

THIS OPINION IS NOT A
PRECEDENT OF THE TTAB

Mailed: May 1, 2024

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board
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UBANK (TN)

v.

UBANK

—
Cancellation No. 92078890
—

Dorian B. Kennedy of Baker Donelson Bearman Caldwell & Berkowitz, PC,
for UBANK (TN).

William D. Wiese, William S. Rhea, and Krista M. Hosmer
of DuBois, Bryant & Campbell, LLP, for UBANK.

—
Before Cataldo, Heasley, and Allard,
Administrative Trademark Judges.

Opinion by Allard, Administrative Trademark Judge:¹

¹ As part of an internal Board pilot citation program on broadening acceptable forms of legal citation in Board cases, this decision varies from the citation form recommended in the TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PROCEDURE (TBMP) § 101.03 (2023). This decision cites decisions of the U.S. Court of Appeals for the Federal Circuit and the U.S. Court of Customs and Patent Appeals by the page(s) on which they appear in the Federal Reporter (e.g., F.2d, F.3d, or F.4th). For decisions of the Board and the Director, this decision may cite to the WESTLAW (WL) or LEXIS legal database. To facilitate broader research, the proceeding or application number for cited Board decisions is listed. Decisions issued prior to 2008 may not be available in TTABVue. Until further notice, practitioners should continue to adhere to the citation form recommended in TBMP § 101.03.

UBANK (“Respondent” or “UBank TX”) owns a registration on the Principal Register for the mark UBANK (in standard characters) for “Banking services,” in International Class 36.²

UBANK (TN) (“Petitioner” or “UBank TN”) seeks to cancel the involved registration on the ground of priority and likelihood of confusion under Section 2(d) of the Trademark Act, 15 U.S.C. § 1052(d), based on its alleged prior common-law use of UBANK for “banking services” since 2004.³

In its Answer, Respondent denied the salient allegations in the Petition for Cancellation and asserted various “affirmative defenses.”⁴ However, Respondent only

² Registration No. 5813915, issued on July 23, 2019, from an application filed on September 15, 2016.

³ 1 TTABVUE 3-4 (paras. 2-3). In its Order dated November 6, 2023, as amended via Order dated December 5, 2023, the Board denied Petitioner’s motion for leave to amend its Petition for Cancellation to add a claim for fraud. 29, 30 TTABVUE. Therefore, we decide this proceeding solely on Petitioner’s claim under Section 2(d).

Citations to the record and the briefs refer to TTABVUE, the Board’s online docket system. *See, e.g., New Era Cap Co., Inc. v. Pro Era, LLC*, Opp. No. 91216455, 2020 TTAB LEXIS 199, at *4 n.1 (TTAB 2020). Specifically, the number preceding TTABVUE corresponds to the docket entry number, and any numbers following TTABVUE refer to the page number(s) of the docket entry where the cited material(s) appears.

⁴ 4 TTABVUE 4. Not all of Respondent’s self-styled “affirmative defenses” are true affirmative defenses. For example, Respondent alleges the “affirmative defense” of failure to state a claim upon which relief can be granted and it alleges a reservation of rights to assert further affirmative defenses, neither of which is a true affirmative defense. *See, e.g., Sabhnani v. Mirage Brands, LLC*, Can. No. 92068086, 2021 TTAB LEXIS 464, at *6-7 n.5 (TTAB 2021) (failure to state a claim is not a true affirmative defense); *Made in Nature, LLC v. Pharmavite LLC*, Opp. No. 91223352, 2022 TTAB LEXIS, at *4 (TTAB 2022) (reservation of rights to add affirmative defenses is improper under the federal rules because it does not give fair notice of the affirmative defense). Regardless, these purported affirmative defenses have been waived/forfeited, as neither was pursued in Respondent’s brief. Similarly, Respondent’s “affirmative defense” that its mark “has acquired additional distinctiveness stemming from the extensive visibility and promotion of the mark” is not a true affirmative defense and is at best an amplification of Respondent’s denials of Petitioner’s Section 2(d) claim.

pursued in its brief the affirmative defense of laches. Because Respondent did not pursue the remaining affirmative defenses, they are forfeited or waived. *In re Google Tech. Holdings LLC*, 980 F.3d 858, 863-64 (Fed. Cir. 2020); *TPI Holdings, Inc. v. TrailerTrader.com, LLC*, Can. No. 92064976, 2018 TTAB LEXIS 121, at *13 n.28 (TTAB 2018) (“Respondent also asserted ‘estoppel, acquiescence and waiver,’ but does not argue any of these in its brief. They are therefore waived.”) (citation omitted).

Petitioner and Respondent filed briefs. We find that Petitioner has established priority and likelihood of confusion and that Respondent did not establish its affirmative defense of laches. We therefore grant the Petition for Cancellation.

I. The Record

The record consists of the pleadings, and, by operation of Trademark Rule 2.122(b)(1), 37 C.F.R. § 2.122(b)(1), the file history of Respondent’s registration. Additionally, Petitioner made the following evidence of record:

- Notice of Reliance on TESS printouts and copies of the applications as-filed for three pending trademark applications filed in the name of Respondent for the marks UBANK Wealth Management, UBANK Insurance, and UBANK Mortgage (Ser. Nos. 88453211, 88453219, 88453226, respectively) “to demonstrate the Respondent’s fraud in filing similar trademark applications in the USPTO.”⁵

⁵ 13 TTABVUE.

In its brief, Petitioner alleges that its Initial Disclosures (5 TTABVUE) are of record. However, the Board previously ruled that these disclosures were not properly filed and would be given no consideration. 6 TTABVUE. In any event, as Respondent made of record Petitioner’s Initial Disclosures under its Notice of Reliance, 20 TTABVUE 5-8, they are nonetheless of record.

