

Mailed:
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Bucher

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

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Centex Corporation

v.

Citihomes Realty Corporation

Opposition No. 91161887
against Serial No. 75900317

Molly Buck Richard of Richard Law Group, Inc. for Centex Corporation.

F. Robert Slotkin of Slotkin Law Firm, P.C. for Citihomes Realty Corporation.

Before Walters, Bucher and Zervas, Administrative Trademark Judges.

Opinion by Bucher, Administrative Trademark Judge:

Citihomes Realty Corporation seeks registration on the Principal Register of the mark **CITIHOMES** (*in standard character format*) for services recited in the application, as amended, as follows:

"real estate brokerage services, namely, assisting in the purchase and sale of real property; providing a database of real estate information, namely, real estate listing information; providing a directory of real estate agents" in International Class 36.¹

Centex Corporation has opposed this application on the ground of priority of use and likelihood of confusion, alleging that applicant's mark, when used in connection with the recited services, so resembles its marks, shown below, as to be likely to cause confusion, to cause mistake or to deceive, under Section 2(d) of the Lanham Act, 15 U.S.C. § 1052(d). Opposer also alleges common law use of the first two registered marks shown below since at least May 1998 in connection with the marketing and sale of residential real

¹ Application Serial No. 75900317 was filed *pro se* by Gil Henderson, "General Manager," on January 18, 2000, erroneously based upon applicant's allegation of a *bona fide* intention to use the mark in commerce (under Section 1(b) of the Act) as well as an allegation of use anywhere since at least as early as June 10, 1998 and use in commerce since at least as early as July 10, 1998 (under Section 1(a) of the Act). The electronic records of the United States Patent and Trademark Office show this application as an application based upon use in commerce, and we have treated it in that fashion. In April 2004, applicant submitted a claim of acquired distinctiveness under Section 2(f) of the Act. The original named applicant is now deceased. In an assignment executed on April 1, 2005, one Ms. Kathleen M. Henderson - presumably Mr. Gil Henderson's widow - assigned this application to her son, Mr. John Henderson (Reel 3066 / Frame 0420), who then assigned the application to CitiHomes Realty Corporation, the named defendant, in an assignment dated April 26, 2005 (recorded at Reel 3080 / Frame 0104).

estate through affiliated real estate agents; and ownership of the following registrations:



CITYHOMES²

CITYHOMES³

CITYHOMES
OF AMERICA⁴

cityhomes⁵
a CENTEX company

each for "construction services, namely planning, laying out and custom construction of residential communities; real estate development; and custom construction of homes" in International Class 37,

Applicant, in its answer, denied all the salient allegations of these claims.

² Registration No. 2486473 issued to Centex Homes on September 11, 2001; Section 8 affidavit (six-year) accepted and Section 15 affidavit acknowledged. Registrant has claimed acquired distinctiveness as to the word "CityHomes." The underlying application was filed by City Homebuilders, Inc. (CHI), registered in the name of assignee, Centex Homes (Reel 2267 / Frame 0174) and was subsequently assigned to Centex Corporation (Reel 2407 / Frame 0381), opposer herein.

³ Registration No. 2513656 issued to City Homebuilders, Inc. (CHI) on December 4, 2001, with later recordations of assignments leading to the current opposer through Centex Homes (Reel 2267 / Frame 0174), and finally to Centex Corporation (Reel 2407 / Frame 0381), opposer herein. This mark issued under Section 2(f) of the Act; Section 8 affidavit (six-year) accepted and Section 15 affidavit acknowledged.

⁴ Registration No. 2683912 issued to Centex Homes on February 4, 2003, and was later assigned to opposer herein in a transfer recorded at Reel 2407 / Frame 0381. Registrant has claimed acquired distinctiveness as to the word "CityHomes," but makes no claim to the words "Of America" apart from the mark as shown.

⁵ Registration No. 3370343 issued to Centex Corporation on January 15, 2008. Registrant has claimed acquired distinctiveness as to the word "CityHomes." Applicant makes no claim to the word "Company" apart from the mark as shown.

I. THE RECORD

By operation of Trademark Rule 2.122, 37 CFR § 2.122, the record includes the pleadings and the file of the involved application.

The record also includes the following testimony and evidence:

A. Opposer's Evidence

1. The testimony deposition of opposer's witness, Eric J. Zimmerman, purchasing and estimating manager for Centex Homes, Dallas, and opposer's and applicant's exhibits referenced therein;
2. Opposer's Notice of Reliance filed September 13, 2007 making of record certified copies of three of opposer's registered marks; and
3. Opposer's Notice of Reliance filed October 1, 2007 making of record printed publications relating to opposer's use of the **CITYHOMES** mark.

