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

Proceeding	91194864
Party	Plaintiff H&M Hennes & Mauritz AB
Correspondence Address	MARK I PEROFF MANATT PHELPS & PHILLIPS LLP SEVEN TIMES SQUARE NEW YORK, NY 10036 UNITED STATES mperoff@manatt.com, avpatel@manatt.com, blsmith@manatt.com, apatel@manatt.com, trademarksny@manatt.com
Submission	Rebuttal Brief
Filer's Name	Mark I. Peroff
Filer's e-mail	mperoff@manatt.com, avpatel@manatt.com, blsmith@manatt.com, trademarksny@manatt.com
Signature	/Mark I. Peroff/
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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 REPLY BRIEF

PRELIMINARY STATEMENT

Applicant's Brief on the Merits ("Applicant's Brief") is replete with misstatements of fact and law, and makes unsupported arguments and assertions that are in direct opposition to basic principles of trademark law. In essence, Applicant makes three arguments for dismissal of the opposition: (1) Hennes & Mauritz AB ("H&M") did not provide expert testimony or consumer surveys showing actual confusion, (2) DIVIDED and UNDIVIDED have opposite meanings and are therefore not similar, and (3) H&M's use of its house mark precludes any finding of confusion.

Applicant's arguments are without merit. First, the cases are legion in holding that evidence of actual confusion is not necessary to establish that there is a likelihood of confusion, and that a lack of such evidence does not weigh against a likelihood of confusion. These principles are especially applicable where there is no concurrent use of the marks in issue. Second, marks are analyzed for similarity in sound, appearance, and not only in meaning. Third, when an Opposer pleads a registered mark, the Trademark Trial and Appeal Board ("Board") is required to look at *only* the contents of a trademark registration for determining whether there is a likelihood of confusion. Thus, since H&M's pleaded registrations are for the word "DIVIDED" in standard character and in stylized format, *neither of which contain "H&M,"* the fact that H&M uses its house mark in advertising and on labels carries no weight in the likelihood of confusion analysis.

Accordingly, Applicant's arguments fail as a matter of law, requiring the Board to sustain H&M's opposition.

ARGUMENT

Applicant's arguments in support of its contention that there is no likelihood of confusion are contrary to well-established Federal Circuit or simply inapposite given the factual circumstances of the case. H&M will address each of the relevant factors discussed in Applicant's Brief to highlight the legal inaccuracies and unsupported arguments, thereby demonstrating that there is, indeed, a significant likelihood of confusion in this case.

1. Similarity Of The Marks.

Opposer has pleaded two registrations: one for DIVIDED in standard characters (U.S. Registration No. 2,766,051) and one for DIVIDED stylized (U.S. Registration No. 3,476,969). Applicant suggests that the Board import the term "H&M" into Opposer's pleaded registrations because the mark is one of Opposer's brands, and the name "H&M" appears on certain product labels. The Board should disregard Applicant's assertions. Opposer has failed to cite any authority supporting its argument that the Board may limit the scope of Opposer's trademark rights and registration, by analyzing the mark *solely* by the way the mark is presently used in commerce. This is likely so because Applicant's proposition is contrary to Federal Circuit holdings: "[r]egistrations with [standard characters] are not limited to any particular rendition of the mark and, in particular, *are not limited to the mark as it is used in commerce.*" *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 950 (Fed. Cir. 2000) (emphasis added); *see, e.g., Vornado, Inc. v. Breuer Elec. Mfg. Co.*, 390 F.2d 724, 727 (C.C.P.A. 1968) ("[T]he display of a mark in a particular style is of no material significance since the display may be changed at any time as may be dictated by the fancy of the applicant or the owner of the mark."); *Envtl. Dynamics, Inc. v. Stamford Sci. Int'l, Inc.*, Cancellation No. 92045054, 2009 TTAB LEXIS 126 (T.T.A.B. 2009).

Therefore, the proper analysis of similarity involves evaluating the pleaded registrations for DIVIDED with Applicant's applied-for mark, UNDIVIDED.

Applicant's argument for the marks being dissimilar is based on the marks' opposing definitions and other microscopic dissections of the marks (i.e. number of syllables). (Applicant's Brief, pp. 4-5.) However, different meanings meaning and minor differences in the marks are not enough show the marks are not similar in overall impression, let alone sufficiently different to dispel consumer confusion. It is well-established that the proper focus is on the recollection of the average customer, who retains a *general* rather than specific impression of the marks. *Winnebago Industries, Inc. v. Oliver & Winston, Inc.*, 207 U.S.P.Q. 335, 344 (T.T.A.B 1980).