- Notice of Reliance on the transcript of the deposition of Shana DePaoli, Chief Executive Officer (CEO) of Respondent, and related exhibits (“DePaoli Depo. Tr.”).⁶
- Notice of Reliance on Respondent’s Documents (UBANK 000001-000615), which documents were produced by Respondent in lieu of responding to various interrogatories.⁷
- Notice of Reliance on Respondent’s Responses to Petitioner’s Discovery Requests: (1) Respondent’s Initial Disclosures; (2) Respondent’s Answers to Petitioner’s First Set of Interrogatories; (3) Respondent’s Responses to Petitioner’s First Request for Production; (4) Respondent’s Supplemental Answers to Petitioner’s Set of Interrogatories; and (5) Respondent’s Supplemental Responses to Petitioner’s First Requests for Production.⁸

Respondent made the following evidence of record:

- Notice of Reliance on Petitioner’s Responses to Respondent’s Discovery: (1) Petitioner’s Initial Disclosures; (2) Petitioner’s Responses to Respondent’s First Set of Interrogatories; and (3) Petitioner’s Responses to Respondent’s First Set of Requests for Production of Documents.⁹
- Notice of Reliance on the transcript of the deposition of Allen McClary, Chairman and CEO of Petitioner, UBank TN, and related exhibits, taken

⁶ 14 TTABVUE. The Notice of Reliance characterizes this as “testimony deposition;” however, according to the transcript, Ms. DePaoli’s deposition was taken pursuant to Rule 30(b)(6) of the Federal Rules of Civil Procedure and “combine[d it] with [her] personal deposition.” 14 TTABVUE 12-13 (DePaoli Depo. Tr. 9:10-10:1).

⁷ 15, 16 TTABVUE. Documents bearing Bates nos. UBANK 000001-000434 appear at 15 TTABVUE, while documents bearing Bates nos. UBANK 000435-000615 appear at 16 TTABVUE. The Notice of Reliance itself appears as the last document in this set of filings. *See* 16 TTABVUE 239-40.

⁸ 17 TTABVUE. Written responses to requests for production of documents introduced through a notice of reliance are admissible solely for the purpose of showing that a party has stated that there are no responsive documents, as Respondent has done in certain of its responses. *See McGowen Precision Barrels, LLC v. Proof Rsch., Inc.*, Can. No. 92067618, 2021 TTAB LEXIS 167, at *7 n.6 (TTAB 2021).

⁹ 20 TTABVUE. As mentioned, written responses to the requests for production of documents are admissible solely for the purpose of showing that a party has stated that there are no responsive documents, as Petitioner has done in certain of its responses. *See McGowen Precision Barrels*, 2021 TTAB LEXIS, at *7 n.6.

pursuant to Rule 30(b)(6) of the Federal Rules of Civil Procedure (“McClary Depo. Tr.”).¹⁰

- Notice of Reliance on the transcript of the deposition of Shana DePaoli, CEO of Respondent, UBank TX, and related exhibits.¹¹

Petitioner did not offer any evidence in rebuttal.

II. Entitlement to a Statutory Cause of Action

Entitlement to a statutory cause of action is a threshold issue that must be proven by the plaintiff in every inter partes case. *Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 1274 (Fed. Cir. 2014). To establish entitlement to a statutory cause of action under Section 14 of the Trademark Act, 15 U.S.C. § 1064, a plaintiff must demonstrate “an interest falling within the zone of interests protected by the statute and ... proximate causation.” *Corcamore, LLC v. SFM, LLC*, 978 F.3d 1298, 1303 (Fed. Cir. 2020) (citing *Lexmark Int’l, Inc. v. Static Control Components, Inc.*, 572 U.S. 118, 129-34 (2014)). Stated another way, a plaintiff is entitled to bring a statutory cause of action by demonstrating 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, 1374-75 (Fed. Cir. 2020).

¹⁰ 21 TTABVUE. The “Amended Notice of 30(b)(6) Deposition Duces Tecum” is available at 21 TTABVUE 115-24.

¹¹ 22 TTABVUE. This transcript is a duplicate of the transcript that Petitioner properly made of record under its Notice of Reliance (14 TTABVUE). As this transcript is properly of record, Respondent, like Petitioner, is entitled to rely on it for any purpose. Trademark Rules 2.120(k)(7), 2.122(a), 37 C.F.R. §§ 120(k)(7), 2.122(a). *See also Nazon v. Ghiorse*, Opp. No. 91216729, 2016 TTAB LEXIS 262, at *6 n.6 (TTAB 2016) (“Once evidence is properly of record, it may be relied on by any party for any purpose.”). Thus, it was unnecessary for Respondent to make a duplicate copy of record.

As discussed in more detail below, Petitioner has established its common-law rights in the mark UBANK for banking services, that is, it has established its common-law rights in an identical mark for identical services. Thus, we find that Petitioner has established that it is entitled to seek cancellation of Respondent's registration on the ground of priority and likelihood of confusion. *See, e.g., Giersch v. Scripps Networks, Inc.*, Can. No. 92045576, 2009 TTAB LEXIS 72, at *7-8 (TTAB 2009); *Syngenta Crop Prot., Inc. v. Bio-Chek, LLC*, Opp. No. 91175091, 2009 TTAB LEXIS 70, at *16 (TTAB 2009) (testimony that opposer uses its mark "is sufficient to support opposer's allegations of a reasonable belief that it would be damaged ..." where opposer alleged likelihood of confusion).