B. Applicant's Evidence:

The testimony deposition of applicant's witness, John Gilbert Henderson, President of Citihomes Realty Corporation (see also footnote 1), and opposer's and applicant's exhibits referenced therein.

II. FACTUAL FINDINGS

The record establishes all of the following facts in this case.

Centex is a Dallas-based, home-building company founded more than fifty years ago. However, according to the testimony of Mr. Zimmerman, the predecessor-in-interest to opposer's **CITYHOMES** unit began business retrofitting existing apartments and condominiums in Dallas in the mid-1990's. Zimmerman deposition at 8. Centex acquired City Homebuilders, Inc. (CHI) and the CityHomes marks in 2001. *Id.* at 7, also Opposer's Exhibit 15, *The Dallas Morning News* dated January 12, 2001. Currently, opposer's **CITYHOMES** unit builds new multifamily, attached townhouse and/or condominium projects in infill or urban-type settings. Zimmerman deposition at 9. The target buyers are single professionals, dual income couples without children and upscale, suburban empty-nesters who want to move into urban townhouses and condominiums, primarily in the Dallas/ Fort Worth area. *Id.* at 10, and opposer's Exhibit 12. CityHomes has received national recognition for its luxury homes, including "Builder of the Year" by the National Association

of Home Builders and the American Institute of Architects.⁶ While the majority of opposer's **CITYHOMES** residential homes have been built in the Dallas / Fort Worth area, opposer's **CITYHOMES** unit has also constructed multifamily, attached townhouses and condominiums in Washington DC, in several cities in New Jersey as well as in Houston, TX.⁷

Formed in 1998, applicant, Citihomes Realty Corporation, is a real estate brokerage firm located in the Atlanta (GA) metropolitan area. According to Mr. Henderson, the target audience for applicant's services includes real estate agents and brokers. Applicant passes along leads it gets online (e.g., through its pay-per-click advertising and search engine optimization) to affiliated real estate agents. Applicant offers turn-key real estate business platforms (e.g., online tools such as personal websites, networking tools, a virtual offices, programs for email blasts, etc.) designed to help independent real estate agents and franchisees use the latest technologies to generate more business. In fact, applicant is a discount e-homeseller that touts itself as "Atlanta's #1 online

⁶ *Id.* at 23 - 25. *The Dallas Morning News*, "CityHomes brings home NAHB awards," April 16, 2000, opposer's Exhibit 10.

⁷ Zimmerman deposition at 56 - 59, and Opposer's Exhibit 38 : www.centexcityhomes.com and www.centexhomes.com.

Realtor.” Applicant’s customers also include property owners looking to list their properties for sale as well as property buyers who need expertise in purchasing properties. While applicant’s services include rental leases, the sale of empty lots of undeveloped land, farms, historical properties and commercial properties, more than 90% of applicant’s services involve the resale of residential properties. All the various websites that applicant made part of the record show the **CITIHOMES** mark used prominently therein. Applicant has not established use of its mark in connection with its identified services prior to its filing date, upon which we have relied for determining priority vis-à-vis opposer’s established common law use of its marks.

III. ANALYSIS

A. Standing

Opposer’s standing is a threshold inquiry made by the Board in every *inter partes* case. In *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999), the Federal Circuit has enunciated a liberal threshold for determining standing, i.e., whether one’s belief that one will be (is) damaged by the registration is reasonable and reflects a real interest in the case. See also *Jewelers Vigilance*

Committee Inc. v. Ullenberg Corp., 823 F.2d 490, 2 USPQ2d 2021, 2023 (Fed. Cir. 1987); and *Lipton Industries, Inc. v. Ralston Purina Company*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982). Opposer has submitted evidence of its ownership of its various **CITYHOMES** registrations, as well as proof of its common law usage of the **CITYHOMES** mark. We consider this evidence as sufficient to establish opposer's interest and, therefore, standing, in this proceeding.

B. Priority

Because opposer has established that it owns valid and subsisting registrations of its pleaded marks, priority is not an issue. See *King Candy Company v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974); and *Carl Karcher Enterprises Inc. v. Stars Restaurants Corp.*, 35 USPQ2d 1125 (TTAB 1995).

As to opposer's common law use of its marks in connection with the marketing and sale of residential real estate through affiliated real estate agents, opposer has demonstrated use at least as early as May 29, 1998:



COLE AVENUE CITYHOMES

PROJECT DESCRIPTION

A luxury condominium project by the award-winning home builder CityHomes, situated between the heart of the charming Knox Park area and the luxury of Highland Park, and just two blocks from the hike & bike Katy Trail.

