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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91194864
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

H&M HENNES & MAURITZ AB, *Opposer*, -against- UNDIVIDED DESIGN, LLC, *Applicant*.	Opposition No.: 91194864

OPPOSER H&M HENNES & MAURITZ AB'S TRIAL BRIEF

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I. PRELIMINARY STATEMENT

This opposition proceeding should be sustained because Opposer H&M Hennes & Mauritz AB ("H&M") has priority of use of the trademark DIVIDED for clothing and accessory items, and all the relevant *du Pont* factors overwhelmingly demonstrate that there is a likelihood of confusion as to the source of origin of Applicant Undivided Design, LLC's ("Undivided") UNDIVIDED mark and H&M's DIVIDED mark. The respective products are identical, i.e., T-shirts, and the marks are nearly identical – DIVIDED and UNDIVIDED.

The evidence demonstrates that 1) H&M's DIVIDED trademark is arbitrary; 2) H&M has made continuous and substantial use of the trademark in connection with the sale and promotion of products bearing the trademark, proving both conceptual and marketplace strength of its DIVIDED trademark; 3) there are no restrictions as to the channels of trade or class of purchasers in either the opposed application or H&M's registrations; and, 4) T-shirts are typically sold at a low price point, making this the subject of impulsive purchasing decisions. For these reasons, as discussed more fully below, there is a strong likelihood of confusion, and thus the opposition should be sustained.

II. DESCRIPTION OF THE RECORD

The evidence of record consists of the following information and documents, which were submitted through (a) H&M's Notice of Opposition dated May 12, 2010 ("Notice of Opposition"); (b) H&M's Notice of Reliance dated October 14, 2011 ("Notice of Reliance") and exhibits thereto; and (c) the transcript of the Trial Testimony Deposition of Mr. Jeffrey Miller, the Merchandiser of H&M's DIVIDED line of clothing and accessories, dated October 7, 2011, and exhibits thereto ("Miller Dep."), submitted to the Board electronically on March 6, 2012 (redacted version) and July 9, 2012 (unredacted version) via first-class mail:

(1) H&M's federal registrations for the DIVIDED mark (the "H&M

Registrations"), submitted *via* Notice of Opposition and Notice of Reliance:

Mark	Status	Registration No.	Goods/Services
DIVIDED	Registered	2,766,051	Class 3 – Non-medicated lip balm; lip gloss; eye makeup; blush; Class 14 – Imitation jewelry and jewelry of precious metal and stones; cuff links; tie pins; Class 18 – Handbags; toiletry bags sold empty; beach bags, book bags, carry-on bags, clutch bags, traveling bags; backpacks; wallets; umbrellas; Class 25 – Headwear; footwear; and clothing, namely, T-shirts, shirts, cardigans, blouses, jackets, pants, skirts, dresses, belts, hats, scarf, gloves, tunics, knit wear, namely, heavy knitwear; shorts, sweatshirts, underwear, lingerie, bras, hot pants, suspenders, leggings, tights, socks, swimwear, bikinis, bandanas, tank tops, slippers, mittens.
DIVIDED & Design	Registered	3,476,969	Class 25 – Clothing, namely, trousers, T-shirts, coats, jackets, cardigans, skirts, dresses, blouses, overalls, underwear, jumpers, vests, fur coats and jackets, pants, hoods, shorts, blazers, men's suits, women's suits, evening gowns, tops, jeans, belts, shoulder wraps, gloves, mittens, scarves, ties, wraps, dressing gowns, night gowns, pajamas, sleepwear, bathing suits, swimwear, bikinis, socks, stockings, hats, caps, shawls, berets, and veils; headwear; footwear; Class 35 – Retail store services and online retail store services featuring soaps, perfumery, essential oils, cosmetics, hair lotions, dentifrices, costume jewelry, leather and imitation leather goods, clocks and watches, bags and luggage, umbrellas, clothing, footwear and headwear.