III. Priority

Section 2(d) of the Trademark Act "provides a ground for cancellation of a registration that has been on the Principal Register for fewer than five years on the basis of a petitioner's 'ownership of 'a mark or trade name previously used in the United States . . . and not abandoned . . . and a likelihood of confusion.'" *Kemi Organics, LLC v. Gupta*, Can. No. 92065613, 2018 TTAB LEXIS 149, at *9 (TTAB 2018) (quoting *Exec. Coach Builders, Inc v. SPV Coach Co.*, Opp. No. 91212312, 2017 TTAB LEXIS 201, at *19 (TTAB 2017) (quoting 15 U.S.C. § 1052(d))).

As an initial matter, a party seeking to cancel the registration of another's mark on the basis of likelihood of confusion with its own unregistered mark must establish that the unregistered mark is distinctive of its goods or services either inherently or through the acquisition of secondary meaning. *See, e.g., Towers v. Advent Software,*

Inc., 913 F.2d 942, 945-46 (Fed. Cir. 1990). Neither party addresses this issue in its brief. Nonetheless, because both parties treat the UBANK mark as inherently distinctive, we do as well. Moreover, Respondent’s registration for an identical mark for identical services, without resort to a claim of acquired distinctiveness or disclaimer, bears this out.

Next, Petitioner must establish “proprietary rights in its pleaded common-law mark that precede [Respondent’s] actual or constructive use of its involved mark.” *Kemi Organics*, 2018 TTAB LEXIS 149, at *9-10 (quoting *Exec. Coach Builders*, 2017 TTAB LEXIS 201, at *19). Petitioner bears the burden of proving priority by a preponderance of the evidence. *Sabhnani*, 2021 TTAB LEXIS 464, at *64.

Petitioner was originally chartered as Union Bank, a name it used for about 92 years.¹² Mr. McClary, Petitioner’s Chairman and CEO, testified that around 2004, Petitioner began a marketing campaign using UBANK in some instances, even though Petitioner was still officially known as Union Bank.¹³ To that end, Petitioner changed the bank’s sign in front of its physical location to UBANK with “Union” spelled out on top of the “U”;¹⁴ the UBANK mark was displayed this way from 2004-2012.¹⁵ “So we called ourself UBANK even though the name was not officially

¹² 20 TTABVUE 11-12 (Petitioner’s Response to Interrogatory No. 1).

¹³ 21 TTABVUE 38 (McClary Depo. Tr. 34:13-35:3).

¹⁴ *Id.* (McClary Depo. Tr. 34:13- 35:3).

¹⁵ *Id.* (McClary Depo. Tr. 34:13-35:7).

UBANK until 2012[.]”¹⁶ when it formally changed its name.¹⁷ When the name change was official, Petitioner issued a press release, announced it on Facebook and changed the sign out front with the new UBANK logo.¹⁸

Respondent’s registration issued on July 23, 2019 from an application that was filed on September 15, 2016. Respondent did not introduce any evidence that it used its UBANK mark before the filing date of the application that matured into the involved registration; thus, the September 15, 2016 filing date is its constructive use date, the earliest date on which Respondent may rely. *Sabhnani*, 2021 TTAB LEXIS 464, at *19.

Petitioner’s priority is not in dispute. In response to several interrogatories, Respondent expressly “acknowledge[d] knowledge of Petitioner’s use [of its] name and claimed Mark as of July 27, 2016[.]”¹⁹ i.e., prior to Respondent’s constructive use date. Additionally, Ms. DePaoli, Respondent’s CEO, testified that Respondent, which was formerly known as Huntington Bank, changed its name to UBank and rebranded in 2019.²⁰ However, several years prior to that—in 2016—Ms. DePaoli conducted a Google search for UBANK and discovered Petitioner.²¹ She acknowledged that was when she learned that “[t]here was a bank in Jellico, Tennessee that was using the name

¹⁶ *Id.* (McClary Depo. Tr. 34:22-35:7).

¹⁷ *Id.*; 20 TTABVUE 11-12 (Petitioner’s Response to Interrogatory No. 1).

¹⁸ 21 TTABVUE 48 (McClary Depo. Tr. 44:7-14).

¹⁹ 17 TTABVUE 12, 13-14, 19 (Respondent UBank’s Supplemental Objections and Answers to UBank (TN) First Set of Interrogatories, Nos. 1, 4, 22).

²⁰ 14 TTABVUE 17 (DePaoli, Depo. Tr. 14:5-16).

²¹ 14 TTABVUE 21 (DePaoli Depo. Tr. 18:10-24).

UBANK.”²² She found Petitioner’s website “or whatever” and realized that Petitioner “provided the same services that Huntington Bank provided at the time[.]”²³

When asked if she thought there that “there was any kind [of] problem that there was a UBank in Tennessee[.]” Ms. DePaoli testified, “No.”²⁴ “They were a one-bank entity in Tennessee, which would have common law trademark rights in that community—or geographic area.”²⁵ More pointedly, Ms. DePaoli testified that “[i]t’s my understanding that [Petitioner has] senior common law use, geographic use of the mark in Jellico, Tennessee and the surrounding area.”²⁶ Indeed, Respondent in its brief seems to expressly concede that Petitioner is the senior user of the mark²⁷ and frames the issue as one of market penetration, albeit with Respondent’s registration date (July 23, 2019), not its constructive use date (September 15, 2016), as the operative date:

Question 2: In what geographic location(s) has Petitioner proven it possessed sufficient market penetration prior to [Respondent’s registration date of] July 23, 2019?

Respondent answers: **“If any geographic location, then only the Jellico Community comprised of Campbell County, Tennessee, where Petitioner’s Jellico, Tennessee branch is located, and the contiguous**

²² *Id.* (DePaoli Depo. Tr. 18:13-19:2).

²³ 14 TTABVUE 23 (DePaoli Depo. Tr. 20:2-10).

²⁴ 14 TTABVUE 22 (DePaoli Depo. Tr. 19:3-8).

²⁵ 14 TTABVUE 22 (DePaoli Depo. Tr. 19:3-12).