Designed by a renowned AIA award-winning architect, the 24 Cole Avenue units are spacious yet practical and efficient for today's urban lifestyle. Choose a two-level or a three-level floorplan depending on your preference and needs. Whichever floorplan you choose, your CityHomes condominium is ultra low maintenance, which allows you the extra time to enjoy your new home and neighborhood! The two-level floorplan is a two bedroom, two and a half bath layout. The three-level floorplan features an additional room on the third level and provides the flexibility of use as an extra bedroom, a home office, or an exercise or entertainment room, plus a rooftop terrace with a treated wood deck with a view towards the downtown skyline. All units have a fenced-in patio area for additional private outdoor space.

STANDARD FEATURES AND AMENITIES

- 3/4" solid white oak hardwood flooring throughout living/dining area
- Queen Berber carpeting by DuPont/Stainmaster with 12 year stain resistance warranty
- Granite kitchen and bath countertops custom-made from your selection of 1-1/4" architectural grade material
- White, melamine, custom cabinetry in the kitchen, which also features custom home quality white-on-white Kenmore appliances with an electric Kenmore radiant

G:\CLAR\YWP\DOCS\UC\PROJECTS\COLEAVE\AMENITIES.WPD
May 28, 1998

This May 1998 promotional flyer precedes applicant's filing date (January 18, 2000) or any other date on which applicant can rely based on its testimony of record. In light of this evidence, we award priority to opposer herein.

⁸ Zimmerman deposition at 15 - 16; Exhibit 3.

C. Likelihood of Confusion

We turn, then, to the issue of likelihood of confusion under Section 2(d) of the Trademark Act. Our determination must be based upon our analysis of all of the probative facts in evidence that are relevant to the factors bearing on the issue of likelihood of confusion. See *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 considering the evidence of record on these factors, we keep in mind that "[t]he fundamental inquiry mandated by Section 2(d) goes to the cumulative effect of differences in the essential characteristics of the goods and differences in the marks." 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).

The Marks

We turn first to examine the similarity or dissimilarity of the parties' marks in their entirety as to appearance, sound, connotation and commercial impression. See *Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1692 (Fed.

Cir. 2005). Opposer argues that the parties' marks are confusingly similar as to each of these criteria. By contrast, applicant argues that none of the involved services are transacted using spoken words, and that there are visual differences in the marks despite the similarity in spelling, creating different meanings and commercial impressions.⁹

Under this *du Pont* factor, the test is not whether the marks can be distinguished when subjected to a side-by-side comparison, but rather whether the marks are sufficiently similar in terms of their overall commercial impressions such that confusion as to the source of the goods offered under the respective marks is a likely result. *Sealed Air Corp. v. Scott Paper Co.*, 190 USPQ 106 (TTAB 1975).

As to sound, while there is no correct pronunciation of marks, opposer points out that the phonetic simulation is perfect, and we agree that any variety in the pronunciations

⁹ Much of our discussion has focused on the mark shown in Registration No. 2513656 for the standard format presentation of opposer's mark, **CITYHOMES**. This is not to suggest that we would reach a different ultimate determination as to the other marks.

Applicant has questioned whether Centex, after the acquisition of CityHomes, continued to use the logo having the chimneyed house for the letter "H" mark that is Registration No. 2486473. However, such an allegation will not be heard in this proceeding because it is essentially an attack on the validity of opposer's established registration, and applicant has not counterclaimed to have this registration cancelled.



of these marks is likely to be the same. *Citibank, N.A. v. The City Bank of San Francisco et al.*, 206 USPQ 997, 1005 (N.D. Cal. 1980) [**CITIBANK** is the phonic equivalent of **CITY BANK**}. In testimony, applicant's witness testified to only a handful of unusual pronunciations of its **CITYHOMES** marks over a ten year period of usage. Henderson deposition, at 92 - 94. Nonetheless, applicant argues that:

" ... there is no evidence that either Applicant's services or Opposer's services are ever purchased verbally. In fact, to do so would violate the statute of frauds in most States, including Georgia and Texas, which require that contracts concerning interests in land be written."

However, purchasers will often refer to marks verbally, regardless of the significance of such verbalization to the purchasing process and, therefore, the similarity or dissimilarity in sound between the parties' marks is but one consideration in our likelihood of confusion analysis.

As to meaning, we find that despite the difference in their fourth letters, both of these marks have the same meaning and are likely to be perceived as connoting urban homes.

