

**THIS DISPOSITION
IS NOT CITABLE AS PRECEDENT
OF THE T.T.A.B.**

Hearings:¹

September 2, 1999

June 22, 2000

11/8/00

Paper No. 31

BAC

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

RE/MAX International, Inc.

v.

Stephen R. Blagden

Opposition No. 103,814
to application Serial No. 74/724,634
filed on September 5, 1995

Susan Somers Neal and Robert W. Zelnick of McDermott,
Will & Emery for RE/MAX International, Inc.

Stephen R. Blagden, pro se.

Before Seeherman, Chapman and Rogers, Administrative
Trademark Judges.

Opinion by Chapman, Administrative Trademark Judge:

Stephen R. Blagden has applied to register on the
Principal Register the mark shown below

¹ Due to very unusual scheduling problems, there were two oral
hearings held in this case. Both parties were advised of both

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for "advertising services, namely, providing home sellers a telephone-facsimile forum for listing their homes" in International Class 35. The application is based on applicant's claimed dates of first use and first use in commerce of July 30, 1995.

As grounds for opposition, opposer alleges that since at least as early as June 1, 1973 opposer has used its registered mark RE/MAX (Registration No. 1,139,014) for "real estate brokerage services" (International Class 36) and for "rendering technical aid and assistance to others in the establishment and operation of a real estate brokerage agency" (International Class 35); that opposer's affiliates, i.e., RE/MAX franchisees and RE/MAX sales associates, have also used the mark in connection with real estate brokerage services since June 1, 1973, as authorized through franchise agreements and independent contractor agreements; that opposer has thousands of affiliates, both in the United States and throughout the world; that since 1973 opposer and all of its affiliates (worldwide) have spent substantial sums in developing, promoting and maintaining the RE/MAX mark; that as a result of opposer's extensive use of its mark

hearings, but only applicant attended the first hearing, and

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RE/MAX, it is famous; and that applicant's mark, when used in connection with his services, so resembles opposer's previously used and registered mark, as to be likely to cause confusion, mistake, or deception.²

In his answer applicant denies the salient allegations of the notice of opposition.

The record consists of the pleadings; the file of the opposed application; opposer's notice of reliance on a status and title copy of its pleaded Registration No. 1,139,014; and the testimony, with exhibits, taken by opposer of (i) Mr. Stephen R. Blagden, applicant, (ii) Mr. Daryl Jespersion, opposer's president, and (iii) Ms. Irmina Stroud, one of opposer's in-house paralegals. Applicant has submitted no evidence on his own behalf in this case, and applicant did not attend the depositions of Mr. Jespersion or Ms. Stroud.

Opposer filed a brief on the case.³ As explained in footnote 1, applicant attended the oral hearing before this Board on September 2, 1999, and opposer's attorney

only opposer's attorney attended the second hearing.

² Opposer also pleaded dilution under Section 43(c)(1) of the **Trademark Act**. Opposer did not pursue this issue in its brief on the case. In fact, to the contrary, it is very clear from opposer's brief on the case that only the issue of likelihood of confusion is involved in this proceeding. (See, e.g., opposer's brief, pp. 3, 5, 13 and 20.) The issue of dilution will not be further discussed herein.

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attended the oral hearing before this Board on June 22, 2000.

Opposer, RE/MAX International, Inc., is a franchisor of real estate sales offices, which offer a variety of real estate services to the general public. Opposer was established in January 1973, with its first office opening in March 1973, and with first use of the mark RE/MAX in interstate commerce on June 1, 1973. Worldwide, there are currently about 2,860 operational offices, with about 46,500 sales agents. Approximately 82% of the sales agents, or 38,000, are in the United States, and since the early 1980s opposer has had RE/MAX agents in all 50 states.

Opposer franchises the right to use the mark RE/MAX to real estate brokerages which, in turn, enter into contractual relationships with their sales agents to allow the sales agents to use the RE/MAX name and mark. These sales agents operate on the "100 percent commission concept" (Jespersion, dep., p. 9), whereby they receive 100 percent of the commissions earned, but they are responsible for 100 percent of the expenses, including advertising.