(2) Trial Testimony of Jeffrey Miller, DIVIDED Merchandiser of H&M Hennes & Mauritz, L.P., submitted *via* Miller Dep.;

(3) Printout from H&M Website entitled "H&M – Our Fashion Concepts,"

submitted *via* Miller Dep., as Exhibit 1;

(4) Printout from H&M Website entitled "My Selection," submitted *via* Miller Dep., as Exhibit 2;

(5) Document entitled "H&M DIVIDED Sales By Year," submitted *via* Miller Dep., as Exhibit 3;

(6) Photograph of short-sleeved round neck shirt, submitted *via* Miller Dep., as Exhibit 4;

(7) Photograph of long-sleeved woven shirt, submitted *via* Miller Dep., as Exhibit 5;

(8) Photograph of skirt from the DIVIDED Black collection, submitted *via* Miller Dep., as Exhibit 6;

(9) Photograph of two-pack of bracelets, submitted *via* Miller Dep., as Exhibit 7;

(10) Photograph of pair of DIVIDED tights, submitted *via* Miller Dep., as Exhibit 8;

(11) Photograph of pair of slippers, submitted *via* Miller Dep., as Exhibit 9;

(12) Photograph of small purse, submitted *via* Miller Dep., as Exhibit 10;

(13) Photograph of crocheted beret, submitted *via* Miller Dep., as Exhibit 11;

(14) Photographs of DIVIDED lip gloss, jewelry, handbag, and knitted sweater, submitted *via* Miller Dep., as Exhibit 12;

(15) Photographs of H&M hangtags, submitted *via* Miller Dep., as Exhibit 13;

(16) Document entitled "H&M DIVIDED Expenditures By Year," submitted *via* Miller Dep., as Exhibit 14;

(17) Screenshot of H&M Website, submitted *via* Miller Dep., as Exhibit 15;

(18) Document entitled "H&M's Autumn Season 2011," submitted *via* Miller Dep., as Exhibit 16;

(19) Screenshot of a blog entitled "New Clothing.co," submitted *via* Miller Dep., as Exhibit 17 and *via* Notice of Reliance, as Exhibit M;

(20) Screenshot of a blog entitled "whowhatwear.com," submitted *via* Miller Dep., as Exhibit 18 and *via* Notice of Reliance, as Exhibit L;

(21) Screenshot of a blog entitled "Hot Beauty Health" regarding H&M's DIVIDED Collection for Spring 2010, submitted *via* Miller Dep., as Exhibit 19 and *via* Notice of Reliance, as Exhibit O;

(22) Screenshot of a blog entitled "Hot Beauty Health" regarding H&M's DIVIDED Fall 2010 Ad Campaign, submitted *via* Miller Dep., as Exhibit 20 and *via* Notice of Reliance, as Exhibit P; and

(23) Document entitled "H&M DIVIDED – Fashion Brands," submitted *via* Miller Dep., as Exhibit 21 and *via* Notice of Reliance, as Exhibit N.

III. STATEMENT OF THE ISSUES

At issue in this opposition proceeding is whether Applicant is entitled to registration of the mark UNDIVIDED for "T-shirts" in International Class 25, under Section 2(d) of the Lanham Act, in view of H&M's prior registration and extensive use and promotion of clothing, including T-shirts, accessories, cosmetics, and retail store services under the trademark DIVIDED.

IV. RECITATION OF THE FACTS

Opposer H&M Hennes & Mauritz AB is a Swedish company that retails fashion clothing at the best prices around the world. (10/7/11 Trial Testimony Deposition of Jeffrey Miller ["Miller Dep."], 7:23-25.) H&M has a U.S. subsidiary, H&M Hennes & Mauritz, L.P.,

that arranges the distribution of the various H&M brands, including the DIVIDED brand of clothing, as well as retail operations of H&M stores in the United States. (Miller Dep., 8:2-24.) H&M is the owner of subsisting and enforceable U.S. Trademark Registration Nos. 2,766,051 and 3,476,969 for the mark DIVIDED, identifying clothing, inter alia, such as T-shirts, footwear, hats, bags, jewelry, and cosmetics (the "H&M Registrations"). As of October 2011, H&M owned 221 retail stores throughout the United States and plans to open additional stores in several geographic areas, including two stores in Salt Lake City, Utah, where the Applicant's business is located. (Miller Dep., 9:4-9.) H&M now has two stores open in Salt Lake City, Utah, among other cities. (Miller Dep., 9:10-12 and 10:17 to 11:4.).

