also no dispute that the parties' channels of trade for pawn services are identical. As Petitioner correctly points out, because Respondent's Registrations lack any trade channel restrictions, we must presume that Respondent's pawn brokerage and pawn shop services are provided in all normal channels of trade for such services, including all usual retail outlets, such as those operated by Petitioner, and are offered to all normal potential purchasers of such services: the general public.<sup>58</sup> *In re i.am.symbolic*, LLC, 866 F.3d 1315, 123 USPQ2d 1744, 1750 (Fed. Cir. 2017) (citing *In re Viterro*, 671 F.3d 1358, 101 USPQ2d 1905, 1908 (Fed. Cir. 2012) (finding Board

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<sup>56</sup> <https://www.merriam-webster.com/dictionary/pawnbroking> (accessed October 11, 2022). "The Board may take judicial notice of dictionary definitions, *Univ. of Notre Dame du Lac v. J.C. Gourmet Food Imp. Co.*, 213 USPQ 594 (TTAB 1982), *aff'd*, 703 F.2d 1372, 217 USPQ 505 (Fed. Cir. 1983), including online dictionaries that exist in printed format or regular fixed editions. *In re Red Bull GmbH*, 78 USPQ2d 1375, 1377 (TTAB 2006)." *Int'l Dairy Foods Ass'n v. Interprofession du Gruyère and Syndicat Interprofessionnel du Gruyère*, 2020 USPQ2d 10892, \* 17 n. 115 (TTAB 2020).

<sup>57</sup> <https://www.merriam-webster.com/dictionary/pawnshop> (accessed October 11, 2022).

<sup>58</sup> 117 TTABVUE 36 (Petitioner's Brief).

entitled to rely on this legal presumption in determining likelihood of confusion).

The second and third *DuPont* factors weigh heavily in favor of finding a likelihood of confusion.

## **2. Similarity or Dissimilarity of the Marks**

The first *DuPont* factor considers the “similarities or dissimilarities of the marks in their entirety as to appearance, sound, connotation and commercial impression.” *DuPont*, 177 USPQ at 567; *Stone Lion Capital Partners, LP v. Lion Capital LLP*, 746 F.3d 1317, 110 USPQ2d 1157, 1160 (Fed. Cir. 2014); *Palm Bay Imps., Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1692 (Fed. Cir. 2005). Where marks are used in connection with identical services, the degree of similarity of the marks necessary to support a conclusion of likelihood of confusion decreases. *Century 21 Real Estate Corp. v. Century Life of America*, 970 F.2d 874, 23 USPQ2d 1698 (Fed. Cir. 1992).

Petitioner asserts that the parties’ marks are identical because both “consist of the term ‘MONEY MART,’” rendering them identical as to appearance, sound, connotation and commercial impression.”<sup>59</sup> Respondent, however, disputes that the marks are identical and points out that Respondent “has consistently admitted that it has never used ‘MONEY MART’ as a trademark by itself, but only ‘Money Mart Pawn and Jewelry’ and/or ‘Money Mart Pawn,’”<sup>60</sup> a point which Petitioner does not

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<sup>59</sup> *Id.* at 27-28.

<sup>60</sup> 123 TTABVUE 40 (Respondent’s Brief, citing to 58 TTABVUE 104 (Nuckols T-Dep), 103 TTABVUE 120-121 (Petitioner’s Response to Respondent’s Interrogatory No. 8)).

dispute in its reply brief. A few examples are shown below:<sup>61</sup>



Respondent's point is a distinction without much of a difference. The word "pawn" is obviously generic for pawn services, and "jewelry" is clearly descriptive, and potentially generic, for pawn services relating to jewelry. Neither term adds any source-identifying significance, and it is well-settled that descriptive or generic terms are entitled to less weight in our analysis. *Chatam*, 71 USPQ2d at 1946 ("Because ALE has nominal commercial significance, the Board properly accorded the term less weight in assessing the similarity of the marks under *DuPont*."); *Cunningham*, 55

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<sup>61</sup> 58 TTABVUE 156-164 (Nuckols T-Dep).

USPQ2d at 1846 (“Regarding descriptive terms, this court has noted that the ‘descriptive component of a mark may be given little weight in reaching a conclusion on the likelihood of confusion.’”) (quoting *In re Nat’l Data Corp.*, 753 F.2d 1056, 224 USPQ 749, 752 (Fed. Cir. 1985)). Therefore, the term MONEY MART is clearly the dominant portion of Petitioner’s marks, MONEY MART PAWN and MONEY MART PAWN & JEWELRY, and we will refer to them further herein, collectively, as Petitioners MONEY MART marks.



