

Review of Trademark Portfolios Necessary in Light of Recent Decision Confirming Narrowness of “Zone of Expansion” Doctrine

By Daniel H. Shulman

March 24, 2025

The U.S. Court of Appeals for the Federal Circuit last week issued an opinion that explained an often misunderstood doctrine in trademark law -- the "zone of expansion."

In *Dollar Financial Group, Inc. v. Brittex Financial, Inc.* (Case No. 23-1375), the Court had to review a decision as to which party had prior rights to the MONEY MART mark.

Ruling that the senior user for some goods could not use the "zone of expansion" doctrine to acquire senior rights in related goods, the Court clarified that the "zone of expansion" is a DEFENSIVE doctrine only, preventing others from entering a senior user's zone, but not an OFFENSIVE weapon that affirmatively gives the otherwise senior user prior rights. The Court wrote:

"The zone of natural expansion cannot be used to establish priority in different goods or services, especially when such use could conflict with the prior use of another. We decline to expand the scope of the zone of natural expansion doctrine and affirm that the doctrine may only be used defensively to prevent junior users from registering similar marks on goods in a senior user's zone of natural expansion.

Under this precedent, DFG cannot use the zone of natural expansion doctrine offensively to defeat Brittex's intervening rights. DFG could have properly invoked the zone of natural expansion in a defensive manner had Brittex attempted to register its MONEY MART mark in connection with pawn services in the 1990s and DFG opposed that registration. In that scenario, DFG could assert the doctrine defensively to protect its right to expand into pawn services and prevent consumers from assuming that Brittex's pawn services were associated with any of DFG's existing services, if subsequent analysis supported finding that pawn services are a natural expansion of business for loan financing. But the doctrine may not be used offensively to establish priority in the manner DFG suggests because that would essentially grant DFG the right to register its mark on a line of expanded goods, even though it would likely cause confusion with Brittex's established common law rights."

In other words, while DFG had the ability to oppose and prevent registration of the Brittex MONEY MARK mark and enforce its exclusive rights in its mark MONEY MART for the services actually set forth in its registration, it cannot later rely on that registration to prevent Brittex from offering OTHER services not set forth in DFG's registration.

The case is a reminder to carefully monitor your trademark registrations to ensure that any expansion beyond the description of goods or services is protected with a new trademark filing and to actively watch the publication of third party marks with goods or services that are covered by your trademark registrations.

If you have any questions about this article, please contact **Daniel H. Shulman** at dshulman@vedderprice.com or any other Vedder Price attorney with whom you have worked.

vedderprice.com