

**Cellular South denied preliminary injunction against Spire
United States - Smith Gambrell & Russell LLP**

**Examination/opposition
Confusion**

October 23 2017

- **Cellular South denied preliminary injunction for infringement of C SPIRE mark**
- **Court determined there was no evidence that Spire intended to capitalise on C SPIRE nor of actual confusion**
- **Balance of harm weighed in favour of Spire as it had already been operating under SPIRE**

The US District Court for the Southern District of Alabama has denied a motion by Cellular South Inc for a preliminary injunction against Spire, Inc concerning infringement of its registered C SPIRE mark.

Cellular South, a wireless telecommunications, television, and internet service business, started to rebrand itself as C SPIRE in late 2011. In late 2012, after a trademark search, Spire chose the mark SPIRE for rebranding and began using it for natural gas fuelling services.

Cellular South filed oppositions against Spire's trademark applications with the US Patent and Trademark Office (USPTO); during these disputes, Spire filed a declaratory judgment action against Cellular South, asking for a declaration of non-infringement and lack of confusion between the parties' trademarks. Cellular South responded with counterclaims asserting trademark infringement and unfair competition and filed a motion for preliminary injunction.

To be granted a preliminary injunction, Cellular South had to establish a substantial likelihood of success on the merits, irreparable injury, that the injury to Cellular South outweighed the harm to Spire, and that the injunction would not be adverse to the public interest.

The court reviewed seven factors in determining whether there was a likelihood of confusion under 11th Circuit law to determine Cellular South's likelihood of success. First, the court found that Cellular South did not show that its mark was distinctive as an arbitrary mark because the term 'spire' is heavily diluted nationwide, and while C SPIRE was well-known in Mississippi, Cellular South had not shown any evidence of distinctiveness in any other state. Further, in analysing the similarity between the marks, the court concluded that the only identical aspect of the company's logos was the term 'spire', but with the colours, fonts, spacing, and art all different, the overall impression created by the appearance, sound and meaning of the marks was distinguishable.

The products and services were also found to be distinguishable since the parties were not competitors and there was no evidence of actual confusion. The only similarities between the products and services were that they were both utilities and delivered services to their customers underground. The court rejected Cellular South's argument that providing natural gas services would be within its "zone of natural expansion".

When reviewing the similarity of sales and advertising methods, the court emphasised that while some of the methods were similar, these factors did not favour Cellular South because the companies were not competitors and "Cellular South has not shown how a cell phone or internet customer is similar to a natural gas customer". Therefore, as "businesses . . . in two different fields or sectors of the utilities market", their methods targeted different customers.

The court also determined that there was no evidence that Spire intended to capitalise on C SPIRE, nor of actual confusion. Therefore, in reviewing these seven factors, the court found that Cellular South had not shown a substantial likelihood of success on the merits for its counterclaims.

In finding that there was no irreparable injury, the court found that Cellular South's delay in seeking injunctive relief diminished its ability to establish irreparable injury because it knew of Spire's rebranding in March 2016 and only moved for injunctive relief in June 2017. Accordingly, this "undercuts any sense of urgency".

The court also concluded that the balance of harm weighed in favour of Spire because it had already been operating under the SPIRE mark, registered the mark with the USPTO, made public announcements, and spent millions of dollars in rebranding. The factor regarding public interest also did not favour Cellular South as it failed to provide sufficient evidence that entry of an injunction would serve the public interest.

Therefore, the court denied Cellular South's motion for a preliminary injunction, illustrating that similar marks used in the same geographic areas do not necessarily lead to a likelihood of confusion when the companies

are not competitors. While Cellular South and Spire both provide utilities, they are not competitors since a consumer would not expect a natural gas company to provide telecommunication services and vice versa.

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