²⁶ 14 TTABVUE 28 (DePaoli Depo. Tr. 25:10-19).

²⁷ 24 TTABVUE 10 (para. 1: “Petitioner seeks to force the cancellation of a junior user’s registration simply because of Petitioner’s prior use in a geographically remote area[.]”).

counties of Claiborne County, Tennessee and Whitley County, Kentucky.”²⁸

Continuing, Respondent argues that:

Petitioner’s testimony is clear and unambiguous. As of July 23, 2019, Petitioner’s market penetration was restricted to the Jellico Community, with Petitioner having just 17 employees, one brick-and-mortar location, and one automated teller machine, all located in Jellico, Tennessee, with Petitioner restricting its advertising efforts to the Jellico Community, and with Petitioner having no firm plans to expand outside the town of Jellico.²⁹

Respondent’s reliance on Petitioner’s purported minimal market penetration to prevail on the issue of likelihood of confusion is unavailing. The Trademark Act does not require any degree of market penetration; rather, it only requires “prior use.” Case law makes it clear that Petitioner’s mark may be used in either interstate commerce or intrastate commerce, so long as the use is “prior use.” *Corp. Document Servs., Inc. v. I.C.E.D. Mgmt. Inc.*, Opp. No. 102651, 1998 TTAB LEXIS 367, at *7 (TTAB 1998) (“[R]ights in the mark itself are not dependent upon interstate use. It is well established that rights in and to a trademark are created by use of the mark in either intrastate or interstate commerce.”).

We find that Petitioner has established priority for its UBANK mark for banking services by a preponderance of the evidence.

²⁸ 24 TTABVUE 9 (Question 2) (italics in original, bold here).

²⁹ 24 TTABVUE 11 (para. 3) (citations omitted).

IV. Likelihood of Confusion

Having established that Petitioner has priority, we now turn to the likelihood of confusion analysis. Our analysis is based on all of the probative evidence of record. *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 1361 (CCPA 1973) (“*DuPont*”); *see also In re Majestic Distilling Co.*, 315 F.3d 1311, 1314-15 (Fed. Cir. 2003). We consider each *DuPont* factor for which there is evidence and argument. *See, e.g., In re Guild Mortg. Co.*, 912 F.3d 1376, 1380-81 (Fed. Cir. 2019). Varying weights may be assigned to each *DuPont* factor depending on the evidence presented. *See Citigroup Inc. v. Cap. City Bank Grp. Inc.*, 637 F.3d 1344, 1355 (Fed. Cir. 2011); *In re Shell Oil Co.*, 992 F.2d 1204, 1206 (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, e.g., Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 1103 (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.”).

Petitioner explicitly addresses the first three factors, i.e., similarity of the marks, the similarity of the services, the similarity of the channels of trade, and incidents of confusion. Respondent, for its part, does not dispute Petitioner’s arguments as to the first two factors, effectively conceding that the parties’ marks and services are identical. Respondent instead focuses much of its brief on its good faith adoption in a

remote geographic area and argues that this justifies Respondent retaining its federal registration with at best a carve-out granting rights to Petitioner that are geographically limited to the Jellico Community.³⁰ Respondent does, however, address the factors relating to the conditions under which and buyers to whom sales are made, the incidents of actual confusion, and its good faith adoption of the mark.³¹

A. Similarity or Dissimilarity of the Marks

Under the first *DuPont* factor, we consider the similarity or dissimilarity of the marks in their entirety as to appearance, sound, connotation and commercial impression. *Palm Bay Imps., Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*, 396 F.3d 1369, 1371 (Fed. Cir. 2005). “Similarity in any one of these elements may be sufficient to find the marks confusingly similar.” *In re Inn at St. John’s, LLC*, 2018 TTAB LEXIS 170, at *13 (TTAB 2018) (quoting *In re Davia*, Ser. No. 87075988, 2014 TTAB LEXIS 214, at *4 (TTAB 2014)), *aff’d mem.*, 777 F. App’x 516 (Fed. Cir. 2019).

Petitioner argues in its brief that “the UBANK Marks are identical in their entirety as to appearance, sound, connotation, and commercial impression.”³² Respondent, for its part, acknowledges Petitioner’s argument as to the identity of the marks but does not dispute it or otherwise substantively address it:

Petitioner suggests that cancellation of Respondent’s Registration for the UBANK Mark is necessitated by the identity of the parties’ marks, services, and channels of

³⁰ 24 TTABVUE 25-29 (paras. 44-50),

³¹ 24 TTABVUE 29-31 (paras. 51-55).

³² 23 TTABVUE 22.

trade. But that argument fails to address the wealth of case law holding that cancellation is **not** the appropriate remedy where, as here, the purported junior user adopted the subject mark in good faith in a remote geographic area.³³

Elsewhere in its brief and in connection with its discussion of incidents of actual confusion, Respondent acknowledges that the “parties have been concurrently using UBANK for four years”³⁴ Based on the foregoing, we find that the parties’ marks are identical. Thus, the first *DuPont* factor weighs strongly in favor of a likelihood of confusion.

B. Similarity or Dissimilarity of the Services, Channels of Trade, and Classes of Consumers

The second *DuPont* factor considers “[t]he similarity or dissimilarity and nature of the goods or services as described in an application or registration, or in connection with which a prior mark is in use[.]” *In re Detroit Ath. Co.*, 903 F.3d 1297, 1306 (Fed. Cir. 2018) (quoting *DuPont*, 476 F.2d at 1361), while the third factor considers “[t]he similarity or dissimilarity of established, likely-to-continue trade channels.” *DuPont*, 476 F.2d at 1361. Our analysis under these factors is based on the identification of services in Respondent’s registration and the “actual [services] and channels of trade for which [Petitioner] uses its mark[.]” *Hunter Indus., Inc. v. Toro Co.*, Opp. No. 91203612, 2014 TTAB LEXIS 105, at *34 (TTAB 2014).