MONEY MART is also the dominant portion of Respondent’s mark in Registration No. 4532073, which features stylized wording and a simple circular background design. When a mark consists of a literal portion and a design portion, the literal portion is usually more likely to be impressed upon a purchaser's memory and to be used in calling for the services; therefore, the literal portion is normally accorded greater weight in determining whether marks are confusingly similar. *See, e.g., Viterra*, 101 USPQ2d at 1911; *In re Dakin's Miniatures, Inc.*, 59 USPQ2d 1593, 1596 (TTAB 1999).

We find that Respondent’s MONEY MART word and MONEY MART word and design marks are highly similar to Petitioner’s MONEY MART marks in appearance, sound, connotation and commercial impression.

The first *DuPont* factor weighs heavily in favor of likelihood of confusion.

### **3. Strength of Petitioner’s Mark**

The fifth *DuPont* factor enables Petitioner to prove that its pleaded mark is

entitled to an expanded scope of protection by adducing evidence of “[t]he fame [or strength] of the prior mark (sales, advertising, length of use).” *DuPont*, 177 USPQ at 567.

Petitioner asserts that “Money Mart” is a suggestive term when used in connection with Petitioner’s services because the term suggests but does not describe Petitioner’s ‘pawn services.’ As a result, the mark MONEY MART is a strong, suggestive mark.”<sup>62</sup> Petitioner also contends that its mark “has strengthened over time as Petitioner has invested time and other resources in the mark and consumers have grown to recognize Petitioner in the marketplace.”<sup>63</sup> Specifically, it argues that as a result of its “long standing, uninterrupted use of MONEY MART in conjunction with Petitioner’s more than forty (40) pawn shops<sup>64</sup> and pawn brokerage services for approximately twenty-seven (27) years, and extensive advertising (e.g., billboards, social media, flyers, tent sales, print advertising, etc.,”<sup>65</sup> “[c]onsumers recognize Petitioner’s MONEY MART pawn stores an association of those stores with Petitioner.”<sup>66</sup>

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<sup>62</sup> 117 TTABVUE 35 (Petitioner’s Brief).

<sup>63</sup> *Id.*

<sup>64</sup> To support this contention, Petitioner cites to “Petitioner’s Testimonial Deposition Exhibit 28 at pp. 5-6.” Due to Petitioner’s poor citation to the record (see note 20 above), we cannot locate this reference.

<sup>65</sup> To support this contention of “extensive advertising,” Petitioner cites to “Upton Tr. 11:24-13:17” (60 TTABVUE 12-14), the testimony declaration of Christopher Upton, who stated only general terms that Petitioner advertises store openings, tent sales and discounted merchandise through tent sales, flyers, on the back of receipts for Family Dollar or Dollar General (he is not sure which), and some billboard advertising.

<sup>66</sup> *Id.*

Respondent, as mentioned previously, points out that Petitioner's mark is not just MONEY MART, but that term followed by either "Pawn" or "Pawn and Jewelry."<sup>67</sup> Petitioner also asserts that Respondent "failed to show that its mark is strong or even particularly distinctive," noting that while Respondent "argues that it has used the mark for 40 years and has a number of stores," Respondent "has not pointed to any evidence of significant revenues, advertising expenditures, media recognition, or other evidence that might suggest that consumers have become familiar with the 'Money Mart Pawn' mark and identify [Petitioner] as the source of the pawn services offered thereunder."<sup>68</sup>

"In determining strength of a mark, we consider both inherent strength, based on the nature of the mark itself, and commercial strength or recognition." *Bell's Brewery, Inc. v. Innovation Brewing*, 125 USPQ2d 1340, 1345 (TTAB 2017) (citing *Couch/Braunsdorf Affinity, Inc. v. 12 Interactive, LLC*, 110 USPQ2d 1458, 1476 (TTAB 2014)); *see also In re Chippendales USA Inc.*, 622 F.3d 1346, 96 USPQ2d 1681, 1686 (Fed. Cir. 2010) ("A mark's strength is measured both by its conceptual strength (distinctiveness) and its marketplace strength (secondary meaning).").

