

**THIS OPINION IS NOT A
PRECEDENT OF THE TTAB**

Hearing:
April 24, 2007

Mailed:
December 20, 2007

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

In re XE Capital Management, LLC

Serial No. 78509295

Judith L. Church, S. Zev Parnass and David Bernstein of
Debevoise & Plimpton LLP for XE Capital Management, LLC.

Daniel J. Russell¹, Trademark Examining Attorney, Law Office
105 (Thomas G. Howell, Managing Attorney).

Before Quinn, Taylor and Bergsman, Administrative Trademark
Judges.

Opinion by Taylor, Administrative Trademark Judge:

XE Capital Management, LLC has filed an application to
register on the Principal Register the mark XE SELECT, in
standard character form, for services which were ultimately
identified as "financial services for sophisticated
investors, namely, offering hedge fund and fund of funds

¹ The above application originally was examined by another
examining attorney, but subsequently was reassigned to the
attorney whose name is shown to prepare the appeal brief and who
participated in the oral hearing.

investment products.”² In response to a request by the examining attorney, applicant has disclaimed the term SELECT.

Registration has been finally refused under Section 2(d) of the Trademark Act, 15 U.S.C. § 1052(d), on the ground that applicant’s mark, when applied to the identified services, so resembles the mark XE, in standard character form, previously registered for “currency exchange services through a global communications network”³ as to be likely to cause confusion, mistake, or deception.

Applicant and the examining attorney filed briefs and an oral hearing was held.

We reverse the refusal to register.

Our determination of the issue of likelihood of confusion is based on an analysis of all the probative facts in evidence that are relevant to the factors set forth in *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). See also, *In re Majestic Distilling Company, Inc.*, 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003). In any likelihood of confusion analysis, two key considerations are the similarities between the

² Application Serial No. 78509205, filed November 1, 2004, and alleging April 1, 2004 as the date of first use of the mark anywhere and in commerce.

³ Registration No. 2612105, issued August 27, 2002.

marks and the similarities between the goods and/or services. See *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24 (CCPA 1976). See also, *In re Dixie Restaurants Inc.*, 105 F.3d 1405, 41 USPQ2d 1531 (Fed. Cir. 1997). Another key factor in this case concerns the conditions under which and buyers to whom sales of the services at issue are made.

Applicant, in urging reversal of the refusal to register, argues that consumers will not believe that the services offered by the parties under their respective marks emanate from the same source because the services are different, applicant's consumers are sophisticated, the decision to purchase applicant's services is not made on impulse, the normal trade channels do not overlap and there is no evidence that the registrant intends to expand into applicant's type of financial services.

Applicant has supported its position with the declarations, and accompanying exhibits, of Terence S. Leighton, a managing director of applicant, and Zev Parnass, one of applicant's attorneys.

We first consider the *du Pont* factor of similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression. *In re E. I. du Pont de Nemours & Co.*, *supra*. We note that

applicant does not contend that its mark is dissimilar to that of registrant. Indeed, applicant states that the issue of similarity of the marks "is not relevant to this appeal." (Reply brief at p. 1). Applicant's standard character form mark XE SELECT is substantially similar in appearance, sound, connotation and commercial impression to the cited registered mark, XE, also in standard character form. The dominant portion of applicant's mark is the term "XE" because the term "SELECT" is descriptive when used in connection with financial services, as evidenced by the disclaimer thereof and by the third-party registrations [submitted by the examining attorney with his Office action issued June 7, 2005] showing that it is common practice to disclaim the term "SELECT" when it appears in marks for financial services. Although likelihood of confusion must be determined by analyzing the marks in their entireties, "there is nothing improper in stating that, for rational reasons, more or less weight has been given to a particular feature of a mark, provided the ultimate conclusion rests on consideration of the marks in their entireties." In re National Data Corp., 753 F.2d 1056, 224 USPQ 749, 751 (Fed. Cir. 1985).

Because the dominant portion of applicant's mark is identical to the registered mark, the factor of similarity of the marks favors a finding of likelihood of confusion.

