

O-463-14

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 2651276

BY

PEDRO CARMELO MORA ALVAREZ

TO REGISTER THE TRADE MARK

DisObey

IN CLASS 25

AND

THE OPPOSITION THERETO

UNDER NO 400390

BY

BOLD STRATEGIES, INC.

&

ONE 3 TWO, INC.

BACKGROUND

1. On 1 February 2013, Pedro Carmelo Mora Alvarez (the applicant) applied to register the above trade mark in class 25 of the Nice Classification system.¹

2. The application was published on 8 March 2013, following which, Bold Strategies Inc and One 3 Two Inc (the opponents) jointly filed a notice of opposition against the application. The opposition is brought in respect of the following goods:

Class 25

Clothing and head wear

3. The opposition is based on sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (the Act). The opponents rely upon the following Community Trade Mark (CTM) registrations in respect of their opposition under section 5(2)(b):

Mark details and relevant dates	Goods relied upon
CTM: 1830710 Mark: OBEY Filed: 22 August 2000 Registered: 16 October 2001	Class 18 Bags Class 25 Clothing, footwear, headgear.
CTM: 8848665 Mark: OBEY AWARENESS Filed: 1 February 2010 Registered: 22 June 2010	Class 14 Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments. Class 18 Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery; backpacks, tote bags, book bags, messenger bags, sling bags, wallets, hip bags and beach umbrellas. Class 25 Clothing, footwear, headgear.

¹ *International Classification of Goods and Services for the Purposes of the Registration of Marks under the Nice Agreement (15 June 1957, as revised and amended).*

CTM: 8330698

Mark:



Filed: 29 May 2009

Registered: 5 February 2013

Class 9

Scientific, nautical, surveying, electric, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire-extinguishing apparatus; eyeglass frames, sunglasses, mouse pads, radios and refrigerator magnets.

Class 14

Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments.

Class 18

Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery; backpacks, tote bags, book bags, messenger bags, sling bags, wallets, hip bags and beach umbrellas.

Class 25

Clothing, footwear, headgear.

4. In respect of their opposition under 5(3) the opponents rely on the same three marks. It claims use and a reputation for the 'OBEY' solus mark for clothing, footwear, headgear in class 25 and bags in class 18. For the 'OBEY AWARENESS' and OBEY with logo marks it claims a reputation for clothing, footwear, headgear in class 25, jewellery in class 14 and bags in class 18.

5. For the purposes of their opposition under section 5(4)(a) the opponents rely on the plain word OBEY which it states has been used since "2007 or before", throughout the UK. The opponent states that the mark has been used in respect of, "inter alia clothing, footwear, headgear, jewellery, bags."

6. In its statement of grounds, with regard to section 5(2)(b), the opponents state:

"9. The marks in the Opponents' Registrations and the mark in the Application consist of or contain the word OBEY. The word OBEY is reproduced in its entirety in the mark in the Application. The said marks are similar to a high degree.

10. The goods claimed in the Application are identical and where not identical are similar to the goods covered by the Opponents' Registrations. Use of the mark in the Application for any of the goods claimed is likely to cause confusion with the marks in the Opponents' Registrations and should therefore be refused under Section 5(2)(b) of the Act."

7. With regard to the opposition under section 5(3) the opponents state:

"12. Use of the mark in the Application for any of the goods claimed in the Application would without due cause take unfair advantage of and/or would be detrimental to the distinctive character and/or repute of the marks in the Opponent's Registrations and would have done so and been so at the date on which the Application was filed.

...

The mark in the Application is similar to the marks in the Opponents' Registrations, and use of the former would bring to mind and/or establish a link with the latter. In view of the foregoing, the use of the mark in the Application would without due cause:

(i) Derive an unfair advantage for the goods claimed in the Application from the substantial reputation established by the Opponents in their said marks. In particular the use of the mark in the Application for the goods for which it is filed would enable the Applicant unfairly to benefit from the power of attraction, prestige, and reputation established and carefully nurtured in the UK and in other EU countries, over many years by the Opponents in the marks shown in their said registrations such that the image of the Opponents' said marks and the characteristics they project would thereby be transferred to the Applicant and its goods.

(ii) Damage and tarnish the good repute of the marks in the Opponents' Registrations. In particular the use of the mark in the Application for goods below or inconsistent with the high standard of quality for which the Opponents' products and services are known in the EU, would damage the Opponents' good reputation and standing as symbolised by their said marks.

(iii) Reduce the distinctiveness of the marks in the Opponents' Registrations and diminish the ability of the Opponents to distinguish their goods and services from those of others. In particular the use of the mark in the Application would blur the distinctive character of the Opponents' said marks as enjoyed by the Opponents in the UK and in other EU countries, causing the relevant public to be less likely immediately to recognise and rely on the Opponents' said marks thereby impeding or nullifying the Opponent's ability effectively to market their products and services.

And the aforesaid would have done so and been so at the date of the filing of the Application."

8. With regard to its pleadings under section 5(4)(a) the opponents' state:

“And the Opponents request that the Application be refused in its entirety under Sections 5(4)(a), 5(2)(b) and 5(3) of the Act and that they be awarded costs.”

9. The applicant filed a counterstatement on 6 September 2013. It denies the grounds on which the opposition is based and requests the opponents to provide proof of use of the OBEY solus mark.

10. Both sides filed evidence, neither side asked to be heard and both filed written submissions in lieu of attendance at a hearing.

EVIDENCE

11. The evidence filed by both sides is detailed but not necessarily clearly presented. It contains a combination of evidence and submissions, all of which I have considered even though I have not referred to every page specifically.

The opponents' evidence

Witness statement of Simon Holmes and Exhibits SH1 – SH15

12. Simon Holmes is the Director of Lead Distribution Ltd, the sole distributor of OBEY clothing, footwear, headgear, bags and accessories in the UK and the Republic of Ireland.² His witness statement is dated 16 December 2013.

13. Exhibit SH1 is an extract from Wikipedia about Frank Shepard Fairey, an American graphic designer and illustrator who created the OBEY brand. Mr Holmes states that Mr Fairey is also a street artist and it is in this capacity that he began a sticker campaign in 1989 which was called 'Andre the giant has a posse'. By the early 1990s this had evolved to become the Obey poster and clothing company.

14. The Obey posters, which take the form of CTM 8330698 relied on in this opposition can be seen on the streets in the background of films such as *Batman Forever* and in a number of computer games, including *Tony Hawk's Underground 2*.

15. Exhibit SH2 is the first page of search results for the word 'obey' searched on Google.co.uk. Mr Holmes concludes that as all but one of the results relate to the clothing, footwear, headgear, bags and accessories distributed by his Company and the Opponents, or relate to Mr Fairey's artwork, this demonstrates the strong reputation of the OBEY brand in the UK.

16. Mr Holmes states that the brand was launched in the UK in 2004³ and was initially sought by fans of Shepard Fairey as an artist. At paragraph 7 of his statement he says:

² From 1995 – 2004 Mr Holmes was Sales Director at Circus Distribution Limited, which distributed seven major brands in the UK, US and Australia.

³ Date amended by Mr Holmes' second witness statement.

“The strong reputation of the OBEY brand in relation to clothing, footwear, bags, and accessories has grown continuously since it was launched in the UK in 2001, though I believe the brand became firmly established as part of the mainstream around 2010/11. As well as being a product of continued growth, I believe our increased success from that time can be attributed to a number of other occurrences, not least the considerable publicity Shepard Fairey and his artwork received as a result of his appearing throughout the 2010 film “Exit through the Gift Shop” by Internationally famous British street artist Banksy.”

17. Exhibit SH3 is a copy of a Wikipedia article about the film which refers to Mr Fairey’s appearances. The pages are dated 15 November 2013.

18. Exhibit SH4 is a series of six photographs of a hat (shown below) which Mr Holmes refers to as “our ‘Original’ hat”. It is shown in six colour combinations. He states that following the release of the film in cinemas (and on Channel 4 in summer 2011) sales of the hat “increased significantly”.



“It was widely worn by various celebrities, including Dappy from N-Dubz and various DJs. This is not who our brand was being targeted at, but it did cause demand for this particular cap, and other OBEY-branded clothing, footwear, headgear, bags and accessories to spread very fast. Indeed, so fast that it was decided to curtail production of that particular hat, its use becoming too widespread.”

19. Exhibit SH5 is an article from the Daily Mail dated 17 November 2011. It shows Frankie Cocozza, a contestant on the ITV program The X Factor, wearing an OBEY branded T-shirt. The t-shirt is white and features the word ‘OBEY’ in large white letters on a red background. Mr Holmes says of this exhibit:

“This is not the kind of publicity sought out by our brand, though I believe it shows how it has been exposed to a considerable number of people in the UK in recent years”.

20. With regard to sales figures Mr Holmes states:

“10. Between 2006 and October 2013, my Company distributed over 400,000 items of OBEY-branded clothing, footwear, headgear, bags and

accessories in the United Kingdom and Republic of Ireland, with a net value over £6 million. The vast majority of these sales, both in terms of units sold and turnover generated, took place in the United Kingdom (approximately 97%).

11. My Company now supplies 81 stores across the country, including small independent retailers and larger stores such as Selfridges in London and Urban Outfitters.”

21. Exhibit SH6 is described by Mr Holmes as a list of some of the retailers of OBEY branded goods as they currently appear on his website, obeyclothing.co.uk. It was printed on 8 November 2013. 69 retailers are shown, not including *Selfridges* and *Urban Outfitters*. They are spread throughout the UK from the Isle of Wight to Aberdeen. Mr Holmes states of these retailers, that the vast majority were selling OBEY-branded clothing, footwear, headgear, bags and accessories in March 2013, and for a number of years before that date.