H&M sells several lines of clothing in its stores 1) the DIVIDED brand, 2) "&Denim" brand, and 3) the H&M line. (Miller Dep., 20:14 to 22:20; Ex. 1.) The DIVIDED brand targets a younger, fashion-forward customer, typically 15 to 25. (Miller Dep., 20:14-22.) There are three different subcategories of DIVIDED clothing: one for a rock street fashion look for women, a second for a collegiate Americana look for women, and a third comprising a combination of these two looks for men. (Miller Dep., 21:4-12; Exs. 4-11.) While targeted toward a younger consumer group, the DIVIDED brand is purchased by all types of individuals, including those desiring to buy gifts for the typical DIVIDED consumer.

H&M launched the DIVIDED brand in 2003 and has continuously marketed this brand in the United States up to the present time. (Miller Dep., 19:10-14.) These products are sold in approximately 211 H&M stores, 4 of which sell only DIVIDED-branded clothing. (Miller Dep., 76:4-5; 91:8 to 93:14.) [redacted]

[redacted] As such, T-shirts are an extremely important product sold under the DIVIDED mark. (Miller Dep., 24:22 to 25:10.)

The price point for DIVIDED products begins as low as $2.95 for accessory products and goes up to $79.95 for coats, with exception for various promotions or special items. (Miller Dep., 20:22-24.) With respect to T-shirts, the price point is between $9.95 and $19.95, with the majority of shirts retailing at $12.95. (Miller Dep., 31:5-10.) In addition, H&M has special promotions wherein DIVIDED shirts are sold at a lower price such as $4.95 in an effort to increase traffic into the stores, or sold at higher prices for specialty T-shirts made in collaboration with high-end designers. (Miller Dep., 31:11-25.)

The DIVIDED name is prominently placed on each individual garment, as well as on the hangtags and other packaging. (*See, e.g.*, Miller Dep., 37:4 to 50:3.) Moreover, DIVIDED products are featured on and advertised through the H&M website, and there are concrete plans to begin sales of DIVIDED products in the United States through an online H&M store and mail-order catalogue. (Miller Dep., 28:22 to 30:24; 55:22 to 56:15; 77:24 to 81:12; Exs. 2 and 16.) H&M also advertises the DIVIDED brands in its stores by placing signage bearing the trademark throughout the store. (Miller Dep., 50:24 to 51:12.)

Additionally, H&M has placed advertisements for DIVIDED clothing products in nationally circulated magazines and magazines with distribution in major metropolitan markets, such as *Cosmo Girl*, *Seventeen*, *Spin*, *Teen Vogue*, and *Time Out NY*. (Miller Dep., 69:3 -25, Ex. 14.) Further, H&M places billboard advertisements in Los Angeles, California, and New York, New York, and also places online and television advertisements. *Id.* at pp. 57, 74-75. The total expenditure for advertisements related to DIVIDED products from 2006-2011 was just over $5.8 million. (Miller Dep., Ex. 14.)

Lastly, H&M has received a significant amount of unsolicited media attention for its DIVIDED mark and products. For instance, editorial spreads both online and in magazines frequently identify DIVIDED products that are thought to be in trend. (Miller Dep., Exs. 17-21.)

Applicant, Undivided Design, LLC, is a Utah limited liability company located in Salt Lake City, Utah. Applicant has applied to register the designation UNDIVIDED for "T-shirts" in International Class 25. The application (Serial No. 77/888,150) was filed on December 7, 2009, based upon intention to use the mark in commerce and published for opposition on April 27, 2010. H&M timely instituted this opposition proceeding on May 12, 2010. Applicant has not used its mark in the United States to date, nor proffered any evidence for the record.