³ Applicant filed an untimely brief, and opposer's motion to

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Since 1973, the total amount spent on consumer-directed advertising and promotion of the services offered under the RE/MAX mark by the sales agents worldwide is over \$1.6 billion. In the last seven years (through 1996), each agent spent about \$5000 per year on this advertising. (Mr. Jespersen testified about how he computed the total advertising figures based on separate agents covering their own advertising expenses, and he characterized these advertising figures as "very, very conservative" (dep., p. 12). This advertising is done by the agents directly to the consumer. In addition, opposer itself spends about \$6 million per year on "industry-directed" advertising, which is directed to sales people and brokers. (This includes a large advertising and promotional effort by opposer to encourage agents and potential franchisees to become part of the RE/MAX organization).

Opposer's RE/MAX real estate brokerage services are advertised, inter alia, in print media such as national and local newspapers; broadcast media such as radio and television commercials; through the Internet; and in sports stadiums. In addition, opposer sponsors sporting events such as NASCAR racing; distributes personal

strike same was granted by Board order dated June 9, 1998.

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promotion items such as key chains, pens, coffee cups and calendars; and actively participates in philanthropic concerns such as the Children's Miracle Network (for which it is the second largest fundraiser). Also, opposer's RE/MAX mark appears on its fleet of 89 hot-air balloons, which is the largest in the world. Opposer's RE/MAX advertisements are directed to the general public, including home owners, home sellers, home buyers, real estate agents, brokers, corporations and potential franchisees.

Opposer was the first real estate organization to establish a site on the Internet, and the site currently has 80,000 property listings. Every page of opposer's Internet site includes the RE/MAX mark, and the site receives thousands of "hits" or visits on a daily basis.

Also since 1973, opposer has used the RE/MAX mark in connection with over 6 million home sale transactions (worldwide), which relates to \$717.5 billion dollars in sales. Opposer did not break these figures down to reflect domestic sales, although Mr. Jespersen, opposer's president, stated that "[w]e have presence worldwide, but these sales are principally in the United States" (dep., p. 14).

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Applicant, Stephen R. Blagden, located in Arlington, Massachusetts, commenced use of his mark, RE-FAX, in July 1995, and his services, identified after amendment as "advertising services, namely, providing home sellers a telephone-facsimile forum for listing their homes,"⁴ are directed primarily to home sellers. However, he also intends to reach home buyers, or anyone interested in reaching home sellers or home buyers, such as real estate agents, mortgage brokers, insurance companies and movers (Blagden dep., pp. 10-11). When a home seller signs up for applicant's services, the following two lines are added to the seller's classified advertisement:

Info by fax 24 hrs a day call
800-RE-FAX-ME Indx # xxx

Thereafter, when an interested home buyer sees the ad, he calls the 800 number, enters the index number of the house, and enters his own fax number, whereupon the information on that house is faxed to him. In a brochure describing the opportunities involved in being a "RE-FAX representative," applicant uses the phrase "About RE-Fax

⁴ In his application as filed, applicant stated the following in the "goods and/or services" portion of his application: "Service to help sellers of homes to sell their homes by providing information available on line 24 hours a day by fax. Also, to provide realtors the capability to provide listing information on their own by fax. That is where the name comes from - Real Estate by fax - RE-fax."

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Real Estate Listing Service" (Blagden dep., exhibit 2). Applicant testified that his service is one that is used preliminary to or in tandem with a real estate brokerage service, but that it is not a substitute therefor because he does not "do any brokerage services or anything else that a real estate agent does" (Blagden dep., p. 17). Rather, in applicant's view, his services could eliminate real estate brokerage.

Applicant advertises his services in newspapers; through post card mailings; and on the Internet and by sending advertisements to fax machines (Blagden dep., p. 54, and exhibits 10, 14, 17 and 18). His customers' advertisements of their homes, with the two additional lines including 800-RE-FAX-ME, and opposer's advertisements of homes for sale, have appeared in the same newspaper and in fact in directly adjacent advertisements. ("The Boston Sunday Globe," August 27, 1995, Blagden dep., exhibit 4.)

Mr. Blagden acknowledges both that by the early to mid 1980s he was aware of the mark RE/MAX and that it was used by real estate brokers; and that opposer is probably one of the top 20 real estate companies in the United States.

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We turn first to the question of priority. As noted above, opposer filed a status and title copy of its pleaded registration. In view of opposer's ownership of a valid and subsisting registration for its mark, the issue of priority does not arise. 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). Moreover, opposer's first use, as established in this case, is 1973, whereas applicant's established first use is July 1995.