22. Exhibit SH7 comprises prints taken from urbanoutfitters.co.uk which Mr Holmes says shows the range of OBEY branded goods available in their stores and online at the time of writing his witness statement. The exhibit consists of 13 pages showing a range of men’s and women’s clothing which include, t-shirts, shirts, sweatshirts, jackets, shirts, leggings, vests/tanks, peaked caps and knitted hats and socks. There are also examples of a number of rucksacks and a range of cushions and a book titled, *‘Obey: Supply & Demand’* which is about Shepard Fairey’s artwork.

23. The majority of the goods show the word ‘OBEY’ or the ‘OBEY + face’ mark displayed prominently on the front of them. All of the goods are described in supporting text using the word OBEY first, e.g. ‘Obey badge beanie hat’, ‘Obey City Hunt Print Shirt’.

24. Mr Holmes states that this exhibit is representative of the kinds of OBEY-branded goods which have been available both through Urban Outfitters and other stores around the United Kingdom “over the last 9 years”.

25. Exhibit SH8 comprises 229 pages and is described by Mr Holmes as:

“...extracts from catalogues showing the products sold under the trade marks concerned which were available in the United Kingdom during the respective seasons. At least four of these catalogues were produced every year.”

26. The catalogues for Fall 2006 are provided in full and show a range of men’s and women’s clothing and accessories including, inter alia, t-shirts, shirts, vests, jumpers, sweatshirts, hooded tops, jackets, trousers, leggings, scarves, rucksacks, messenger bags, tote bags, purses, wallets, stickers, dog collars, keychains.

27. Mr Holmes states that the catalogues are distributed to retailers supplied by his company who can then decide which OBEY products they want to stock.

28. Copies of 47 front pages are provided, along with several pages from each. The

first is the 'Men's Fall 2006' edition, the last is a catalogue titled 'Women Spring 2013'. The word 'OBEY' is displayed prominently on the front cover of all of the catalogues. A number of them feature the mark in the following form:



29. A number of other typefaces are also used to reflect the style of those particular catalogues. In addition to the word, a number of the catalogues show the word and logo mark on the front cover, with and without the word 'OBEY', often presented as posters on a street. The logo element of the mark is also used in the following form:



30. From 2010 onwards the catalogues feature a number of charitable campaigns under the heading 'OBEY AWARENESS' which is described as having begun in 2007 as a way to educate and fundraise for causes and organisations OBEY supports. In each case a range of products (usually t-shirts) are shown which relate to the particular campaign and are sold in order to raise awareness and funds. The campaigns shown include the 'HOPE' campaign, 'Urban Roots', 'Feed America', 'Dark wave/Rising Sun – Relief for Japan' and the 'Jail Guitar' campaign.

31. Throughout the catalogues there are examples of goods which feature the word 'OBEY' and the 'OBEY + face' marks on the fronts of, inter alia, t-shirts, sweatshirts, hooded tops, bags, hats, socks. There are also a number of goods which do not display large OBEY marks on the front of them but show either 'OBEY' or the 'OBEY + face' mark on the neck labels (where they can be seen)⁴.

32. Exhibit SH9 is a copy of Mr Holmes' business card. The front of the card is a black and white photograph of a street which features the face from the 'OBEY + face' mark displayed on a brick wall. The 'OBEY' word mark (as shown at paragraph 30 above) is presented in the bottom right hand corner of the card. It is also shown on the top right corner of the back of the card.

33. Prior to 2007 Mr Holmes' company purchased goods via a French distributor, BW3 Sarl (who had purchased them directly from the opponents). A number of invoices and packing lists have been provided at Exhibits SH10 and SH11 to show this chain.

⁴ The catalogues from Spring 2011 onwards are provided in colour and show the goods more clearly than the black and white copies which refer to earlier dates.

34. From 2007 onwards, Mr Holmes' company purchased goods directly from the opponents. Exhibit SH12 consists of sample invoices showing this. Mr Holmes says of the invoices:

"14...This is a small sample of the total number of invoices available. Whether these invoices expressly state so or not, all of the clothing, footwear, headgear and bags, and other accessories, referred to were branded OBEY, and some featured the OBEY + face logo or the mark OBEY AWARENESS."

35. The invoices refer to a wide range of goods of the type previously referred to. Invoices for the relevant period show dates between 15 May 2008 and 30 January 2013 and total \$295,666.40.

36. With regard to the goods shown in the invoices, Mr Holmes says:

"Some of the clothing features the name OBEY on the outside, though whether they do or not, all clothing referred to in this witness statement is sold under the OBEY-brand, and features that trade mark on the labeling and/or swing tags. Attached at Exhibit SH13 are photographs illustrating this fact."

37. Exhibit SH13 comprises two pages of photographs. The first page depicts two neck labels of the type commonly found in t-shirts. The first is a white square with the word OBEY in white on a red background, as shown at paragraph 30 above. The second shows a black square label with the word 'OBEY' depicted in white.

38. The second page of the exhibit is a swing tag which has the '+ face' image on the front. The back of the swing tag contains information about the garment and gives the website address for OBEY CLOTHING. None of the photographs are dated.

39. Exhibit SH14 comprises invoices dated between 29 April 2004 and 23 October 2013. Mr Holmes states that all of the sales relate to OBEY brand goods sold under one of the three earlier marks relied on by the opponents. Invoices for the relevant period, dated from 17 March 2008 to 23 October 2013, show sales throughout the UK and Ireland totaling £25860.30. All of the invoices have an OBEY logo at the bottom of the last page.

40. Exhibit SH15 consists of press and magazine articles distributed in the UK since 2004 showing use of the marks in relation to clothing, footwear, headgear, bags and accessories.

41. SH15-A is dated 12 April 2007 and is taken from *Metro*. It shows the front page of the paper and a page from *Metro Style* featuring a number of t-shirts. The first is grey with a drawing of a deer on the front. It is described as 'Deer, Obey £29.99'.

42. SH15-B consists of 15 pages featuring extracts from nationally distributed music magazines.

Page 1 – FACT magazine, February 2006 (before the relevant date), front cover artwork by Shepard Fairey. The bottom right page shows a man sitting in front of the OBEY + face poster. Mr Holmes' website, obeyclothing.co.uk. is shown at the bottom of the page.

Pages 2 and 3 - taken from *Kerrang!* dated September 2006 (before the relevant date). Text provided by Mr Holmes states that two of the t-shirts shown on musicians featured in the magazine are 'OBEY' t-shirts. This cannot be seen from the photographs shown here.

Page 4 – *Metal Hammer* magazine dated November 2006 (before the relevant date). A t-shirt on a musician is described by Mr Holmes as being an 'OBEY' t-shirt. This cannot be seen from the photograph.

Page 5 – *Disorder* magazine dated December 2006 (before the relevant date). The second page from the magazine shows a range of products. Mr Holmes' supporting text states that the, 'OBEY Supply and Demand' book is shown on that page. It is very difficult to see given the size of the reproduction.

Page 6 – *Rocksound* magazine dated August 2007 (before the relevant date). Comprises three pages from the magazine which feature an article about Shepard Fairey and his artwork. The second photograph shows a wall with ten Obey + face posters on it in a line.

Page 7 – *NME* dated 18 April 2009. The second page is an article with a number of small pictures to the right of it. The second of these is described by Mr Holmes as product placement and shows Zane Lowe wearing a hooded top with OBEY across the front in large white letters.

Page 8 – *Q Magazine*, editorial on Zane Lowe dated February 2011. The main photograph shows him wearing an OBEY t-shirt. The + face poster can be seen on a building on the front of the t-shirt. The details of t-shirts on the second page cannot be seen.

Pages 9-15. The remaining pages are taken from the *Radio 1* website and are described, by Mr Holmes, as product placement shots by Mr Holmes. The photographs show Zane Lowe with a number of musicians, however, none of the OBEY marks can be seen in any of these images.

43. SH15 – C consists of extracts from a number of women's magazines "relating to OBEY clothing".

Page 1 – *Cooler* magazine, November 2006. A small photograph on the second page shown in this exhibit is a grey t-shirt on a mannequin. It is described as 'Obey t-shirt £40'.

Page 2 – *Eve* magazine, July 2007. The exhibit shows two pages of ladies' clothing with descriptions. Mr Holmes' text refers to an OBEY vest and waistcoat, though I cannot be sure which items this description refers

to as the text is unclear.

Page 3 – *Cosmopolitan*, September 2007. The second page shows a cropped jacket described as ‘£125 Obey’.

Page 4 – *Sunday Times Style*, April 2009. Mr Holmes describes this as showing product placement and refers to the seventh image on the page. The image shows a model in a yellow/brown t-shirt with a woman’s face on the front. None of the OBEY marks can be seen.

44. SH15 – D consists of extracts from a number of magazines aimed at men and featuring either OBEY products or Shepard Fairey’s artwork. Mr Holmes provides the UK circulation and readership figures for these magazines, as follows:

FHM – Circulation 100,000
Readership 800,000

Front - Circulation 30,000

MAXIM – No figures provided

ZOO - 200,000 (per issue)

Pages 1-5 are from *FHM* and are dated between January 2006 and April 2008 (before the relevant date). The second photograph on the first page shows a snowboarder wearing a white t-shirt with ‘OBEY’ on the front in yellow text. None of the ‘OBEY’ marks can be seen on the remaining pages of the exhibit.

Pages 6-28 are from *Front* magazine and are dated between April 2008 and October 2013. Page 7 shows a four page article about a collaboration between OBEY and street photographer Martha Cooper. The OBEY + face can be seen in the background and two of the photographs show a model in a blue t-shirt with OBEY! repeated three times on the front of it.