As H&M explained in its opening brief, DIVIDED and UNDIVIDED are similar in their overall commercial impression. The marks share the same root word – DIVIDED. Use of the prefix “un” does nothing to dispel confusion. To the contrary, consumers are likely to still associate the marks because companies often launch various lines of products under similar names. As such, there is significant risk that consumers will associate or confuse the sources of the DIVIDED and UNDIVIDED marks, because the words are related and share the same core word.

2. Similarity Of The Goods.

Applicant admits that its application and Opposer's pleaded registrations identify the same goods. (Applicant's Brief, p. 7.) In addition, since the goods are identical, the degree of similarity required between marks to support a finding of likelihood of confusion decreases. *See Century 21 Real Estate Corp. v. Century Life of America*, 23 U.S.P.Q.2d 1698, 1700 (Fed. Cir. 1992). As such, there is no dispute that this factor weighs heavily in H&M's favor.

3. Channels Of Trade.

Applicant argues that since H&M sells the DIVIDED brand of clothing in its brick-and-mortar stores this “rebutts any presumption that products bearing Applicant’s ‘UNDIVIDED’ mark will be sold through the same channels as H&M’s sub-branded products.” (Applicant’s Brief, p. 7.) Applicant’s argument and analysis concerning this factor are wrong.

Applicant fails to address H&M’s cited authority that clearly states where the goods are identical and there is no restriction in the identification of goods of the parties’ registration and application, *the channels of trade are considered to be the same. Octocom Systems Inc. v. Houston Computer Services Inc.*, 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.”).

Significantly, in *Wet Seal Inc. v. FD Management Inc.*, the Board analyzed this factor in the context of one party’s goods being sold in its own retail stores. 82 U.S.P.Q.2d 1629, 1642 (T.T.A.B. 2007). The Board held: “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.” *Id.*; *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).

Since there are no restrictions in either the opposed application or H&M’s pleaded registrations, the respective goods are considered to travel in the same channels of trade. This factor too weighs in H&M’s favor.

4. Sophistication Of Purchasers/Impulse Purchases.

Applicant admits that purchasers of T-shirts are not sophisticated. (Applicant's Brief, p. 7). Applicant goes on to state that, despite the low level of sophistication of the purchasing public, the fact that H&M's goods are sold in its retail stores is enough to dispel any confusion. Applicant fails to address the Board's *Wet Seal* decision, which held that *consumers are still susceptible to confusion even where similar products are sold in different retail outlets. Wet Seal*, 82 U.S.P.Q.2d at 1642. Applicant also fails to address H&M's concern for downstream confusion (post-sale confusion) and sponsorship/affiliation confusion, especially since brands create (and/or collaborate with others to create) different lines of products that can be and are sold in different retail outlets. Further, Applicant also fails to address the issue of the retail price of the goods, which H&M has demonstrated is low, making the goods an "impulse purchases." It is well-settled that low level of consumer sophistication combined with impulse buying decisions, means confusion is more often likely.

Taking into account that there is a low level of sophistication and that the goods are purchased impulsively (as they are inexpensive), this factor strongly supports the conclusion that confusion is very likely. Therefore, this factor weighs in H&M's favor.

5. Strength Of H&M's DIVIDED Mark.

H&M has put forth significant evidence establishing that the DIVIDED mark is very strong. (H&M's Brief on the Merits, pp. 14-16.) Applicant makes irrelevant arguments such as that H&M's DIVIDED brand is a "sub-brand" and therefore is not a strong mark because consumers think of H&M and not the DIVDED mark. (Applicant's Brief, pp. 8-9.) First, Applicant's arguments as to what consumers think of or recognize on labels is completely speculative and lacks any scientific or other support. Thus, this argument should be stricken

from the record. Second, the fact that DIVIDED is a H&M brand does not reduce the strength of the DIVIDED mark, nor does Applicant provide any authority or evidence supporting its untenable position.

More importantly, Applicant failed to address H&M's evidence showing the mark has significant marketplace and conceptual strength. *Id.* To reiterate, H&M's DIVIDED mark is an arbitrary mark and H&M has provided evidence of significant sales, advertising expenditures, and prominent use of the mark on packaging and signage. This evidence strongly supports the conclusion that H&M's DIVIDED mark is strong.