³³ 24 TTABVUE 25 (para. 44) (italics in original, bold here).

³⁴ 24 TTABVUE 29 (para. 51).

Respondent's registration identifies "banking services." As for Petitioner's services, Ms. DePaoli readily admitted in her deposition that she was aware that Respondent and Petitioner provided the "same services":

Q: When you found the website or whatever you found for the Ubank in Tennessee, did you realize at the time that they provided the same services that Huntington Bank provided at that time?

A: Yes.

Q: And those are the same services that Huntington was providing when they changed names to UBank?

A: Yes.³⁵

Consistent with this admission, Respondent acknowledges in its brief, for example, that (1) Petitioner "is a Tennessee bank corporation," (2) it is the "second smallest bank in Tennessee," and (3) it is a community bank.³⁶ Thus, we find that Petitioner offers "banking services," and that, as a result, the parties' services are identical.

Turning to the third *DuPont* factor, "[t]here are no limitations as to channels of trade or classes of purchasers in the identification of [services] in [Respondent's registration]." *Hunter Indus.*, 2014 TTAB LEXIS 105, at *36. "It therefore is presumed that [Respondent's services] move in all channels of trade normal for those [services], and that they are available to all classes of purchasers for those [services]." *Id.* "Because the [services] are ... identical and [Respondent's] trade channels and classes of consumers must be presumed to encompass all channels of trade and

³⁵ 14 TTABVUE 23 (DePaoli Depo. Tr. 20:2-10).

³⁶ 24 TTABVUE 12-15 (paras. 8-16).

classes of consumers for [the identified services], [Respondent's] channels of trade and classes of consumers must necessarily overlap with those of [Petitioner]." *Id.*

The record shows that Petitioner offers its services "through normal banking channels of trade, which include but are not limited to banking branch locations, internet access, social media such as Facebook, LinkedIn, Instagram, Twitter, Google ads, written press advertisements, multi-media advertisements, radio advertisement, and other similar advertising media."³⁷ Respondent's channels of trade overlap with the channels of trade among Respondent's unrestricted trade channels. *Bell's Brewery, Inc. v. Innovation Brewing*, Opp. No. 91215896, 2017 TTAB LEXIS 452, at *12 (TTAB 2017).

Respondent, for its part, did not address these factors in its brief, apparently conceding these issues. *See In re Morinaga Nyugyo K.K.*, Ser. No. 86338392, 2016 TTAB LEXIS 448, at *3 (TTAB 2016) (applicant's failure to address second and third *DuPont* factors in its brief deemed an apparent concession on those factors).

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

C. Purchase Conditions and Degree of Purchaser Care

The "fourth *DuPont* factor examines both 'the conditions under which and buyers to whom sales are made, i.e., 'impulse vs. careful sophisticated purchasing.'" *Sabhnani*, 2021 TTAB LEXIS 464, at *50 (quoting *DuPont*, 476 F.2d at 1361).

³⁷ 20 TTABVUE 14 (Petitioner's Response to Interrogatory No. 6).

“Purchaser sophistication may tend to minimize the likelihood of confusion. Conversely, impulse purchases of inexpensive items may tend to have the opposite effect.” *Id.* at *39-40 (quoting *Palm Bay Imps.*, 396 F.3d at 1376).

Respondent argues that “[o]pening a bank account or choosing a mortgagee is not an ‘impulse purchase.’ To the contrary, customers ordinarily gather information before choosing a bank and make their decision based on substantive factors (other than a bank’s name).”³⁸ However, Respondent does not cite evidence from this case; rather, Respondent quotes *Peoples Fed. Sav. Bank v. People’s United Bank*, 750 F. Supp. 2d 217, 225-26 (D. Mass. 2010).³⁹

Except for situations involving issue preclusion, a finding of fact in one case is not binding in a later case. Among other considerations, trademark cases must be decided based on the particular marks and goods or services at issue, as well as the evidence of record and the arguments of the parties. *See In re Nett Designs Inc.*, 236 F.3d 1339, 1342 (Fed. Cir. 2001). In the case before us, there is simply no evidence of record that “opening a bank account or choosing a mortgagee is not an ‘impulse purchase[,]” nor is there any evidence of any kind relating to purchasing conditions or consumer care. *Cai v. Diamond Hong, Inc.*, 901 F.3d 1367, 1371 (Fed. Cir. 2018) (attorney argument is no substitute for evidence). To the extent we accept that the identical services may be marketed to more careful purchasers, we expect that with identical marks used on identical services, even a careful, sophisticated consumer of these services is likely to

³⁸ 24 TTABVUE 30 (para. 54).

³⁹ *Id.*

experience confusion. *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 948-949 (Fed. Cir. 2000).

Moreover, we must infer from the nature of the services, i.e. “banking services,” that consumers will include sophisticated consumers as well as consumers who are not sophisticated, such as teenagers and young adults opening their first account. We base our decision, as we must, on the least sophisticated potential purchaser. *Stone Lion Cap. Partners, LP v. Lion Cap. LLP*, 746 F.3d 1317, 1325 (Fed. Cir. 2014) (even though the seller may primarily target sophisticated potential purchasers, the analysis must focus on the “least sophisticated potential purchasers” of the goods).

The fourth *DuPont* factor is neutral.

D. Nature and Extent of Actual Confusion

The parties dispute the seventh *DuPont* factor, i.e., the nature and extent of any actual confusion. *DuPont*, 476 F.2d at 1361. “A showing of actual confusion would of course be highly probative, if not conclusive, of a high likelihood of confusion.” *Majestic Distilling*, 315 F.3d at 1317.