As to appearance, the visual simulation of **CITYHOMES** and **CITYHOMES** is quite close. We agree with opposer that the slight difference of a single letter in the middle of the respective marks is insufficient to distinguish the

marks - especially when the marks are identical as to sound and meaning. *Black & Decker Corporation v. Emerson Electric Co.*, 84 USPQ2d 1482, 1491 (TTAB, 2007) [the slight difference in the spelling of HOG and HAWG is insufficient to distinguish these marks]. Although applicant makes much of opposer's various design features, taglines and particular lettering fonts, the mark in opposer's Registration No. 2513656 is **CITYHOMES** in standard character format - as is applicant's applied-for **CITIHMES** mark. Hence, we find the commercial impressions of these two marks to be substantially similar.

Regarding opposer's pleaded Registrations Nos. 2486473, 2683912 and 3370343, for marks including additional wording and/or design elements, we find that in each case, the term **CITYHOMES** is the dominant portion thereof. In Registration No. 2486473, the design consists principally of the letter "H" in "HOMES" appearing as the design of a chimneyed house, which essentially reinforces the "HOMES" portion of the term **CITYHOMES**. In Registration No. 2683912, the additional terminology, "Of America" also refers the viewer back to the primary term, **CITYHOMES**, and may indicate to a prospective buyer that there are subsidiaries operating in other countries. However, **CITYHOMES** remains the dominant portion

of this mark as well. In Registration No. 3370343, the additional wording, "a CENTEX **company**," appears in much smaller writing beneath a portion of the dominant term, **CITYHOMES**, and, again, refers the viewer back to the primary term, **CITYHOMES**.

Hence, in view of the substantial similarity in the sound, sight, connotation and commercial impressions of the involved marks, we find that applicant's mark is confusingly similar to opposer's marks.

Relatedness of the services

In looking at the respective recitations of services, opposer argues that these are related types of real estate services that go hand-in-hand. For example, opposer argues that applicant's **CITYHOMES** real estate brokerage services facilitate the marketing and sale of real estate - much like the type of residential properties constructed by **CITYHOMES** / Centex. Similarly, Centex's **CITYHOMES** residential developments are multi-unit urban condominium and townhome developments, while applicant's real estate listings clearly include urban townhomes, lofts and condominiums.

By contrast, applicant argues that opposer's recited construction services have nothing to do with real estate brokerage, agency or listing services. Applicant argues

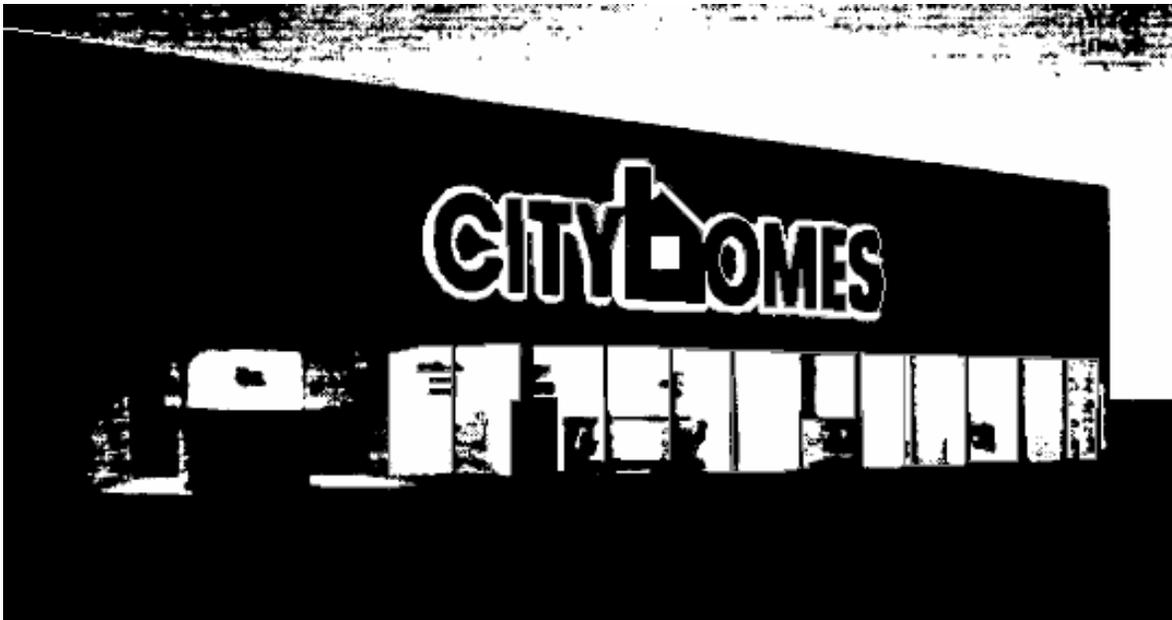
that “[r]eal estate services and construction industry services have been held insufficiently similar to create a likelihood of confusion.” Although applicant, in footnote 49 in its brief, at 15, included what purports to be precedential support for the distance between these services [*American Optical Corp. v. American Olean Tile Company*, 179 USPQ 253, 255-256 (TTAB 1973)], we find that this cited case does not actually stand for the proposition as stated.¹⁰