From a conceptual standpoint, we agree with Petitioner that the term MONEY MART is suggestive of pawn services, and find that Petitioner's use of that term with one or more descriptive or generic words (PAWN or PAWN & JEWELRY) does not detract from the marks' overall suggestiveness. Petitioner's MONEY MART marks

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<sup>67</sup> 123 TTABVUE 40 (Respondent's Brief, citing to Nuchols T-Dep, at pg. 101(58 TTABVUE 101) and Petitioner's Response to Interrogatory No. 8 (103 TTABVUE 120)).

<sup>68</sup> *Id.*



are thus inherently distinctive and enjoy the scope of protection accorded inherently distinctive marks. *Maytag Co. v. Luskin's, Inc.*, 228 USPQ 747, 750 (TTAB 1986) (“[T]here is nothing in our trademark law which prescribes any different protection for suggestive, nondescriptive marks than that which is accorded arbitrary and fanciful marks.”); *In re Great Lakes Canning, Inc.*, 227 USPQ 483, 485 (TTAB 1985) (“[T]he fact that a mark may be somewhat suggestive does not mean that it is a ‘weak’ mark entitled to a limited scope of protection.”).

With respect to commercial strength, we agree with Respondent that Petitioner has not demonstrated that its mark is particularly strong, commercially. “While evidence of advertising ... is relevant to prove the strength of a mark, standing alone without a context, such evidence may not be sufficient to prove that a mark is relatively strong.” 2 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 11:81 (5th ed. September 2022 Update). Nor is Petitioner’s mere use of its mark for 27 years, standing alone, evidence of the mark’s strength. *See Omaha Steaks Int’l, Inc. v. Greater Omaha Packing Co., Inc.*, 908 F.3d 1315, 128 U.S.P.Q.2d 1686 (Fed. Cir. 2018) (the length of time a mark has been used can be a factor in determining whether a mark is strong or famous to the extent it evidences commercial awareness of extensive volume of sales, advertising expenditures, or other indicia of strength. *Cf. GJ & AM*, 2021 USPQ2d 617, at \*41-42 (TTAB 2021) (25+ years not sufficient to prove acquired distinctiveness); *Alcatraz Media, Inc. v. Chesapeake Marine Tours Inc.*, 107 USPQ2d 1750, 1766 (TTAB 2013) (19 years use insufficient to prove acquired distinctiveness); *In re Packaging Specialists, Inc.*, 221 USPQ 917,

920 (TTAB 1984) (16 years “is a substantial period but not necessarily conclusive or persuasive” on acquired distinctiveness).

We find that MONEY MART possesses a slightly stronger than average degree of commercial strength on the spectrum of “very strong to very weak,” *Joseph Phelps Vineyards, LLC v. Fairmont Holdings, LLC*, 857 F.3d 1323, 122 USPQ2d 1733, 1734 (Fed. Cir. 2017).

Overall, we find this factor neutral in our analysis.

#### **4. The Number and Nature of Similar Marks in Use on Similar Goods**

The sixth *DuPont* factor “considers ‘[t]he number and nature of similar marks in use on similar goods.’” *Omaha Steaks*, 128 USPQ2d at 1693 (quoting *DuPont*, 177 USPQ at 567). Third parties’ registrations and use of similar marks can bear on the strength or weakness of a plaintiff’s mark in two ways. Conceptually, they can “show that a term ‘may have a normally understood and well-recognized descriptive or suggestive meaning, leading to the conclusion that that [term] is relatively weak.’” *Primrose Ret. Cmtys., LLC v. Edward Rose Senior Living, LLC*, 122 USPQ2d 1030, 1036 (TTAB 2016) (quoting *Jack Wolfskin Ausrüstung Fur Draussen GmbH v. New Millennium Sports, S.L.U.*, 797 F.3d 1363, 116 USPQ2d 1129, 1136 (Fed. Cir. 2015) and *Juice Generation, Inc. v. GS Enters. LLC*, 794 F.3d 1334, 115 USPQ2d 1671, 1674 (Fed. Cir. 2015)). Commercially, they “can show that customers have been educated to distinguish between different marks on the basis of minute distinctions.” *Id.* Hence, the sixth *DuPont* factor is used by a defendant seeking to contract the scope of protection accorded to a plaintiff’s mark.