We next turn to a consideration of the similarity or dissimilarity of the services. It is well settled that the question of likelihood of confusion must be determined based on an analysis of the services recited in applicant's application vis-à-vis the services recited in the registration. *Canadian Imperial Bank v. Wells Fargo Bank*, 811 F.2d 1490, 1 USPQ2d 1783 (Fed. Cir. 1992); and *The Chicago Corp. v. North American Chicago Corp.*, 20 USPQ 2d 1715 (TTAB 1991). Further, it is a general rule that the services need not be identical or even competitive in order to support a finding of likelihood of confusion. Rather, it is enough that the services are related in some manner or that some circumstances surrounding their marketing are such that they would be likely to be seen by the same persons under circumstances which would give rise, because of the marks used therewith, to a mistaken belief that they originate from or are in some way associated with the same producer or that there is an association between the producers of each parties' goods or services. In *re Melville Corp.*, 18 USPQ2d 1386 (TTAB 1991), and the cases cited therein.

We find in this case, however, that applicant's services are unrelated to the registrant's services for purposes of the second *du Pont* factor. Applicant's services are recited as "financial services for sophisticated investors, namely, offering hedge fund and fund of funds investment products." The registrant's services are recited as "currency exchange services through a global communications network." Applicant argues that the services offered under its mark are distinctly different than those offered under the registered mark.

The examining attorney, on the other hand, contends that the respective services are similar because they are financial in nature and involve international markets. The examining attorney specifically argues that:

[d]ue to their dependence on international markets, the services are complementary in that consumers could use the services together. For instance, as applicant's hedge fund services involve international speculation, they presumably require information about markets and currency rates in other countries. Likewise, registrant's services involve international currency rate information. Thus, a consumer could use registrant's foreign currency exchange service to find currency information to better make decisions before using applicant's hedge fund services or follow the performance of applicant's hedge funds.

(Applicant's brief at unnumbered pp. 7-8).

In support of this position, the examining attorney made of record excerpts of web pages and articles retrieved from a search of the Google search engine for the words "hedge fund currency exchange"; excerpts from the website <http://broker.compassweb.com>, an online fund glossary; and copies from the X-Search database of the United States Patent and Trademark Office of a third-party application and a third-party registration that purportedly demonstrate that consumers are familiar with entities offering applicant's type of services and registrant's type of services under the same mark.⁴

Applicant submitted a copy of Registration No. 2982359 for the following services:

financial investment in the field of exchange-traded futures, cash instruments, cash commodities and currencies; investment advice, investment consultation, and investment management; funds advice, namely, mutual fund and hedge fund investment advice; funds investment consultation, funds investment for others, funds investment management for others; financial portfolio

⁴ Although the examining attorney indicated that copies of two registrations were submitted, only one copy was of a registration; the other was for an application that has since matured into a registration. However, the recently issued registration has little, if any, probative value because it is based on a foreign registration, and not use in commerce. In re Albert Trostel & Sons Co., 29 USPQ2d 1783, 1786 (TTAB 1993); In re Mucky Duck Mustard Co., 6 USPQ2d 1467, 1470 n.6 (TTAB 1998).

management; financial services in the nature of an investment security; commodity and futures investment advice; commodity trading for others; currency exchange and advice.

We find the single third-party registration cited by the examining attorney to be insufficient to establish that hedge fund investment services and currency exchange services are related.

As regards the website excerpts, they do not show even one instance where hedge fund investment services and currency exchange services emanate from a single source, or are in any way promoted together. Rather, they show only that hedge funds *may* invest in foreign currency as part of their overall investment strategy.

Simply put, there is insufficient evidence of record to support the examining attorney's contention that applicant's services are related to registrant's services. Further, applicant's financial services, as identified, are not so closely related to registrant's recited currency exchange services that, on the face thereof, they are complementary or that a viable relationship exists between.

Moreover, we are not persuaded that applicant's services are within the normal field of expansion for registrant's recited services. As pointed out by

applicant, there is nothing in the record to support a finding that purchasers are likely to believe that registrant will expand its services to encompass the services identified in the application at issue. *Cf.* In re General Motors Corp., 196 USPQ 574 (TTAB 1977).

Accordingly, we find that the specific services recited in the application and the cited registration are not sufficiently related to warrant a finding of likelihood of confusion.

We next consider the *du Pont* factor of similarity or dissimilarity of the trade channels and classes of purchasers. Applicant argues that there is no reasonable basis to conclude that the same consumers will encounter the respective services offered by it and the registrant. Specifically, applicant asserts that it "does not transact business on the Internet, relying instead on personal contacts with investors or brokers to provide specialized investment services and advice."⁵ In addition, applicant argues that its customers are highly sophisticated and thus exercise a heightened degree of care when evaluating the services before making purchasing decisions.