We agree with applicant that “[s]ervices are ‘related’ not because they co-exist in the same broad industry but are ‘related’ if the services are marketed and consumed such that buyers are likely to believe that the services, similarly marketed, come from the same source, or are somehow connected with or sponsored by a common company.” See *Homeowners Group v. Home Marketing Specialists*, 931 F.2d 1100, 1109, 18 USPQ2d 1587 (6th Cir. 1991). However, opposer’s services are clearly not limited to construction services. While the record before us does not establish a relationship between the transactional services of a real estate agent and construction services, some construction entities, such as opposer, indeed, do offer real estate

¹⁰ The Board, in *American Optical Corp.*, held that the fact that plaintiff had offered a variety of services (including construction and real estate services) was insufficient to establish a commercial relationship with applicant’s ceramic tiles.

development services that include marketing and selling the condominiums and townhouses that they construct.

As demonstrated in the record, opposer has used the **CITYHOMES** mark since the mid-1990's in connection with the *development and sale* of residential real estate properties. Given the nature of its profile in Dallas, members of the public are likely to view CityHomes as, in addition to being a builder, a real estate sales organization. Throughout this record, real estate agents make significant contributions to opposer's business, and there are repeated articles and advertisements prominently featuring opposer's sales and marketing center:



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¹¹ Zimmerman deposition at 20 - 24, 31; Opposer's Exhibit 8, *The Dallas Morning News*, "City Dwellers: Pair of builders asserting dominance in close-in neighborhood," February 19, 1999. In this article about CityHomes' "brand identity," it mentions

The evidence relevant to this *du Pont* factor shows that the parties provide substantially similar services in the marketing and sale of residential real estate, using the same types of marketing for those services.

Channels of Trade

As noted above, we conclude that opposer's registrations, which include "real estate development" services, encompass "marketing and sale services." Such services are clearly focused on potential home buyers.

Specifically, we note that applicant's real estate brokerage services include "assisting in the purchase and sale of real property." This portion of applicant's business is shown at applicant's website directed to potential home buyers, available at <http://www.citihomes.com> (applicant's Exhibit 9). Mr. Henderson testified about applicant's primary affiliated real estate agent, Ms. Mary Beth Zoretic, and the record points to Ms. Zoretic's websites having the CitiHomes Realty Corporation logo displayed prominently on all of them:

- Atlanta **Condos**: <http://www.CitiHomesMetro.com/>
Tag-line: "Finding a cool place intown just got easier ..."

the spring 1999 opening of 15,000 sq.ft. high-tech neighborhood sales and marketing center in Knox Park area of Dallas, at the corner of Cole and Fitzhugh Avenues; see also opposer's Exhibits 16 and 17.

- Atlanta **Townhomes**: www.AtlantaTownhomeAdvisor.com
Tag-line: "Turning your Dream Into a Home!"
- Atlanta **Lofts**: www.AtlantaLoftExpert.com
Tag-line: "Find the Coolest Place to Live"
- Atlanta **Luxury Homes**: www.AtlantaFineLiving.com
Tag-line: "Exceptional Real Estate. World Class Service"¹²

The record also shows that applicant advertises in a variety of magazines targeting different groups of ordinary consumers who may be in the market for a condo, townhouse or loft.¹³

Opposer has shown through evidence of its use of its mark in the marketing and sale of residential real estate, that it uses the same types of marketing for its real estate development services. In fact, on this record, we find that the ultimate customers of applicant's recited services and opposer's demonstrated real estate development services include all the same classes of purchasers: potential / ultimate buyers of residential properties on the market for

¹² In addition to applicant's explicit claim to be "*the Atlanta Condo experts*," CitiHomes Realty Corporation's promotion of townhouses, lofts, condominiums and luxury homes belies applicant's claims in its brief to be "almost exclusively" involved in the "sales of suburban and exurban single family, detached homes."

¹³ Applicant has advertised, *inter alia*, in *DavidAtlanta Magazine*, *The Gay and Lesbian Entertainment Magazine for Atlanta*, also available at <http://www.davidatlanta.com/>; *The Roswell Trader*; and www.AtlantaNation.com. Henderson deposition at 53, 104 - 105.

an average of three-hundred thousand dollars. Even if we were to conclude that opposer is currently involved in selling only new homes and that applicant is involved only in the resale of existing homes, we find that in the event opposer were offering its services in the Atlanta metropolitan area, for example,¹⁴ it would be in direct competition with applicant,¹⁵ applicant's protestations to the contrary notwithstanding.¹⁶

Over the past decade, affiliated real estate agents or brokers have been critical players in the marketing and sale of residential real estate transactions, whether such services have been offered by applicant or by opposer. Moreover, both offer their respective services through the

¹⁴ While the record shows that opposer/Centex is active in the Atlanta metropolitan area, so far it does not appear as if the opposer's **CITYHOMES** unit has established a presence there.