Petitioner, however, argues the opposite. Specifically, Petitioner asserts that its MONEY MART mark “is exclusive aside from [Respondent]” and, because there is “[n]o competent evidence of any third-party use or registration of the MONEY MART mark was introduced at trial,” “the MONEY MART mark is strong and entitled to a broad scope of protection.” Furthermore, and “in accordance with “the USPTO’s consistent practice, this *DuPont* factor also weighs strongly in Petitioner’s favor.”<sup>69</sup>

We disagree that this reverse scenario necessarily supports Petitioner’s position. Nor has Petitioner presented any authority, Board precedent or otherwise, holding the sixth *DuPont* factor relevant in this particular context. Indeed, the absence of third-party registration and use in a given case could be attributable to any number of reasons. For example, a generic term does not gain strength merely because others use it as a mark, or it happens to register. Hence, while evidence of the extensive use and registration of a similar mark on similar goods or services may support a finding that a mark is conceptually or commercially weak, the absence of such evidence does not necessarily show that it is strong.

We find the sixth *DuPont* factor neutral in our analysis.

#### **5. The Variety of Services on which Respondent’s Mark Is or Is Not Used**

The ninth *DuPont* factor takes into account the variety of goods on which a mark is or is not used. *DuPont*, 177 USPQ at 567. Respondent argues that “Factor 9 (the variety of services on which a mark is used) strongly favor[s] [Respondent]. It is

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<sup>69</sup> 117 TTABVUE 37 (Petitioner’s Brief).

[Respondent] who first adopted the trademark and has offered a wide variety of goods.”<sup>70</sup>

Applicant’s argument is unavailing because the ninth *DuPont* factor, like Respondent’s rejected zone of natural expansion argument, is purely a defensive factor, one used only to prevent registration or use of a mark. “If a party in the position of plaintiff uses its mark on a wide variety of goods [or services], then purchasers are more likely to view a defendant’s good[s] [or services] under a similar mark as an extension of the plaintiff’s line.” *DeVivo v. Ortiz*, 2020 USPQ2d 10153, \*14 (TTAB 2020). In any event, Respondent’s provision of payday loans and check cashing services hardly qualifies as providing a wide variety of services, and we find it cannot in any way warrant an expansion into Petitioner’s pawn services.

The ninth *DuPont* factor is neutral in our analysis.

## **6. Market Interface Between the Parties**

The tenth *DuPont* factor requires us to consider evidence pertaining to the “market interface” between the parties, including evidence of any past dealings between the parties which might be indicative of a lack of confusion in the present case. Most decisions involving this factor address an agreement between the parties that evinces their business-driven conclusion and belief that there is no likelihood of confusion, and weighs heavily in favor of a finding that confusion is not likely. *In re Opus One Inc.*, 60 USPQ2d 1812, 1820 (TTAB 2001); *see also Bongrain Int’l (Am.) Corp. v. Delice de France, Inc.*, 811 F.2d 1479, 1 USPQ2d 1775, 1778 (Fed. Cir. 1987)

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<sup>70</sup> 123 TTABVUE 41-42 (Respondent’s Brief).

("[I]n trademark cases involving agreements reflecting parties' views on the likelihood of confusion in the marketplace, ... such agreements may, depending on the circumstances, carry great weight ....").

Respondent argues that "[t]he tenth factor, market interface, ... favors [Respondent]" because its "incontestable registrations for the MONEY MART mark are conclusive evidence of [its] ownership of the mark and its exclusive right to use the mark in connection with the registered services, which encompass or are closely related to the services covered by the challenged registrations." Accordingly, it argues, "[e]ven if the present cancellation was sustained, [Respondent] would retain the incontestable registrations and the rights granted thereunder" and "[t]hus, 'the marketing environment in which purchasers encounter the marks at issue and the market interface between the owners and users of marks will not change significantly'" (quoting the Board's nonprecedential decision in *RevZilla Motorsports, LLC v. Powersports Plus LLC*, Opposition No. 91212858).

In *RevZilla*, however, the Board found that even if it sustained the opposition to registration of the applicant's PARTZILLA standard character mark, the applicant would still retain two registrations for essentially the same mark, in word and design form, for the same services. Here, in contrast, if the petition for cancellation is sustained in whole or in part, that would cancel Applicant's registrations for "pawn brokerage and pawn shops"—services that are encompassed by Petitioner's pawn shop services. Respondent's remaining registrations would cover services that the

Federal Circuit has characterized as nothing more than one species of a genus that covers both parties' services.<sup>71</sup> So the parties' interface would be significantly altered.

The tenth *DuPont* factor is neutral in our analysis.