Since H&M's mark is considered strong, it supports a finding that confusion is likely because the marks are similar. Accordingly, this factor also weighs in H&M's favor.

6. Nature And Number Of Other Marks In Use On Similar Products.

Applicant admits the record is devoid of any evidence showing similar marks are used on similar goods. (Applicant's Brief, p. 10.) This factor "is relevant to show that a mark is relatively weak and entitled to only a narrow scope of protection" where consumers are accustomed to seeing numerous similar marks owned by third parties and in use on similar goods. *Palm Bay Imps., Inc. v. Veuve Clicquot Ponsardin Maison Fondée en 1772*, 396 F.3d 1369, 1373-74 (Fed. Cir. 2005).

With no record evidence of similar marks, H&M is entitled to a wide scope of protection. This factor similarly weighs in H&M's favor.

7. Actual Confusion.

Applicant admits that evidence of actual confusion is not necessary to satisfy an opposer's burden in proving a likelihood of confusion. (Applicant's Brief, p. 10.) However, Applicant states that "H&M's failure to present any evidence of actual confusions [sic] supports

the conclusion that no likelihood of confusion exists.” *Id.* This argument is contrary to well-established Federal Circuit precedent: the absence of actual confusion does not mean there is no likelihood of confusion. *Giant Food, Inc. v. Nation’s Foodservice, Inc.*, 218 U.S.P.Q. 390, 396 (Fed. Cir. 1983); *J & J Snack Foods Corp. v. McDonald’s Corp.*, 18 U.S.P.Q.2d 1889, 1892 (Fed. Cir. 1991).

The lack of any evidence of actual confusion, e.g. anecdotal or surveys, is meaningful only when there has been a significant period of concurrent use of marks by the respective parties. *See, e.g., G.H. Mumm & Cie v. Desnoes & Geddes Ltd.*, 16 U.S.P.Q.2d 1635, 1638 (Fed. Cir. 1990); *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 50 U.S.P.Q.2d 1545, 1555-56 (9th Cir. 1999); *Oreck Corp. v. U.S. Floor Systems, Inc.*, 231 U.S.P.Q. 634, 639 (5th Cir. 1986).

Here Applicant has not commenced use of its mark. Thus anecdotal evidence does not exist, and well-established case law states that the lack of survey evidence does not weigh against a finding of confusion. Accordingly, this factor is neutral and/or irrelevant.

8. Concurrent Use.

This factor is neutral, as there is no concurrent use of the respective marks.

9. Variety Of Goods On Which H&M Uses Its Mark.

Applicant misapplies this factor, which looks at the variety of products on which the senior user uses its mark. (Applicant’s Brief, p. 10.) This factor weighs strongly in H&M’s favor because the DIVIDED mark is used on numerous products. Since consumers are accustomed to seeing the mark on a wide variety of products, including T-shirts, there is a significant risk that consumers will associate the sources of the DIVIDED and UNDIVIDED marks. Accordingly, this factor favors H&M.

10. Market Interface.

The parties agree there is no interface between the parties, rendering this factor neutral.

11. Potential For Confusion Is Substantial.

Here, Applicant confuses issues, and points to irrelevant facts in review of this factor. 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. As such, no matter where Applicant uses its UNDIVIDED mark or in which retail outlets it sells its products, there is significant risk that consumers are susceptible to confusion based on H&M's national use.

This factor additionally weighs in H&M's favor.

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 after weighing and considering the relevant *du Pont* factors, registration and use of the UNDIVIDED mark on T-shirts by the Applicant is likely to cause confusion as to the source, sponsorship, or approval of Applicant's goods with H&M, which has demonstrated long-standing and exclusive use of the DIVIDED mark for clothing and other goods.

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Respectfully submitted,

MANATT, PHELPS & PHILLIPS, LLP

By: 

Mark I. Peroff

Alpa V. Patel

7 Times Square

New York, NY 10036

P: (212) 790-4500

F: (212) 790-4545

E: mperoff@manatt.com

avpatel@manatt.com

trademarksny@manatt.com

Attorneys for H&M Hennes & Mauritz AB

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the **OPPOSER H&M HENNES & MAURITZ AB'S REPLY BRIEF** was served on the following counsel by first-class mail this 4th day of October, 2012:

Matthew M. Boley, Esq.
PARSONS KINGHORN HARRIS
111 East Broadway, 11th Floor
Salt Lake City, UT 84101
Email - mmb@pkhlawyers.com



Alpa V. Patel

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