Page 8 is two pages taken from the magazine dated May 2008. It shows artwork of a street scene with the OBEY + face in the background. The second page is a half page article about OBEY products.

Page 9 is a feature titled ‘OBEY KILLER RECORDS’ and shows artwork and a record cover by OBEY.

Page 10 shows a number of products which include an OBEY t-shirt with a picture of a small girl holding a hand grenade and an OBEY branded bicycle.

Page 11 features a page from the magazine which is described as an OBEY billboard advert. It shows the red and white OBEY mark as shown above at paragraph 30 and the OBEY + face.

Page 12 features a page from the magazine which is described as an OBEY advert. It shows the red and white OBEY mark as shown above at paragraph 30 and the OBEY + face.

Page 13 shows the same advert as that featured on page 11.

Page 14 shows Shepard Fairey's artwork of Barack Obama with the word HOPE beneath the image.

Page 15 shows two t-shirts described as OBEY X JASON JESSEE. The picture on the front of the t-shirts is not clear.

Page 16 is a page of hats. The main image is a picture of the OBEY red snap back cap shown earlier at paragraph 20.

Page 17 features a page from the magazine which is described as a Paste Up Advert. It shows the red and white OBEY mark as shown above at paragraph 30 and the OBEY + face depicted in a street.

Page 18 shows two models in t-shirts, though no branding is evident. Two pages follow which feature images of a number of t-shirts. One of the t-shirts on the first of these two pages has two figures in white on a black t-shirt with the word OBEY below.

Page 20 shows two pages of 'flat shots' of a number of t-shirts, shoes and hooded tops. A red t-shirt on the second page features a repeated pattern of the OBEY + face.

Page 21 is an editorial from the April 2011 edition of *Front* magazine featuring the band Rise to Remain. On the first page a band member is shown wearing a t-shirt which appears to be the word OBEY in orange on a dark background (the letter Y is obscured by a hooded top). A cropped version of the same image is shown on the following page.

Pages 22 and 23 show three more pages from the same issue of *Front* magazine. They feature flat photographs of a number of t-shirts. The pages are blurred but it is possible to see the word OBEY in black on a white t-shirt on the second page. The word is presented above an image which I cannot see clearly.

Page 24 is taken from *Front* magazine issue 160, dated August 2011. The page features shoes, watches, bags, shirts and jackets from a number of companies. The pages are not clear but the words OBEY DENIM can be seen above two jackets.

Page 26 is an advert from the same issue which shows artwork of the 'Peace Goddess'. Underneath the image is the word OBEY

with PROPAGANDA CO. underneath it in a smaller font.

Page 28 is from *Front* magazine issue 162. The photographs are described as a 'Shoot with Kitty Lea'. The woman in the photograph is wearing a grey t-shirt with the words OBEY No 89 on the front, above an image; the main features of which are interlocking letters and cross hatches.

Page 30 is a page of flat t-shirt images from *MAXIM* magazine dated March 2007 (before the relevant date). One of the t-shirts is described in the text as being an OBEY t-shirt. I cannot read the remaining text as it is too small.

Pages 31 and 32 are from *ZOO* magazine dated April and August 2007 (before the relevant date). The first page features flat photographs of t-shirts. The first picture is of a hooded, long sleeved t-shirt. The OBEY + face can be seen on the right hand side of the shirt.

45. Exhibit SH15 – E is described as extracts from the UK magazine, *Menswear Buyer*. The extracts are dated August 2006 and August 2007 (prior to the relevant date). Mr Holmes states that the magazine is aimed at the menswear trade in the UK and Ireland and has a UK circulation of 6,000 per issue. The first page of the exhibit shows a range of hats and the second page shows a selection of board shorts. I cannot see the opponents' marks on either of these pages.

46. Exhibit SH15 – F is an article about Shepard Fairey from *247* magazine, dated December 2005 and pages taken from the July and August 2006 editions (before the relevant date) which show the book, 'OBEY, Supply and Demand, the art of Shepard Fairey' and a t-shirt with the OBEY + face on the front of it.

47. Exhibit SH16 – G comprises extracts from 'streetwear, sportswear and lifestyle magazines'.

The first two pages are from *Streetwear Today* which is distributed internationally. Page 1 features an article about skateboard design titled, 'PLAN B Skateboards vs. OBEY'. It is printed in German and English and is dated January 2006. Page 2 is taken from the same magazine and is titled, 'Shepard Fairey: The Propaganda, Art and Clothing Projects'. The supporting images show street art and posters featuring the OBEY + face and the word OBEY. The article is dated January 2005.

Page 3 is from *Sport & Street Collezioni* magazine and is dated July 2005. The article is titled 'Engineering Propaganda, OBEY: The Medium is the Message'. Supporting images show the OBEY mark in red and white as shown at paragraph 30, the OBEY + face and posters which include the word OBEY.

Page 5 is taken from *Huck* magazine and shows what Mr Holmes describes as an OBEY *ipod* case. It is dated June 2006.

Page 6 is taken from *Huck* and is dated September 2006. The exhibit shows a five page article titled, 'Shepard Fairey: Man on a Mission'. Supporting images show a number of OBEY posters and the OBEY face.

Page 10 is an article and product shots taken from *Whitelines* snowboarding magazine, dated November 2006. The article is titled, 'Shepard Fairey'. One of the products is a folded jumper which is described in the supporting text as an OBEY sweater.

48. Exhibit SH15 – H comprises three photographs which Mr Holmes says feature the Laden Showroom in Brick Lane, London. The Laden Showroom allows customers to purchase clothing from a range of independent designers. The photographs show the sign on the front of a building, a number of clothes on hangers which are wooden with OBEY burnt onto the wood and a detail shot of the hangers themselves. Mr Holmes states that these photographs were taken in 2011 and that the hangers are the same as those used in *Selfridges* to display OBEY goods.

49. Exhibit SH15 – I consists of nine pages of photographs taken at the Glastonbury Music Festival in June 2011. They show a range of artwork by Shepard Fairey covering several walls. The works feature the word 'OBEY' prominently in a number of styles, including a triangular version of the white lettering on a red background shown earlier in this decision. The OBEY face is also shown on two different areas of wall.

50. Exhibit SH15 – J is two pages of photographs of street art from a festival in November 2011 in Leicester. The OBEY + face can be seen on a wall in the fourth photograph.

51. Exhibit SH15 – K is six pages of photographs of a street art festival, called 'The Rise of the Non-Conformists' in July 2011 in London. Two pieces of 'OBEY' artwork are shown, in the form of record covers.

52. Exhibit SH15 – L comprises four pages showing the May 2011 issue of *VNA* (Very, Nearly, Almost) a street art magazine which launched in May 2011. Mr Holmes states that the launch issue featured an 18 page article about Shepard Fairey, his artwork and apparel brand. The article is titled, 'OBEY THE GIANT'. Page 3 of the exhibit shows a t-shirt, poster and sticker set produced for the magazine launch. The stickers feature the star and face design, a number of designs similar to posters shown and advertising seen elsewhere in these exhibits and the white lettering 'OBEY' on a red, rectangular background. The t-shirt features a picture of a machine with the OBEY face applied to the front of it. The poster cannot be seen clearly, but the word 'OBEY' features prominently within it.

Witness statement of Don Juncal and Exhibits DJ1 – DJ7

53. Don Juncal is the President of One 3 Two, Inc. in which he has owned a majority stake since 2000. His witness statement is dated 11 December 2013. Mr Juncal states:

“3. [One 3 Two, Inc] has an exclusive worldwide licence deriving from Obey Giant Inc to produce clothing, footwear, headwear, bags, accessories and other apparel based on the artwork of the artist Shepard Fairey under the brand OBEY. Obey Giant Inc is Mr Fairey’s company. [One 3 Two Inc] co-owns the trade mark registrations relied on in this opposition with Bold Strategies, Inc. which is part of the group of companies through which Mr Fairey manages his work as an artist.”

54. Exhibit DJ1 is a copy of Mr Fairey’s manifesto and the intention behind the first sticker campaign.

55. Mr Juncal states that Mr Fairey approached his company in 2000 with a view to developing the OBEY brand:

“5. The first range consisted of a considerable number of t-shirts, hats, trousers etc. OBEY was a featured brand at “Magic Market Week” that year.”

56. Exhibit DJ2 are prints taken from magiconline.com and *Wikipedia*. Magic Market Week is described as a biannual show held in February and August each year and is the world’s largest trade show for contemporary Men’s and Ladies’ apparel and footwear. Mr Juncal states that, *“it is attended by retailers, distributors, buyers and key figures in the fashion industry from across the world, including the United Kingdom and European Union.”*

57. At paragraph 6 of his witness statement Mr Juncal says:

“The OBEY brand was quickly established as the number one women’s brand in the international clothing and fashion chain Urban Outfitters in terms of the number of units sold, and remains so to this date. This brand is also one of the highest selling menswear brands at Urban Outfitters worldwide, and has been their top selling menswear brand on a number of occasions since [the opponents] started supplying them in 2001. We do millions of dollars of business with them every year under the OBEY brand.”

58. Exhibit DJ3 are prints about *Urban Outfitters* from *Wikipedia* and urbanoutfitters.co.uk. Mr Juncal states that this exhibit shows Urban Outfitters to be a large international retailer selling clothing, footwear and accessories both in stores and online.

59. The pages from *Wikipedia* state that Urban Outfitters’ headquarters are at the Philadelphia Navy Yard and that they operate more than 217 stores: 37 international stores and 180 in the US and Canada. The page was printed on 28 November 2013.

60. The pages printed from Urban Outfitters’ UK website list stores in Belgium, Denmark, France, Germany, Ireland, Sweden, The Netherlands and the UK.