¹⁵ Opposer's Exhibit 19: Information brochure from 1999; Opposer's Exhibits 20 and 21: Billboards from 1998 - 1999; Opposer's Exhibit 22 : CityHomes marketing brochure, 2000 - 2001; Opposer's Exhibit 23 : Metroplex Living, special advertising insert section of *The Dallas Observer*, June 2005; opposer's Exhibit 24 : CityHomes ad in *The Dallas Voice* www.dallasvoice.com July 1, 2005; opposer's Exhibits 25 and 26 : May 2005, advertorials in the "New Homes" section of *The Dallas Morning News* for CityHomes properties available for purchase; opposer's Exhibit 27 : *New Homes Guide* of April 2005, hundreds of pages long having properties for sale in the Dallas / Fort Worth area, having opposer's advertisements on the front cover; and opposer's Exhibit 28: *New Homes Guide* of July 2005.

¹⁶ Henderson deposition at 116 - 120.

same channels of trade, namely, through real estate agents, over the Internet, using flyers and lawn signs:



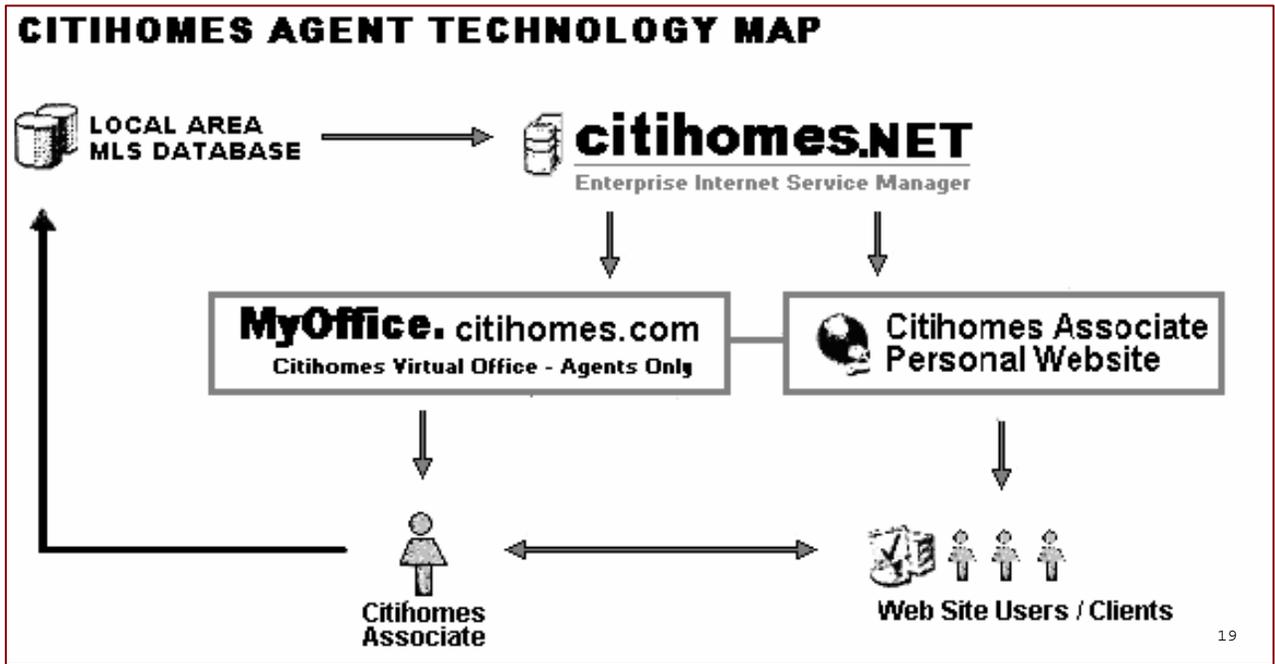
With so many overlapping channels of trade, it is immaterial to our determination that applicant may well not have used its mark in trade channels used by opposer, "such as television, newspaper, radio, billboards, or advertorials."

Both opposer and applicant have focused a disproportionate share of their evidence and argumentation on the role of real estate professionals in their respective businesses. Given our conclusions above regarding potential home buyers, we do not find this deserves so much attention.