Neither H&M's registrations for the DIVIDED mark nor Applicant's application for the UNDIVIDED mark contains any trade channel limitation or restriction on types of customers to whom the goods are directed.

V. ARGUMENT

A. H&M Has Standing.

Any person or entity believing that it will be damaged by the registration of a mark on the Principal Register may commence an opposition proceeding, with payment of the prescribed fee and notice to the party being opposed of the grounds for its belief. 15 U.S.C. § 1063(a); 37 C.F.R. § 2.101(b). The requirements for proving standing are quite liberal, as a party need only show it has a "real interest" and a "reasonable basis for its belief of damages." *Ritchie v. Simpson*, 170 F.3d 1092, 50 U.S.P.Q.2d 1023, 1025 (Fed. Cir. 1999); *Jewelers Vigilance Committee, Inc. v. Ullenberg Corp.*, 823 F.2d 490, 2 U.S.P.Q.2d 2021 (Fed. Cir. 1987); *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 U.S.P.Q. 185 (C.C.P.A. 1982). H&M, in this instance, has standing to oppose registration of UNDIVIDED based on its

ownership, prior use and registration of the mark DIVIDED, which predates any date to which Applicant is entitled to claim priority, and which is likely to be confused with Applicant's applied-for mark.

H&M is the owner of two valid and enforceable United States trademark registrations, U.S. Trademark Registration Nos. 2,766,051 and 3,476,969 (the "H&M Registrations"), both for the trademark DIVIDED, and which identify T-shirts and various other clothing items, accessories and cosmetic products. Also, H&M has used its registered mark DIVIDED continuously in the United States for T-shirts and other clothing and accessories since 2003. (Miller Dep., 19:10-14.) Accordingly, H&M has clearly demonstrated its standing to oppose registration of Applicant's mark. *See Lipton Industries, Inc.*, 213 U.S.P.Q. at 189.

B. <u>H&M Has Priority of Use.</u>

Where H&M bases its opposition on a likelihood of confusion, it must establish priority by showing ownership in a mark and use that predates the opposed mark, through a preponderance of the evidence. 4 J. Thomas McCarthy, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, § 23:62 (4th ed. 2011). "These proprietary rights may arise from a prior registration, prior trademark or service mark use, prior use as a trade name, prior use analogous to trademark or service mark use, or any other use sufficient to establish proprietary rights." *Herbko International Inc. v. Kappa Books Inc.*, 308 F.3d 1156, 64 U.S.P.Q.2d 1375, 1378 (Fed. Cir. 2002) (citations omitted); *see also Otto Roth & Co. v. Universal Foods Corp.*, 640 F.2d 1317, 209 U.S.P.Q. 40 (C.C.P.A. 1981). Though prior use may be established through documentary evidence, such as prior registrations or documented sales, the prior use may be shown through testimony alone or in combination with documentary evidence. *Powermatics, Inc. v. Globe Roofing Products Co.*, 341 F.2d 127, 144 U.S.P.Q. 430, 432 (C.C.P.A. 1965). Testimony alone can suffice, if it is shown as probative and based on "conviction of its accuracy

and applicability," all of which may be relied upon solely or in combination. *See B.R. Baker Co. v. Lebow Bros.*, 150 F.2d 580, 66 U.S.P.Q. 232 (C.C.P.A. 1945); *Powermatics*, 144 U.S.P.Q. at 432.

H&M is deemed to have priority from May 16, 2000, by virtue of its ownership of U.S. Registration No. 2,766,051 for DIVIDED. This registration constitutes *prima facie* evidence of H&M's exclusive nationwide right to use the registered trademark in commerce in connection with the products and/or services listed in the trademark registration from the filing date of its application. *J.C. Hall Co. v. Hallmark Cards, Inc.*, 340 F.2d 960, 144 U.S.P.Q. 435 (C.C.P.A. 1965). Further, as Mr. Miller testified, to the best of his recollection, H&M had continuously used the DIVIDED mark since 2003. (Miller Dep., 19:10-14.)