61. Exhibit DJ4 shows a number of pages from obeyclothing.com which list some of the campaigns launched under the heading OBEY AWARENESS. These include, the

Haiti earthquake, Hope for Dafur in the Sudan, Dark Wave/Rising Sun, relief for Japan following the earthquake and tsunami. In each case t-shirts are designed with all of the profits from sale being donated to the campaign.

62. Exhibit DJ5 is 11 pages of photographs of swing tags and labels sewn into garments. The photographs are not dated.

Two photographs show black fabric labels with the word OBEY in gold. These are sewn onto a leather jacket, on the front and in the neck of the garment.

Page 3 shows a swing tag with the OBEY face printed onto it. It is attached to what appears to be a hat. The sewn in label is a red fabric rectangle with OBEY in white letters.

Page 4 shows the same red and white label sewn to a black snap back hat.

Page 5 is a hat with the OBEY face swing tag attached and a sewn on black and gold fabric label on the front of the hat.

Page 6 shows a printed swing tag with the OBEY face printed on the front. The fabric label is black and has gold lettering which reads, 'OBEY PROPAGANDA'. Smaller words, 'EST. 1989' are shown below it.

Page 7 shows a square of black material with the words 'OBEY POSSE' printed on it. It is not clear what the garment is.

Page 8 shows the black fabric label with the gold word 'OBEY' on it. It is sewn into the back of a dark item of clothing which I cannot see clearly. Page 9 shows a white rectangular fabric label sewn into a pair of jeans. The word OBEY can be seen in the centre of the label. It is surrounded by the smaller words, 'WORLDWIDE PROPAGANDA MANUFACTURING CO.'

Page 9 also shows the front pocket of a pair of jeans. Two swing tags can be seen. One is the pale label printed with the OBEY face. The other is red printing of a diamond inside a rectangle. The word OBEY is displayed in the middle of the tag.

Page 11 shows an item of clothing with a draw string, though it is not clear what the item is. A label sewn into the waistband takes the form of the word obey in white on a red rectangular background which is presented on a larger white rectangle.

63. Exhibit DJ6 are what Mr Juncal describes as 'look books' which show a range of OBEY products worn together. He states that they have been available to view and download from obeyclothing.com and obeyclothing.co.uk. Examples are provided from Spring 2010, Fall 2010, Fall 2011, Spring 2012, Fall 2012 and Spring 2013.

64. The products shown in the look books include men's and women's clothing including, inter alia, t-shirts, shirts, hooded tops, sweatshirts, knitwear, shorts, trousers/jeans, dresses, jackets, hats, umbrellas, socks, necklaces, scarves and purses/wallets.

65. Mr Juncal also says:

*"9. The collection of OBEY-branded clothing and apparel is updated at least four times a year, and corresponding catalogues are sent out to our large retail customers. These catalogues are also distributed by our UK distributor, Lead Distribution Ltd, to retail clients in the UK. The goods shown in these catalogues are distributed worldwide, including to the United Kingdom."*⁵

66. Exhibit DJ7 comprises a print from the USPTO of a trade mark registration held by the opponents in the US for the mark 'DISOBEY'. It was applied for on 25 May 2007 and registered on 17 March 2009. Mr Juncal also provides a photograph of a white t-shirt which had a red rectangle bearing the white letters 'DISOBEY'.

Witness statement of Doug Ellison and Exhibits DE1 – DE3

67. Mr Ellison is the Director and owner of Hot Clothing & Union Limited. His witness statement is dated 29 January 2014.

68. Mr Ellison states that his company operates two stores in Newcastle under the name 'Union Clothing' and a website, unionclothing.co.uk. 85-90% of sales via the website are to customers in the UK. Mr Ellison's company has been selling OBEY branded goods since, *"the early part of the last decade"*.

69. Exhibit DE1 comprises prints from the company website showing a range of OBEY goods which Mr Ellison states are on the website at present. The pages are not dated. Goods shown include, inter alia shirts, vests, t-shirts, trousers, hats, bags, sweatshirts and a notebook. All are described as OBEY goods and a considerable number feature the word OBEY and/or the OBEY face.

70. Exhibit DE2 is a flyer which Mr Ellison states was distributed in the Newcastle area to advertise his stores. The top corner of the flyer has UNION CLOTHING in red text. A list of brands stocked includes 'OBEY'. Mr Ellison confirms that these flyers are of the type distributed since he began stocking OBEY goods. Approximately 20,000 flyers are distributed per annum.

Witness statement of Robin Norton and Exhibit RN1

71. Mr Norton is the Director of Futuredog Ltd, a company trading since 1992 and incorporated in November 2004. His witness statement is dated 16 December 2013.

72. Mr Norton's company owns and operates four retail outlets, two in Cambridge and two in Norwich, selling clothing, footwear, headgear, bags and accessories.

⁵ Examples taken from OBEY catalogues have been provided by Mr Holmes at exhibit SH8.

Goods are also offered through its website, dogfishmen.co.uk and catfishwomen.co.uk which have been operating since 2006.

73. Exhibit RN1 comprises prints taken from Mr Norton's two websites showing OBEY branded goods currently on sale. Goods shown are vests, t-shirts, hats and socks. All are described as OBEY goods and a considerable number feature the word OBEY and/or the OBEY face mark.

The applicant's evidence

74. Mr Pedro Alvarez (the applicant) filed 5 witness statements, all of which were dated 13 February 2014. There are numerous exhibits attached to the witness statements. Only one of these uses the applicant's initials, another is titled 'counterstatement' and the remaining exhibits use the same initials and numbering as the opponents' exhibits attached to their four witness statements. Some of the exhibits are duplicated.

75. I have read the evidence in detail and find that the main points raised are as follows:

1. The opponents do not have any evidence of use of their marks.

76. The applicant makes this point on numerous occasions throughout his witness statements. He states:

"The Witness Statements file [sic] by the opponents fail to prove use of the Mark as all evidence have been proven as non-existing or to have been made in bad faith."

77. In support of this claim the applicant provides a copy of a request for an extension of time filed by the opponents on 18 November 2013 about which he says:

"The said requests of extension of extra times is admitted by the other side WITHOUT A SHADOW OF A DOUBT as evidence that the Mark OBEY have not been used by their owners neither in the UK nor the EU."

78. He states that the timing of the assignment from Mr Shepard Fairey to Bold Strategies, Inc., after the opposition had been launched in the UK, shows that the opponents could not provide proof of use evidence⁶.

79. He states that there is no evidence which shows Mr Holmes' company to be the sole distributor of OBEY goods in the UK. In addition, the applicant states that company accounts (filed at Companies House) for Mr Holmes' company do not show sufficient turnover for a sole UK distributor of OBEY products.

80. He claims that Mr Shepard Fairey and One 3 Two, Inc owned the EU marks until 5 June 2013 and did not use them in the EU.

⁶ Mr Shepard Fairey assigned the marks relied on in this opposition to Bold Strategies Inc. on 5 June 2013, five days before the notice of opposition (TM7) was filed in respect of the contested application.

81. Sales to Selfridges and Urban Outfitters are made from One 3 Two, Inc and not from Mr Holmes' company.

2. Trade mark ownership

82. Mr Don Juncal does not own any OBEY trade marks in the US.

3. Material used by the opponents in support of their use of the marks is 'illegal downloaded material' from copyrighted websites.

83. In support of this claim the applicant provides a number of 'terms and conditions' pages from a selection of websites.

4. The Applicant contests the positions held by three of the witnesses in their own companies or within previous employers' companies.

84. Mr Holmes was not a director at Circus Distribution (his previous employer).

85. Doug Ellison is not a Director of Hot Clothing & Union Ltd.

86. At paragraph 2 of witness statement 5 the applicant states:

"Companies House records shows [sic] as directors [of Futuredog Ltd] a Mr NORTON, ROBIN HUGH, and a Mr SNELL, NICHOLAS JASON not a Mr. ROBIN NORTON.

87. In support of these statements, the applicant provides prints from Companies House databases.

Opponents' evidence in reply

88. The opponents filed second witness statements by:

Simon Holmes and exhibits SH16-20

89. Mr Holmes' second witness statement is dated 30 April 2014. It provides a detailed explanation of his employment at Circus Distribution and supplies supporting business cards at SH16.

90. At exhibit SH17 Mr Holmes provides a letter signed by Mr Juncal and branded with OBEY lettering in white on a red background. The letter states that Mr Holmes' company is the sole UK distributor of OBEY branded goods in the UK and that he/his company are authorised to act in intellectual property matters with regard to the OBEY marks.

91. Exhibit SH18 comprises a number of invoices demonstrating sales by Lead Distribution Ltd to Selfridges and Urban Outfitters. These are dated between 29 July 2009 and 25 April 2014. I do not intend to list all of the invoices, which support Mr Holmes' earlier statement, but two examples are:

1. An invoice dated 3 September 2012, addressed to Urban Outfitters in London. The invoice is headed with Lead Distribution Ltd and is for a total of £13,608.00 and includes the following mark at the bottom of the page:



2. An invoice dated 28 November 2012, addressed to Selfridges in Leicester. The invoice is headed with Lead Distribution Ltd and is for a total of £10,950.70 and includes the same 'OBEY' mark at the bottom of the page.

92. In response to the applicant's comments regarding turnover figures Mr Holmes states:

"6. I am not an accountant, though I understand from my bookkeeper that my Company is not obliged to file turnover figures at Companies House, and that we do not do so. The abbreviated balance sheet to which Mr Alvarez refers is, I am told, a snapshot of the state of our business as at 31 January 2013, as it is exempt from filing full accounts under the small company rules."