Petitioner argues that “[t]here have been multiple occurrences of actual confusion by customers and vendors alike[]” and lists four such instances in its brief:⁴⁰

- (1) “Petitioner has received calls from ‘customers of the bank in Texas . . . asking for help getting logged into the Internet banking.’”⁴¹
- (2) “Petitioner has received calls from businesses seeking to verify checks drawn on accounts held with Respondent.”⁴²

⁴⁰ 23 TTABVUE 15.

⁴¹ *Id.* (citing 21 TTABVUE 77 (McClary Depo. Tr. 72:16-18)).

⁴² 23 TTABVUE 15 (citing 21 TTABVUE 77 (McClary Depo. Tr. 72:18-21)).

(3) “Mr. McClary received an email invoice from the Bank Administration Institute regarding Respondent’s bill for a loan payoff.”⁴³

(4) “Mr. McClary has received multiple emails from AT&T ... about UBANK Texas’s internet service.”⁴⁴

Mr. McClary discussed these incidents in his deposition and, in the course of that discussion, referred to a corresponding document that appears to summarize these incidents, but neither this document nor any other evidence, such as copies of the emails, the email invoice, or phone logs, were marked as an exhibit or otherwise made of record.⁴⁵

Respondent counters that “[t]he alleged instances of actual confusion delineated [in] Petitioner’s trial brief are not ‘consumer’ confusion at all, but rather, fleeting confusion of Respondent’s vendors and drawees.”⁴⁶

We disagree, as the callers seeking help with Internet banking appear to be Respondent’s customers, which is also consistent with Mr. McClary’s testimony.⁴⁷ We find Mr. McClary’s testimony persuasive but acknowledge that it could have been more persuasive had it been corroborated by documentary evidence, such as copies of the emails and/or invoice. In any event, even if the evidence consisted of only “vendor” confusion, it would still have some probative value to show that confusion is likely. Moreover, these incidents of confusion have occurred despite Petitioner’s limited

⁴³ 23 TTABVUE 16 (citing 21 TTABVUE 77 (McClary Depo. Tr. 73:1-6)).

⁴⁴ 23 TTABVUE 16 (citing 21 TTABVUE 77 (McClary Depo. Tr. 72:24-73:1)).

⁴⁵ 21 TTABVUE 76-77 (McClary Depo. Tr. 72:8-73:11).

⁴⁶ 24 TTABVUE 29 (para. 51).

⁴⁷ 21 TTABVUE 77 (McClary Depo. Tr. 73:8-11).

presence, as Respondent would have us believe, in a remote, geographical location. Given Petitioner's testimony regarding specific instances of actual confusion, this *DuPont* factor weighs somewhat in favor of Petitioner.

E. Respondent's Intent in Adopting Its Mark

The thirteenth *DuPont* factor examines "any other established fact probative of the effect of use." *DuPont*, 476 F.2d at 1361. Petitioner argues that Respondent's knowledge of Petitioner's mark precludes a finding of good faith.⁴⁸ Respondent argues, in contrast, that its mere pre-application knowledge of Petitioner does not preclude Respondent's adoption of the mark in good faith, and that Petitioner does not present any evidence that Respondent's intent was to benefit from the goodwill and reputation of Petitioner.⁴⁹

An inference of bad faith "requires something more than mere knowledge of a prior similar mark." *Sweats Fashions, Inc. v. Pannill Knitting Co.*, 833 F.2d 1560, 1565 (Fed. Cir. 1987) (awareness of plaintiff's mark through trademark search and opinion of counsel that the mark was available notwithstanding Plaintiff's marks was not sufficient for an inference of bad faith). Here, the record is devoid of any evidence of bad faith or intent to confuse. The evidence shows that Respondent had knowledge of Petitioner's mark prior to its application filing date but nothing more.

The thirteenth factor is neutral.

⁴⁸ 23 TTABVUE 21.

⁴⁹ 24 TTABVUE 30 (paras. 53 55).

F. Respondent’s Argument Based on Petitioner’s “Remote” Usage

Respondent, emphasizing the “remote” nature of Petitioner’s usage, argues that cancellation of its registration is not the proper remedy here and that it should be entitled to maintain its registration subject to a geographical restriction for Petitioner’s actual use:

44. Petitioner suggests that cancellation of Respondent’s Registration for the UBANK Mark is necessitated by the identity of the parties’ marks, services, and channels of trade. **But that argument fails to address the wealth of case law holding that cancellation is not the appropriate remedy where, as here, the purported junior user adopted the subject mark in good faith in a remote geographic area.**

....

Absent an assessment of Petitioner’s market penetration as of the Registration Date, and faced with Petitioner’s sworn testimony that it had no zone of expansion, **any service mark rights granted to Petitioner and carved-out of Respondent’s federal registration must be geographically restricted to the Jellico Community**, with Respondent retaining the right to use UBANK throughout the remainder of the United States.⁵⁰

Respondent makes additional arguments along these lines, all supporting its position that Petitioner, as a senior user in remote trading area, is entitled to be a concurrent user with rights limited to its geographical trading area.⁵¹ Indeed, Respondent cites to various cases to support its position, only one of which was decided by the Court of Appeals for the Federal Circuit and which is binding on this

⁵⁰ 24 TTABVUE 25, 29 (paras. 44, 50) (emphasis added).

⁵¹ 24 TTABVUE 26-27.