C. <u>There Is a Likelihood of Confusion as to the Source of the Goods Sold Under the DIVIDED and UNDIVIDED Marks.</u>

Based on a review of the relevant factors, there is a likelihood of confusion as to the source of origin of the products covered in H&M's registrations for DIVIDED and Applicant's pending application for UNDIVIDED.

In determining whether a likelihood of confusion exists, the Board considers the following factors and accord the appropriate weight to the relevant factors: (1) the similarity of the marks; (2) the similarity of the goods and/or services; (3) the similarity of the channels of trade; (4) level of sophistication by the purchasing public; (5) the strength of the prior mark; (6) the number and nature of similar marks in use on similar goods; (7) the nature and extent of any actual confusion; (8) the duration of concurrent use without actual confusion; (9) the variety of goods on which the marks are used; (10) the "market interface" between the registrant and the owner of a prior mark; (11) the extent to which registrant has a right to exclude others from use of its mark on its goods; (12) the extent of potential confusion; and (13) other relevant facts "probative of the effect of use." *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177

U.S.P.Q. 563 (C.C.P.A. 1973). "Not all of the *du Pont* factors may be relevant or of equal weight in a given case, and any one of the factors may control a particular case." *In re Dixie Restaurants, Inc.*, 105 F.3d 1405, 41 U.S.P.Q.2d 1531, 1533 (Fed. Cir. 1997). Notwithstanding, the two key considerations in any confusion analysis are the nature and extent of similarities between the marks and goods. *See Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 U.S.P.Q. 24 (C.C.P.A. 1976); *In re Dixie Restaurants, Inc.*, 41 U.S.P.Q.2d at 1533.

1. The Marks Are Very Similar.

With respect to reviewing the marks for similarity, it is well-settled that the marks are compared in their entireties and not dissected. McCarthy, § 23:41; *See also Dassler KG v. Roller Derby Skate Corp.*, 206 U.S.P.Q. 255 (T.T.A.B. 1980); *Genesco Inc. v. Martz*, 66 U.S.P.Q.2d 1260 (T.T.A.B. 2003). The importance of this factor lies in the commercial impression conveyed by the mark on an ordinary consumer, and not in the differences between the marks. *Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772*, 396 F.3d 1369, 73 U.S.P.Q.2d 1689 (Fed. Cir. 2005). Particularly, the main focus is on the recollection of an average consumer, who normally retains a general rather than specific impression of a mark. *Sealed Air Corp. v. Scott Paper Co.*, 190 U.S.P.Q. 106, 108 (T.T.A.B. 1975). Therefore, it is the overall general impression of the marks, accounting for the average purchaser's recollection of the mark, that should be reviewed, and not a side-by-side, specific comparison.

In the instant case, the marks are identical with the exception that Applicant's mark commences with the addition of the prefix "un" which is defined as "a prefix freely used in English to form verbs expressing a reversal of some action or state, or removal, deprivation, release, etc. (*unbend; uncork; unfasten*, etc.), or to intensify the force of a verb already

having such a meaning (*unloose*). *Merriam-Webster.com*, http://www.merriam-webster.com (13 August 2012). The mere reversal of the word "divided" does not avoid likelihood of confusion.

It is elemental that the greater the similarity between H&M's and Applicant's marks, the greater the risk of a likelihood of confusion. *Du Pont*, 177 U.S.P.Q. 563. Where the parties' marks create the same overall commercial impression, the marks are deemed to be similar. *Palm Bay Imports, Inc.*, 73 U.S.P.Q.2d 1689. Here, DIVIDED and UNDIVIDED create the same overall commercial impression. Both marks contain DIVIDED.