93. Mr Holmes provides end of year figures for his company in relation to OBEY branded goods as follows:

Year ending	Total (£)
31 January 2012	1.3 million +
31 January 2013	2.4 million +

94. Exhibit SH20 is a page from the Holiday 2014 catalogue (of the type shown in Mr Holmes' earlier exhibit SH8). Mr Holmes says of this exhibit, which shows a t-shirt featuring the word DISSOBEY, that it reinforces the point he made in his first witness statement, that offering goods under the name DISOBEY is the sort of thing customers would expect the opponents and his company to do.

Don Juncal

95. Mr Juncal's second witness statement is dated 30 April 2014 and provides a detailed explanation of the chain of distribution of OBEY branded goods. He states:

"5. OBEY-branded goods are distributed in various countries around the world through a number of separate national distributors, acting with the permission of, and on behalf of, my Company [One 3 Two, Inc.]. As detailed above, Lead Distribution Ltd [Mr Holmes' company] is the exclusive distributor for the United Kingdom and the Republic of Ireland...

6. Sometimes the goods ordered are manufactured in the United States and dispatched by my Company from the US, either directly to the

national distributor, or to a central agent who will then forward them on to the national distributor. The central agent often addresses customs requirements in the territories concerned, and handling stock in a central warehouse from which it is more easily forwarded to the national distributors.

7. Sometimes the goods ordered are not manufactured in the US but in other countries. These are often dispatched, on instruction from my Company, from those countries to the national distributor, or central agent who passes them on.”

Doug Ellison and exhibit DE4

96. Mr Ellison’s second witness statement is dated 25 April 2014. The attached exhibit is a ‘current appoints report’ which shows Mr Ellison is the Secretary and Director of his company and has been since 25 January 2005.

Preliminary issues arising from evidence

Copyright material

97. With regard to the applicant’s assertions that the opponents’ evidence has been filed in breach of copyright law, the Copyright, Designs and Patents Act (CDPA) 1988 states the following at Section 45:

“45 (1) Copyright is not infringed by anything done for the purposes of parliamentary or judicial proceedings.”

98. Consequently, I need say no more about this submission.

US trade marks

99. Ownership of OBEY marks in the US is not relevant to these proceedings which concern a UK application and an opposition relying on three Community Trade Marks.

100. The earlier marks relied on in these proceedings are owned by the two opponents to the registration of the application.

101. Consequently, I need say no more about this submission.

Positions held by the opponents’ witnesses

102. The applicant has made a number of submissions disputing the positions held by the opponents’ witnesses within their various companies. Further evidence filed by those witnesses fully supports their initial statements.

103. I will say no more about this submission.

Relevant law to be applied in these proceedings

104. Throughout his evidence, submissions and counter-statement, the applicant has referred to Article 8.5 of the Community Trade Mark Regulations. This opposition has been brought under section 5 of the TMA 1994.

Proof of use of the earlier marks

105. I have read all of the evidence and submissions filed by the applicant and the opponents in this case and will make a finding regarding the opponents' proof of use in accordance with the Trade Marks Act 1994 (The Act), The Trade Marks Rules 2008 (as amended) (the Rules) and the relevant case law.

106. I give this decision following a review of all of the material before me.

DECISION

Proof of use

107. In their submissions filed in lieu of a hearing and dated 15 July 2014, the opponents state:

“7. It is submitted that the Opponents’ strongest case is as regards European Community Trade Mark registration no. 1830710 OBEY and so these submissions shall focus on that registration.”

108. Since the OBEY solus mark is the only mark subject to proof of use and the one which the opponents submit represents their strongest case I will proceed by considering proof of use of that mark.

109. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

“6.-(1) In this Act an “earlier trade mark” means -

(a) a registered trade mark, international trade mark (UK) or Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

110. I note the applicant denies that the opponents' marks are earlier marks in accordance with 6(1)(a). No reasoning is provided in support of this assertion. The opponents are relying upon the trade marks shown in paragraph 3 which have filing dates of 22 August 2000, 29 May 2009 and 1 February 2010. The applicant's mark

was applied for on 1 February 2013. Consequently, the opponents' marks constitute earlier trade marks under these provisions.

111. The application was published on 8 March 2013. The opponents' OBEY solus mark completed its registration procedure on 16 October 2001. Consequently, this mark is subject to proof of use, as per Section 6A of the Act and the applicant has requested the opponent to prove its use.

112. Section 6A of the Act reads as follows:

"6A Raising of relative grounds in opposition proceedings in case of non-use

(1) This section applies where –

- (a) an application for registration of a trade mark has been published,
- (b) there is an earlier trade mark in relation to which the conditions set out in section 5(1),(2) or (3) obtain, and
- (c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

- (a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or
- (b) the earlier trade mark has not been so used, but there are proper reasons for non-use.

(4) For these purposes –

- (a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and
- (b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a Community trade mark, any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(7) Nothing in this section affects –

(a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal) or section 5(4) (relative grounds of refusal on the basis of an earlier right), or

(b) the making of an application for a declaration of invalidity under section 47(2)(application on relative grounds where no consent to registration).”

113. The relevant period is the five year period ending on the date of publication of the application, namely 9 March 2008 to 8 March 2013. The onus is on the opponents, under section 100 of the Act, to show genuine use of their mark during this period in respect of those goods relied on.

114. In reaching a conclusion on this point, I must apply the same factors as I would if I were determining an application for revocation based on grounds of non-use.

115. In *Stichting BDO v BDO Unibank, Inc.*, [2013] F.S.R. 35 (HC), Arnold J. stated as follows:

“51. Genuine use. In *Pasticceria e Confetteria Sant Ambroeus Srl v G & D Restaurant Associates Ltd* (SANT AMBROEUS Trade Mark) [2010] R.P.C. 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the jurisprudence of the CJEU in *Ansul BV v Ajax Brandbeveiliging BV* (C-40/01) [2003] E.C.R. I-2439; [2003] R.P.C. 40 ; *La Mer Technology Inc v Laboratoires Goemar SA* (C-259/02) [2004] E.C.R. I-1159; [2004] F.S.R. 38 and *Silberquelle GmbH v Maselli-Strickmode GmbH* (C-495/07) [2009] E.C.R. I-2759; [2009] E.T.M.R. 28 (to which I have added references to *Sunrider v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM) (C-416/04 P) [2006] E.C.R. I-4237):

(1) Genuine use means actual use of the mark by the proprietor or third party with authority to use the mark: *Ansul*, [35] and [37].

(2) The use must be more than merely token, which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(3)The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the

consumer or end-user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Sunrider* [70]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22] -[23]; *Sunrider*, [70]-[71].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no de minimis rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor: *Ansul*, [39]; *La Mer*, [21], [24] and [25]; *Sunrider*, [72]”.

116. There is no de minimis level for genuine use, although, I bear in mind that the CJEU stated in Case C-141/13 P, *Reber Holding GmbH & Co. KG v OHIM* (in paragraph 32 of its judgment), that “*not every proven commercial use may automatically be deemed to constitute genuine use of the trade mark in question*”.

117. The earlier mark is a CTM which means that genuine use must be in the EC. In its judgment in *Leno Marken BV v Hagelkruis Beheer BV* C-49/11 (“*ONEL*”) the CJEU said:

“28 The Court has already - in the judgments in *Ansul* and *Sunrider v OHIM* and the order in *La Mer Technology* - interpreted the concept of 'genuine use' in the context of the assessment of whether national trade marks had been put to genuine use, considering it to be an autonomous concept of European Union law which must be given a uniform interpretation.

29 It follows from that line of authority that there is 'genuine use' of a trade mark where the mark is used in accordance with its essential function, which is to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services; genuine use does not include token use for the sole purpose of preserving the rights conferred by the mark. When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether there is real commercial exploitation of the mark in the course of trade, particularly the usages regarded as warranted in the economic sector concerned as a means of maintaining or creating market share for the goods or services protected by the mark, the nature of those goods or services, the characteristics of the market and the scale and frequency of use of the mark (see *Ansul*, paragraph 43, *Sunrider v OHIM*, paragraph 70, and the order in *La Mer Technology*, paragraph 27).

30 The Court has also stated that the territorial scope of the use is only one of several factors to be taken into account in the determination of whether that use is genuine or not (see *Sunrider v OHIM*, paragraph 76).

31 That interpretation may be applied by analogy to Community trade marks since, in requiring that the trade mark be put to genuine use, Directive 2008/95 and Regulation No 207/2009 pursue the same objective.”

118. Regarding the territorial scope of the use, the CJEU went on to say:

“52 Some of the interested persons who have submitted observations to the Court also maintain that, even if the borders of the Member States within the internal market are disregarded, the condition of genuine use of a Community trade mark requires that the trade mark should be used in a substantial part of the Community, which may correspond to the territory of a Member State. They argue that such a condition follows, by analogy, from Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 28, Case C-328/06 *Nieto Nuño* [2007] ECR I-10093, paragraph 17, and Case C-301/07 *PAGO International* [2009] ECR I-9429, paragraph 27).

53 That argument cannot be accepted. First, the cases in question concern the interpretation of provisions relating to the extended protection conferred on trade marks that have a reputation or are well known in the Community or in the Member State in which they have been registered. However, the requirement for genuine use, which could result in an opposition being rejected or even in the trade mark being revoked, as provided for in particular in Article 51 of Regulation No 207/2009, pursues a different objective from those provisions.

54 Second, whilst it is reasonable to expect that a Community trade mark should be used in a larger area than a national mark, it is not necessary that the mark should be used in an extensive geographic area for the use

to be deemed genuine, since such a qualification will depend on the characteristics of the product or service concerned on the corresponding market (see, by analogy, with regard to the scale of the use, *Ansul*, paragraph 39).

55 Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology*, paragraphs 25 and 27, and the judgment in *Sunrider v OHIM*, paragraphs 72 and 77)."

