Suppose that you want to register a trademark that identifies a source of goods or services for your business. You file a federal trademark application with the U.S. Patent and Trademark Office. Subsequently, you receive an Office Action from the U.S. Patent and Trademark Office that initially refuses registration of your mark based on a likelihood of confusion with a similar trademark? Can you overcome the refusal to obtain a registration from the U.S. Patent and Trademark Office? The answer is often YES!

Section 2(d) of the Trademark Act (15 U.S.C. § 1052) states in part:

Can Similar Trademarks Coexist Peacefully?

BY DANIEL H. BLISS OF HOWARD & HOWARD ON JANUARY 17, 2018

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The USPTO’s determination of a likelihood of confusion is based on the relevant factors set forth in *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357 (C.C.P.A. 1973). Although the weight given to the relevant *du Pont* factors may vary, two important factors are the similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression and the relatedness of the goods or services as described in the application and registration(s). See, e.g., *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 1103, 192 U.S.P.Q. 24, 29 (C.C.P.A. 1976); *In re Iolo Techs., LLC*, 95 U.S.P.Q.2d 1498, 1499 (T.T.A.B. 2010); *In re Max Capital Grp. Ltd.*, 93 U.S.P.Q.2d 1243, 1244 (T.T.A.B. 2010); *In re Thor Tech, Inc.*, 90 U.S.P.Q.2d 1634, 1635 (T.T.A.B. 2009).

Additional factors that may also be relevant and must be considered are the similarity or dissimilarity of established, likely-to-continue trade channels, the conditions under which and buyers to whom sales are made, i.e., “impulse” vs. careful, sophisticated purchasers, the number and nature of similar marks in use on similar goods, and the existence of a valid consent agreement between the applicant and the owner of a registered mark. See, e.g., *du Pont*, 476 F.2d at 1362-63, 177 U.S.P.Q. at 568-69; *In re Davey Prods. Pty Ltd.*, 92 U.S.P.Q.2d 1198, 1203-04 (T.T.A.B. 2009); *In re Toshiba Med. Sys. Corp.*, 91 USPQ2d 1266, 1272-74 (T.T.A.B. 2009); *Ass’n of the U.S. Army*, 85 U.S.P.Q.2d at 1271-73.

One important *du Pont* factor is the existence of a valid consent agreement with the owner of the registered mark. The existence of a valid consent agreement is considered highly relevant. See Trademark Manual of Examining Procedure (“TMEP”) § 1207.01(d)(viii). The term “consent agreement” generally refers to an agreement between parties in which one party (e.g., a prior registrant) consents to the registration of a mark by the other party (e.g., an applicant for registration of the same mark or a similar mark), or in which each party consents to the registration of an identical or similar mark by the other party. A consent agreement may take a number of different forms and arise under a variety of circumstances.

Should this consent agreement be in the form of a Letter of Consent or a Coexistence Agreement? A Letter of Consent is a consent agreement signed by the owner of an earlier trademark registration consenting to the registration and the use of an identical or similar trademark on the same or similar goods or services. A Coexistence Agreement is a consent agreement between the parties in which the parties believe no likelihood of confusion exists (e.g., the marks travel in different channels of trade) and/or state measures the parties will take to avoid confusing consumers. However, a Letter of Consent is weaker than a Coexistence Agreement. Therefore, if the marks are similar and the goods/services are highly related, a Coexistence Agreement should be used instead of a Letter of Consent.
If the other party will enter into a Coexistence Agreement, will it be enough to overcome the likelihood of confusion refusal? Two fairly recent cases have shed some light on the use of a Coexistence Agreement to overcome a likelihood of confusion refusal. In the precedential case of *In re Bay State Brewing Company, Inc.*, 117 U.S.P.Q.2d 1958, (T.T.A.B. 2016), the Applicant sought registration for the mark TIME TRAVELER BLONDE for beer. The U.S. Patent and Trademark Office denied registration for the mark based on a likelihood of confusion with the trademark registration for the mark TIME TRAVELER for beer, ale, and lager. While the Trademark Trial and Appeal Board (TTAB) recognized that consent agreements are frequently entitled to great weight, they found that the specific consent agreement was outweighed by the other relevant likelihood of confusion factors, namely that the marks were virtually identical, and the goods, trade channels and purchasers were identical. Thus, the TTAB affirmed the refusal under a likelihood of confusion.

The recent non precedential case of *In re A-Plant 2000 ApS*, Serial No. 79162833 (August 25, 2017), the Applicant sought registration for the mark NORDIC in a stylized form for various live plants. The U.S. Patent and Trademark Office denied registration for the mark based on a likelihood of confusion with the trademark registration for the mark NORDIC in standard character form for live plants, namely holly cultivars. Despite a consent agreement between the parties, the TTAB affirmed a likelihood of confusion with the registered mark. As to the consent agreement, the TTAB found that the agreement had multiple failings including lack of restrictions on use and steps to prevent consumer confusion. Thus, the TTAB found that the registrant’s consent was outweighed by the other relevant *du Pont* factors such that confusion remained likely.

What if you draft the Coexistence Agreement to address how the parties restrict use of their marks and take steps to avoid a likelihood of confusion? Will it be enough? Should you still file a response to the Office Action with arguments that address the relevant *du Pont* factors? Because of the above cases, it is highly likely that the Examining Attorney will maintain the refusal unless you present arguments that address all the relevant *du Pont* factors. As such, it is recommend that, in addition to submitting the consent agreement, you file a response with arguments that address dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression, the unrelatedness of the goods or services as described in the application and registration, dissimilarity of established, likely-to-continue trade channels, the conditions under which and buyers to whom sales are made, i.e., “impulse” vs. careful, sophisticated purchasing, and the number and nature of similar marks in use on similar goods/services.

Thus, trademarks can be refused registration based on a likelihood of confusion with a similar registered mark. However, you may be able to obtain a registration from the U.S. Patent and Trademark Office if you can obtain a Letter of Consent or Coexistence Agreement. The most important *du Pont* factors are the similarities between the marks and the similarities between the goods and services. However, the existence of a valid consent agreement between an applicant and the owner of the previously registered mark will be highly relevant. Because of the above cases, it is highly likely that the Examining Attorney will maintain the refusal unless you also present arguments that address the relevant *du Pont* factors. Therefore, it is recommended that, in addition to submitting the consent agreement, you file a response with arguments that address the other relevant *du Pont* factors.
About the ILN IP Specialty Group

Headed by Eddie Powell of Fladgate LLP, London, and Norman Zivin of Cooper & Dunham LLP, New York, New York, the ILN's Intellectual Property Group provides the platform for enhanced communication, enabling all of its members to easily service the needs of their clients requiring advice on cross-border transactions. Members of the group meet regularly at ILN conferences and industry events, and have collaborated on discussions and publications of mutual interest.

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