Board—*Weiner King, Inc. v. Wiener King Corp.*, 615 F.2d 512 (CCPA 1980)—which Respondent characterizes “as instructive.”⁵² However, *Weiner King* involved a consolidated concurrent use and cancellation proceeding, both of which were suspended pending disposition of the related civil litigation, *Weiner King*, 615 F.2d at 514 n.1, 516-17 & n.2, rather than a cancellation proceeding alone, which is the nature of the proceeding before us. See *Snuffer & Watkins Mgmt. v. Snuffy’s Inc.*, Can. No. 19104, 1990 TTAB LEXIS 62, at *3 (TTAB 1990) (The Board cannot partially cancel a registration in a cancellation proceeding by placing geographical restrictions thereon because “the Commissioner has elected to exercise his authority to geographically restrict a registration only in the context of a concurrent use proceeding”). Accordingly, Respondent’s request for a geographical limitation on the registration in the form of a “carve[]-out” is not one which can be entertained in this proceeding.⁵³

⁵² 24 TTABVUE 26.

⁵³ Moreover, possible concurrent rights are determined by the Board only in a concurrent use proceeding, not a cancellation proceeding. See Sections 17(a) and 18 of the Trademark Act, 15 U.S.C. § 1067(a), 1068; Trademark Rules 2.99(h) and 2.133(c), 37 C.F.R. §§ 2.99(h), 2.133(c). We agree with Petitioner that the present proceeding is not a concurrent use proceeding, nor could it be (23 TTABVUE 13), as the present proceeding cannot be converted to a concurrent use proceeding. Rather, a concurrent use proceeding may be generated only by filing an application with the USPTO for registration as a lawful concurrent user. See *Chichi’s, Inc. v. Chi-Chi’s, Inc.*, 1984 Commr. Pat. LEXIS 9, at *3 (Comm’r 1984) (Commissioner has no power to order the commencement of a concurrent use proceeding absent a concurrent use application). See generally *Stawski v. Lawson*, Concur. No. 94002621, 2018 TTAB LEXIS 438 (TTAB 2018); see also TBMP §§ 1101.02, 1102, 1112 and cases cited therein.

G. Summary of the *DuPont* Factors

The first, second, and third *DuPont* factors weigh strongly in favor of a likelihood of confusion, and the seventh *DuPont* factor weighs somewhat in its favor. The fourth and thirteenth *DuPont* factors are neutral. The parties' services are identical, and the channels of trade and classes of consumers overlap, which reduces the degree of similarity between the marks required for confusion to be likely, but the marks are identical in any event. There is probative evidence of confusion, but there was no evidence of purchaser sophistication nor is there evidence that Respondent adopted its mark in bad faith.

We find on the record as a whole that consumers who are exposed to Petitioner's UBANK mark for banking services, who separately encounter Respondent's UBANK mark for banking services, are likely to be confused as to whether the parties' services emanate from a common source. Petitioner established its entitlement to a statutory cause of action, and proved, by a preponderance of the evidence, that it has priority of use of UBANK mark for banking services, and that there is a likelihood of confusion, thereby proving its claim for relief under Section 2(d) of the Trademark Act.

V. Respondent's Affirmative Defense of Laches

We now consider Respondent's affirmative defense of laches. By statute, laches is available as a defense in cancellation proceedings. 15 U.S.C. § 1069. In order to prevail on its laches defense, Respondent is required "to establish that there was undue or unreasonable delay [by Petitioner] in asserting its rights, and prejudice to

[Respondent] resulting from the delay.” *Bridgestone/Firestone Rsch. Inc. v. Auto. Club de L'Ouest de la France*, 245 F.3d 1359, 1361 (Fed. Cir. 2001). “The laches defense, if successful, will serve as a bar against a petition for cancellation grounded on a likelihood of confusion unless confusion is inevitable.” *Jansen Enters. v. Rind*, Can. No. 92042871, 2007 TTAB LEXIS 47, at *21 (TTAB 2007). The party raising the affirmative defense, Respondent in this case, has the burden of proving it. See *Bridgestone/Firestone*, 245 F.3d at 1361.

A. Measuring Petitioner’s Delay

To establish a date from which delay can be measured, Petitioner must be shown to have had either actual knowledge or constructive notice of Respondent’s trademark use. *Double Coin Holdings Ltd. v. Tru Dev.*, Can. No. 92063808, 2019 TTAB LEXIS 347, at *30 (TTAB 2019). “In the absence of actual knowledge [of trademark use] prior to the close of the opposition period, the date of registration is the operative date for laches,’ as it provides constructive notice to [a] petitioner of the registrant’s claim of ownership.” *Id.* (quoting *Ava Ruha Corp. v. Mother’s Nutritional Ctr., Inc.*, Can. No. 92056067, 2015 TTAB LEXIS 10, at *15-16 (TTAB 2015) (quoting *Teledyne Tech. Inc. v. W. Skyways Inc.*, 2006 TTAB LEXIS 55, at *23 n.10 (TTAB 2006), *aff’d mem.*, 208 Fed. Appx. 886 (Fed. Cir. 2006)).

Respondent argues that Petitioner had constructive notice of its registration as of its registration date of July 23, 2019, that Respondent has engaged in widespread commercial use dating back to at least April 5, 2019, and that “the passing of [approximately 2.5] years after registration, accompanied by the absence of a

reasonable excuse by [Petitioner] for its inaction, require that [Petitioner] be charged with undue delay in seeking cancellation of [Respondent]’s trademark registration.”⁵⁴

Mr. McClary, Petitioner’s CEO, testified that he could not remember when he became aware of Respondent’s trademark usage, but it was before Petitioner opened its Knoxville branch, which occurred in 2021.⁵⁵ Mr. McClary also testified that “we’[d] been in conversation with the Respondent long before that trying to work out an amicable agreement.”⁵⁶ There is no other evidence of record regarding these discussions, however, and no documents, such as emails, from which we may assess a date on which Petitioner had actual knowledge of Respondent’s trademark use so that we may determine if it was prior to Respondent’s opposition period.