119. In addition, I will keep in mind the guidance in *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 in relation to determining what constitutes a fair specification, namely:

"29. I have no doubt that Pumfrey J. was correct to reject the approach advocated in the *Premier Brands* case. His reasoning in paras [22] and [24] of his judgment is correct. Because of s.10(2), fairness to the proprietor does not require a wide specification of goods or services nor the incentive to apply for a general description of goods and services. As Mr Bloch pointed out, to continue to allow a wide specification can impinge unfairly upon the rights of the public. Take, for instance, a registration for "motor vehicles" only used by the proprietor for motor cars. The registration would provide a right against a user of the trade mark for motor bikes under s.10(1). That might be understandable having regard to the similarity of goods. However, the vice of allowing such a wide specification becomes apparent when it is envisaged that the proprietor seeks to enforce his trade mark against use in relation to pedal cycles. His chances of success under s.10(2) would be considerably increased if the specification of goods included both motor cars and motor bicycles. That would be unfair when the only use was in relation to motor cars. In my view the court is required in the words of Jacob J. to "dig deeper". But the crucial question is--how deep?

30. Pumfrey J. was, I believe, correct that the starting point must be for the court to find as a fact what use has been made of the trade mark. The next task is to decide how the goods or services should be described. For example, if the trade mark has only been used in relation to a specific variety of apples, say Cox's Orange Pippins, should the registration be for fruit, apples, eating apples, or Cox's Orange Pippins?

31. Pumfrey J. in *Decon* suggested that the court's task was to arrive at a fair specification of goods having regard to the use made. I agree, but the court still has the difficult task of deciding what is fair. In my view that task

should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under s.10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use.”

120. The comments of Mr Justice Jacob in *Animal Trade Mark* [2004] FSR 19 are also relevant and read:

“20. The reason for bringing the public perception in this way is because it is the public which uses and relies upon trade marks. I do not think there is anything technical about this: the consumer is not expected to think in a picky way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. Thus, for instance, if there has only been use for threeholed razor blades imported from Venezuela (Mr T.A. Blanco White's brilliant and memorable example of a narrow specification) "three-holed razor blades imported from Venezuela" is an accurate description of the goods. But it is not one which an average consumer would pick for trade mark purposes. He would surely say "razor blades" or just "razors". Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods--are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made.”

121. The comments of the Court of First Instance (now the General Court) in *Reckitt Benckiser (Espana), SL v OHIM*, Case T- 126/03 are also relevant where it held that:

“45. It follows from the provisions cited above that, if a trade mark has been registered for a category of goods or services which is sufficiently broad for it to be possible to identify within it a number of sub-categories capable of being viewed independently, proof that the mark has been put to genuine use in relation to a part of those goods or services affords protection, in opposition proceedings, only for the sub-category or subcategories to which the goods or services for which the trade mark has actually been used belong. However, if a trade mark has been registered for goods or services defined so precisely and narrowly that it is not

possible to make any significant sub-divisions within the category concerned, then the proof of genuine use of the mark for the goods or services necessarily covers the entire category for the purposes of the opposition.

46. Although the principle of partial use operates to ensure that trade marks which have not been used for a given category of goods are not rendered unavailable, it must not, however, result in the proprietor of the earlier trade mark being stripped of all protection for goods which, although not strictly identical to those in respect of which he has succeeded in proving genuine use, are not in essence different from them and belong to a single group which cannot be divided other than in an arbitrary manner. The Court observes in that regard that in practice it is impossible for the proprietor of a trade mark to prove that the mark has been used for all conceivable variations of the goods concerned by the registration. Consequently, the concept of 'part of the goods or services' cannot be taken to mean all the commercial variations of similar goods or services but merely goods or services which are sufficiently distinct to constitute coherent categories or sub-categories."

122. And the comments of Mr Geoffrey Hobbs Q.C. sitting as the Appointed Person in *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*,⁷ where he summed up the law as being:

"In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned."

123. First, I have to identify, as a matter of fact, whether the trade mark relied on by the opponents has actually been genuinely used and, if so, in respect of which goods. Having reached a conclusion on that point, I must then go on to decide what constitutes a fair specification.

124. I note that the applicant has requested the opponents provide proof of use for all of the goods in the specification. The opponents are seeking to rely on a limited range of goods. It is this limited range of goods for which use must be shown during the relevant period.

125. The opponent relies upon the following goods:

Class 18 - Bags

and

⁷ *BL O/345/10*

Class 25 - Clothing, footwear, headgear

126. In considering the opponents' evidence, it is a matter of viewing the picture as a whole. In *Dosenbach-Ochsner AG Schuhe und Sport v Continental Shelf 128 Ltd*, Mr Geoffrey Hobbs Q.C.⁸, sitting as the Appointed Person, stated:

"21. The assessment of a witness statement for probative value necessarily focuses upon its sufficiency for the purpose of satisfying the decision taker with regard to whatever it is that falls to be determined, on the balance of probabilities, in the particular context of the case at hand. As Mann J. observed in *Matsushita Electric Industrial Co. V. Comptroller-General of Patents* [2008] EWHC 2071 (Pat); [2008] R.P.C. 35:

[24] As I have said, the act of being satisfied is a matter of judgment. Forming a judgment requires the weighing of evidence and other factors. The evidence required in any particular case where satisfaction is required depends on the nature of the inquiry and the nature and purpose of the decision which is to be made. For example, where a tribunal has to be satisfied as to the age of a person, it may sometimes be sufficient for that person to assert in a form or otherwise what his or her age is, or what their date of birth is; in others, more formal proof in the form of, for example, a birth certificate will be required. It all depends who is asking the question, why they are asking the question, and what is going to be done with the answer when it is given. There can be no universal rule as to what level of evidence has to be provided in order to satisfy a decision-making body about that of which that body has to be satisfied.

22. When it comes to proof of use for the purpose of determining the extent (if any) to which the protection conferred by registration of a trade mark can legitimately be maintained, the decision taker must form a view as to what the evidence does and just as importantly what it does not 'show' (per Section 100 of the Act) with regard to the actuality of use in relation to goods or services covered by the registration. The evidence in question can properly be assessed for sufficiency (or the lack of it) by reference to the specificity (or lack of it) with which it addresses the actuality of use."

127. In *Awareness Limited v Plymouth City Council*⁹, Mr Daniel Alexander Q.C. as the Appointed Person stated that:

"22. The burden lies on the registered proprietor to prove use...However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of

⁸ BL O/404/13

⁹ BL O/230/13

use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.”

128. And further at paragraph 28:

“28. ... I can understand the rationale for the evidence being as it was but suggest that, for the future, if a broad class, such as “tuition services”, is sought to be defended on the basis of narrow use within the category (such as for classes of a particular kind) the evidence should not state that the mark has been used in relation to “tuition services” even by compendious reference to the trade mark specification. The evidence should make it clear, with precision, what specific use there has been and explain why, if the use has only been narrow, why a broader category is nonetheless appropriate for the specification. Broad statements purporting to verify use over a wide range by reference to the wording of a trade mark specification when supportable only in respect of a much narrower range should be critically considered in any draft evidence proposed to be submitted.”

129. Commonly, the mark is used in block white text on a red rectangular background in the form I have shown above at paragraph 30. This can be seen on letter headed paper and billboard advertising, in magazines and throughout a number of the catalogues provided at SH8 as well as on the goods themselves. Use of the word ‘OBEY’ is shown on the face of the goods and on labels sewn into them as well as on swing tags¹⁰. In addition, the mark is shown in a large variety of other typefaces and colours both on the goods themselves and in some of the catalogues provided by Mr Holmes. Each catalogue appears to be designed in a very particular style with themes including vintage, Japanese and gothic. In each case ‘OBEY’ is presented in a style which is in keeping with the theme. Examples of the sewn in labels are also shown with ‘OBEY’ presented in a gold script on a black background.

130. Where the goods are described they are always referred to as ‘OBEY’ goods with ‘OBEY’ being the first word of the description.

131. The bulk of the opponents’ evidence is provided by one of the opponent companies and its sole UK distributor. It is clear from the evidence that the UK distributor has permission to use the marks. The UK distribution company has provided invoices dated between April 2004 and October 2013 which support its statement that it supplies ‘OBEY’ branded goods to 81 stores throughout the UK and

¹⁰ The exhibit showing sewn in labels and swing tags is not dated but identical and similar labels can be seen in the neck of a number of goods dated within the relevant period.

the Republic of Ireland. These include a large number of independent retailers, spread throughout the UK, as well as *Selfridges* and *Urban Outfitters*¹¹.

132. Detailed sales figures for the relevant period have not been provided in any of the witness statements, either in respect of the UK or the EU. However, Mr Holmes' evidence states that UK sales of OBEY branded goods in the UK between 2006 and October 2013 amounted to 'in excess of £6m'. In his second witness statement he provides yearend figures for 31 January 2012 and 31 January 2013 amounting to £1.3m and £2.4m respectively which would appear to support his view that the OBEY brand is becoming more popular.

133. With regard to use in other areas of the EU, no figures have been provided, although, in addition to the United Kingdom sales, Mr Holmes is responsible for sales in the Republic of Ireland. In his first witness statement he states that 3% of his business is made up of sales to the Republic of Ireland. Given the totals provided for UK sales for the years 2012 and 2013, the percentage of sales to the Republic of Ireland would appear to be not an insignificant amount.

134. Throughout his witness statements Mr Juncal, Director of one of the opponent companies, refers to worldwide sales of OBEY branded goods and regularly refers to sales in the EU. The brand was launched at an International fashion buyers event which Mr Juncal states was attended by buyers from around the world, though this was before the relevant period. The opponents have shown that they have distributors in France (BW3 Sarl) and the Netherlands (TNT Fashion Logistics) and press articles show that the OBEY brand has been featured in some European publications including an article printed in German (though this was outside the relevant period).

