

DuPont Factors of Likely Confusion – Long Term Co-Existence Without Confusion Deserves Consideration by TTAB

March 14, 2019 – The TMCA

by Cathy Dahl



Recently, the Court of Appeals for the Federal Circuit vacated and remanded to the Trademark Trial and Appeal Board a decision on an *ex parte* appeal regarding a likelihood of confusion between the applicant's mark GUILD MORTGAGE COMPANY & Design for mortgage banking services and a registration for GUILD

INVESTMENT MANAGEMENT for mortgage investment advisory services.

The TTAB's ruling denying registration of the GUILD MORTGAGE COMPANY & Design mark did not take into consideration the evidence of long-standing co-existence in the marketplace of the applicant and the registrant. During the prosecution phase, the applicant submitted a Declaration from its President and CEO that applicant was not aware of any instances of actual confusion with the GUILD INVESTMENT MANAGEMENT mark during more than 40 years of co-existence in the marketplace of the two trademark owners. The Examiner rejected this argument in a final office action, and on appeal to the TTAB, the Board did not even address the applicant's Declaration when it affirmed the refusal of registration.

The Federal Circuit vacated the Board's decision, holding that the Board had failed to consider relevant argument and evidence on the issue of likelihood of confusion. As the appellate court explained, in a likelihood of confusion analysis, the TTAB is supposed to consider thirteen potentially relevant factors enunciated in *In re E.I. Du Pont De Nemours & Co.*, 476 F.2d 1357 (CCPA 1973), some of which are more persuasive than others. For example, Factors 1 and 2 (the similarity of the marks and the similarity of the goods/services) generally play a very significant role in the overall assessment of likely confusion. Factor 8 is "The length of time during and the conditions under which there

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has been concurrent use without evidence of actual confusion.”

In its decision on the registrability of the GUILD MORTGAGE COMPANY & Design mark, the TTAB analyzed four *DuPont* factors pertaining to the similarity of marks, the overlap of goods/services, the sophistication of the consumers, and the number and nature of similar marks in use on similar goods/services. But it wholly ignored the 8th factor in its opinion, notwithstanding the evidence in the record in the form of the Declaration attesting to the absence of actual confusion over a 40 year period of co-existence.

On appeal to the Federal Circuit, the PTO contended that the Board did not have to credit the applicant’s Declaration in an *ex parte* registration proceeding because it was an “uncorroborated statement,” “irrelevant” and outweighed by other factors favoring a finding of likely confusion. The Federal Circuit disagreed, faulting the Board’s analysis because there was “no indication that it considered *DuPont* factor 8, for which there was argument and evidence. The Board’s opinion does not mention factor 8 let alone address [applicant’s] argument and evidence directed to that factor.” And because the evidence of long term co-existence without likelihood of confusion would have weighed in favor of a finding of no likelihood of confusion, the Board’s error could not be considered “harmless.”

As the court stated, “We make no assessment as to the evidentiary weight that should be given to Guild’s CEO’s declaration and simply hold that it was error to not consider it. We leave it to the Board to reconsider its likelihood of confusion determination in the first instance in light of all the evidence.”

On remand, will the TTAB’s further focus on the 8th factor be enough to change its prior decision affirming the refusal of registration? Given the overall analysis and weighing of the *DuPont* factors, the TTAB may not change its position. But it will be required to finish its assessment of all of the *DuPont* factors on which there was evidence and argument. On its face, it could be that the TTAB just wrote an incomplete opinion. If so, the CAFC’s remand of the decision to the TTAB could be little more than a parent making a child more thoroughly complete a homework assignment, but with the same end result.

How might this have been approached differently?

First, where there are no instances of actual confusion and a longstanding co-existence in the marketplace, an applicant could seek a Letter of Consent from the registrant for submission to the PTO, particularly if the applicant had priority of use vs. the registrant and some leverage for requesting the consent. It is not part of the public record, but it is possible that the applicant did seek consent and the registrant refused.

Second, why did the applicant wait such a long period of time to seek registration of its mark at the PTO? If use commenced over 40 years ago, it would have been a good idea to file an application for the mark at the PTO as soon as interstate commerce commenced, or to file on an intent-to-use basis at a minimum. Applicant instead was left to deal with an intervening registration at the PTO and a registration effort that turned into a complicated and certainly expensive endeavor. The applicant still has common

law rights in the mark (provided it remains in use), but that's what it started with when it began the registration process.

Trademark Filing Tips

1. File trademark applications at the PTO as soon as practicable. Obtaining presumptive nationwide registration rights for a trademark is highly valuable, particularly for a growing company.
2. Conduct trademark searches before filing to identify any obvious obstacles to use or registration of a trademark.
3. Seek consent from a prior registrant if possible, or consider buying rights in the registrant's mark to remove an obstacle to registration at the PTO.
4. Keep an eye on valuable trademark rights by subscribing to trademark watching services so that action can be taken to stop others from using identical or confusingly similar trademarks as early as possible.