## **7. The Extent to Which Applicant Has a Right to Exclude Others**

The eleventh *DuPont* factor discusses “[t]he extent to which [the] applicant has a right to exclude others from use of its mark on its goods [or services].” *DuPont*, 177 USPQ at 567. Respondent argues that “Factor 11 (an applicant’s right to exclude others) strongly favors [Respondent].”<sup>72</sup> According to Respondent:

As a result of DFG’s ownership of two prior incontestable registrations for the MONEY MART mark, it has incontestable rights in connection with loan financing services, check cashing, and money order services, granting it broad rights to exclude others from using the MONEY MART mark in connection with the same or closely related services. It has also invested significantly in the MONEY MART trademark since 1984, expanding nationally under the MONEY MART name with approximately 800 stores. ... see, e.g., *Niche Audio, Inc. v. Munro Investment Group Pty Ltd*, 2018 BL 383928 (T.T.A.B. 2018) [non-precedential] (ninth and eleventh DuPont factors weigh against finding of likelihood of confusion where “Applicant has proven substantial and increasing sales of its MAJESTIC brand entertainment systems on its goods over the course of fifteen years, and has burnished its brand recognition through Internet advertising, distributor advertising, and trade show advertising,” while Opposer “has consistently limited itself to a narrow range of goods in the car audio market.”).

Respondent’s argument is unavailing because it is, once again, a repackaging of its zone of natural expansion argument. As we noted previously, “a trademark owner cannot by the normal expansion of its business extend the use or registration of its mark to distinctly different goods or services not comprehended by its previous use

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<sup>71</sup> 135 TTABVUE 7-8.

<sup>72</sup> *Id.* at 41.

or registration where the result could be a conflict with valuable intervening rights established by another through extensive use and/or registration of the same or similar mark for like or similar goods or services.” See *Am. Stock Exch.*, 207 USPQ at 364. Petitioner began using its MONEY MART PAWN or MONEY MART PAWN & JEWELRY mark in 1993 and developed valuable intervening rights in this use of its marks for pawn services well before Petitioner commenced use of its mark on those services in 2012.

This *DuPont* factor is neutral in our analysis.

### **8. Bad Faith**

Under the thirteenth *DuPont* factor, bad faith adoption of a mark can be evidence of the likelihood of confusion. *Tao Licensing, LLC v. Bender Consulting Ltd.*, 125 USPQ2d 1043, 1063 (TTAB 2017) (citing *J & J Snack Foods Corp. v. McDonald’s Corp.*, 932 F.2d 1460, 18 USPQ2d 1889, 1891 (Fed. Cir. 1991) and *Jewelers Vigilance Comm., Inc. v. Ullenberg Corp.*, 853 F.2d 888, 7 USPQ2d 1628, 1630 (Fed. Cir. 1988) (“proof of intent to trade on another's goodwill” can provide “persuasive evidence of likelihood of confusion”)).

Petitioner argues that “[Respondent] was clearly aware of Petitioner when it filed applications for the Registrations-in-Dispute” because “[Respondent] had sent Petitioner multiple cease and desist letters—including the September 2011 letter—written by its counsel who filed the applications (Bassam Ibrahim). And Registrant was aware that Petitioner held superior rights for the mark MONEY MART in connection with pawn services. Registrant acted with bad intent when it filed these

applications.”<sup>73</sup>

Respondent counters that it “did not act in bad faith in seeking the present registrations as it has consistently evidenced its belief that it has superior rights in the MONEY MART mark, including in connection with the challenged pawn services.”<sup>74</sup>

Petitioner’s argument that Respondent filed its applications for registration in bad faith because Petitioner has long been aware of Respondent’s earlier use of MONEY MART in connection with pawn services is unavailing. “A[n] inference of ‘bad faith’ requires something more than mere knowledge of a prior similar mark.” *Sweats Fashions, Inc. v. Pannill Knitting Co., Inc.*, 833 F.2d 1560, 4 USPQ2d 1793, 1798 (Fed. Cir. 1987). Respondent, in sending Petitioner cease and desist letters, consistently maintained its position that it had rights superior to that of Petitioner,<sup>75</sup> notwithstanding our rejection of that contention.

We find this factor neutral in our analysis.

### **C. Balancing the Factors**

We have considered all of the arguments and evidence of record, and all relevant *DuPont* factors. Overall, we find that Petitioner’s earlier used common law MONEY MART PAWN and MONEY MART PAWN & JEWELRY marks are highly similar to

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<sup>73</sup> *Id.* at 37-38. A couple of the cease and desist are found at 58 TTABVUE 174-178 (Nuckols T-Dep). Others have been redacted from public view at 59 TTABVUE (Nuckols T-Dep., Confidential).

