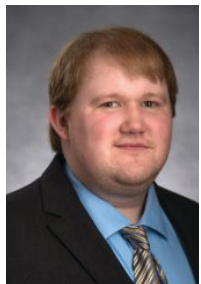


# Federal circuit emphasizes impact of third-party marks on the strength of composite marks

By THOMAS SICA [SPECIAL TO THE DAILY RECORD](#)

It should go without saying that a trademark applicant cannot register a trademark that is identical to a previously registered trademark for the same goods and/or services. However, it becomes a more difficult analysis when composite marks are involved which are only identical in part, especially when the common element of the compared marks is also adopted by third parties.



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Take the following hypothetical. You apply to register a trademark for “XYZ Express” for clothing and apparel. However, another company files an opposition to your trademark application based upon a likelihood of confusion with their registered trademark for “Ex-

press,” also covering apparel. Upon inspection, you notice that the Trademark Office has other registered trademarks for apparel containing the word “Express,” such as “PlusExpress,” “Ace Express,” “Express Me,” and “X-Pressed.” If all of these marks are able to co-exist on the trademark register with “Express,” then why should “XYZ Express” be a problem? What impact would the submission of these registrations have on the opposition proceeding?

These were the questions faced by the Federal Circuit in June in the case of *Spireon, Inc. v. Flex Ltd.*, 71 F.4th 1355 (Fed. Cir. 2023). In this case, Spireon had applied for a trademark for “FL FLEX” covering “[e]lectronic devices for tracking the locations of mobile assets in the nature of trailers, cargo containers, and transportation equip-

ment using global positioning systems and cellular communication networks.” Spireon’s application was opposed by Flex Ltd. who owned two registered trademarks for “FLEX” covering “supply chain management services; transportation logistics services, namely, arranging the transportation of goods for others; logistics management in the field of electronics; ... [and] inventory management services for others,” as well as a registered trademark for “FLEX PULSE” covering the same services plus “providing temporary use of non-downloadable computer software for supply chain management, logistics and operation, inventory control, inventory management and tracking of documents and products over computer networks, intranets and the internet in the field of supply chain management.”

During the opposition proceeding, Spireon cited twenty different admissible trademark registrations containing the word “Flex” for similar goods and services. The third-party registrations included some marks for just “FLEX” and other composite marks such as FLEXPROCESS, FREIGHTFLEX, FLEXFLOOR, FLEXSCAN, FLEXLOGIC, BAD ELF FLEX, and AMAZON FLEX. But, the Trademark Trial and Appeal Board did not consider fifteen of the twenty cited registrations because they included “compound terms including another word or letters in addition to ‘FLEX.’” The Board then found that the remaining five third-party registrations were not enough to establish that “Flex” was so commonly used as to be weak as a source identifier. Ultimately, the Board found there was a likelihood of confusion between the marks and sustained the opposition.

On appeal, the Federal Circuit found that the third-party registrations proffered by Spireon were more relevant than the

Board had found and reversed and remanded the Board’s decision. In particular, the Court disagreed with the Board’s decision to disregard most of the cited third-party marks. The Court stated that “[a]t least where the registrations and application are for non-identical marks, as they are here, it is error for the Board to effectively disregard third-party composite marks.”

The Federal Circuit also clarified the burden of proof on whether third-party marks are actually being used in commerce. Flex argued that, even though Spireon submitted some third-party registrations that were identical to Flex’s marks, that Spireon had to provide evidence that those cited third-party trademarks were actually being used in commerce. The Federal Circuit disagreed, holding that “the burden of showing non-use of identical marks for identical goods rests with the opposer.” In other words, once an applicant provides evidence of third-party registrations, those cited marks will be pre-

sumed to be used in commerce unless controverted by the opposer’s evidence.

The Federal Circuit’s decision in Spireon should have the effect of making it easier for applicants of composite trademarks to get their marks allowed despite the existence of third-party registrations for its component parts. But, it remains to be seen whether the Spireon holding related to the burden of proof will be applied to ex parte examinations or trademark application as opposed to merely inter partes opposition proceedings. For instance, will it be enough for a trademark applicant to cite third-party registrations to the Trademark Examiner in likelihood of confusion refusals, or does the applicant need to provide outside proof of use of these trademarks? The Spireon case would suggest that the registrations are enough.

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