Respondent’s registration issued on July 23, 2019 and this is the date that Respondent relies on in its argument as the date from which delay should be measured.⁵⁷ Because the record is not clear as to the date that Petitioner had actual knowledge of Respondent’s mark, and in light of Respondent’s argument relying on the registration date, we use the date of registration as the operative date for assessing laches.

Respondent argues essentially that Petitioner did nothing between the time that Respondent’s UBANK mark registered (July 23, 2019) and the filing of the Petition

⁵⁴ 24 TTABVUE 32.

⁵⁵ 21 TTABVUE 33-34, 82 (McClary Depo. Tr. 29:16-30:24; 77:15-24).

⁵⁶ 21 TTABVUE 82 (McClary Depo. Tr. 77:22-78:2).

⁵⁷ 24 TTABVUE 32 (para. 58).

for Cancellation (January 20, 2022).⁵⁸ Our case law has held that comparable time periods with no communication between the parties was not a sufficient amount of time to find laches. *Kemi Organics*, 2018 TTAB LEXIS 149, at *34-35 (“a little less than three years” was not sufficient time to find laches). *Cf. Ava Ruha Corp.*, 2015 TTAB LEXIS 10, at *18 (finding laches based on three years and eight months of unexplained delay) and *Trans Union Corp. v. Trans Leasing Int’l Inc.*, Opp. No. 56063, 1978 TTAB LEXIS 113, at *26-27 (TTAB 1978) (finding laches based on a two and a half year delay)).

Even assuming, as Respondent argues, that this time period is sufficient to satisfy the first element of laches, i.e., unreasonable delay, it is necessary for Respondent to establish prejudice, as these two elements must be considered together. *Bridgestone/Firestone*, 245 F.3d at 1362 (“Mere delay in asserting a trademark-related right does not necessarily result in changed conditions sufficient to support the defense of laches. There must also have been some detriment due to the delay.”).

B. Potential Material Prejudice

“Two general categories of prejudice may flow from an unreasonable delay: prejudice at trial due to loss of evidence or memory of witnesses, and economic prejudice based on loss of time or money or foregone opportunity.” *Id.* (citation omitted).

⁵⁸ 24 TTABVUE 32 (para. 58).

Respondent does not allege evidentiary prejudice but rather focuses solely on economic prejudice. To that end, Respondent's arguments regarding its economic prejudice are set out in one paragraph in its brief:

Respondent has suffered economic prejudice due to its continued investment in and promotion of its banking services under the UBANK Mark. Respondent has presented testimony on, and documentary evidence of, its advertising of its banking services under the UBANK Mark.... Respondent's evidence of its commercial use of the UBANK Mark has not been challenged. Rather, it is undisputed that Respondent has invested in and promoted its banking services under the UBANK Mark since at least as early as April 5, 2019 ..., but that Petitioner did not file its Notice of and Petition for Cancellation of the Registration until January 20, 2022.... These facts amply prove Respondent's defense of laches.⁵⁹

Respondent essentially argues that it "has suffered economic prejudice due to its continued investment in and promotion of its banking services under the UBANK Mark."⁶⁰ Presumably implicit in this argument is that it would be unfair for Respondent to have to change its mark after such investments and promotions were made.

However, Ms. DePaoli, Respondent's CEO, testified clearly that she did not consider Petitioner's usage of the same mark to be a problem:

Q. Why did your corporation, UBank, decide to file a trademark application for the mark UBank?

A. Because we were looking into – we had decided to change our name; and if we were going to do that, I would prefer to own the trademark.

⁵⁹ 24 TTABVUE 33 (para. 61) (citations omitted).

⁶⁰ *Id.* (para. 61).

Q. All right. And you didn't think there was any problem with another bank in Tennessee having the same name?

A. I did not.⁶¹

In other testimony, Ms. DePaoli was clear that she understood that Petitioner had the right to use the mark but that, perhaps mistakenly, Petitioner's usage was limited to "their geographic area around Jellico, Tennessee[:]"⁶²

Q. Do you believe UBank Tennessee is a concurrent user?

A. Yes.

....

Q. I'm going to ask you again. Do you believe UBank Tennessee is [a] concurrent user?

A. Yes. Yes. They are a concurrent user.

Q. Do you have an agreement of any kind with UBank Tennessee?

A. I do not.

Q. Do you have any kind of concurrent use document or agreement?

A. I do not.

Q. What is your understanding of the term "concurrent user"?

A. We are both using the – the name at the same time.

Q. And is it your understanding that you can use it without an agreement between the two?

⁶¹ 14 TTABVUE 24 (DePaoli, 21:9-17).

⁶² 14 TTABVUE 26 (DePaoli, 23:6-12).

A. It is my understanding.

....

It's my understanding that they have a senior common law use, geographic use of the mark in Jellico, Tennessee and the surrounding area.⁶³

As evidenced by Ms. DePaoli's testimony, Respondent does not appear to have been affected by Petitioner's usage, much less prejudiced by it. There is no evidence, nor does Respondent allege, that it curtailed its advertising or its expansion, or even considered doing so, in light of Petitioner's usage. Thus, Respondent's argument that it is prejudiced by Petitioner's delay is not supported by the record.

Here, Respondent has not shown any meaningful economic or other damage resulting from Petitioner's delay in seeking to cancel the registration, or any significant change of position as a result of Petitioner's delay. In light of this, we find that Respondent has not met its burden of establishing that the petition is barred by laches.

VI. Decision

Because Petitioner has proven its entitlement to a statutory cause of action, priority, and likelihood of confusion by a preponderance of the evidence, and Respondent has not demonstrated that the Petition for Cancellation is barred by laches, the Petition for Cancellation is granted. Respondent's Registration No. 5813915 will be cancelled in due course.

⁶³ 14 TTABVUE 27 (DePaoli 24:19-28:28).