<sup>74</sup> 123 TTABVUE 42-43, n. 22 (Respondent’s Brief).

<sup>75</sup> 58 TTABVUE (Nuckols T-Dep, Confidential)





Respondent's MONEY MART standard character and composite marks in the Registrations (first *DuPont* factor), and the parties' pawn services are overlapping (second *DuPont* factor) and move through the normal trade channels to the same classes of consumers (third *DuPont* factor). These factors weigh heavily in favor of finding likelihood of confusion. The other factors are neutral.

## **V. Respondent's Motion to Amend**

As noted earlier, Respondent filed a motion to amend its identification of services in the 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," which the Board deferred until final decision.<sup>76</sup> We turn to it now.

"Section 18 of the Lanham Act gives the Board the equitable power to, inter alia, 'restrict the goods or services identified in an application or registration.' 15 U.S.C. Section 1068." *Embarcadero Techs., Inc. v. RStudio, Inc.*, 105 USPQ2d 1825, 1828 (TTAB 2013). Accordingly, "[p]ursuant to Section 18 and in conjunction with a motion to amend, a defendant may assert an affirmative defense by moving to restrict its own goods and/or services in order to avoid any likelihood of confusion alleged by the plaintiff." *Id.* (citing Section 18, Trademark Rule 2.133, and TBMP Section 311.02(b)

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<sup>76</sup> 52 TTABVUE (Respondent's Motion to Amend); 54 TTABVUE (Board Order).

(2012) and cases cited therein).

“In order for such an affirmative defense to be considered, it must be promptly asserted and the proposed restriction must be set forth in sufficient detail and with an explanation or allegation as to how the restriction alleviates the likelihood of confusion.” *Id. Cf., ProQuest Info. and Learning Co. v. Island*, 83 USPQ2d 1351, 1353-54 (TTAB 2007) (applicant failed to state with precision how restriction of its own application would aid in avoidance of confusion); *Tea Bd. of India v. Republic of Tea Inc.*, 80 USPQ2d 1881, 1898 (TTAB 2006) (applicant’s offer to amend its identification of goods given no further consideration because it would not overcome the likelihood of confusion). “Ideally, the Section 18 affirmative defense should be asserted in the defendant’s answer to put the plaintiff on notice and shortly thereafter followed by a corresponding motion to amend the application.” *Id.*

Respondent did not assert a Section 18 affirmative defense or otherwise raise the issue of a restriction to its identification of services in its answer, and Petitioner, in its response to the motion, argues that the motion should be denied because it “is not timely filed, and the amendments/theories would unduly prejudice Petitioner....”<sup>77</sup> We therefore address this issue first.

Petitioner asserts that “[Respondent] waited until a week after Petitioner filed its Pre-trial disclosures—for the second time—and three years after this cancellation proceeding commenced before moving to amend its identification of the services.

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<sup>77</sup> 54 TTABVUE.

Registrant moves to amend its identification as an additional defense.”<sup>78</sup> According to Petitioner, “[Respondent] did not need three years, extensive discovery, and cross-motions for summary judgment to determine that its identification of ‘pawn brokerage and pawn shop’ services should be amended out of its identification of the services. Accordingly, Registrant’s delay has resulted in a waste of time and other resources by the parties, in large part related to discovery and judicial economy.”<sup>79</sup>

In support of its contention that Respondent’s motion is untimely, Petitioner cites to the Board’s decisions in *Media Online Inc. v. El Clasificado, Inc.*, 88 USPQ2d 1285 (TTAB 2008), which denied a petitioner’s motion for leave to amend its pleadings to add claims of descriptiveness and fraud because the petitioner “waited over seven months ... and after respondent’s motion for judgment before filing the motion,” *id.* at 1286-87; and *Trek Bicycle Corp. v. StyleTrek Ltd.*, 64 USPQ2d 1540 (TTAB 2001), which denied an opposer’s motion for leave to add a dilution claim because its motion “was filed eight months after opposer filed its notice of opposition and ... appear[ed] to be based on facts within opposer’s knowledge at the time it filed its notice of opposition.” *Id.* at 1541.

These cases, however, are not directly on point because neither concerns a party’s attempt to restrict the identification of goods or services in its application or registration, which is governed by Section 18 of the Act. A claim under Section 18 is an equitable remedy that is not tied to any ground to oppose or cancel. *See Eurostar*

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<sup>78</sup> 53 TTABVUE 5.