Thus, the sole issue before the Board is likelihood of confusion. Our determination of likelihood of confusion must be based on our analysis of all of the probative facts in evidence that are relevant to the factors bearing on the likelihood of confusion issue. See *Octocom Systems, Inc. v. Houston Computer Services, Inc.*, 918 F.2d 937, 16 USPQ2d 1783 (Fed. Cir. 1990); and *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). Based on the record before us in this case, we find that confusion is likely.

We consider first the du Pont factor of similarity/dissimilarity and the nature of the parties' respective services, as identified in the application and

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opposer's registration. See Canadian Imperial Bank of Commerce, N.A. v. Wells Fargo Bank, 811 F.2d 1490, 1 USPQ2d 1813 (Fed. Cir. 1987); and In re Smith and Mehaffey, 31 USPQ2d 1531 (TTAB 1994).

It is well settled that the involved services (or goods) need not be identical or even competitive in order to support a finding of likelihood of confusion. Rather, it is sufficient that they are related in some manner or that the circumstances surrounding their marketing are such that they would be likely to be encountered by the same persons under situations that would give rise, because of the marks used thereon, 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 the services (or goods). That is, absolute identity of services (or goods) is not required. See In re Melville Corp., 18 USPQ2d 1386 (TTAB 1991); and In re International Telephone & Telegraph Corp., 197 USPQ 910 (TTAB 1978).

In the case now before us, opposer's services, identified in its registration as "real estate brokerage services," encompass a wide variety of real estate services, including applicant's services, identified as "advertising services, namely, providing home sellers

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with a telephone-facsimile forum for listing their homes." That is, there is no limitation in opposer's "real estate brokerage services," and therefore, opposer's services could include providing home sellers with a telephone-facsimile forum for listing their homes.

Moreover, the record establishes that opposer often distributes/disseminates information on listed real estate in a manner very similar to that employed by applicant. Mr. Jesperson explained that once a property has been listed by an agent, it is promoted in various ways depending on the property. For example, some homes may be advertised in "supermarket publications" such as "Homes Illustrated"; expensive properties may be advertised in national newspapers such as "The Wall Street Journal" and "USA Today"; "horsey proprieties" may have a specialized brochure made and distributed to members of the "Arabian Horse Association." He also explained that faxing information about properties between all interested parties (e.g., sales agents, brokers, home sellers, home buyers) is the way the real estate business communicates today. He specifically testified that faxing the Multiple Listing Service listings is "very commonplace, an everyday event"; and although the information sent by applicant by fax is in a

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different format from opposer's, still the "information about the properties is typically communicated by fax." (Jespersion dep., pp. 40-43).

We are not insensitive to applicant's position that he does not sell real estate through a traditional brokerage agency, and that his is a new way to sell real estate. Although applicant does not offer the full array of real estate brokerage services, clearly applicant's services involve providing a particular method for people to sell their homes. Any specific differences in the parties' respective services in this case is not controlling because applicant's services are encompassed within opposer's services as identified in its registration; and, in any event, the salient question to be determined is not whether the services of the parties are likely to be confused, but rather whether there is a likelihood that the public will be misled into the belief that the services originate from a common source. See *The State Historical Society of Wisconsin v. Ringling Bros.-Barnum & Bailey Combined Shows, Inc.*, 190 USPQ 25, 30 (TTAB 1976).

People selling their homes (or considering selling their homes) look in home sales advertisements for a sense of the market, and thus, they would be aware of

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advertisements by various companies intended to induce the seller to utilize their respective real estate services. That is, purchasers of the real estate services such as opposer's, or "advertising services" relating to home sales, such as applicant's, are likely to assume, if the services are offered under confusingly similar marks, that the services are in some way sponsored by or associated with the same source. See *Seligman & Latz, Inc. v. Merit Mercantile Corporation*, 222 USPQ 720 (TTAB 1984).

We find that opposer's services as identified in its registration and the services identified in applicant's application are similar in nature, and applicant's services overlap with or are encompassed by opposer's services.

The next relevant du Pont factors are the channels of trade and the similarity of purchasers. As explained previously, the Board must consider the services as identified in the involved application and registration. Because neither identification is limited, the services set forth in applicant's application and opposer's registration must be presumed to move through all normal channels of trade and be available to all potential customers. See *In re Elbaum*, 211 USPQ 639 (TTAB 1981).