The Board has recognized that companies create variations of a brand or house mark, and that consumers are accustomed to seeing such. *Wet Seal Inc. v. FD Management Inc.*, 82 U.S.P.Q.2d 1629, 1642 (T.T.A.B. 2007). Moreover, many fashion companies now, more and more, create collaboration lines or "diffusion lines" of existing fashion collections. As such, a minor difference between the marks, here use of the prefix "UN," does nothing to distinguish the parties' marks, or disassociate the respective sources of the mark, especially when taking into account the average purchaser's general recollection of a trademark. It is very likely that consumers will associate H&M's DIVIDED line with Applicant's line of UNDIVIDED-branded T-shirts given the high degree of similarity of the marks; or at the very least assume the products have been either sponsored or approved by H&M because UNDIVIDED is clearly a variation of the DIVIDED mark. *See Wet Seal*, 82 U.S.P.Q.2d at 1642 (finding that consumers are accustomed to seeing variations of house marks for different but related product lines, and therefore likely to believe these varied marks originate from the same source). Moreover, Applicant has failed to provide any evidence of good faith in the adoption of the term UNDIVIDED for its trademark on T-shirts. Based on the foregoing, consumers are likely to believe Applicant's UNDIVIDED T-shirts, even if sold through non-H&M clothing retailers,

originate with, are approved by, or sponsored by H&M.

Here, because UNDIVIDED is the mere reversal of DIVIDED and they are nearly identical in appearance and sound, the marks conjure the same impression, or will at least create an association with H&M based on its significant use and advertisement of the DIVIDED mark.

2. The Goods Are the Same.

The similarity of the parties' goods in assessing likelihood of confusion is based on the goods as identified in the Applicant's pending application and H&M's registrations as pleaded. *Hewlett-Packard Co. v. Packard Press Inc.*, 281 F.3d 1261, 62 U.S.P.Q.2d 1001, 1004 (Fed. Cir. 2002). Where the goods, on which the marks are used, are identical, "the degree of similarity [between the marks] necessary to support a conclusion of likely confusion declines." *Century 21 Real Estate Corp. v. Century Life of Am.*, 970 F.2d 874, 877, 23 U.S.P.Q.2d 1698, 1701 (Fed. Cir. 1992), *cert. denied,* 506 U.S. 1034 (1992). Applicant's description of goods identifies T-shirts, which are covered in the H&M Registrations, and are highly related to the other goods therein, such as other clothing articles, accessories, bags, and retail store services for such items.

Where the parties' goods are identical, as in the present case, the likelihood of confusion between the marks is greatly increased. *Id.* Since the goods are identical, this factor weighs heavily in H&M's favor.

3. The Trade Channels Are the Same.

Where the goods are identical and there is no restriction in the identification of goods of the parties' registrations and application, the channels of trade are considered to be the same. *Octocom Systems Inc. v. Houston Computer Services Inc.*, 918 F.2d 937, 16 U.S.P.Q.2d 1783, 1787 (Fed. Cir. 1990); *In re Smith and Mehaffey*, 31 U.S.P.Q.2d 1531, 1532 (T.T.A.B. 1994) ("Because the goods are legally identical, they must be presumed to travel in the same

channels of trade, and to be sold to the same class of purchasers."). In particular, if no limitation or restriction of the description is identified in the application, then the Board may presume the goods travel in the same channels of trade to the same class of purchasers. *See, e.g.*, *Hewlett-Packard*, 62 U.S.P.Q.2d at 1005; *Octocom Systems Inc.*, 16 U.S.P.Q.2d at 1787. More importantly, "where products are closely related, merely because the products in fact would not be sold together would not necessarily prevent consumers, when encountering the products in different outlets, from believing the products come from the same source." *Wet Seal*, 82 U.S.P.Q.2d at 1642; *see also Freedom Savings and Loan Ass'n v. Fidelity Bankers Life Insurance Co.*, 224 U.S.P.Q. 300, 304 (T.T.A.B. 1984). This is especially true with respect to clothing and accessories, where the purchaser frequently shops in department stores and specialty clothing outlets. *Id.*

As previously stated, there are no restrictions in the opposed application. The normal channels of trade for T-shirts are clothing stores and online clothing retailers, as well as mass merchandise retail stores. H&M has demonstrated that it sells its products in its own clothing retail stores, and that its products are sometimes found in second-hand stores and through online auction websites. (Miller Dep., 110:23 to 111:12.) Since the opposed application contains no restrictions as to channels of trade, it is presumed that its products travel through the normal channels of trade for clothing. This factor, therefore, weights in H&M's favor because the goods are presumed to travel through the same or similar channels of trade.