¹⁷ Opposer's Exhibit 35 is pictures of curb-side signage at a CITYHOMES project in September 2007.

¹⁸ Applicant's Exhibit 12 is a photograph of CITIHOMES curb signage.

Certainly applicant's business model focuses on real estate agents as a second, distinct population of customers. In fact, a very helpful flowchart contained in the record clarifies the two faces of **CITIHMES**:



While applicant's recitation of services appears to be directed to potential home buyers, the language of "providing a database of real estate information, namely, real estate listing information" could certainly encompass services directed to real estate professionals. Affiliated, independent real estate agents and brokers are the targeted customers of applicant's **Citihomes** turn-key real estate business platforms, available to experienced agents

¹⁹ BATES #CITI-0009.

interested in establishing a franchise with applicant (available at www.citihomes.biz or MyOffice.citihomes.com; Henderson deposition at 46, 56). In this latter context, applicant derives income from real estate professional franchisees, or "Citihomes Associate[s]." These real estate agents are indeed the ultimate customers of applicant's online business platform services.²⁰

We agree with applicant that opposer is not offering services directly to real estate agents as ultimate customers. Unlike applicant, who derives income from real estate agents, the real estate professionals that opposer works with derive income from opposer in the form of real estate commissions and bonuses. Nonetheless, applicant argues that there is no evidence in this record supporting opposer's argument that real estate agents comprise an important audience for its services. We disagree, noting, *inter alia*, that opposer has made of record a large quantity

²⁰ Of course, this particular franchise arrangement with real estate agents seems critical to all of applicant's "real estate brokerage services" recited in the instant application. Applicant is said to have recognized early-on the ways in which the Internet was changing the role of real estate agents. Applicant's Exhibit 5 Applicant's business model clearly relies upon income from its franchisees. In spite of having only one broker and three agents (Henderson deposition at 102 - 103), applicant claims to being "Atlanta's #1 online Realtor."

of evidence showing the significant role real estate agents play in opposer's real estate development services.²¹

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- ²¹
- Opposer's Exhibit 1: Flyer marketing CITYHOMES project through *David Griffin & Co. Realtors* / project is in the 4100 Block of Travis/a 42 residence Development/May 1998 also at <http://www.dgriffin.com/>
 - Opposer's Exhibit 2: Dallas Morning News real estate classified article, January 11, 1999 "New CityHomes design offered by David Griffin, vice president [of CityHomes?] and listing agent.
 - Opposer's Exhibit 3: Flyer/handout for *Realtors, brokers, potential buyers, etc.* about CityHomes luxury condominium project on Cole Avenue (May 29, 1998)
 - Opposer's Exhibit 4: Happy hour party invitation for Travis project in exhibits 1 and 2, handled by *Joseph Gullotto, of Ebby Halliday, REALTORS®* (June 18, 1998)
 - Opposer's Exhibit 5: Advertisement of three different CityHomes developments (e.g., The 5•7•9, 4125 Cole and Miro Place), *represented exclusively by Joseph Gullotto, of Ebby Halliday, REALTORS®* 1998 <http://www.ebby.com/>
 - Opposer's Exhibit 6: Another advertisement of three different CityHomes developments (e.g., The 5•7•9, 4125 Cole and Miro Place), having photograph of The 5•7•9, still *represented exclusively by Joseph Gullotto, of Ebby Halliday, REALTORS®* 1998
 - Opposer's Exhibit 7: Happy hour party invitation for Cole project exclusively for *VIP's, e.g., Realtors and brokers*, February 1999
 - Opposer's Exhibit 9: Flyer about "closeout specials" given massive distribution to *Realtors* (August 1999)
 - Opposer's Exhibit 14: *CityHomeLife*, a mailer/flyer put out by opposer on a quarterly basis, for potential buyers and *Realtors®*, this one dated October 2000
 - Opposer's Exhibit 18: Collection of advertisements, including mailers directed to *Realtors and brokers*
 - Opposer's Exhibit 29: "HomeCenter" real estate advertising section of The Dallas Morning News, July 28, 2007; sometimes brought along by *Realtors*
 - Opposer's Exhibit 30: New Home Source Professional, August - October 2007, a magazine designed for real estate professionals, having a CityHomes ad directed to real estate agents
 - Opposer's Exhibits 31 - 33: *Realtor Source*, also known as "the red book," sent to *Realtors* only on a monthly basis, having opposer's advertisements on the front cover;
 - Opposer's Exhibit 34: CityHomes membership packet for opposer's companies given to *Realtors®*

In any case, regardless of either party's current business model, the recitations of services in the application and the registrations are sufficiently broad so as to encompass the same relevant purchasers and the same trade channels. Accordingly, we find that this *du Pont* factor favors a finding of likelihood of confusion.