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There is no question that both parties' offer their services to the general public and, specifically, both parties offer their services to persons interested in selling their homes. Although applicant is not offering a real estate brokerage service, he is offering essentially a real estate listing service for home sellers through similar, and sometimes identical channels of trade (e.g., both applicant and opposer advertise their respective services in newspapers) to the same purchasers or potential purchasers (home sellers).

Another du Pont factor we consider in this case is the strength of opposer's mark. Opposer has demonstrated that its mark is very strong and well-known in the real estate business. In particular, opposer has engaged in a significant number of home sale transactions conducted under the mark RE/MAX for over twenty years, and its agents have spent a substantial dollar amount over the years for consumer-directed advertising and promotion of the RE/MAX mark. Thus, opposer's well-known mark is entitled to a broad scope of protection.⁵ See Cunningham

⁵ We are reluctant to find, on the record before us, that opposer's RE/MAX mark is "famous." This is because opposer did not provide the breakdown of its United States sales and advertising figures, or place the sales and advertising figures in any context, for example, whether opposer is the leading or one of the leading real estate brokerages in the United States. (Further, we realize that the "sales" figures for opposer are,

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v. Laser Golf Corp., 222 F.3d 943, 55 USPQ2d 1842 (Fed. Cir. 2000); and Henry Siegel Co. v. M & R International Mfg. Co., 4 USPQ2d 1154, 1161 (TTAB 1987).

in fact, the total dollar value of the homes sold through RE/MAX, and do not reflect the number of units sold.) Also, opposer provided no direct evidence of consumer recognition of the mark. In short, opposer has left us to speculate as to the sales and advertising numbers for the United States, and opposer's place in the real estate industry. See Fossil Inc. v. Fossil Group, 49 USPQ2d 1451, 1457 (TTAB 1998); and General Mills Inc. v. Heath Valley Foods, 24 USPQ2d 1270, 1277 (TTAB 1992).

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Turning next to a consideration of the involved marks, we must analyze the similarities/dissimilarities as to sound, appearance, connotation and commercial impression. The marks RE/MAX and RE-FAX, when viewed in their entireties, are similar in sound and appearance. The only differences between these marks are that applicant's mark has an "F" instead of an "M," and a hyphen instead of a slash. Both marks, which consist of two syllables, rhyme. The purchasing public may not notice the difference of one letter when the marks are spoken. See *Steelcase Inc. v. Steelcare Inc.*, 219 USPQ 433 (TTAB 1983).

The evidence shows that RE is an abbreviation for "real estate," and we therefore find that the public would understand that "RE" connotes "real estate" in both parties' marks. Although "max" and "fax" obviously convey different meanings, e.g., "maximum" and "facsimile," when the marks are considered in their entireties, purchasers will view RE-FAX as a variation of RE/MAX, and assume that opposer has adopted RE-FAX for this specialized method ("telephone-facsimile forum") of listing homes for sale. Thus, even though purchasers may realize that applicant's mark is different from opposer's mark, they are likely to view both marks as indicating

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services emanating from a single source. That is, they are likely to believe that applicant's mark is a variant of opposer's mark, used in connection with real estate services which emphasize facsimile transmissions.⁶

Finally, we disagree with opposer's argument that a wrongful intent on the part of applicant in adopting his mark RE-FAX can be inferred. Although applicant acknowledges that he was aware of opposer as a real estate broker since the early to mid 1980s, and he conceded, albeit reluctantly, that opposer is probably among the top 20 real estate companies in the United States, mere knowledge of another's mark does not establish bad faith or wrongful intent.

On balance, and considering all of the evidence on the relevant du Pont factors, and giving each such factor its appropriate weight in the circumstances of this case, we find that confusion is likely between applicant's mark RE-FAX and opposer's mark RE/MAX when used on their respective services.

⁶ While we recognize that the sale of a home is a major consumer transaction (for the buyer and the seller), the record before us contains no evidence regarding the sophistication of the involved purchasers or the degree of care that would be utilized in choosing a listing service for the sale of one's home (as distinguished from the obvious degree of care that would be utilized in deciding whether to sell one's home or in choosing which home to buy).

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Decision: The opposition is sustained, and registration to applicant is refused.

E. J. Seeherman

B. A. Chapman

G. F. Rogers
Administrative Trademark Judges,
Trademark Trial and Appeal Board