4. <u>The Relevant Purchasers Are Ordinary Consumers and the Goods Are Inexpensive.</u>

Similarly, where there are no restrictions in the class of purchasers for Applicant's T-shirts, the class of purchasers is deemed to include all the usual purchasers for clothing items, including the men, women, teens, and kids who purchase and shop in H&M stores. *See Wet*

Seal, 82 U.S.P.Q.2d at 1640-41 (citing *J&J Snack Foods Corp. v. McDonald's Corp.*, 932 F.2d 1460, 1464, 18 U.S.P.Q.2d 1889 (Fed. Cir. 1991); *CBS Inc. v. Morrow*, 708 F.2d 1579, 218 U.S.P.Q. 198 (Fed. Cir. 1983)).

In addition, inexpensive items are "subject to impulse purchase and frequent replacement." *Wet Seal*, 82 U.S.P.Q.2d at 1641. "It has often been said that purchasers of such products are held to a lesser standard of purchasing care and, thus, are more likely to be confused as to the source of the goods." *Id.* (citing *Specialty Brands, Inc. v. Coffee Bean Distributors, Inc.*, 748 F.2d 669, 223 U.S.P.Q. 1281 (Fed. Cir. 1984)).

In the present case, the goods are inexpensive. H&M's DIVIDED T-shirts, the most popular selling DIVIDED product, range in price between $9.95 and $19.95, with the most common price point being $12.95. (Miller Dep., 31:5-10.) In addition, H&M has had special promotions featuring DIVIDED T-shirts at $4.95. (Miller Dep., 31:11-25.) Again, Applicant's identification is unrestricted in terms of price point and quality.

Accordingly, the fact that the goods are directed to the general public and that the goods are inexpensive, greatly increases the likelihood of confusion as to the source of the DIVIDED and UNDIVIDED marks. These factors weigh in H&M's favor.

5. <u>DIVIDED Is a Strong Mark.</u>

H&M has a strong mark, thereby decreasing the need for the marks to be identical. Accordingly, this factor weighs in H&M's favor.

The strength of the mark can play a dominant role in the balancing of the *du Pont* factors, and therefore may be reviewed first in the likelihood of confusion analysis. *Recot Inc. v. Becton*, 214 F.3d 1322, 54 U.S.P.Q.2d 1894, 1987 (Fed. Cir. 2000). "A strong mark. . .casts a long shadow which competitors must avoid. Thus, the Lanham Act's tolerance for similarity between competing marks varies inversely with the fame of the prior mark. As a mark's fame

increases, the Act's tolerance for similarities in competing marks falls." *Kenner Parker Toys Inc. v. Rose Art Industries Inc.*, 963 F.2d 350, 22 U.S.P.Q.2d 1453, 1456 (Fed. Cir. 1992); *see also Recot*, 54 U.S.P.Q.2d at 1987. Accordingly, it is fundamental to trademark law that strong marks are accorded a wide scope of protection against similar marks used on similar goods. *Id.* Factors considered in assessing strength are sales records, advertising expenditures, unsolicited advertisements, variety of goods used under the mark, and length of use. *See, e.g., Bose Corp. v. QSC Audio Products, Inc.*, 293 F.2d 1367, 63 U.S.P.Q.2d 1303, 1305 (Fed. Cir. 2002); *Coach Services Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 101 U.S.P.Q.2d 1713, 1720 (Fed. Cir. 2012).

DIVIDED is a distinctive, arbitrary mark, since it has no relation to the goods at issue, namely, T-shirts. Moreover, the DIVIDED mark has been used continuously in commerce since at least as early as 2003 on a large variety of goods throughout the United States, as well as many foreign countries. Presently, H&M has close to 230 stores in the United States that sell DIVIDED-branded clothing and other products, including 4 stores that exclusively carry DIVIDED-branded clothing and accessories. (Miller Dep., 9:4-9.) The DIVIDED line contains various clothing articles and accessories, which include, inter alia, men's and women's clothing articles, footwear, jewelry, hats, purses, tights, and cosmetics. (Miller Dep., 37:4 to 48:20, Exs. 4-12.) Each product is clearly and uniformly labeled with a DIVIDED hangtag and an internal, sewn DIVIDED label. (Miller Dep., 37:4 to 50:3.) The consistent and uniform use and appearance of the DIVIDED mark on these and other DIVIDED-labeled products contribute to strong brand awareness and identity by consumers.