135. The range of goods available under the OBEY marks has been shown in product catalogues throughout the relevant period and on websites of the UK distributor and its customers. Evidence shows use of the mark, 'OBEY' in respect of a wide range of men's' and women's' clothing, hats, bags and accessories, including scarves, belts, key rings and stickers. It is also shown in advertising, on hangers used in Selfridges to display the goods, in press articles and numerous editorials in newspapers and magazines and on invoices, business cards and letter headed paper.

136. Although the evidence could have been better marshalled, when considered as a whole the opponent's evidence shows that the opponents have been trading in OBEY goods throughout the relevant period, in respect of a wide range of goods in at least classes 18 and 25. Sales have taken place in the UK and the Republic of Ireland and goods have been advertised and distributed in other areas of the EU, though to what extent I cannot be sure. Although the EU market for the relevant goods is extremely large, I accept that the use made represents genuine use in the EU. In its totality the evidence points to an undertaking engaged in a not insubstantial trade.

¹¹ *Invoices relating to sales to Selfridges and Urban Outfitters were provided with Mr Holmes' second witness statement.*

137. With regard to a fair specification for the goods, the opponents have shown numerous examples of use in respect of a range of men's and women's bags in class 18 and a substantial range of men's and women's clothing and headgear in class 25. I have not been provided with any evidence of use in respect of footwear.

138. Consequently, I find that the use shown by the opponents is sufficient to show use in respect of 'bags' in class 18 and 'clothing and headgear' in class 25. This is how the average consumer would refer to these goods and it is neither too broad nor too pernickety and this is the fair specification on which I will proceed.

139. The evidence provided by the opponents in these proceedings has been contested by the applicant who does not accept that use of the earlier marks has been shown. Nothing contained in the applicant's five witness statements persuades me that the opponents have attempted to conceal or misrepresent their position.

The opposition under section 5(2)(b)

140. I will deal first with the opposition under section 5(2)(b) which reads as follows:

"5. - (2) A trade mark shall not be registered if because -

(a)...

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."

Section 5(2)(b) case law

141. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

The principles

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and

whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

The average consumer and the nature of the purchasing act

142. In accordance with the above cited case law, I must determine who the average consumer is and also identify the nature of the purchasing process. The average consumer is reasonably well informed and reasonably circumspect and observant but with a level of attention likely to vary according to the category of goods.

143. The average consumer of the goods at issue will be a member of the general public. In respect of the goods in class 25, in considering the level of attention that will be paid to such a purchase and the nature of the purchasing act, I am mindful of

the decision of the General Court (GC) in *New Look Ltd v Office for the Harmonization in the Internal Market (Trade Marks and Designs) Joined cases T-117/03 to T-119/03 and T-171/03*, in which it commented:

"43 It should be noted in this regard that the average consumer's level of attention may vary according to the category of goods or services in question (see, by analogy, *Case C-342/97 Lloyd Schuhfabrik Meyer [1999] ECR I- 3819, paragraph 26*). As OHIM rightly pointed out, an applicant cannot simply assert that in a particular sector the consumer is particularly attentive to trade marks without supporting that claim with facts or evidence. As regards the clothing sector, the Court finds that it comprises goods which vary widely in quality and price. Whilst it is possible that the consumer is more attentive to the choice of mark where he or she buys a particularly expensive item of clothing, such an approach on the part of the consumer cannot be presumed without evidence with regard to all goods in that sector. It follows that that argument must be rejected.

...

53. Generally in clothes shops customers can themselves either choose the clothes they wish to buy or be assisted by the sales staff. Whilst oral communication in respect of the product and the trade mark is not excluded, the choice of the item of clothing is generally made visually. Therefore, the visual perception of the marks in question will generally take place prior to purchase. Accordingly the visual aspect plays a greater role in the global assessment of the likelihood of confusion."

144. The selection process for each of the goods is primarily visual, though I do not discount the fact that there may be an aural element given that some articles may be selected with the assistance of a member of staff. The goods may be purchased on the high street, online or by mail order and the level of attention paid will be reasonable the consumer paying the attention necessary to obtain, inter alia, the correct size, colour and fit.

Comparison of goods

145. The opponents submit that their OBEY word mark represents their strongest position and it is this mark that I shall use for the purposes of comparing the sides' respective marks. The goods to be compared are as follows:

The opponents' goods	The applicant's goods
<p>Class 18 Bags</p> <p>Class 25 Clothing and headgear</p>	<p>Class 25 Clothing and head wear</p>

146. The applicant's goods in class 25 are clearly identical to the opponents' class 25 goods.



Comparison of marks

147. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The Court of Justice of the European Union stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“...it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

148. It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

149. The respective trade marks are shown below:

The applicant's mark	The opponents' mark
	

150. The opponents' mark consists of a single element, the word OBEY with no form of stylisation in block capitals. Consequently, the overall impression is based solely on this word.

151. The overall impression of the applicant's mark is based on the words DIS and OBEY, conjoined and presented in a bold font which will be considered by the average consumer to be the whole word DISOBEY. The overall impression is dominated by the words with the small degree of stylization contributing far less in terms of relative weight.

Visual similarities

152. In respect of the visual similarities the opponents state in their submissions, dated 15 July 2014:

“36. Visually, the Applicant reproduces the Opponents’ Mark in its entirety, adding a three letter prefix and as such the marks are visually similar. The capitalized first letter of the ‘Obey’ element of the Applicant’s mark reinforces the visual similarity, drawing the consumer’s attention to the identical element. Put simply, it is not possible to see the Applicant’s Mark without perceiving the Opponent’s Mark within it.”

153. On page 23 of its submissions the applicant states:

“From a visual point of view, there are three considerable differences, such as the fact that the trademark applied for starts with the letters “DIS”, which do not appear in the Opponent’s [sic] earlier trademarks. As it is widely known, the initial part of the sign is the most important when comparing two trademarks, due to the fact that consumers read from left to right, and therefore this difference in the beginnings of two trademarks will be retained in the minds of the consumers even in case of imperfect recollection, especially having into account the fact that the trademarks are short, as we will be explaining shortly.

...

The optical distinction makes the words capable of being differentiated. This entails a different visual perception on behalf of the average consumer. The clear difference in appearance is crucial and clearly noticed by consumers even in case of imperfect recollection and despite the fact that both words are written in standard typeface and in capital letters.”

154. Visual similarity between the marks rests in the four letter word OBEY which is the entirety of the opponents’ mark and makes up the last four letters of the applicant’s mark. The fact that the letter ‘O’ is capitalized with the applicant’s mark makes the presence of the common English word ‘OBEY’ fairly clear within the mark as a whole. It is preceded by the prefix ‘Dis’, resulting in the two marks possessing different beginnings. Taking these factors into account, I find the marks to have a medium degree of visual similarity.

Aural similarities

155. The opponents submit:

“35. Phonetically the Opponents’ Mark would be pronounced OH-BEY, whilst the Applicant’s Mark would be pronounced DIS-OH-BEY. It is apparent therefore that the Applicant’s Mark phonetically reproduces the Opponents’ two-syllable Mark entirely, adding an extra syllable.”

156. The applicant says, on page 24 of its submissions:

“...the key elements for determining the overall phonetic impression of a trademark are the syllables and their particular sequence and stress.”

157. In assessing the trade marks the applicant describes its mark as the earlier registration and the opponents' mark as the mark applied for. In essence the applicant's submissions are that the opponents' mark has two syllables, O-BEY and its application has three syllables, DI-SO-BEY.

158. The applicant continues:

"It is important to stress the fact that the sequence of syllables in the conflicting trademarks is very different: only the third syllable in the [application] is identical to the second syllable of the [earlier registration], i.e. the number and sequence of its syllables is very different: O-BEY DI-SO-BEY This difference in syllables and the fact that the syllables do not coincide is very important and should not be neglected when comparing both trademarks."

159. Both marks are made up of common English words. The opponents' mark will be pronounced OH-BAY, the applicant's will be pronounced DIS-OH-BAY. The two syllables which make up the earlier registration are the second and third syllables of the application. The marks are aurally similar to a medium degree.

Conceptual similarities

160. For a conceptual message to be relevant it must be capable of immediate grasp by the average consumer.¹² The assessment must be made from the point of view of the average consumer.

161. On the matter of the conceptual similarity between the parties' respective marks, the opponents submit:

"34...'Obey' is a verb referring to carrying out instructions or orders, or complying with demands. 'Disobey' is a verb referring to not carrying out instructions or orders, or complying with demands. It follows from the fact that the words are opposed in meaning that conceptually they are closely related. This is the conceptual resonance that would be emphasised in the minds of the relevant public. On this point OHIM's Opposition Division found the marks THE WORLD OF EXTERIORS and THE WORLD OF INTERIORS conceptually similar in their decision of 1st July 2008 in Opposition no. B1043035, stating that 'the conceptual similarity consists in the antagonism', leading to a conclusion that the marks had a 'high degree of visual, aural and conceptual similarity (emphasis added)'."

162. The applicant submits (on page 26 of its submissions):

"Conceptually, it is obvious that both trademarks refer to different concepts. The Applicant's sign refers to the English verb 'DISOBEY', which means "to refuse to do something that you are told to do" in

¹² This is highlighted in numerous judgments of the GC and the CJEU including *Ruiz Picasso v OHIM* [2006] e.c.r.-I-643; [2006] E.T.M.R. 29.

English...The Opponent's [sic] trademark 'OBEY' means "to act according to what you have been asked or ordered to do by someone in authority, or behave according to a rule, law or order" in English...".