<sup>79</sup> *Id.* at 6.

*Inc. v. “Euro-Star” Reitmoden GmbH & Co. KG*, 34 USPQ2d 1266, 1271 n.3 (TTAB 1994); *DAK Indus. Inc. v. Daiichi Kosho Co.*, 35 USPQ2d 1434, 1437 (TTAB 1995).

Respondent, for its part, argues that the motion to amend “is timely filed as it is being made prior to trial, thereby giving Petitioner fair notice and an opportunity to contest the motion.”<sup>80</sup> Respondent cites to *Drive Trademark Holdings LP v. Inofin*, 83 USPQ2d 1433, 1435 (TTAB 2007),<sup>81</sup> in which the Board found an applicant’s uncontested motion to amend its recitation of services timely, “having been brought prior to trial,” although it denied the motion on other grounds, *Id.* at 1435-36; and to TBMP § 514.03, which states that “[w]hen a motion to amend an application or registration in substance is made without the consent of the other party or parties, it ordinarily should be made prior to trial, in order to give the other parties fair notice thereof.”<sup>82</sup>

We agree with the general proposition set forth in *Embarcadero*, above, which provides that a motion to amend pursuant to Section 18 “must be promptly asserted...” 105 USPQ2d at 1828. Nevertheless, there is no hard and fast rule setting the time for filing such a motion, and the issue comes down to whether Petitioner would be prejudiced by its consideration.

Respondent’s motion to amend in this case was filed on February 13, 2018, prior to trial, and Petitioner had an opportunity to (and did) argue against the motion,

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<sup>80</sup> 52 TTABVUE 5.

<sup>81</sup> *Id.*

<sup>82</sup> *Id.*

which was then deferred until trial. We find that Petitioner had adequate notice that Respondent would be renewing its motion at trial and had sufficient opportunity to prepare against it. While Petitioner asserts that “[e]ntry of the newly added defense—more than twenty-eight-months after [Respondent’s] original Answer and well past the close of discovery—would prejudice” its rights, Petitioner provides no reason for the alleged prejudice other than the delay itself.<sup>83</sup> Under the circumstances of this case, we find Respondent’s motion to amend timely and turn to the merits.

Once again, the Registrations identify the following services:

“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” (Reg. No. 4524540); and

“Loan financing; check cashing and electronic funds transfer services, but not including extensions of credit except to the extent evidenced 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” (Reg. No. 4532073).

Respondent created a bit of a catch-22 situation for itself with respect to the relatedness of the parties’ services. That is, although Respondent was unsuccessful in demonstrating that pawn services are encompassed by payday lending and check cashing services, Respondent did argue and present some evidence showing that such services are potentially related. For example, Respondent introduced copies of over

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<sup>83</sup> Respondent’s amended answer was filed on December 30, 2016. (13 TTABVUE). In the interim between that date and Respondent’s motion to amend, there was a pending motion to compel discovery filed by Respondent that was not decided until April 28, 2017 (32, 42 TTABVUE), which was followed by the parties’ cross-motions for summary judgment in July 2017 that were not decided until January 17, 2018 (43-43, 51 TTABVUE.) Respondent’s motion to amend was filed the next month on February 13, 2018. (52 TTABVUE).

thirty use-based certificates of registration for “marks that cover both payday lending and/or check cashing services on one hand, and pawn brokerage and/or pawn lending services on the other hand.”<sup>84</sup> Third-party registrations of this sort have probative value to the extent that they serve to suggest that the parties’ respective services are of a type that may emanate from the same source. *In re Albert Trostel & Sons Co.*, 29 USPQ2d 1783, 1785-1786 (TTAB 1993); *In re Mucky Duck Mustard Co. Inc.*, 6 USPQ2d 1467, 1470 n.6 (TTAB 1988), *aff’d mem.* 864 F.2d 149 (Fed. Cir. 1988).

Respondent “also introduced web pages from ten (10) different web sites showing examples of companies offering both pawn services and check cashing or payday loan services.”<sup>85</sup> Evidence of third-party use of the same mark for Respondent’s services and Petitioner’s services can establish a relationship between those services. *In re Detroit Athletic Co.*, 903 F.3d 1297, 128 USPQ2d 1047, 1051 (Fed. Cir. 2018). Respondent’s own evidence demonstrates that payday loans and check cashing services may be related to pawn shop and brokerage services.