Additionally, H&M has provided evidence showing the significant sales of advertising expenditures for DIVIDED products. H&M's sales of DIVIDED products have steadily increased every year, since its first sales in 2003, and constitute close to one-third of

H&M's overall annual U.S. revenues:

[redacted]

[redacted] The advertising appeared in many nationally circulated magazines, such as *Cosmo Girl*, *Seventeen*, *Spin*, and *Teen Vogue*; as well as local magazines and billboards – including in populous cities such as Los Angeles, California, and New York, New York. (Miller Dep., 64:4 to 67:3, Ex. 14.) Lastly, H&M has provided printouts from unsolicited advertisements and instances of editorial coverage for DIVIDED clothing products and accessories. (Miller Dep., 84:7 to 90:25, Exs. 17-21.)

In sum, the mark DIVIDED, as applied to clothing and other fashion accessories, is properly classified as an arbitrary term, which is inherently distinctive and among the strongest of marks. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 23 U.S.P.Q.2d 1081, 1083 (1992) ("The latter three categories of mark, [suggestive, arbitrary and fanciful] because their intrinsic nature serves to identify a particular source of a product, are deemed inherently distinctive and are entitled to protection."). McCarthy, § 11:62, et seq. Additionally, the mark has significant marketplace recognition. Thus, the DIVIDED mark is a strong, if not famous, trademark. Accordingly, this factor weighs in favor of H&M.

6. The Number and Nature of Similar Marks In Use On Similar Goods.

There are very few trademarks in use for similar goods which incorporate the term DIVIDED. Accordingly, this factor favors H&M.

7. The Nature and Extent of Any Actual Confusion and the Duration of Concurrent Use Without Actual Confusion.

This factor is moot since Applicant has not commenced use of the UNDIVIDED mark.

8. The Variety of Goods On Which The Marks Are Used.

H&M uses the DIVIDED trademark on numerous products which increases likelihood of confusion. Accordingly, this factor favors H&M.

9. No Market Interface Between the Parties.

There is no issue of market interface. Therefore, this issue is irrelevant.

10. Potential for Confusion Is Substantial.

H&M sells and advertises its DIVIDED products nationally, and to all types of consumers (men, women, teens and children). Given that its U.S. sales alone are in the hundreds of millions of dollars, and with over 200 stores in close to 30 states, H&M clearly reaches a very broad segment of the U.S. population. While Applicant has failed to proffer any evidence showing use of its UNDIVIDED mark, if it does begin to use the UNDIVIDED mark, consumers will very likely believe the T-shirts sold under the respective marks emanate or are affiliated with a single source – H&M. Thus, whereas in the present case, the goods are identical, the marks are nearly identical, and the goods are inexpensive and sold to the general public, the potential for confusion is significant.

VI. CONCLUSION

Based on the foregoing, H&M respectfully requests that the Board sustain the opposition and refuse to register the UNDIVIDED mark, on the basis that it is likely to cause confusion as to the source, sponsorship, or approval of Applicant's goods with H&M, which has shown long-standing and exclusive use of the DIVIDED mark for clothing and other goods.

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Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the **OPPOSER H&M HENNES & MAURITZ AB'S TRIAL BRIEF** was served on the following counsel by first-class mail, this 13th day of August, 2012:

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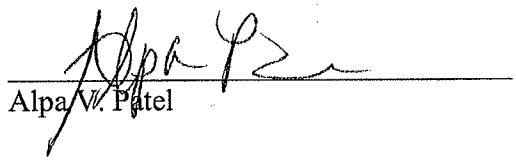

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