Conditions under which sales are made, and to whom

We have seen that both opposer and applicant market their services to real estate agents/brokers and to individual homebuyers in the market for homes with an average sales price of \$300,000. Accordingly, it seems implicit in construction, real estate, franchising or other services involved herein, that we are not dealing with impulse purchases by unsophisticated individuals. Nonetheless, with marks so very similar being used in connection with the same real estate services, we conclude that even sophisticated purchasers would be subject to source confusion. *Octocom Systems, Inc. v. Houston Computers Services Inc.*, 918 F.2d 937, 16 USPQ2d 1783, 1787 (Fed. Cir. 1990).

Renown of opposer's mark

As to the *du Pont* factor focusing on the fame of opposer's prior mark (sales, advertising, length of use,

etc.), opposer notes the following points in favor of granting a wide berth to opposer's **CITYHOMES** marks:

- use since January 1994
- over \$108 million in sales
- favorable press nationally for its awards
- now **CITYHOMES** developments in Washington, D.C., New Jersey, Houston, etc.
- opposer spent more than \$ 2.5 million to promote its **CITYHOMES** mark between FY 2002 and FY 2005

Applicant counters that there is no direct evidence of the fame of opposer's marks in the record, such as market survey evidence. Moreover, applicant points out that the vast majority of opposer's operations have been limited to the Dallas / Fort Worth area of Texas.

We find that opposer appears to have made a name for its **CITYHOMES** unit by garnering significant press coverage of its awards and widespread industry recognition as one of the country's premier developers of urban homes.²²

On the other hand, the then-owner of **CITYHOMES** was named in 1999-2000 as the "20th largest builder in the Dallas/Fort Worth area."²³ While we do not deny the successes that

²² Opposer's Exhibit 12: "D" Magazine, "Urban Living," September 2000; and opposer's Exhibit 13: *Builder* magazine, November 2000, "Townhomes/Townhouses Grow Up,"

²³ *Dallas Business Journal*, August 25-31, 2000, "Filling in the Blanks: Infill development gains ground in Dallas," CityHomes is listed as the 20th largest builder in Dallas/Fort Worth Metropolis in 1999, opposer's Exhibit 11.

Centex's **CITYHOMES** mark has experienced over the years, we also find that its gross levels of promotional expenditures and sales are not significant enough to support it as a famous mark, and its renown is largely limited to Texas. Accordingly, this *du Pont* factor remains a neutral one in our determination of likelihood of confusion herein.

No actual confusion

Applicant argues that "the parties' marks have been in concurrent use for a decade." This contemporaneous usage would be most likely to cause confusion, if there were to be any, as a result of both parties' shared presence on the Internet.²⁴ The eighth *du Pont* factor requires us to consider evidence pertaining to the length of time during and conditions under which there has been contemporaneous use without evidence of actual confusion.

However, given the nature of the services, we find that the absence of evidence of actual confusion largely might be explained by the fact that there has not been any significant opportunity for actual confusion to have occurred. See *Gillette Canada, Inc. v. Ranir*, 23 USPQ2d 1768 (TTAB 1992). While Atlanta and Dallas/Fort Worth are

²⁴ Opposer at <http://www.cityhomesusa.com> and applicant at <http://www.citihomes.com>.

both Sunbelt cities, they are located 800 miles apart and there is no evidence showing that the parties actually market their services in the other's geographic area. This differences in the parties' actual areas of geographical trade for a most tangible and unmovable product like real property is relevant under the eighth *du Pont* factor to the extent that it might explain the absence of actual purchaser confusion to date. On balance, we find that the eighth *du Pont* factor is neutral in this case, or at best, that it weighs in applicant's favor only slightly.

Conclusion

In conclusion, we find that opposer has priority both in view of its registrations of record and its further evidence of use of its **CITYHOMES** marks in connection with real estate development services in the nature of real estate sales and marketing prior to the earliest date claimed by applicant; that the marks are quite similar; that applicant's services are essentially the same as opposer's real estate services offered under the **CITYHOMES** mark; and that the respective trade channels and classes of customers are identical. This clear determination is not outweighed by the fact that there have been no known instances of actual confusion over the past decade; that a home is truly

one of the largest purchases most persons will make in the course of a lifetime, and thus, such purchasers exercise a heightened level of care; and that opposer is not extremely well-known outside of the Dallas / Fort Worth metropolis.

Decision: The opposition is sustained based upon the ground of likelihood of confusion under Section 2(d) of the Lanham Act, and registration to applicant is hereby refused.