163. The parties' marks, 'obey' and 'disobey' share a conceptual similarity in that they share a semantic root. Both are possible responses to the receipt of orders or instructions. Essentially they are two sides of the same coin. I find these marks to share a medium degree of conceptual similarity.

Distinctive character of the earlier mark

164. In determining the distinctive character of a trade mark it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify its goods as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger Joined Cases C-108/97 and C-109/97* [1999] ETMR 585.

165. The opponents' mark, 'OBEY' is a common English word which is neither descriptive nor allusive of the goods at issue and enjoys a medium level of inherent distinctive character.

166. I note that the opponents claim enhanced distinctive character as a result of the use they have shown of the mark in evidence. The evidence provides limited detail with regard to turnover throughout the relevant period and does not give any indication of the size of the market, which in the case of clothing, headgear and bags, I have no doubt, is considerable. No attempt has been made to indicate the market share held by the opponents in the relevant sector. Consequently, given my findings above with regard to this evidence, although it is a used mark, I am unable to conclude that the opponents' earlier mark has enhanced its distinctive character due to the use made of it.

Likelihood of confusion

167. Throughout its submissions the applicant refers me to a number of opposition cases from the Boards of Appeal at OHIM, in support of its assertion that the competing marks are not similar. None of the cases referred to are on all fours with the matter before me in these proceedings, which must be decided on its own merits.

168. In assessing the likelihood of confusion, I must adopt the global approach advocated by case law and take into account the fact that marks are rarely recalled perfectly, the consumer relying instead on the imperfect picture of them he has kept in his mind.¹³ I must also keep in mind the average consumer for the goods, the nature of the purchasing process and have regard to the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa.

169. I have found the parties' marks to share a medium degree of visual and aural similarity and to possess a medium level of conceptual similarity. I have found the earlier mark to have a medium level of inherent distinctive character.

¹³ *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27

170. I have found the applicant's goods to be identical to the opponents' goods.

171. The point of similarity is at the end of the applicant's mark. In its submissions, the applicant draws to my attention the fact that consumers pay more attention to the beginning of marks. It is certainly the case that there is a general rule, clear from decisions such as joined cases T-183/02 and T-184/027¹⁴, that the first parts of words (and consequently, first words of marks) catch the attention of consumers. However, it is also clear that each case must be decided on its merits considering the marks as wholes. In this case the marks are two sides of the same coin, both relating to a response to instructions or orders, albeit, opposite responses.

172. Given the respective conceptual impressions provided by the marks, when encountering them the average consumer may misremember what the mark was that they had encountered previously, 'obey' or 'disobey', giving rise to direct confusion.

173. In any event, if I am found to be wrong in this, I am mindful of *L.A. Sugar Limited v By Back Beat Inc*¹⁵, in which Mr Iain Purvis Q.C. sitting as the Appointed Person noted that:

"16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: "The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right ("26 RED TESCO" would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or

¹⁴ *El Corte Inglés v OHIM – González Cabello and Iberia Líneas Aéreas de España (MUNDICOR)* [2004] ECR II – 965, paragraph 81

¹⁵ Case BL-O/375/10

brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

174. In my view, the addition of the three letters ‘Dis’ at the beginning of the applicant’s mark, does fall squarely within the types of indirect confusion identified in *LA Sugar*, particularly the brand extension point. It creates an opposite but not unrelated meaning to that possessed by the opponents’ earlier mark and would lead to the average consumer making a connection between them that would result in a belief that the goods are being provided by an economically linked undertaking.

175. I find support for this conclusion in Mr Holmes’ second witness statement, in which he shows that the opponents have already considered something similar. A page from the OBEY Holiday 2014 catalogue features a t-shirt produced following a collaboration with street artist OG Slick and his brand DISSIZIT. The first t-shirt on the page is black and has a word on it in white, half of which has been ‘covered’ with the ‘OBEY’ mark presented in white on a red background. The only letters which can be seen from the word underneath are the letters ‘DIS’. The result is a t-shirt with the word DISOBEY on the front. Mr Holmes states this:

“...reinforces the point I made at the end of my first Witness Statement that offering goods under the name DISOBEY is the sort of thing our customers could expect the Opponents and my Company to do.”

176. Having found there to be a likelihood of confusion I will consider the applicant’s further point raised at paragraph 8 of its counter-statement in which he submitted:

“In the alternative, the Applicant claims that there has been a long period of honest concurrent use of the trade marks in question and that use neither has, nor is liable to have, an adverse effect on the essential function of the trade marks which is to guarantee to consumers the origin of the goods, in accordance with the judgment in Budejovicky Budvar v Anheuser-Busch Inc. [2011] EUECJ C-482/09...By virtue of such honest concurrent use the Applicant is entitled to continue to use and register his mark.”

177. In that case the court held:

“74 In that context, it follows from the foregoing that art.4(1)(a) of Directive 89/104 must be interpreted as meaning that a later registered trade mark is liable to be declared invalid where it is identical with an earlier trade mark, where the goods for which the trade mark was registered are identical with those for which the earlier trade mark is protected and where the use of the later trade mark has or is liable to have an adverse effect on the essential function of the trade mark which is to guarantee to consumers the origin of the goods.

75 In the present case, it is to be noted that the use by Budvar of the Budweiser trade mark in the United Kingdom neither has nor is liable to have an adverse effect on the essential function of the Budweiser trade mark owned by Anheuser-Busch.

76 In that regard, it should be stressed that the circumstances which gave rise to the dispute in the main proceedings are exceptional.

77 First, the referring court states that Anheuser-Busch and Budvar have each been marketing their beers in the United Kingdom under the word sign “Budweiser” or under a trade mark including that sign for almost 30 years prior to the registration of the marks concerned.

78 Secondly, Anheuser-Busch and Budvar were authorised to register jointly and concurrently their Budweiser trade marks following a judgment delivered by the Court of Appeal (England & Wales) (Civil Division) in February 2000.

79 Thirdly, the order for reference also states that, while Anheuser-Busch submitted an application for registration of the word “Budweiser” as a trade mark in the United Kingdom earlier than Budvar, both of those companies have from the beginning used their Budweiser trade marks in good faith.

80 Fourthly, as was stated in [10] of this judgment, the referring court found that, although the names are identical, UK consumers are well aware of the difference between the beers of Budvar and those of Anheuser-Busch, since their tastes, prices and get-ups have always been different.

81 Fifthly, it follows from the co-existence of those two trade marks on the UK market that, even though the trade marks were identical, the beers of Anheuser-Busch and Budvar were clearly identifiable as being produced by different companies.

82 Consequently, as correctly stated by the Commission in its written observations, art.4(1)(a) of Directive 89/104 must be interpreted as meaning that, in circumstances such as those of the main proceedings, a long period of honest concurrent use of two identical trade marks designating identical products neither has nor is liable to have an adverse effect on the essential function of the trade mark which is to guarantee to consumers the origin of the goods or services.

83 It should be added that, in the event that, in the future, there is any dishonesty associated with the use of the Budweiser trade marks, such a situation could, where necessary, be examined in the light of the rules relating to unfair competition.

84 In the light of the foregoing, the answer to the third question is that art.4(1)(a) of Directive 89/104 must be interpreted as meaning that the

proprietor of an earlier trade mark cannot obtain the cancellation of an identical later trade mark designating identical goods where there has been a long period of honest concurrent use of those two trade marks where, in circumstances such as those in the main proceedings, that use neither has nor is liable to have an adverse effect on the essential function of the trade mark which is to guarantee to consumers the origin of the goods or services.”

178. Whether or not *Budweiser* type exceptional circumstances are present in the current case is a jury question and one which the Tribunal must decide based on the facts of the case. Despite the fact that the applicant has filed five witness statements and a number of exhibits, I have no evidence which shows any use of the applicant’s mark, nor any sales figures or examples of where the applicant’s goods are available. In short, I cannot begin to consider this point in the absence of relevant evidence.

CONCLUSION

179. The opposition succeeds in full under section 5(2)(b) of the Act.

180. Having reached such a conclusion, I need not go on to consider the opponents’ position in respect of section 5(3) though it is worth noting that in order to succeed under this ground the opponents must prove that their earlier mark has a reputation. Reputation in this context means that the earlier trade mark is known by a significant part of the public concerned with the goods covered by that mark (see paragraph 26 of the CJEU’s judgment in *General Motors Corp. V Yplon SA (CHEVY)* [1999] ETMR 122). The Court stated:

“27 In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking promoting it.”

181. Given my findings above with regard to the opponents’ evidence and its implications for enhanced distinctive character of the earlier mark, it is highly unlikely that the opponents could satisfy the requirements for reputation under section 5(3) of the Act.

182. The opponents are in no better position in respect of their pleadings under 5(4)(a) in light of my findings under the provisions of section 5(2)(b).

Costs

183. The opponents have succeeded and are entitled to an award of costs in their favour. I bear in mind, in making an award, that a joint hearing and a case management conference have been held in addition to the substantive decision. In the course of these proceedings the applicant’s conduct has not been helpful and has, to some extent, delayed matters and has resulted in a higher level of

expenditure than would otherwise have been necessary. Consequently, costs are awarded at the higher end of the scale.

I make the award on the following basis:

Preparation and attendance at a joint hearing (15 August 2013)	£300
Preparation and attendance at a case management conference (10 June 2014)	£200
Preparing a statement and considering the other side's statement	£400
Preparing and filing evidence and commenting on the other side's evidence	£1000
Preparing and filing written submissions	£200
Official fee:	£200
Total	£2300

184. I order Pedro Carmelo Mora Alvarez to pay Bold Strategies, Inc and One 3 Two, Inc the sum of £2300. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 11th day of November 2014

**Ms Al Skilton
For the Registrar,
the Comptroller General**