⁵ Leighton Dec at ¶ 14.

The examining attorney, on the other hand, argues that because applicant's recitation of services places no limit on the channels of trade, applicant's channels of trade would include the use of global communications networks, i.e., the Internet. The examining attorney also argues that as registrant's recitation of services contains no restrictive language relating to the class of purchasers, it must be presumed that the registrant's services target all classes of purchasers, including applicant's target class, "sophisticated investors." The examining attorney thus maintains that "there is a reasonable basis for assuming the same consumers will encounter both registrant's and applicant's services as the channels of trade and class of purchasers overlap." (Examining attorney's brief at p. 9).

As discussed more fully *infra*, applicant's clients are "qualified purchasers" under the Investment Company Act of 1940. It is inconceivable that a "qualified purchaser" would invest in a hedge fund through the Internet. However, as the examining attorney correctly points out, even sophisticated investors may use currency exchange services, and therefore the services of the applicant and the registrant may overlap.

The fact that sophisticated purchasers are the only connection between the services of the applicant and the registrant weighs against a finding of likelihood of confusion. As a general rule, the fact that purchasers are sophisticated or knowledgeable in a particular field does not necessarily mean that they are immune from source confusion. See *In re Decombe*, 9 USPQ2d 1812 (TTAB 1988); *In re Pellerin Milnor Corp.*, 221 USPQ 558 (TTAB 1983). However, circumstances suggesting care in purchasing may tend to minimize likelihood of confusion. As our principal reviewing court has pointed out, "sophistication is important and often dispositive because sophisticated end-users may be expected to exercise greater care." *Electronic Design & Sales Inc. v. Electronic Date Systems Corp.*, 954 F.2d 713, 21 USPQ2d 1388, 1392 (Fed. Cir. 1992). In this case, we note that applicant's purchasers, i.e., its "sophisticated investors," are "highly sophisticated organizations and individuals seeking complex investment vehicles for investments averaging several million dollars each." Applicant requires these U.S. investment management clients to be "qualified purchasers" under the Investment Company Act of 1940 (that is, generally, individuals or entities with respective investment portfolios of at least \$5 million or \$25 million). (*Leighton dec.* at ¶ 8). Under

these circumstances, we find that the purchasers of applicant's services are extremely knowledgeable and careful in their purchasing decisions. Moreover, given the expense involved, we agree with applicant that its investment services are not "impulse" buys by consumers, but rather are carefully considered decisions requiring significant deliberation. (Applicant's brief at p. 9 and Leighton dec. at ¶ 10).

An additional argument made by applicant requires comment. Specifically, applicant argues that "[t]he mark 'XE' is not unique to the Internet currency exchange provided by XE Corporation." To the extent that applicant is arguing that the registered mark is weak and entitled to a narrow scope of protection, such argument is not well taken. In this regard, applicant submitted copies from the TESS database of the United States Patent and Trademark Office of six used-based, third-party registrations for marks consisting of the term "XE" alone or in combination with other matter. While these registrations may be used to demonstrate that a portion of a mark is suggestive or descriptive, they are not evidence that the marks shown therein are in use or that the public is aware of them. See *AMF Incorporated v. American Leisure Products, Inc.*, 177 USPQ 268, 269 (CCPA 1973) ["little weight is to be given

such registrations in evaluating whether there is likelihood of confusion."]. Moreover, our review of such registrations reveals that one has been cancelled and the other five are for goods unrelated to the services involved herein. As such, they are entitled to little probative value.

As discussed above, we find that the evidence of record does not support a finding that there is a likelihood of confusion. While the marks are substantially similar, the services, on their face, are distinctly different, and applicant's services clearly are very expensive and would be bought only by highly knowledgeable, discriminating and sophisticated purchasers after thorough deliberation. We therefore conclude that purchasers of registrant's currency exchange services through a global communications network, as provided under its XE mark would not be likely to believe, if they encounter applicant's financial services for sophisticated investors, namely, offering hedge fund and fund of funds investment products, which are rendered under its XE SELECT mark, that the respective services emanate from, or are sponsored by or associated with, the same source.

Decision: The refusal under Section 2(d) is reversed.