On the other hand, while Petitioner has priority with respect to pawn services, Respondent clearly has priority with respect to its payday loans and check cashing services provided since 1984. Hence, even if pawn services are related to payday loans and check cashing services, Petitioner cannot establish priority with respect to those services and or others identified in the Registrations (i.e., issuing of prepaid debit

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<sup>84</sup> 123 TTABVUE 36 (Respondent’s Brief); 100 TTABVUE 285-300, 310-320, 341-369 (Respondent’s Notice of Reliance).

<sup>85</sup> 123 TTABVUE 37 (Respondent’s Brief); 100 TTABVUE 302-308, 322-339, 416-418, 416-433, 467-468 (Respondent’s Notice of Reliance).

cards, issuing of gift cards, gift card transaction processing services, and electronic funds transfer services) not proven to be related to pawn services.

Moreover, it is clear that Petitioner and Respondent coexisted under their respective MONEY MART marks for approximately 20 years before Respondent began providing pawn services in or around 2012 and obtained the Registrations identifying those services in 2014 that prompted this cancellation proceeding. There is no evidence of any actual confusion during those two decades, even though Respondent operates a network “with more than 800 locations throughout the United States.”<sup>86</sup> Where the parties have coexisted in the marketplace under circumstances where there has been an opportunity for confusion to have occurred, the lack of any reported instances of confusion is a factor that the Board may consider. *Mr. Hero Sandwich Sys., Inc. v. Roman Meal Co.*, 781 F.2d 884, 228 USPQ 364, 367 (Fed. Cir. 1986) (while lack of evidence of confusion is not dispositive, the concurrent use of the marks for 19 years without any reported instances of confusion suggests that the marks are not likely to cause confusion); *King Candy Co. v. Eunice King’s Kitchen, Inc.*, 182 USPQ at 110 (absence of confusion for over 20 years supports finding that confusion is not likely). We find the value of this factor diminished, as the evidence does not establish that Respondent’s network of retail locations extended into Petitioner’s territory in and around San Antonio, Texas. *See New Era Cap Co., Inc. v. Pro Era, LLC*, 2020 USPQ2d 10596, at \*17 (TTAB 2020) (for the absence of actual confusion to be probative, there must have been a reasonable opportunity for

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<sup>86</sup> 98 TTABVUE 3 (McLendon Decl. ¶ 6).

confusion to occur). We nonetheless accord it some measure of probative value, not only as to the absence of confusion, but as to the interface between the parties.

When Respondent began providing pawn services, the parties had both actual and constructive notice of each other's services. Petitioner was constructively on notice of Respondent's two prior registrations, and it had actual notice of Respondent's services following the cease and desist letters it received from Respondent in 2000 and 2011.<sup>87</sup> Respondent was obviously aware of Petitioner's activities but took no action beyond thumping its chest by sending Petitioner a couple of cease and desist letters. Yet neither party saw fit to institute legal proceedings against the other until Respondent registered its two subject marks for, *inter alia*, pawn services.

Notably, Petitioner only objected to Respondent's Section 18 motion to amend on grounds of timeliness (which we overruled) and alleged fraud (which we dismissed), and directs its likelihood of confusion argument to the "pawn brokerage and pawn shops" on the pawn services identified in the Registrations. In the alternative to cancelling the Registrations in their entirety, "Petitioner asks the Board to partially cancel the Registrations-in-Dispute as to specific items in the identification of goods or services, namely, 'pawn brokerage and pawn shops' so that Petitioner can register its superior rights in the same. In this alternative request, Petitioner asks the Board to delete 'pawn brokerage and pawn shops' from each of the Registrations-in-Dispute."<sup>88</sup> Both parties have the same fallback position inasmuch as Respondent

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<sup>87</sup> 117 TTABVUE 9 (Petitioner's Brief).

<sup>88</sup> *Id.* at 11.



filed the Section 18 motion to amend and Petitioner, in its brief, asks the Board to partially cancel the registrations as to pawn brokerage and pawn shop services.

In view of Respondent's priority with respect to the services identified in the Registrations other than "pawn brokerage and pawn shops," and Petitioner's apparent concession that deletion of "pawn brokerage and pawn shops" from the Registration will avoid a likelihood confusion, we grant Respondent's motion to amend as a matter of equity.

***Decision:*** The petition for cancellation is partially granted. "Pawn brokerage and pawn shops" will be deleted from Registration Nos. 4524540 and 4532073. The Registrations otherwise remain in force.